



*of Companies*

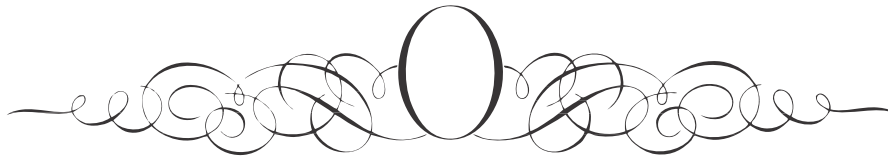
33<sup>rd</sup> Annual Report 2020

UMER GROUP OF COMPANIES

BLESSED TEXTILES LIMITED

## *Vision*

*A Leader Company maintaining  
an excellent Level of ethical and  
Professional standards*



## *Mission Statement*

*To become a top quality  
Manufacturer of textile products  
in the Local  
&  
International markets*

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## CORPORATE INFORMATION

<b>Board of Directors</b>	Mr. Mohammad Salim	Non-Executive Director / Chairman
	Mr. Muhammad Shaheen	Executive Director
	Mr. Adil Shakeel	Executive Director
	Mr. Khurram Salim	Non-Executive Director
	Mr. Bilal Sharif	Non-Executive Director
	Mr. Muhammad Amin	Executive Director
	Mrs. Samia Bilal	Non-Executive Director
	Mr. Iqbal Mehboob	Independent Director
	Mr. Asif Elahi	Independent Director
	Mr. Mustafa Tanvir	Independent Director
<b>Chief Financial Officer</b>	Mr. Abdul Basit Janjua	FCA
<b>Company Secretary</b>	Mr. Ghulam Mohiuddin	ACMA
<b>Audit Committee</b>	Mr. Iqbal Mehboob	Chairman
	Mr. Bilal Sharif	Member
	Mr. Khurram Salim	Member
<b>Human Resource Committee</b>	Mr. Iqbal Mehboob	Chairman
	Mr. Adil Shakeel	Member
	Mr. Khurram Salim	Member
<b>Auditors</b>	M/s Rehman Sarfraz Rahim Iqbal Rafiq Chartered Accountants 72, Faisal Town, Lahore.	
<b>Legal Advisor</b>	Shahid Pervaiz Jami	
<b>Bankers</b>	Bank Alfalah Limited Dubai Islamic Bank Faysal Bank Ltd Habib Bank Limited MCB Bank Limited Meezan Bank Limited Samba Bank Limited United Bank Limited Bank Islami Pakistan Ltd Bank Al Habib Limited Habib Metropolitan Bank Ltd Standard Chartered Bank Pakistan Ltd	
<b>Share Registrar</b>	Hameed Majeed Associated (Private) Limited 5th Floor Karachi Chamber, Karachi.	
<b>Registered Office</b>	Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, Pakistan Tel : 021 35115177 - 80 ; Fax: 021 -35063002-3 Email: <a href="mailto:khioff@umergroup.com">khioff@umergroup.com</a> Website: <a href="http://www.umergroup.com">http://www.umergroup.com</a>	
<b>Liaison / Correspondence Office</b>	9th Floor, City Towers, 6-K, Main Boulevard Gulberg - II, Lahore, Pakistan Tel : 042 111 130 130 ; Fax: 042 -35770015 Email: <a href="mailto:lhroff@umergroup.com">lhroff@umergroup.com</a> Website: <a href="http://www.umergroup.com">http://www.umergroup.com</a>	
<b>Mills</b>	Feroz Watwan, Sheikhpura, Punjab. Tel: 056 3731723	

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 33rd Annual General Meeting of the members of Blessed Textiles Limited will be held on Tuesday 27th October 2020 at 11:00 AM., at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

### Ordinary Business

1. To confirm the minutes of the last Annual General Meeting held on 26th October 2019
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2020 together with the Auditors' and Directors' Report thereon.
3. To appoint the auditors for the next term i.e. year 2020-2021 and fix their remuneration. The retiring auditor M/S Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, being eligible, offer themselves for reappointment.
4. To transact any other business with the permission of the chairman.

(By the order of the Board)

Karachi:

Dated: 29<sup>th</sup> September 2020

Ghulam Mohiuddin

Company Secretary

### Notes:

1. For attending meeting electronically due to COVID 19 Pandemic

In pursuance of circular 5 & 25 of 2020 issued by SECP to facilitate the shareholder(s) for attending the Annual General Meeting (AGM) of the company electronically through video link facility, "Zoom" which is available on Google Play or Apple App Store. The entitled member(s) are requested to get themselves registered at least 2 working days before holding of the time of AGM at [btl.corporate@umergroup.com](mailto:btl.corporate@umergroup.com) by providing the details on the following format:

Name of Shareholder	CNIC No.	Folio No.	Cell No.	Email Address

The company will send login details to the members email address for participation in AGM proceedings either through their smart phones or computer devices.

The login facility will be opened (30) thirty minutes prior to the schedule of meeting for verification process.

Members are encouraged to participate virtually due to prevailing pandemic situation.

2. The Shares Transfer Books of the Company will remain closed from 19th October 2020 to 27th October, 2020 (both days inclusive). Transfers received in order at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 18th October 2020 will be treated in time for the purpose of entitlement to attend the Annual General Meeting of the company.
3. Members are requested to attend in person along with Computerized National Identity Card ("CNIC") or appoint some other member as proxy and send their proxy duly witnessed so as to reach the registered office of the company not later than 48 hours before the time of holding the meeting.

## NOTICE OF ANNUAL GENERAL MEETING

4. Pursuant to section 132(2) of Companies Act, 2017 the company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the company reside, provided that the Company receives their demand to participate in annual general meeting through video-link at least seven (07) days prior to the date of meeting.

In this regard, it is requested to fill the following Form and submit at the registered address of the Company at least 10 days before holding of the Annual General Meeting:

"I/We, \_\_\_\_\_ being a member of Blessed Textiles Limited, holder of \_\_\_\_\_ ordinary shares vide folio \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_."

\_\_\_\_\_  
Signature of Member

5. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport, Account and participant's I.D. numbers, to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose. The account/ sub account holders of CDC will further have to follow the guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan.
6. In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares, dividend or modarba certificates as on June 30, 2020 have been uploaded on our website: [www.umergroup.com](http://www.umergroup.com). In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office with regard to any unclaimed dividend, shares or modarba certificates.
7. Members are requested to immediately inform of any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.
8. Pursuant to Notification vide SRO 787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. [www.umergroup.com](http://www.umergroup.com). Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 2MB file in size. Further, it is the responsibility of the member to timely update the Share Registrar of any change in the registered e-mail address.
9. E-Voting, members can exercise their right to demand a poll subject to meeting requirements of Section 143 - 145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.
10. Due to prevailing pandemic situation members are requested to adhere the following SOP's for their own safety during the meeting;
- i) Wear the mask appropriately during the entire meeting.
  - ii) Maintain the social distancing during the entire meeting.
  - iii) Follow the seating arrangement as per social distancing norms in the meeting area.
  - iv) Children should not accompany members.
  - v) Members with even mild cough or low-grade fever are prohibited to attend the meeting.

## CHAIRMAN REVIEW REPORT

As required under section 192(4) of Companies Act 2017 attached herewith a review report for the year ended June 30, 2020 by the chairman on overall performance and effectiveness of the board of **Blessed Textiles Limited** (Board) in achieving its objectives.

The COVID-19 pandemic has expanded across national borders impacting economies around the world by unleashing the worst economic downturn since the great depression and is expected to have a prolonged impact on the global economy.

From the governance perspective the Board has performed and discharge its duties as per guidelines and provisions of Companies Act 2017(Act), Code of Corporate Governance Regulations 2019 (Code), Securities and Exchange Commission of Pakistan (SECP) Pakistan Stock Exchange (PSX).


The Board has strong governance framework that structures the board and how it operates in which all the members understands the division of responsibilities to perform in effective manner for achievement of corporate objectives. There is less contention among board and committee members, to build far greater efficiency in developing strategy and accounting for the board's results.

The Board has established robust risk management policies and these were reviewed at regular intervals for the identification, assessment and prioritization of risks followed by minimizing, monitoring and controlling the impact of risk realities and enhancing the opportunity potential by applying coordinated and economical resources. The devised strategies and objectives of the company are continually monitored for progress against the objectives whereas independent directors challenge the board's perspectives to ensure sound decision-making.

In pursuant of regulation 10(3)(V) of the Code, the management has established formal mechanism internally to conduct evaluation process of the Board, members and committees. All the members of the Board are accredited under directors training program (DTP) as required under chapter VI of the Code. There has been an extensive and functional website is maintained to keep the shareholders abreast with corporate financial performance, notices, announcements. Both the audit and human resource committees are chaired by an independent director.

The board strictly adhere to corporate governance standards and always strives for incessant improvement rather perfection. The board ensure the compliance of code with regard to the appointment of chief financial officer, company secretary and head of internal audit. The board in consultation with audit committee has developed a robust internal audit department which functionally reports to the audit committee to assures independence of audit function. The internal audit team comprised of appropriate members encompassing requisite experience and skills to discharge their responsibilities effectively.

**Karachi:**  
**Date: 29<sup>th</sup> September 2020**

  
**Mohammad Salim**  
(Chairman)

## Directors Report

### Dear Members

The Directors of your Company are pleased to present herewith the audit report on financial statement of the Company for the year ended June 30, 2020.

### Financial Representation

	Year ended June 30 2020 Rupees	Year ended June 30 2019 Rupees
Sales	12,359,645,877	12,346,174,829
Cost of goods sold	(11,111,877,733)	10,733,443,352
Gross profit	<b>1,247,768,144</b>	<b>1,612,731,477</b>
Other operating income	32,500,619	6,804,907
	<b>1,280,268,763</b>	<b>1,619,536,384</b>
Selling & Distribution cost	(233,025,294)	223,401,105
Administrative expenses	(155,084,179)	132,042,342
Other operating expenses	(36,172,073)	104,264,650
Finance cost	(306,630,426)	371,504,106
	<b>(730,911,972)</b>	<b>831,212,203</b>
Profit before tax	<b>549,356,791</b>	<b>788,324,181</b>
Provision for taxation		
Current year	(153,129,370)	130,161,231
Deferred	29,049,294	22,738,177
	(124,080,076)	152,899,408
Profit after tax	<b>425,276,715</b>	<b>635,424,733</b>
Earnings per share - basic and diluted	<b>66.12</b>	<b>98.79</b>

The sales has been marginally increased by PKR 13.471 million i.e from PKR 12,346.175 million to PKR 12,359.646 million during the current year ended June 30, 2020 as compared to corresponding year.

The gross profit to sales in current year is 10.10% as compared to previous year where it stood at 13.06% showing a decrease of 2.97% during the corresponding period.

The company earned net profit after tax of PKR 425.276 million during the year ended June 30, 2020 as compared corresponding period where it stood at PKR 635.425 million.

### Dividend and General Reserves Appropriation

The company has paid interim dividend for the half year ended December 31, 2020 at 234.00% (PKR 23.40 per share) in addition to the annual dividend of 198.00% (PKR 19.80 per share) for the preceding year ended June 30, 2019.

As the pandemic situation is not over yet and in the best interest of the company the board of directors have agreed that declaring dividends shall be refrained for the current year. In this context as recommended by the audit committee, the board of directors have decided that no dividend shall be declared for the current year ended June 30, 2020.

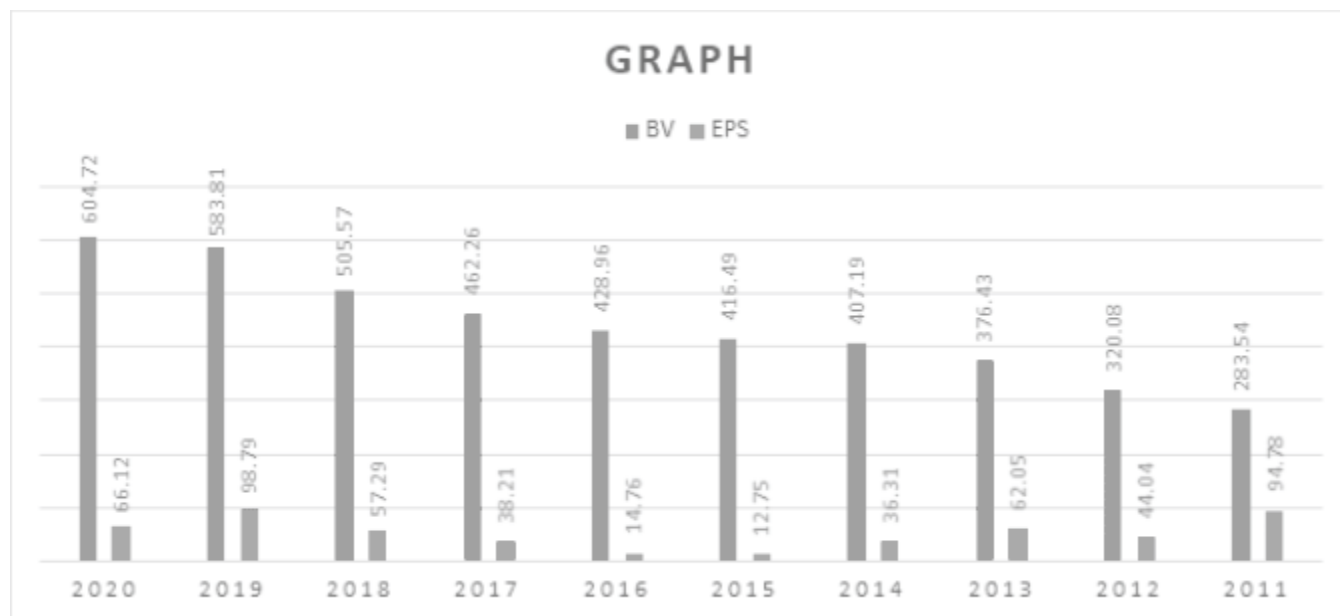
Besides, the company has availed the deferment of principal for long term loans and refinancing scheme for payment of employees' salaries offered by SBP to minimize the financial impact of Covid19 which also restricts the payment of dividends for 2020 and 2021.

Moreover, the board of directors have proposed to transfer an amount of PKR 300.00 million to the general reserves to meet any unforeseen contingency.



## Earnings per Share and Break-up Value of Share

The earning per share for the year ended 30th June, 2020 is PKR 66.12 as compared to the year 30th June, 2019 where it stood at 98.79. Similarly, the breakup value per share for the year ended 30th June, 2020 is PKR 604.72 as compared to the corresponding year where it was stood at PKR 583.81.



## Cash Flow Management

Working capital management has a significant role in the success of any business enterprise thus the company focuses on efficient working capital management ensuring and striving for optimum utilization of resources tied to working capital.

The current ratio during the year ended June 30, 2020 is 1.62 (2019:1.67) which is considered satisfactory for the company to pay its current obligation in time. During the current year the company has paid PKR 354.095 million on account long term finances.

Moreover, during the year ended June 30, 2020 PKR 276.277 million has been paid as dividends to the shareholders.

## Financing Structure

A decision on the components of capital structure for a company is of critical importance and have a potential impact on profitability and long term sustainability thus the structure has been maintained in such a way that it derives maximum advantage out of it and is able to adopt the dynamic business environment.

The gearing ratio is 1.41 during the current year ended June 30, 2020 as compared to corresponding year where it stands 1.11. Though the gearing ratio has been slightly increased during the current period under review but still it's an acceptable limit for financial institution and as per industry norms.

## Balancing, Modernization & Replacement

The company incurred PKR 423.206 million during the current year for modernization of plant and machinery in order to cope up with the technological advancement around the globe.

## Credit Rating

The final rating of A-/A 1 (Single A Minus / A-One) has been assigned to the company by the rating company Messer's VIS on April 22, 2020. The assigned ratings have been placed on "Rating Watch-Developing" status.

## Financial Statements

As required under Companies Act 2017, listing regulations of PSX and directives issued by the SECP the Chief Executive Officer and Chief Financial Officer presented the financial statements of the company for the year ended June 30, 2020, duly endorsed under their respective signatures for consideration, approval and authorization by the board of directors for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company, Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants and the auditors have issued clean audit report on the financial statements for the year ended 30th June 2020 and clean review report on Statement of Code of Corporate Governance Regulations, 2019 "Code". These reports are attached with the financial statements.

## Accounting Standards

The accounting policies of the Company fully reflect the requirements of the Companies Act, 2017 and such approved International Accounting Standards and International Financial Reporting Standards as have been notified under this Act as well as through directives issued by the Securities and Exchange Commission of Pakistan.

## Economic Overview of Pakistan

Pakistan is showing signs of business activity picking up at a faster clip, as worries about new coronavirus infections fade in an economy that contracted for the first time in seven decades. However, spurred by improved growth in agriculture and industry, coupled with an expected improvement in domestic demand overall growth in the current fiscal year is predicted. Pakistan's growth forecast to recover in fiscal year 2020-21 as economic sentiment improves with the expected subsiding of Covid-19 and the resumption of structural reform including the approval of FATF legislation by the parliament. It is also expected that Pakistan's economy may grow at a pace of 2% in the current fiscal year, the fifth lowest pace after South Asian countries. Source: ADB report

In the latest meeting the State Bank of Pakistan (SBP) has kept the benchmark rate unchanged at 7 percent whereas the forecast for inflation has risen slightly, primarily due to recent supply side shocks to food prices. The average inflation is now expected to fall within the previously announced range of 7 - 9 percent during FY21, rather than marginally below as compared to earlier forecast. By taking in account the changes in the outlook for inflation, growth and the impact of the stimulus measures undertaken by the Government and SBP, the maintaining of the key rate at 7 percent remained appropriate to provide needed support to the emerging recovery while keeping inflation expectations well-anchored and maintaining financial stability. The much needed but tough decision taken by the central bank by changing the exchange rate regime from a pegged exchange rate to a market-based exchange rate showing positives signs in overall economy and stability of exchange rate over the period.

In continuation of foregoing discussion here we would like to appreciate the role of SBP during Covid 19 by allowing deferring the loan repayment, lowering the policy rate, facilitating digitalization and introducing refinance scheme for employees' salaries to combat against the adverse effects of pandemic by the businesses.

The latest reports are coming from neighboring countries that coronavirus pandemic continues to spread relentlessly resulting in a rapid shift of the garment orders from the major international markets towards Pakistan which led a push to the entire textile industry of Pakistan. In spite of the flurry of export orders in the country we are unable to cater them timely as we are facing a severe shortage of yarn due to a shortage of cotton. The shortage renders a major hurdle for the local industrialists to take advantage of this opportunity window and build long term binding relation for future. On the contrary our exporters are worried if immediate steps are not taken by the government, not only orders stop moving to Pakistan but local industrialists will also lose out to permanent buyers.

Cotton is the backbone of the country's rural economy and provides direct and indirect job opportunities to millions of laborers. Pakistan's cotton production has fallen from 14 million bales in 2014-15 to 9.17m bales in 2019-20 due to unfavorable weather, low water availability and locust attacks. The outbreak Covid 19 pandemic has also impacted negatively in the entire value chain of textile industry.

Apart from providing employment to a huge number of people, the textile sector also supported more than 40 allied industries and delay in taking corrective measure may led to closure of industries, flight of capital, and massive unemployment.

*Owing to these constraints, we recommend some immediate steps to be taken else it will be a blow to whole textile industry of Pakistan.*

- Immediately release the income and sales tax refunds as textile industry facing severe liquidity crunch due to the imposition of GST.
- Uninterrupted supply of gas during winter season as the alternative sources will increase the cost of production.

- Waiver of import duty and income and sales taxes on import of yarn and raw cotton.
- Relaxation in recovery of GIDC due to pandemic situation and liquidity crunch faced by the industry.
- Concrete measure to combat with locust attack by the farmers.

## Compliance with Code of Corporate Governance

The Statement of Compliance with the Code of Corporate Governance is annexed.

## Statement on Corporate and Financial Reporting Framework

The Directors of your company are aware of their responsibilities under Companies Act 2017, Regulations under Code of Corporate Governance Regulations 2019 "Code", Rule Book of the Pakistan Stock Exchange Limited and directives issued by Securities & Exchange Commission of Pakistan. As a part of the compliance to the regulators we confirm the following:

- These financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control was sound in design and has been effectively implemented and monitored.
- There were no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- We have prepared and circulated a Code of Conduct and business strategy among directors and employees.
- The Board of Directors has adopted a vision and mission statement and a statement of overall corporate strategy.
- All the directors have attended its general meeting unless preclude due to reasonable reason.
- All the directors are assigned with their responsibilities, roles, remuneration, powers and obligation at the commencement of their terms in accordance with Code of Corporate Governance, Companies Act and Article of Association.
- All the directors of the Company are accredited / exempted under Directors Training Program (DTP) as required by the Code of Corporate Governance regulation.
- There has been a proper updated record of the significant policies duly approved by the board of directors on human resource, whistle blower, procurement, communication mechanism with stakeholders, environment, health and safety, director's remuneration, anti-money laundering and risk management etc.
- As required by the Code of Corporate Governance and Companies Act 2017, we have included the following information in this report:
  - o Statement of pattern of shareholding has been given separately.
  - o Statement of shares held by associated undertakings and related persons.
  - o Statement of the board meetings and annual general meeting held during the year and attendance by each director has been given separately.
  - o Chairman review report under the provisions of section 192(4) of the Companies Act.
  - o Statement of compliance duly signed by the chairman under regulation 36 of the Code.

- Key operating and financial statistics for last six years. Information about taxes and levies had been adequately disclosed in the annexed audited financial statements.
- The company strictly follow the guidelines issued by SECP on prohibition of insider trading for listed companies and no trading in the Company's shares was carried by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children except as disclosed in pattern of shareholding.

## Pattern of Shareholding

The pattern of shareholding and additional information regarding pattern of shareholding is attached separately.

## Related Party

There is a robust policy in place for all related party transactions (RPT) in pursuant to SRO 768(1)2018 notification the guidelines issued by Securities and Exchange Commission of Pakistan have been duly incorporated in the policy with regard to transactions and maintenance of records.

## Board Evaluation

The company has opted to conduct evaluation process of the board internally in compliance of the regulation 10(3)(v) of Code for assessing the board performance, members of the board and its committee members.

A comprehensive review has been carried out entailing statutory documents, the minutes of board and committee meetings, policies currently in place and other ancillary documents, questionnaires, interactions with the board and committees' members.

## Board Composition

As required under regulation 34 of Code the board of ten (10) directors is comprised as follows;

Sr No	Category	Gender		Total
		Male	Female	
(i)	Independent Director	3	0	3
(ii)	Executive Directors	3	0	3
(ii)	Non- Executive Directors	3	1	4

## Board and Audit Committee Meetings

- All the directors, eligible to attend the meeting have attended the general meetings of the company in person or through video conference under Regulation 10(6) of the Code unless precluded from doing so due to any reasonable
- Following are the number of meeting held and attended by board of directors, audit committee and human resource & remuneration committee during 2019-20:

Name of Directors	Board of Directors		Committees			
			Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Mohammad Shaheen	4	4	-	-	-	-
Mr. Khurram Salim	4	4	6	6	1	1
Mr. Bilal Sharif	4	4	6	6	-	-

Name of Directors	Board of Directors		Committees			
			Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Amin	4	4	-	-	-	-
Mr. Adil Shakeel	4	4	-	-	1	1
Mr. Iqbal Mehboob	4	4	6	6	1	1
Mr. Asif Elahi	4	4	-	-	-	-
Mr. Mustafa Tanvir	4	4	-	-	-	-
Mrs. Samia Bilal	4	4	-	-	-	-

## Audit Committee

Sr	Name	Designation	Category
i	Khurram Salim	Member	Non- Executive Director
ii	Bilal Sharif	Member	Non- Executive Director
iii	Iqbal Mehboob	Chairman	Independent Director

The audit committee comprises of three members of which chairman is an independent director whereas all the other are non-executive directors and discharge its responsibilities under terms of reference assigned by the board of directors.

The appointment of financial literate member has been made in line with Regulation 27(1)(iii) in the Chapter X of the Code.

The meetings of audit committee were held at regular intervals in compliance with the Regulation 27(2) of the Code to review the both interim and annual financial statements before the approval of board of directors along with an additional meeting once a year with an external auditor without the CFO and other with an internal auditor without the presence of the CFO and external auditor.

An audit committee is one of the major operating committees of a company's board of directors that is in charge of overseeing financial reporting and disclosures, assuring that company assets are appropriately safeguarded, validating interim and annual financial statements, approving related party transactions, reviewing management letter, ensuring effectiveness of internal controls, investigating and reporting on fraudulent activities, monitoring of accounting policies, oversight of any external auditors, regulatory compliance and the discussion of risk management policies with management.

Audit committees maintain communication with the company's chief financial officer (CFO) and head of internal audit. The committee also has the authority to initiate special investigations in cases where it is determined that accounting practices are problematic or suspected and an internal auditor assists the committee in such efforts.

## Human Resource and Remuneration Committee

Sr	Name	Designation	Category
i	Iqbal Mehboob	Chairman	Independent Director
ii	Khurram Salim	Member	Non- Executive Director
iii	Adil Shakeel	Member	Executive Director

The human resource and remuneration committee (HRRC) is comprised of three members of which majority are non-executive directors whereas chairman is an independent director. The HRRC review compliance with any legislative guidelines relating to compensation and benefits, review compliance with employment, labor and human rights legislation.

The HRRC on behalf of the Board of Directors oversee and administer the company's human resource policies, plans, and procedures, review, approve, or recommend for Board approval, decisions relating to the fair and competitive compensation of executives, directors, committee members and other key personnel.

## **Corporate Social Responsibility Policy**

The company comprehend its duty towards society beyond their economic obligations to owners or stockholders and also beyond those prescribed by law or contract. It is deeply concerned about outside groups affected by their activities and proper consideration has been given for environmental protection at every stage of production from procurement of raw materials to manufacturing technology and disposal wastes.

Confronted with the pandemic situation, the company has been quite responsive in philanthropic donations to those who were in dire need of assistance. Moreover, there has been establish programs that help employees balance the demands of work and personal life and be more satisfied and productive on the job which eventually led to reduces turnover, enhance employee morale.

The company ensures to maintain natural environment by following best practices for waste disposal, recycling, energy conservation and utilizing environmentally-friendly technologies and arranging reforestation excursions at regular intervals to create awareness.

## **Health, Safety and Environment Policy**

Since the outbreak of COVID 19 and the rapid spread of the virus has sparked alarm worldwide and Pakistan is not an exception to this pandemic situation. The company is strongly committed towards health and safety of employees and strictly adhere to the guidelines issued by the government and WHO to minimize the impact of virus.

During these difficult times, the company ensured best safety measure for its employees by allowing them to work from home, arranging disinfection of premises at regular intervals, conducting free testing of virus for employees, allowing leave with pay for those infected with virus, permitting flexible and shorten working hours, providing face-masks and proper sanitization at work place.

One of the many challenges during the pandemic is to ensure continuity of day to day activities with appropriate decision making in compliance of the law and other regulatory frameworks. In this regard the company fully utilized the facilities available through of video meeting platforms and apps.

The company's health, safety and environment policy statement demonstrate a pleasant and workable environment by making every possible effort to remove or reduce the risks to the health, safety of all workers, contractors and visitors, and anyone else in the testing times of pandemic situation.

## **Directors Remuneration Policy**

The feature of executive director's remuneration policy is prepared and recommended by human resource and remuneration committee (HRRC) to the board subject to the provisions of the Companies Act 2017, Companies' Article of Association and Code of Corporate Governance Regulations, 2019.

The remuneration of the executive directors is determined by considering the market competitiveness which is identical in akin companies, whilst also considering level of competencies, experience, scope of the board assignments and yearly meetings.

The executive directors entitled for the fixed monthly remuneration and other perquisites recommended by HRRC which were duly approved by the board and followed by the approval of members in general meeting of the company:

### **1) Mr. Muhammad Amin - CEO**

Monthly remuneration of PKR 800,000.00.

Company maintained vehicle with fuel and repairs expense of PKR 800,000.00 per annum.

Mobile phone for personal and office use amounting to PKR 125,000.00 per annum.

Business travelling expense on actual basis.

### **2) Mr. Muhammad Shaheen – Executive Director**

Monthly remuneration of PKR 1,000,000.00.

Company maintained vehicle with fuel and repairs expense of PKR 800,000.00 per annum.

Mobile phone for personal and office use amounting to PKR 125,000.00 per annum.

Business travelling expense on actual basis.

### 3) Mr. Adil Shakeel- Executive Director

Monthly remuneration of PKR 800,000.00.

Company maintained vehicle with fuel and repairs expense of PKR 800,000.00 per annum.

Mobile phone for personal and office use amounting to PKR 125,000.00 per annum.

Business travelling expense on actual basis.

No fee or remuneration has been paid either to non-executive or independent directors.

### Auditors

The present auditor's M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants shall retire on the conclusion of the annual general meeting scheduled for October 27, 2020 however, being eligible they have offered themselves for re-appointment. The audit committee has suggested the appointment of M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, as external auditor for the year ended 30th June 2021. The external auditor M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan. The firm and all its partner are in compliance with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan and they are registered with Audit Oversight Board under section 36I of SECP Act, 1997.

The statutory auditors neither performed any of the decision making, internal audit or management functions nor they have any sort of relationship with any directors or executives of the company. The engagement partners were rotated after completion of every five years.

The Board of Directors also recommended the appointment of M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, as external auditor for the year ended 30th June 2021 and the remuneration of the auditors has been fixed at PKR 1,538,500.00 for the year 2020-21 as recommended by the audit committee to the board under regulation 32(3) of the Code. The remuneration is inclusive of out of pocket expenses and the assignments includes annual statutory audit, limited scope review and review report under corporate governance.

### Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of financial year of the Company to which the balance sheet relates and the date of report of directors' report.

### Acknowledgement

I am highly indebted to Board of Directors, valued shareholders, customers, bankers, suppliers and other stakeholders for their support, trust and confidence. I also appreciate to all employees for their loyalty dedication and hard work which enabled the Company to achieve its objectives.

For and on behalf of the Board



Muhammad Amin  
Chief Executive

Karachi: 29<sup>th</sup> September 2020



Mohammad Salim  
Director



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

The statement is being presented to comply with the requirement of regulation 36(1) contained in Code of Corporate Governance Regulations, 2019 for the purpose of establishing a framework of good corporate governance, whereby a company quoted at Pakistan Stock Exchange Limited is managed in compliance with best practices of corporate governance.

### Blessed Textiles Limited Year Ending June 30, 2020

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

1. The total number of directors are ten (10) as per the following:-

- a. Male : Nine (9)
- b. Female : One(1)

2. The composition of the Board is as follows:

Sr	Category	Name
i)	Independent Directors (*)	Mr. Iqbal Mehboob Mr. Asif Elahi Mr. Mustafa Tanvir
iii)	Non- Executive Directors	Mr. Khurram Salim Mr. Mohammad Salim Mr. Bilal Sharif
ii)	Executive Directors	Mr. Muhammad Shaheen Mr. Muhammad Amin Mr. Adil Shakeel
iv)	Female director	Mrs. Samia Bilal

(\*) Explanation required under Regulation 6(1) of Code:

While calculating the minimum number of ID directors the fraction was not rounded upwards to 1. The reason being that as per general rule only number exceeding 0.5 shall be rounded to next number

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 the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program for the following:  
The entire board is accredited under directors training program.  
(Name of Executive & Designation - (N/A);
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.-



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

### (a) Audit Committee

Name	Designation
Mr. Iqbal Mehboob	Chairman - Independent Director
Mr. Khurram Salim	Member - Non- Executive Director
Mr. Bilal Sharif	Member - Non- Executive Director

### (b) Human Resource & Remuneration Committee

Name	Designation
Mr. Iqbal Mehboob	Chairman - Independent Director
Mr. Khurram Salim	Member - Non- Executive Director
Mr. Adil Shakeel	Member - Executive Director

### (c) Nomination Committee (N/A)

#### Explanation

As the formation of Nomination Committee (NC) is not mandatory under regulation 29 of the Code, the functions and responsibilities of NC are performed by the Human Resources & Remuneration Committee.

### (d) Risk Management Committee (N/A)

#### Explanation

As the formation of Risk Management Committee (RMC) is not mandatory under regulation 30 of the Code, the functions and responsibilities of RMC are performed Audit Committee.

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,-

Name of Committee	Frequency of Meeting
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly
Nomination Committee	Not applicable
Risk Management Committee	Not applicable

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (N/A):

For and on behalf of the Board



**Mohammad Salim**  
(Chairman)

Karachi:  
Date: 29<sup>th</sup> September 2020

## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the members of BLESSED TEXTILES 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 **BLESSED TEXTILES LIMITED** ['the Company'] for the year ended **June 30, 2020** 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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, 2020**.



**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

Lahore: *September 29, 2020*

## INDEPENDENT AUDITOR'S REPORT

### To the members of BLESSED TEXTILES LIMITED Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **BLESSED TEXTILES LIMITED** ['the Company'], which comprise the statement of financial position as at **June 30, 2020**, 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, 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, 2020 and of the profit, other 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.

Key audit matter	How our audit addressed the matter
<p><b>1. COVID-19</b></p> <p>As part of the preparation of the financial statements, management is responsible to assess the possible effects of COVID-19 on the Company's liquidity and related ability to continue as a going concern and appropriately disclose the results of its assessment in the financial statements. The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of the financial statements its effects are subject to uncertainty.</p> <p>Management prepared a financial and liquidity risk analysis addressing amongst others future compliance with financing conditions as well as financing and cash requirements to ensure continuation of the Company's operations.</p>	<p>We considered the uncertainties arising from COVID-19 in planning and performing our audit. Our procedures included:</p> <ul style="list-style-type: none"> <li>evaluated the Company's most recent financial results forecasts and liquidity analysis underlying their going concern assessment and tested the integrity of the forecasts, including mathematical accuracy;</li> <li>assessed the reliability of the forecasted cash flows by comparing with the historical performance and market expectations;</li> <li>discussed the most recent forecast with management to understand their views on going concern and the potential impact of COVID-19 on the Company;</li> <li>evaluated the assumptions in respect of projected available future cash flows from operating, financing and investing activities and projected key ratios for covenant calculations;</li> </ul>

Key audit matter	How our audit addressed the matter
Refer to note 48 to the financial statements regarding the impact of COVID-19.	<ul style="list-style-type: none"> <li>inspected supporting documentation such as contracts and underlying calculations and correspondence with financing and other relevant parties;</li> <li>evaluated the Company's assessment of other accounting estimates within the financial statements which could be impacted by the challenging economic environment resulting from COVID-19, including trade receivables and inventory provisioning; and</li> <li>considered the appropriateness of the disclosures made in the financial statements in respect of the potential impact of COVID-19.</li> </ul>

## 2. Inventory valuation

Stock in trade amounts to Rs 5,022 million as at the reporting date. The valuation of stock in trade at cost has different components, which includes judgment in relation to the allocation of labour and overheads which are incurred in bringing the stock to its present location and condition. Judgment has also been applied by management in determining the Net Realizable Value ['NRV'] of stock in trade.

The estimates and judgements applied by management are influenced by the amount of direct costs incurred historically, expectations of repeat orders to utilize the stock in trade, sales contract in hand and historically realized sales prices.

The significance of the balance coupled with the judgment involved has resulted in the valuation of inventories being identified as a key audit matter

The disclosures in relation to inventories are included in note 22.

To address the valuation of stock in trade, we assessed historical costs recorded in the inventory valuation; testing on a sample basis with purchase invoices. We tested the reasonability of assumptions applied by the management in allocating direct labour and direct overhead costs to inventories.

We also assessed management's determination of the net realizable value of inventories by performing tests on the sales prices secured by the Company for similar or comparable items of inventories.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

The engagement partner on the audit resulting in this independent auditor's report is **ZUBAIR IRFAN MALIK**.

  
RAHMAN SARFARAZ RAHIM IQBAL RAFIQ  
Chartered Accountants

Lahore: *September 29, 2020*

## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
6,500,000 (2019: 6,500,000) ordinary shares of Rs. 10 each		65,000,000	65,000,000
Issued, subscribed and paid-up capital	7	64,320,000	64,320,000
General reserve	8	3,800,000,000	3,500,000,000
Accumulated profit		25,227,232	190,768,762
<b>TOTAL EQUITY</b>		<b>3,889,547,232</b>	<b>3,755,088,762</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term finances	9	1,959,432,883	1,600,161,851
Long term payables	10	276,729,403	226,379,287
Employees retirement benefits	11	150,094,896	118,103,558
Deferred taxation	12	212,161,009	243,408,108
Deferred grant	13	2,637,881	-
		<b>2,601,056,072</b>	<b>2,188,052,804</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	642,118,345	544,232,849
Unclaimed dividend		6,638,404	5,053,216
Accrued interest/profit	15	82,844,398	75,540,323
Short term borrowings	16	3,480,258,201	2,190,946,621
Current portion of non-current liabilities	17	59,566,428	369,637,092
		<b>4,271,425,776</b>	<b>3,185,410,101</b>
<b>TOTAL LIABILITIES</b>		<b>6,872,481,848</b>	<b>5,373,462,905</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	18	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,762,029,080</b>	<b>9,128,551,667</b>

The annexed notes from 1 to 51 form an integral part of these financial statements.

Karachi:  
Date: 29<sup>th</sup> September 2020

Muhammad Amin  
Chief Executive

Mohammad Salim  
Director

Abdul Basit Janjua  
Chief Financial Officer

## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	19	3,811,341,459	3,781,059,749
Long term deposits	20	14,394,095	14,394,095
		<b>3,825,735,554</b>	<b>3,795,453,844</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	21	87,837,272	93,566,497
Stock in trade	22	5,021,697,279	3,245,348,436
Trade receivables	23	816,681,600	971,214,665
Advances, deposits, prepayments and other receivables	24	263,493,834	149,907,892
Sales tax refundable		171,809,277	215,340,953
Advance income tax/income tax refundable	25	371,896,299	355,547,385
Bank balances	26	202,877,965	302,171,995
		<b>6,936,293,526</b>	<b>5,333,097,823</b>
<b>TOTAL ASSETS</b>		<b>10,762,029,080</b>	<b>9,128,551,667</b>

The annexed notes from 1 to 51 form an integral part of these financial statements.

Karachi:  
Date: 29<sup>th</sup> September 2020



Muhammad Amin  
Chief Executive



Mohammad Salim  
Director



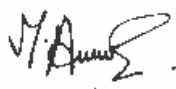
Abdul Basit Janjua  
Chief Financial Officer



## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>Sales - net</b>	27	12,359,645,877	12,346,174,829
Cost of sales	28	(11,111,877,733)	(10,733,443,352)
<b>Gross profit</b>		<b>1,247,768,144</b>	<b>1,612,731,477</b>
Distribution cost	29	(233,025,294)	(223,401,105)
Administrative expenses	30	(155,084,179)	(132,042,342)
Other expenses	31	(36,172,073)	(104,264,650)
		<b>(424,281,546)</b>	<b>(459,708,097)</b>
Other income	32	823,486,598 32,500,619	1,153,023,380 6,804,907
<b>Operating profit</b>		<b>855,987,217</b>	<b>1,159,828,287</b>
Finance cost	33	(306,630,426)	(371,504,106)
<b>Profit before taxation</b>		<b>549,356,791</b>	<b>788,324,181</b>
Provision for taxation	34	(124,080,076)	(152,899,408)
<b>Profit after taxation</b>		<b>425,276,715</b>	<b>635,424,773</b>
<b>Earnings per share - basic and diluted</b>	35	<b>66.12</b>	<b>98.79</b>

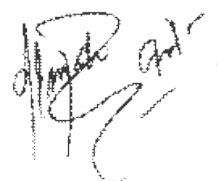
The annexed notes from 1 to 51 form an integral part of these financial statements.



Muhammad Amin  
Chief Executive



Mohammad Salim  
Director



Abdul Basit Janjua  
Chief Financial Officer

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit obligation	11.4	(15,153,600)	19,394,375
Taxation relating to remeasurements of defined benefit obligation	12.1	2,197,805	(3,599,034)
<b>Other comprehensive (loss)/income</b>		<b>(12,955,795)</b>	<b>15,795,341</b>
<b>Profit after taxation</b>		<b>425,276,715</b>	<b>635,424,773</b>
<b>Total comprehensive income</b>		<b>412,320,920</b>	<b>651,220,114</b>

*The annexed notes from 1 to 51 form an integral part of these financial statements.*





## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2020

	Share capital	Revenue reserves		
	Issued subscribed and paid-up capital	General reserve	Accumulated profit	Total equity
	Rupees	Rupees	Rupees	Rupees
<b>Balance as at July 01, 2018</b>	64,320,000	3,000,000,000	187,484,648	3,251,804,648
<b>Comprehensive income</b>				
Profit after taxation	-	-	635,424,773	635,424,773
Other comprehensive income	-	-	15,795,341	15,795,341
<b>Total comprehensive income</b>	-	-	651,220,114	651,220,114
<b>Transaction with owners</b>				
Final dividend @ 230% i.e. Rs. 23.00 per ordinary share	-	-	(147,936,000)	(147,936,000)
<b>Other transactions</b>				
Profit transferred to general reserve	-	500,000,000	(500,000,000)	-
<b>Balance as at June 30, 2019</b>	64,320,000	3,500,000,000	190,768,762	3,755,088,762
<b>Balance as at July 01, 2019</b>	64,320,000	3,500,000,000	190,768,762	3,755,088,762
<b>Comprehensive income</b>				
Profit after taxation	-	-	425,276,715	425,276,715
Other comprehensive income	-	-	(12,955,795)	(12,955,795)
<b>Total comprehensive income</b>	-	-	412,320,920	412,320,920
<b>Transaction with owners</b>				
Final dividend @ 198% i.e Rs. 19.80 per ordinary share	-	-	(127,353,650)	(127,353,650)
Interim dividend @ 234% i.e Rs. 23.40 per ordinary share	-	-	(150,508,800)	(150,508,800)
	-	-	(277,862,450)	(277,862,450)
<b>Other transactions</b>				
Profit transferred to general reserve	-	300,000,000	(300,000,000)	-
<b>Balance as at June 30, 2020</b>	64,320,000	3,800,000,000	25,227,232	3,889,547,232

The annexed notes from 1 to 51 form an integral part of these financial statements.



Muhammad Amin  
Chief Executive



Mohammad Salim  
Director



Abdul Basit Janjua  
Chief Financial Officer

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash (used in)/generated from operations	36	(278,630,685)	2,187,655,623
Payments for:			
Employees retirement benefits		(27,215,164)	(27,412,125)
Finance cost		(266,895,528)	(308,153,275)
Income tax		(169,478,284)	(151,161,822)
<b>Net cash (used in)/generated from operating activities</b>		<b>(742,219,661)</b>	<b>1,700,928,401</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(423,206,263)	(578,941,580)
Proceeds from disposal of fixed assets		679,000	19,088,500
<b>Net cash used in investing activities</b>		<b>(422,527,263)</b>	<b>(559,853,080)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term finances obtained		405,933,294	426,779,283
Repayment of long term finances		(354,095,045)	(303,439,245)
Net increase/(decrease) in short term borrowings		1,289,311,580	(955,515,714)
Dividend paid		(276,277,262)	(146,760,757)
<b>Net cash generated from/(used in) financing activities</b>		<b>1,064,872,567</b>	<b>(978,936,433)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(99,874,357)</b>	<b>162,138,888</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>302,171,995</b>	<b>139,827,966</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>580,327</b>	<b>205,141</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	37	<b>202,877,965</b>	<b>302,171,995</b>

The annexed notes from 1 to 51 form an integral part of these financial statements.



Muhammad Amin  
Chief Executive



Mohammad Salim  
Director



Abdul Basit Janjua  
Chief Financial Officer

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 1 LEGAL STATUS AND OPERATIONS

Blessed Textiles Limited ['the Company'] was incorporated in Pakistan as a Public Limited Company under the repealed Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The Company is primarily engaged in the manufacture and sale of yarn and woven fabric, however, it is also engaged in the generation of electricity for self consumption. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at 18 KM, Feroze Wattoan, Sheikhpura Road, District Sheikhpura in the Province of Punjab.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Financial Reporting Standards ['IFRS'] issued by the International Accounting Standards Board ['IASB'] as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan 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 and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for employees retirement benefits liabilities measured at present value and certain financial instruments measured at fair value/amortized cost. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

#### 2.3 Critical accounting judgements and key sources of estimation uncertainty

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

##### 2.3.1 Critical accounting judgements

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

##### (a) *Business model assessment (see note 5.5.2)*

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 2.3.2 Key sources of estimation uncertainty

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

#### (a) *Calculation of impairment allowance for expected credit losses on financial assets (see note 5.19.1)*

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

#### (b) *Depreciation method, rates and useful lives of operating fixed assets (see note 5.1.1)*

The Company reassesses useful lives, depreciation method and rates for each item of operating fixed assets annually by considering expected pattern of economic benefits that the Company expects to derive from that item.

#### (c) *Recoverable amount and impairment of non-financial assets (see note 5.19.2)*

The management of the Company reviews carrying amounts of its non-financial assets for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

#### (d) *Obligation under defined benefit plan (see note 5.4.2)*

The Company's obligation under the defined benefit plan is based on assumptions of future outcomes, the principal ones being in respect of increases in remuneration, remaining working lives of employees and discount rates to be used to determine present value of defined benefit obligation. These assumptions are determined periodically by independent actuaries.

#### (e) *Taxation (see note 5.14)*

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provision for current tax. Provision for deferred tax is estimated after taking into account historical and expected future turnover and profit trends and their taxability under the current tax law.

#### (f) *Provisions (see note 5.9)*

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

#### (g) *Net realizable values of stock in trade (see note 5.3)*

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

### 2.4 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

#### 2.5 Date of authorization for issue

These financial statements were authorized for issue on September 29, 2020 by the Board of Directors of the Company.

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

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

##### 3.1 IFRS 16 - Leases (2016)

IFRS 16 supersedes IAS 17 - Leases, IFRIC 4 - Determining whether an Arrangement contains a Lease, SIC-15 - Operating Leases- Incentives and SIC-27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Whereas, for lessees all leases will be classified as finance leases only. However, as per relevant guidelines issued by Institute of Chartered Accountants of Pakistan, contracts under Ijarah will continue to be treated as operating leases under IFAS 2.

##### 3.2 IFRIC 23 - Uncertainty over Income Tax Treatments

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively;
- Assumptions for taxation authorities' examinations;
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- The effect of changes in facts and circumstances.

##### 3.3 Prepayment Features with Negative Compensation (Amendments to IFRS 9 - Financial Instruments)

IFRS 9 - Financial Instruments has been amended regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

##### 3.4 Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28 - Investments in Associates and Joint Ventures)

IAS 28 - Investments in Associates and Joint Ventures have been amended to clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

##### 3.5 Annual Improvements to IFRS Standards 2015 – 2017 Cycle

The annual improvements have made amendments to the following standards:

- **IFRS 3 - Business Combinations and IFRS 11 - Joint Arrangements** - The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- **IAS 12 - Income Taxes** - The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

- **IAS 23 - Borrowing Costs** - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

#### 3.6 Plan Amendment, Curtailment or Settlement (Amendments to IAS 19 - Employee Benefits)

IAS 19 - Employees Benefits has been amended to provide that:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

#### 4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance contracts (2017)	January 01, 2021
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Definition of a Business (Amendments to IFRS 3 - Business Combinations)	January 01, 2020
Definition of Material (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	January 01, 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures).	January 01, 2020
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards).	January 01, 2022
Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations).	January 01, 2022
Property, Plant and Equipment- Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment).	January 01, 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets).	January 01, 2022
Annual Improvements to IFRS Standards 2018–2020.	January 01, 2022
COVID-19 - Related Rent Concessions (Amendment to IFRS 16 - Leases).	June 01, 2020
Other than afore mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ["SECP"]:	
IFRS 1 - First Time Adoption of International Financial Reporting Standards	
IFRS 14 - Regulatory Deferral Accounts	
IFRS 17 - Insurance contracts (2017)	



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the Company's financial statements other than in presentation/disclosures.

### 5 SIGNIFICANT ACCOUNTING POLICIES

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

#### 5.1 Property, plant and equipment

##### 5.1.1 Operating fixed assets

Operating fixed assets are accounted for under the cost model and are measured at cost less accumulated depreciation and accumulated impairment losses with the exception of freehold land, which is stated at cost less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

Major renewals and improvements to operating fixed assets are recognized in the carrying amount if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of operating fixed assets are recognized in profit or loss as incurred.

The Company recognizes depreciation in profit or loss by applying reducing balance method over the useful life of each operating fixed asset using rates specified in note 18.1 to the financial statements. Depreciation on additions to operating fixed assets is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

An operating fixed asset is de-recognized when permanently retired from use. Any gain or loss on disposal of operating fixed assets is recognized in profit or loss.

##### 5.1.2 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the cost of material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of operating fixed assets. These costs are transferred to operating fixed assets as and when related items become available for intended use.

##### 5.1.3 Spare parts held exclusively for capitalization

These are carried at cost less accumulated impairment. Cost is determined using moving average, except for items in transit, which are carried at invoice price plus related costs incurred up to the reporting date.

#### 5.2 Stores, spares and loose tools

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

#### 5.3 Stock in trade

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

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

### 5.4 Employee benefits

#### 5.4.1 Short-term employee benefits

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

#### 5.4.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to income statement with the exception of remeasurements which are recognized in other comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation.

### 5.5 Financial instruments

#### 5.5.1 Recognition

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

#### 5.5.2 Classification

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

##### (a) *Financial assets at amortized cost*

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

##### (b) *Financial liabilities at amortized cost*

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

#### 5.5.3 Measurement

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

#### 5.5.4 Derecognition

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

#### 5.5.5 Off-setting

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

#### 5.5.6 Regular way purchases or sales of financial assets

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

#### 5.6 Ordinary share capital

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

#### 5.7 Loans and borrowings

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

#### 5.8 Trade and other payables

##### 5.8.1 Financial liabilities

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

##### 5.8.2 Non-financial liabilities

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

#### 5.9 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

#### 5.10 Trade and other receivables

##### 5.10.1 Financial assets

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED JUNE 30, 2020**

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

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

#### **5.11 Revenue**

Revenue is measured at the fair value of the consideration received or receivable, net of returns allowances, trade discounts and rebates, and represents amounts received or receivable for goods and services provided and other income earned in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and the associated costs incurred or to be incurred can be measured reliably.

Revenue from different sources is recognized as follows:

The Company recognizes revenue primarily from contracts with customer for sale of goods. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with customer. The Company recognizes revenue when risks and rewards incidental to the ownership of goods are transferred to the customer.

Export rebate is recognized at the same time when revenue from export sales is recognized.

Interest income is recognized using effective interest method.

#### **5.12 Comprehensive income**

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

#### **5.13 Borrowing costs**

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

#### **5.14 Income tax**

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

##### **5.14.1 Current taxation**

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

#### 5.14.2 Deferred taxation

Deferred tax is accounted for using the 'balance sheet approach' providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by The Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### 5.15 Earnings per share ['EPS']

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

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

#### 5.16 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand and cash at banks.

#### 5.17 Operating segment

The Company is a single operating segment based on internal reporting to the Board of Directors of the Company.

#### 5.18 Foreign currency transactions and balances

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

#### 5.19 Impairment

##### 5.19.1 Financial assets

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

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

### 5.19.2 Non-financial assets

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

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

### 6 Dividend distribution to ordinary shareholders

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

	2020	2019
	Rupees	Rupees
<b>7 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>		
Ordinary shares of Rs. 10 each		
6,432,000 (2019: 6,432,000) shares issued for cash	64,320,000	64,320,000
	<b>64,320,000</b>	<b>64,320,000</b>

### 8 GENERAL RESERVE

General reserve is primarily being maintained to have adequate resources for future requirements and business operations.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>9 LONG TERM FINANCES</b>			
These represent long term finances utilized under interest arrangements from banking companies			
Term Finances ['TF']			
TF - I	9.1	87,948,152	249,186,460
TF - II	9.2	1,408,348	3,990,290
TF - III	9.3	-	7,702,583
TF - IV	9.4	-	10,855,438
TF - V	9.5	3,115,160	5,451,536
TF - VI	9.6	2,100,000	3,675,000
TF - VII	9.7	8,633,000	11,513,000
TF - VIII	9.8	5,769,500	7,692,800
TF - IX	9.9	7,236,500	9,648,200
TF - X	9.10	5,384,980	5,983,312
TF - XI	9.11	3,306,650	3,674,061
TF - XII	9.12	4,458,905	5,119,485
TF - XIII	9.13	8,221,500	9,072,000
		<b>137,582,695</b>	<b>333,564,165</b>
Long Term Finances for Export Oriented Projects ['LTFF']			
LTFF - I	9.14	157,295,558	184,651,310
LTFF - II	9.15	162,956,433	191,296,685
LTFF - III	9.16	164,317,496	184,857,185
LTFF - IV	9.17	13,114,968	15,132,656
LTFF - V	9.18	8,088,961	9,287,325
LTFF - VI	9.19	21,289,536	24,330,900
LTFF - VII	9.20	35,297,500	40,340,000
LTFF - VIII	9.21	8,467,872	9,770,624
LTFF - IX	9.22	4,446,495	4,940,550
LTFF - X	9.23	2,763,620	3,173,044
LTFF - XI	9.24	24,113,445	27,685,809
LTFF - XII	9.25	182,187,985	209,178,797
LTFF - XIII	9.26	87,188,905	100,105,781
LTFF - XIV	9.27	143,507,465	164,767,829
LTFF - XV	9.28	9,685,400	11,069,000
LTFF - XVI	9.29	12,831,593	14,159,000
LTFF - XVII	9.30	13,789,688	14,709,000
LTFF - XVIII	9.31	11,700,000	11,700,000
LTFF - XIX	9.32	10,947,000	10,947,000
LTFF - XX	9.33	41,642,000	41,642,000
LTFF - XXI	9.34	96,437,000	96,437,000
LTFF - XXII	9.35	11,465,000	11,465,000
LTFF - XXIII	9.36	13,000,000	13,001,000

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
LTFF - XXIV	9.37	6,800,000	6,800,000
LTFF - XXV	9.38	227,883,283	227,883,283
LTFF - XXVI	9.39	5,083,000	5,083,000
LTFF - XXVII	9.40	1,821,000	1,821,000
LTFF - XXVIII	9.41	6,192,000	-
LTFF - XXIX	9.42	140,380,000	-
LTFF - XXX	9.43	52,645,000	-
LTFF - XXXI	9.44	75,012,000	-
LTFF - XXXII	9.45	9,215,000	-
LTFF - XXXIII	9.46	36,427,000	-
		<b>1,797,992,203</b>	<b>1,636,234,778</b>
Refinance Scheme ['RS']			
RS - I	9.47	37,532,369	-
RS - II	9.48	40,784,262	-
		<b>78,316,631</b>	<b>-</b>
		<b>2,013,891,529</b>	<b>1,969,798,943</b>
Current maturity presented under current liabilities	17	<b>(54,458,646)</b>	<b>(369,637,092)</b>
		<b>1,959,432,883</b>	<b>1,600,161,851</b>

- 9.1** TF - I has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at three months KIBOR plus 0.45% per annum (2019: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal monthly instalments with the first instalment due in December 2014. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.2** TF - II has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at three months KIBOR plus 0.45% per annum (2019: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal monthly instalments with the first instalment due in December 2014. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.3** TF - III was obtained from Mezaan Bank Limited to finance capital expenditure and was secured by charge over operating fixed assets of the Company. The finance carried profit at three months KIBOR plus 0.65% per annum (2019: three months KIBOR plus 0.65% per annum), payable quarterly. The finance was fully repaid during the year.
- 9.4** TF - IV was obtained from Mezaan Bank Limited to finance capital expenditure and was secured by charge over operating fixed assets of the Company. The finance carried profit at three months KIBOR plus 0.65% per annum (2019: three months KIBOR plus 0.65% per annum), payable quarterly. The finance was fully repaid during the year.
- 9.5** TF - V has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at three months KIBOR plus 0.45% per annum (2019: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly instalments with the first instalment due in June 2015. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.6** TF - VI has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at three months KIBOR plus 0.45% per annum (2019: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly instalments with the first instalment due in June 2015. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

- 9.7 TF - VII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at three months KIBORplus 0.45% per annum (2019: three months KIBORplus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly instalments with the first instalment due in September 2016. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.8 TF - VIII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at three months KIBORplus 0.45% per annum (2019: three months KIBORplus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly instalments with the first instalment due in September 2016. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.9 TF - IX has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at three months KIBORplus 0.45% per annum (2019: three months KIBORplus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly instalments with the first instalment due in September 2016. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.10 TF - X has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carried interest at three months KIBORplus 0.4% per annum (2019: three months KIBORplus 0.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in March 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.11 TF - XI has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carried interest at three months KIBORplus 0.4% per annum (2019: three months KIBORplus 0.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in February 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.12 TF - XII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carried interest at three months KIBORplus 0.4% per annum (2019: three months KIBORplus 0.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in April 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.13 TF - XIII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carried interest at three months KIBORplus 0.4% per annum (2019: three months KIBORplus 0.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in September 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.14 LTFF - I has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in May 2018. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.15 LTFF - II has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in June 2018. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

- 9.16** LTFF - III has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in June 2018. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.17** LTFF - IV has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in February 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.18** LTFF - V has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in April 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.19** LTFF - VI has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in July 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.20** LTFF - VII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in July 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.21** LTFF - VIII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in February 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.22** LTFF - IX has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in March 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.23** LTFF - X has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in April 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.24** LTFF - XI has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in April 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

- 9.25** LTFF - XII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in April 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.26** LTFF - XIII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in May 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.27** LTFF - XIV has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in June 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.28** LTFF - XV has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in July 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.29** LTFF - XVI has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in November 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.30** LTFF - XVII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in December 2019. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.31** LTFF - XVIII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in November 2021. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.32** LTFF - XIX has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 3.5% per annum (2019: 3.5% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in January 2022. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.33** LTFF - XX has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 3.5% per annum (2019: 3.5% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in January 2022. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

- 9.34** LTFF - XXI has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 3.5% per annum (2019: 3.5% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in January 2022. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.35** LTFF - XXII has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 3.5% per annum (2019: 3.5% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in January 2022. However, during the year, the lender has approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020.
- 9.36** LTFF - XXIII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.40% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in May 2022.
- 9.37** LTFF - XXIV has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: 2.40% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in August 2021.
- 9.38** LTFF - XXV has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 3.5% per annum (2019: 3.5%), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in May 2021.
- 9.39** LTFF - XXVI has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 3.5% per annum (2019: 3.5%), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in May 2021.
- 9.40** LTFF - XXVII has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 3.5% per annum (2019: 3.5%), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in May 2021.
- 9.41** LTFF - XXVIII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: nil), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in December 2021.
- 9.42** LTFF - XXIX has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: nil), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in January 2022.
- 9.43** LTFF - XXX has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: nil), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in March 2022.
- 9.44** LTFF - XXXI has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: nil), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in January 2022.
- 9.45** LTFF - XXXII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: nil), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in April 2022.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

**9.46** LTFF - XXXIII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2019: nil), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in August 2022.

**9.47** RS - I has been obtained from Bank Alfalah Limited to finance payment of wages and salaries of workers and employees for the month of April, May and June 2020 and is secured by charge over operating fixed assets of the Company. The finance carries interest at 0.75% per annum payable quarterly. The finance is repayable in eight equal quarterly installments with the first installment due in January 2021. The amortized cost this finance has determined using a discount rate of three months KIBOR plus 0.75% (8.01%) being the prevailing market rate of interest for similar instruments. The difference between the amortised cost and face value has been recognized as deferred grant (See note 13). The details are as follows:

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>Rupees</b>	<b>Rupees</b>
Face value of finance		<b>41,240,528</b>	-
Deferred grant	13	<b>(3,708,159)</b>	-
		<b>37,532,369</b>	-

**9.48** RS - II has been obtained from Bank Alfalah Limited to finance payment of wages and salaries of workers and employees for the month of April, May and June 2020 and is secured by charge over operating fixed assets of the Company. The finance carries interest at 0.75% per annum payable quarterly. The finance is repayable in eight equal quarterly installments with the first installment due in January 2021. The amortized cost this finance has determined using a discount rate of three months KIBOR plus 0.75% (8.01%) being the prevailing market rate of interest for similar instruments. The difference between the amortised cost and face value has been recognized as deferred grant (See note 13). The details are as follows:

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>Rupees</b>	<b>Rupees</b>
Face value of finance		<b>44,821,766</b>	-
Deferred grant	13	<b>(4,037,504)</b>	-
		<b>40,784,262</b>	-

**9.49** For mortgages and charges on assets as security for liabilities, refer to note 43 to the financial statements.

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>Rupees</b>	<b>Rupees</b>

### 10 LONG TERM PAYABLES

These include the following:

Infrastructure Cess	10.1	<b>141,623,377</b>	98,205,748
Gas Infrastructure Development Cess	10.2	<b>135,106,026</b>	128,173,539
		<b>276,729,403</b>	226,379,287

#### 10.1 Infrastructure tax

Sindh Infrastructure Cess was levied by Excise and Taxation Officer ['ETO'] Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan and Punjab Infrastructure Tax levied by ETO Government of Punjab on movement of imported goods entering the Punjab Province from outside Pakistan. The Company has obtained stay on the recovery of these levies by respective ETOs. During the pendency of final judgement on this, the Honorable Courts granting stay have directed the petitioners to pay 50% of liability for levies to ETOs and to arrange bank guarantees for the remaining amount in favour of ETOs. The liability represents 50% of levies against which guarantees have been arranged in favour of ETO (see note 18.1.1).

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

#### 10.2 Gas Infrastructure Development Cess

Gas Infrastructure Development Cess ['GIDC'] was levied by Sui Northern Gas Pipelines Limited ['SNGPL'] and Sui Southern Gas Pipelines Limited ['SSGCL']. The Company and others have filed a suit before the Sindh High Court ['SHC'] challenging the levy. The SHC have granted the stay in favour of the Company and directed SNGPL and SSGCL to avoid collection of GIDC. The liability represents amount of GIDC payable against which the Company has obtained stay order.

#### 11 EMPLOYEES RETIREMENT BENEFITS

The Company operates an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. The scheme is administered by the management of the Company under the supervision and directions of the Board of Directors of the Company. The amount recognized in statement of financial position represents present value of defined benefit obligation.

	<i>Note</i>	<b>2020</b>	<b>2019</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>11.1 Movement in present value of defined benefit obligation</b>			
As at beginning of the year		<b>118,103,558</b>	126,056,944
Charged to profit or loss for the year	11.2	<b>44,052,902</b>	38,853,114
Benefits paid during the year		<b>(27,215,164)</b>	(27,412,125)
Remeasurements recognized in other comprehensive income	11.4	<b>15,153,600</b>	(19,394,375)
As at end of the year		<b>150,094,896</b>	118,103,558
<b>11.2 Charge to profit or loss</b>			
Current service cost		<b>35,039,333</b>	27,559,925
Interest cost		<b>9,013,569</b>	11,293,189
		<b>44,052,902</b>	38,853,114
<b>11.3 The charge to profit or loss has been allocated as follows</b>			
Cost of sales	28.2	<b>36,311,253</b>	31,767,376
Administrative expenses	30.1	<b>7,741,649</b>	7,085,738
		<b>44,052,902</b>	38,853,114
<b>11.4 Remeasurements recognized in other comprehensive income</b>			
Actuarial loss/(gain) arising from:			
Change in financial assumptions		-	-
Change in experience adjustments		<b>15,153,600</b>	(19,394,375)
		<b>15,153,600</b>	(19,394,375)
<b>11.5 Principal actuarial assumptions</b>			

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
Discount rate	8.50%	14.25%
Expected rates of increase in salary	7.50%	12.00%

### 11.6 Average duration of the defined benefit obligation

The average duration of the defined benefit obligation is 6 years.

### 11.7 Expected charge to profit or loss for the next financial year

The expected charge to profit or loss for the year ending June 30, 2021 amounts to Rs. 55.191 million.

### 11.8 Sensitivity analysis

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

	2020		2019	
	Change in actuarial assumption	Defined benefit obligation <i>Rupees</i>	Change in actuarial assumption	Defined benefit obligation <i>Rupees</i>
Discount rate	+ 1%	144,754,503	+ 1%	114,117,284
	- 1%	155,722,610	- 1%	122,289,735
Expected rate of increase in salary	+ 1%	155,722,610	+ 1%	122,337,208
	- 1%	144,656,840	- 1%	114,003,457

A change in expected withdrawal rates is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

### 11.9 Risk factors

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

**Interest risk:** The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on corporate bonds since the private sector bond market is sufficiently developed in Pakistan. An increase in market yield resulting in a higher discount rate will decrease the defined benefit liability.

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>12 DEFERRED TAXATION</b>			
Deferred tax liability on taxable temporary differences	12.1	242,802,410	280,659,129
Deferred tax asset on deductible temporary differences	12.1	(30,641,401)	(37,251,021)
		<b>212,161,009</b>	<b>243,408,108</b>

### 12.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2020			
	As at July 01, 2019 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at June 30, 2020 Rupees
<b>Deferred tax liabilities</b>				
Operating fixed assets	280,659,129	(37,856,719)	-	242,802,410
	280,659,129	(37,856,719)	-	242,802,410
<b>Deferred tax assets</b>				
Employees retirement benefits	(21,916,595)	2,345,363	(2,197,805)	(21,769,037)
Accumulated impairment	(15,334,426)	6,462,062	-	(8,872,364)
	(37,251,021)	8,807,425	(2,197,805)	(30,641,401)
	<b>243,408,108</b>	<b>(29,049,294)</b>	<b>(2,197,805)</b>	<b>212,161,009</b>
	2019			
	As at July 01, 2018 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at June 30, 2019 Rupees
<b>Deferred tax liabilities</b>				
Operating fixed assets	244,494,606	36,164,523	-	280,659,129
	244,494,606	36,164,523	-	280,659,129
<b>Deferred tax assets</b>				
Employees retirement benefits	(22,125,847)	(3,389,782)	3,599,034	(21,916,595)
Accumulated impairment	(5,297,862)	(10,036,564)	-	(15,334,426)
	(27,423,709)	(13,426,346)	3,599,034	(37,251,021)
	<b>217,070,897</b>	<b>22,738,177</b>	<b>3,599,034</b>	<b>243,408,108</b>

- 12.2** Deferred tax arising from timing differences pertaining to income from business is provided for only that portion of timing differences that represent income taxable under normal provisions of the Income Tax Ordinance, 2001 [the Ordinance] as revenue from export sales of the Company is subject to taxation under the final tax regime, while the remaining portion of revenue attracts assessment under normal provisions of the Ordinance. These differences are calculated at that proportion of total timing differences that the local sales, other than the indirect exports taxable under section 154 (3) of the Ordinance, bear to the total sales revenue based on historical and future trends. Deferred tax has been calculated at 29% (2019: 29%) of the timing differences so determined based on tax rates notified by the Government of Pakistan for future tax years.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 13 DEFERRED GRANT

During the year, State Bank of Pakistan ['SBP'] through IH&SMEFD circular no. 6 of 2020 dated April 10, 2020, introduced a 'Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Bussinss Concern' ['the Refinance Scheme']. The purpose of the Refinance Scheme was to provide relief to dampen the effects of Covid - 19 by providing loans at interest rates that are below normal lending rates.

The Company obtained financing of Rs. 86.294 million under the Refinance Scheme (see note 9.47 and 9.48). The benefit of below market interest rates, measured as the difference between the fair value of loan on the date of disbursement and its face value on that date has been recognised as deferred grant.

The movement during the year is as follows:

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>Rupees</b>	<b>Rupees</b>
As at beginning of the year		-	
Recognized during the year	9.47 & 9.48	7,967,612	-
Amortization during the year	33	(221,949)	-
As at end of the year		7,745,663	
Current maturity presented under current liabilities	17	(5,107,782)	-
		<b>2,637,881</b>	<b>-</b>

### 14 TRADE AND OTHER PAYABLES

Trade creditors		278,901,118	172,483,346
Accrued liabilities		255,192,427	286,681,689
Advances from customers		44,324,844	13,573,422
Workers' Profit Participation Fund	14.1	29,345,844	42,075,183
Workers' Welfare Fund	14.2	30,508,671	25,318,717
Other payables		3,845,441	4,100,492
		<b>642,118,345</b>	<b>544,232,849</b>

#### 14.1 Workers' Profit Participation Fund

As at beginning of the year		42,075,183	27,111,848
Interest on funds utilized by the Company	14.1.1	2,138,013	2,242,037
Charged to profit or loss for the year	31	29,345,844	42,075,183
Paid during the year		(44,213,196)	(29,353,885)
As at end of the year		29,345,844	42,075,183

14.1.1 Interest is charged at 148.5% (2019: 172.5%) per annum.

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>Rupees</b>	<b>Rupees</b>

#### 14.2 Workers' Welfare Fund

As at beginning of the year		25,318,717	16,456,456
Charged to profit or loss for the year	31	5,189,954	8,862,261
As at end of the year		30,508,671	25,318,717

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>15 ACCRUED INTEREST/PROFIT</b>			
Long term finances		14,199,949	25,452,721
Short term borrowings		68,644,449	50,087,602
		<b>82,844,398</b>	<b>75,540,323</b>

## 16 SHORT TERM BORROWINGS

### Secured

These represent short term finances utilized under interest/profit arrangements from banking companies

Running finances	16.1	2,635,258,201	1,355,946,621
Term loans	16.1	845,000,000	835,000,000
		<b>3,480,258,201</b>	<b>2,190,946,621</b>

**16.1** These facilities has been obtained from various banking companies for working capital requirements and are secured by charge over all present and future current assets of the Company and demand promissory notes.

These finances carry interest/profit at rates ranging from one to six months KIBOR plus 0.1% to 1.25% per annum (2019: one to three months KIBOR plus 0.1% to 1.25% per annum) payable quarterly/on maturity.

The aggregate available short term funded facilities amounts to Rs. 7,745 million (2019: Rs. 6,545 million) out of which Rs. 3,065 million (2019: Rs. 4,354 million) remained unavailed as at the reporting date.,

**16.2** For mortgages and charges on assets as security for liabilities, refer to note 43 to the financial statements.

	Note	2020 Rupees	2019 Rupees
<b>17 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Long term finances	9	54,458,646	369,637,092
Deferred grant	13	5,107,782	-
		<b>59,566,428</b>	<b>369,637,092</b>

## 18 CONTINGENCIES AND COMMITMENTS

### 18.1 Contingencies

**18.1.1** Guarantees issued by banks on behalf of the Company as at the reporting date amount to Rs. 344.83 million (2019: Rs. 335.453 million), however the Company has already recognized related liability amounting to Rs. 141.63 million (2019: Rs. 99.45 million).

**18.1.2** Bills discounted/negotiated as at the reporting date amount to Rs. 1,217.98 million (2019: Rs. 1,233.61 million).

**18.1.3** The Company has issued post dated cheques collectively amounting to Rs. 692.645 million (2019: Rs. 179.598 million) in favour of Sales Tax Department in lieu of levies under various statutory notifications and these are likely to be released after fulfilment of the terms of related notifications.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	<i>Note</i>	<b>2020</b>	2019
		<i>Rupees</i>	<i>Rupees</i>
<b>18.2 Commitments</b>			
<b>18.2.1</b> Commitments under irrevocable letters of credit for:			
- purchase of fixed assets		-	278,668,314
- purchase of stores, spares and loose tools		-	2,815,985
- purchase of raw material		<b>1,829,062,078</b>	107,528,236
		<b>1,829,062,078</b>	389,012,535
<b>19 FIXED ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	19.1	<b>3,793,261,854</b>	3,744,096,165
Capital work in progress	19.2	<b>18,079,605</b>	36,963,584
		<b>3,811,341,459</b>	3,781,059,749

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 19.1 Operating fixed assets

	2020										
	COST					DEPRECIATION					Net book value as at June 30, 2020 Rupees
	As at July 01, 2019 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at June 30, 2020 Rupees	Rate %	As at July 01, 2019 Rupees	For the year Rupees	Adjustment Rupees	As at June 30, 2020 Rupees	
Freehold land	89,694,237	-	-	-	89,694,237	-	-	-	-	-	89,694,237
Buildings on freehold land											
Factory buildings	860,094,928	-	-	50,200,663	910,295,591	10	475,767,065	38,851,127	-	514,618,192	395,677,399
Non-factory buildings	157,036,907	-	-	-	157,036,907	5	51,508,003	5,276,445	-	56,784,448	100,252,459
	1,017,131,835	-	-	50,200,663	1,067,332,498		527,275,068	44,127,572	-	571,402,640	495,929,858
Plant and machinery	5,264,488,861	-	-	377,840,864	5,642,329,725	10	2,340,409,768	313,880,879	-	2,654,290,647	2,988,039,078
Equipment and other assets	108,714,208	9,681,595	-	-	118,395,803	25-35	97,872,071	7,339,857	-	105,211,928	13,183,875
Electric installations	334,826,284	-	-	-	334,826,284	10	158,459,450	17,636,683	-	176,096,133	158,730,151
Office equipment - head office	3,519,521	-	-	-	3,519,521	10	635,255	258,709	-	893,964	2,625,557
Office equipment - factory	7,987,095	-	-	-	7,987,095	10	2,320,519	197,592	-	2,518,111	5,468,984
Furniture and fixtures - head office	199,098	-	-	-	199,098	10	170,564	2,853	-	173,417	25,681
Furniture and fixtures - factory	8,004,207	-	-	-	8,004,207	10	5,665,754	233,846	-	5,899,600	2,104,607
Vehicles	89,868,866	4,367,120	(2,846,370)	-	91,389,616	20	47,529,598	8,868,459	(2,468,267)	53,929,790	37,459,826
	6,924,434,212	14,048,715	(2,846,370)	428,041,527	7,363,678,084		3,180,338,047	392,546,450	(2,468,267)	3,570,416,230	3,793,261,854
	2019										
	COST					DEPRECIATION					Net book value as at June 30, 2019 Rupees
	As at July 01, 2018 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at June 30, 2019 Rupees	Rate %	As at July 01, 2018 Rupees	For the year Rupees	Adjustment Rupees	As at June 30, 2019 Rupees	
Freehold land	89,694,237	-	-	-	89,694,237	-	-	-	-	-	89,694,237
Buildings on freehold land											
Factory buildings	831,640,123	-	-	28,454,805	860,094,928	10	435,680,453	40,086,612	-	475,767,065	384,327,863
Non-factory buildings	152,116,666	-	-	4,920,241	157,036,907	5	46,191,230	5,316,773	-	51,508,003	105,528,904
	983,756,789	-	-	33,375,046	1,017,131,835		481,871,683	45,403,385	-	527,275,068	489,856,767
Plant and machinery	4,881,944,052	-	(88,463,528)	471,008,337	5,264,488,861	10	2,116,286,126	294,352,458	(70,228,816)	2,340,409,768	2,924,079,093
Equipment and other assets	103,788,811	4,925,397	-	-	108,714,208	25-35	90,927,481	6,944,590	-	97,872,071	10,842,137
Electric installations	321,865,115	-	-	12,961,169	334,826,284	10	139,922,267	18,537,183	-	158,459,450	176,366,834
Office equipment - head office	1,022,341	2,497,180	-	-	3,519,521	10	571,876	63,379	-	635,255	2,884,266
Office equipment - factory	4,296,441	3,690,654	-	-	7,987,095	10	2,100,972	219,547	-	2,320,519	5,666,576
Furniture and fixtures - head office	199,098	-	-	-	199,098	10	167,394	3,170	-	170,564	28,534
Furniture and fixtures - factory	7,271,397	732,810	-	-	8,004,207	10	5,444,994	220,760	-	5,665,754	2,338,453
Vehicles	78,753,300	15,754,569	(4,639,003)	-	89,868,866	20	42,713,610	8,942,224	(4,126,236)	47,529,598	42,339,268
	6,472,591,581	27,600,610	(93,102,531)	517,344,552	6,924,434,212		2,880,006,403	374,686,696	(74,355,052)	3,180,338,047	3,744,096,165

**19.1.1** Free hold land of the Company is located at Ferozewattoan, Shaikupura with a total area of 739 Kanal 6 Marla (2019: 739 Kanal 6 Marla).

**19.1.2** Transfers represent transfers from capital work in progress on related assets becoming available for use.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

#### 19.1.3 Disposal of property, plant and equipment

2020						
	Accumulated Cost depreciation	Net book value	Disposal proceeds	Gain on disposal	Mode of disposal	Particulars of buyer
Rupees	Rupees	Rupees	Rupees	Rupees		
<b>Vehicles</b>						
Toyota Corolla LEA-11 6679	1,402,740	1,190,410	212,330	300,000	87,670	Negotiation Mr. Raja Muhammad Asif, Lahore.
Toyota Corolla LEA-10 6268	1,443,630	1,277,857	165,773	379,000	213,227	Negotiation Mr. Ahmad Hammad, Lahore.
	<b>2,846,370</b>	<b>2,468,267</b>	<b>378,103</b>	<b>679,000</b>	<b>300,897</b>	
2019						
	Accumulated Cost depreciation	Net book value	Disposal proceeds	Gain on disposal	Mode of disposal	Particulars of buyer
Rupees	Rupees	Rupees	Rupees	Rupees		
<b>Plant and machinery</b>						
Gen Set	40,078,688	29,996,488	10,082,200	9,800,000	(282,200)	Negotiation Tariq Glass Industries Limited
Folding Machine	87,455	71,478	15,977	25,000	9,023	Negotiation Shaheen Industries, Faisalabad
Loepfe Yarn Master	1,669,214	1,432,342	236,872	240,000	3,128	Negotiation Amjad Ali, Faisalabad
Uster Quantum Clearer-2	1,085,046	834,524	250,522	252,500	1,978	Negotiation Amjad Ali, Faisalabad
Auto Cone (64 Spindles) SAVIO ORION-M	15,070,566	11,851,950	3,218,616	3,225,000	6,384	Negotiation Amjad Ali, Faisalabad
Auto Cone (64 Spindles) SAVIO ORION-M	11,558,660	9,547,537	2,011,123	2,014,000	2,877	Negotiation Amjad Ali, Faisalabad
Cheese Winder SSM CW1-D	2,807,646	2,453,322	354,324	450,000	95,676	Negotiation Muhammad Aftab, Gujranwala
Two for One VOLKMAN VTS-08	2,807,646	2,453,322	354,324	380,000	25,676	Negotiation Muhammad Aftab, Gujranwala
Two for One VOLKMAN VTS-08	2,807,646	2,453,322	354,324	380,000	25,676	Negotiation Muhammad Aftab, Gujranwala
Two for One VOLKMAN VTS-08	2,807,646	2,453,322	354,324	380,000	25,676	Negotiation Muhammad Aftab, Gujranwala
Two for One VOLKMAN VTS-08	2,807,646	2,453,322	354,324	380,000	25,676	Negotiation Muhammad Aftab, Gujranwala
Two for One VOLKMAN VTS-08	2,807,646	2,453,322	354,324	380,000	25,676	Negotiation Muhammad Aftab, Gujranwala
Aqua Splicer 4923 B	2,068,023	1,774,565	293,458	400,000	106,542	Negotiation Muhammad Aftab, Gujranwala
	<b>88,463,528</b>	<b>70,228,816</b>	<b>18,234,712</b>	<b>18,306,500</b>	<b>71,788</b>	
2019						
	Accumulated Cost depreciation	Net book value	Disposal proceeds	Gain on disposal	Mode of disposal	Particulars of buyer
Rupees	Rupees	Rupees	Rupees	Rupees		
<b>Vehicles</b>						
Motor bike LEX 10 - 7962	42,500	35,605	6,895	7,000	105	Negotiation Ahmed Ghazali, Lahore
Honda Civic LEA 07 - 5238	1,533,110	1,420,512	112,598	200,000	87,402	Negotiation Aftab Usman, Lahore
Toyota Hilux LZW - 3017	1,246,193	1,181,109	65,084	200,000	134,916	Negotiation Amjad Hanif, Lahore
Suzuki Cultus LEE - 2062	942,100	754,406	187,694	200,000	12,306	Negotiation Muhammad Rafay Dar, Lahore
Suzuki Cultus LED 10 - 7193	875,100	734,604	140,496	175,000	34,504	Negotiation Nadeem Akhtar, Lahore
	<b>4,639,003</b>	<b>4,126,236</b>	<b>512,767</b>	<b>782,000</b>	<b>269,233</b>	
	<b>93,102,531</b>	<b>74,355,052</b>	<b>18,747,479</b>	<b>19,088,500</b>	<b>341,021</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		Rupees	Rupees

19.1.4 The depreciation charge for the year has been allocated as follows:

Cost of sales	28	382,984,991	363,279,856
Administrative and selling expenses	30	9,561,459	11,406,840
		<b>392,546,450</b>	<b>374,686,696</b>

### 19.2 Capital work in progress

	2020		
	As at July 01, 2019 Rupees	Additions Rupees	Transfers Rupees
Buildings on freehold land	22,284,151	31,573,111	(50,200,663)
Plant and machinery	14,679,433	363,161,431	(377,840,864)
Electric Installations	-	14,423,006	-
	<b>36,963,584</b>	<b>409,157,548</b>	<b>(428,041,527)</b>
			<b>18,079,605</b>
	2019		
	As at July 01, 2018 Rupees	Additions Rupees	Transfers Rupees
Buildings on freehold land	2,105,485	53,553,712	(33,375,046)
Plant and machinery	861,681	484,826,089	(471,008,337)
Electric Installations	-	12,961,169	(12,961,169)
	<b>2,967,166</b>	<b>551,340,970</b>	<b>(517,344,552)</b>
			<b>36,963,584</b>

### 20 LONG TERM DEPOSITS

These have been deposited with various utility companies. These are classified as 'financial assets at amortized cost' under IFRS9 which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

	2020	2019
	Rupees	Rupees

### 21 STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools	87,837,272	93,566,497
	<b>87,837,272</b>	<b>93,566,497</b>

21.1 It is impracticable to distinguish stores, spares and loose tools, each from the other.

21.2 There are no spare parts exclusively held for capitalization as at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>22 STOCK IN TRADE</b>			
Raw material		4,049,593,981	2,749,053,891
Work in process		112,158,792	123,824,916
Finished goods	22.1	859,944,506	372,469,629
		<b>5,021,697,279</b>	<b>3,245,348,436</b>

**22.1** Stock of finished goods includes stock of waste valued at Rs. 2,272,634 (2019: Rs. 867,457). The entire stock of waste is valued at net realizable value.

**22.2** Raw material includes cotton valued at net realizable value of Rs. 3,690.051 million (2019: Rs. 477.258 million) resulting in a write down of Rs. 703.933 million (2019: Rs. 238.629 million) recognized in cost of sales.

**22.3** Finished goods include yarn valued at net realizable value of Rs. 78.544 million resulting in a write down of Rs. 5.441 million recognized in cost of sales. There was no write down as on June 30, 2019.

	Note	2020 Rupees	2019 Rupees
<b>23 TRADE RECEIVABLES</b>			
Considered good			
- local - <i>unsecured</i>		586,364,058	644,959,199
- foreign - <i>secured</i>	23.1	291,391,844	408,789,625
		<b>877,755,902</b>	<b>1,053,748,824</b>
Impairment allowance for expected credit loss	23.2	<b>(61,074,302)</b>	<b>(82,534,159)</b>
		<b>816,681,600</b>	<b>971,214,665</b>

**23.1** These are secured through letters of credit

**23.2 Impairment allowance for expected credit loss**

As at beginning of the year		82,534,159	30,185,752
Recognized during the year		886,275	52,827,206
Reversed during the year on recovery	32	<b>(22,346,132)</b>	<b>(478,799)</b>
As at end of the year		<b>61,074,302</b>	<b>82,534,159</b>

**24 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

Advances to suppliers		13,895,077	2,572,444
Advances to employees	24.1	15,306,304	16,981,488
Prepayments		3,926,597	2,055,932
Security deposits	24.2	128,065,677	97,629,246
Letters of credit		51,350	5,350,183
Other receivables	24.3	102,248,829	25,318,599
		<b>263,493,834</b>	<b>149,907,892</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

- 24.1** These represent advances to employees against future salaries and post employment benefits in accordance with the Company policy. No advances have been given to any of the directors of the Company.
- 24.2** These represent deposits with a banking company against bank guarantees and carry return at rates ranging from 10.25% to 11.28% (2019: 4.5% to 10.25%) per annum.

	<i>Note</i>	<b>2020</b>	2019
		<i>Rupees</i>	<i>Rupees</i>
<b>24.3 Particulars of other receivables</b>			
Other receivables		<b>102,348,412</b>	25,418,182
Impairment allowance for doubtful receivables		<b>(99,583)</b>	(99,583)
		<b>102,248,829</b>	25,318,599

## 25 ADVANCE INCOME TAX/INCOME TAX REFUNDABLE

Advance income tax/income tax refundable		<b>525,025,669</b>	487,184,570
Provision for taxation	34	<b>(153,129,370)</b>	(131,637,185)
		<b>371,896,299</b>	355,547,385

## 26 BANK BALANCES

Cash at banks			
Current accounts - local currency		<b>194,778,254</b>	301,514,357
Current accounts - foreign currency		<b>8,099,711</b>	657,638
		<b>202,877,965</b>	302,171,995

## 27 SALES - NET

	<b>2020</b>		
	<b>Local</b>	<b>Export</b>	<b>Total</b>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Yarn	<b>5,487,759,430</b>	<b>4,258,110,828</b>	<b>9,745,870,258</b>
Fabric	<b>1,212,845,084</b>	<b>1,912,025,701</b>	<b>3,124,870,785</b>
Cotton and polyester	<b>257,388,685</b>	-	<b>257,388,685</b>
Waste and other	<b>164,878,789</b>	-	<b>164,878,789</b>
	<b>7,122,871,988</b>	<b>6,170,136,529</b>	<b>13,293,008,517</b>
Duty drawback on export	-	<b>96,326,385</b>	<b>96,326,385</b>
Discount	-	<b>(8,629,449)</b>	<b>(8,629,449)</b>
Sales tax	<b>(1,021,059,576)</b>	-	<b>(1,021,059,576)</b>
	<b>6,101,812,412</b>	<b>6,257,833,465</b>	<b>12,359,645,877</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2019		
	Local <i>Rupees</i>	Export <i>Rupees</i>	Total <i>Rupees</i>
Yarn	4,800,479,027	3,735,371,016	8,535,850,043
Fabric	2,258,931,382	983,002,096	3,241,933,478
Cotton and polyester	384,572,664	-	384,572,664
Waste and other	108,394,642	-	108,394,642
	7,552,377,715	4,718,373,112	12,270,750,827
Duty drawback on export	-	76,660,404	76,660,404
Sales tax	(1,236,402)	-	(1,236,402)
	<b>7,551,141,313</b>	<b>4,795,033,516</b>	<b>12,346,174,829</b>

- 27.1** Payments from customers against sale of goods is typically due at the end of credit period ranging from 30 days to 90 days.
- 27.2** Sales for the year include Rs. 7,885,819 (2019: Rs. 6,157,722) against advances from customers at the beginning of the year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>28 COST OF SALES</b>			
Raw material consumed	28.1	9,049,484,814	7,974,868,993
Stores, spares and loose tools consumed		296,404,025	262,514,335
Salaries, wages and benefits	28.2	677,537,037	575,302,020
Fee and subscription		1,371,756	391,050
Fuel and power		866,026,964	1,061,744,310
Insurance		27,054,533	25,647,843
Vehicle running and maintenance		10,456,776	9,220,803
Rent, rates and taxes		486,411	352,026
Repair and maintenance		18,678,301	15,095,080
Communication		763,981	831,484
Traveling, conveyance and entertainment		2,179,160	1,483,116
Depreciation	19.1.4	382,984,991	363,279,856
Others		4,072,672	2,295,857
Manufacturing cost		11,337,501,421	10,293,026,773
Work in process			
As at beginning of the year		123,824,916	109,149,164
As at end of the year		(112,158,792)	(123,824,916)
		11,666,124	(14,675,752)
Cost of goods manufactured		11,349,167,545	10,278,351,021
Finished goods			
As at beginning of the year		372,469,629	415,133,823
Purchased during the year		32,608,295	29,892,826
As at end of the year		(859,944,506)	(372,469,629)
		(454,866,582)	72,557,020
Cost of cotton sold	28.3	217,576,770	382,535,311
		11,111,877,733	10,733,443,352
<b>28.1 Raw material consumed</b>			
As at beginning of the year		2,749,053,891	3,368,819,505
Purchased during the year		10,596,938,747	7,738,277,196
Sold during the year		(246,913,843)	(383,173,817)
As at end of the year		(4,049,593,981)	(2,749,053,891)
		9,049,484,814	7,974,868,993
<b>28.2</b> These include charge in respect of employees retirement benefits amounting to Rs. 36,311,253 (2019: Rs. 31,767,376).			
		2020 Rupees	2019 Rupees
<b>28.3 Cost of cotton sold</b>			
Cost of purchase		214,305,548	379,099,931
Salaries, wages and benefits		69,000	99,000
Loading and unloading		14,728	26,045
Insurance		426,304	856,061
Finance cost		2,761,190	2,454,274
		217,576,770	382,535,311

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>29 DISTRIBUTION COST</b>			
<b>Export</b>			
Ocean freight and forwarding		118,888,241	83,212,213
Export development surcharge		15,425,084	12,257,010
Export sales promotion		1,320,050	70,705
Commission		62,004,492	82,525,501
Others		839,166	1,058,473
		<b>198,477,033</b>	<b>179,123,902</b>
<b>Local</b>			
Inland transportation		2,359,939	3,156,432
Commission		31,994,649	40,409,062
Others		193,673	711,709
		<b>34,548,261</b>	<b>44,277,203</b>
		<b>233,025,294</b>	<b>223,401,105</b>
<b>30 ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration		28,600,000	23,400,000
Salaries and benefits	30.1	81,740,168	67,290,662
Traveling, conveyance and entertainment		5,723,385	4,863,932
Printing and stationery		870,585	744,524
Communication		1,087,361	1,190,675
Vehicles running and maintenance		6,851,870	6,111,665
Legal and professional		2,661,250	1,081,895
Auditor's remuneration	30.2	1,538,500	1,538,500
Fee and subscription		3,678,576	4,146,577
Depreciation	19.1.4	9,561,459	11,406,840
Rent, rates and utilities		10,450,199	9,033,579
Oracle license and support fee		634,414	334,272
Others		1,090,497	846,924
Inadmissible Input		595,915	52,297
		<b>155,084,179</b>	<b>132,042,342</b>
<b>30.1</b>	These include charge in respect of employees retirement benefits amounting to Rs. 7,741,649 (2019: Rs. 7,085,738).		
	Note	2020 Rupees	2019 Rupees
<b>30.2 Auditor's remuneration</b>			
Annual statutory audit		1,350,000	1,350,000
Limited scope review		128,500	128,500
Review report under Code of Corporate Governance		50,000	50,000
Out of pocket expenses		10,000	10,000
		<b>1,538,500</b>	<b>1,538,500</b>
<b>31 OTHER EXPENSES</b>			
Impairment allowance for expected credit losses		886,275	52,827,206
Workers' Profit Participation Fund	14.1	29,345,844	42,075,183
Workers' Welfare Fund	14.2	5,189,954	8,862,261
Donations		750,000	500,000
		<b>36,172,073</b>	<b>104,264,650</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	<i>Note</i>	<b>2020</b>	<b>2019</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>32 OTHER INCOME</b>			
<b>Gain on financial instruments</b>			
Reversal of impairment on trade debts on recovery	23.2	22,346,132	478,799
Foreign exchange gain		580,327	205,141
Return on bank deposits	24.2	9,273,263	5,779,946
		32,199,722	6,463,886
<b>Other income</b>			
Gain on disposal of property, plant and equipment	19.1.3	300,897	341,021
		32,500,619	6,804,907

### 33 FINANCE COST

Interest/profit on borrowings:			
long term finances		79,136,443	79,263,775
short term borrowings		195,063,160	265,648,710
		274,199,603	344,912,485
Interest on workers' profit participation fund	14.1	2,138,013	2,242,037
Bank charges and commission	33.2	30,292,810	24,349,584
		306,630,426	371,504,106

**33.1** Interest/profit amounting to Rs. 7,223,485 (2019: Rs. 2,025,552 ) was capitalized during the year as part of cost of property, plant and equipment.

**33.2** These include letters of credit discounting charges amounting to Rs. 26,094,304 (2019: Rs. 21,750,527).

	<i>Note</i>	<b>2020</b>	<b>2019</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>34 PROVISION FOR CURRENT TAX</b>			
Current taxation			
for current year	34.1	153,129,370	131,637,185
for prior year		-	(1,475,954)
		153,129,370	130,161,231
Deferred taxation		(29,049,294)	22,738,177
		124,080,076	152,899,408

**34.1** Provision for current tax has been made in accordance with section 113 (2019: section 18 and section 154) of the Income Tax Ordinance, 2001 [the Ordinance]. There is no relationship between aggregate tax expense and accounting profit for year ended June 30, 2020. Accordingly no numerical reconciliation has been presented for year ended June 30, 2020. Reconciliation between average effective tax rate and applicable tax rate for the year ended June 30, 2019 is as follows:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Unit	2019
Profit before taxation	Rupees	788,324,181
Provision for taxation	Rupees	152,899,408
Average effective tax rate	%	19.40
Tax effects of:		
Adjustments for prior years	%	0.19
Income chargeable to tax at different rates	%	(6.37)
Deferred taxation	%	(2.88)
Tax credit	%	18.67
Applicable tax rate	%	29.00

**34.2** Assessments upto assessment year 2002-2003 have been finalized under the relevant provisions of the Repealed Income Tax Ordinance, 1979.

**34.3** Assessments upto tax year 2019 have been finalized under relevant provisions of Income Tax Ordinance, 2001.

	Unit	2020	2019
		Rupees	Rupees
<b>35 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Profit attributable to ordinary shareholders	Rupees	425,276,715	635,424,773
Weighted average number of ordinary shares outstanding during the year	No. of shares	6,432,000	6,432,000
Earnings per share	Rupees	66.12	98.79

There is no diluting effect on the basic earnings per share of the Company.

	2020	2019
	Rupees	Rupees
<b>36 CASH (USED IN)/GENERATED FROM OPERATIONS</b>		
Profit before taxation	549,356,791	788,324,181
Adjustments for non-cash and other items		
Finance cost	274,199,603	344,912,485
Gain on disposal of property, plant and equipment	(300,897)	(341,021)
Foreign exchange gain	(580,327)	(205,141)
Impairment allowance for expected credit losses	886,275	52,827,206
Reversal of impairment allowance for expected credit losses	(22,346,132)	(478,799)
Provision for employees retirement benefits	44,052,902	38,853,114
Depreciation	392,546,450	374,686,696
	688,457,874	810,254,540
	1,237,814,665	1,598,578,721
Changes in working capital		
Stores, spares and loose tools	5,729,225	(21,801,061)
Stock in trade	(1,776,348,843)	647,754,056
Trade receivables	175,992,922	(97,379,955)
Advances, deposits, prepayments and other receivables	(113,585,942)	200,229
Sales tax refundable	43,531,676	(35,252,966)
Trade and other payables	97,885,496	56,247,833
Long term payables	50,350,116	39,558,766
Long term deposits	-	(250,000)
	(1,516,445,350)	589,076,902
Cash (used in)/generated from operations	(278,630,685)	2,187,655,623

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>37 CASH AND CASH EQUIVALENTS</b>			
Bank balances	26	202,877,965	302,171,995
		<b>202,877,965</b>	<b>302,171,995</b>

### 38 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding
Faisal Spinning Mills Limited	Associated company	Common directorship	18.49%
Bhanero Textiles Mills Limited	Associated company	Common directorship	0.00%
Bhanero Energy Limited	Associated company	Common directorship	0.00%
Admiral (Private) Limited	Associated company	Common directorship	0.00%
Mohammad Amin	Key management personnel	Chief executive officer	4.39%
Adil Shakeel	Key management personnel	Director	4.12%
Mohammad Shaheen	Key management personnel	Director	1.07%

Transactions with key management personnel are limited to payment of short term employee benefits only. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an orderly transaction between market participants at the date of transaction.

There are no balances with related parties as at the reporting date. Names, basis of relationship, details of transactions with associated undertakings & related parties is as follows:

		2020 Rupees	2019 Rupees
<b>38.1 Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
Associated companies	Sale of yarn	1,222,942,975	1,042,970,227
	Sale of fabric	30,296,020	6,183,657
	Sale of cotton	257,388,684	376,089,802
	Purchase of cotton	23,331,029	43,267,548
	Purchase of yarn	262,481,884	299,491,637
	Purchase of fabric	-	6,196,798
	Purchase of electricity	22,429,406	103,602,079
	Services received	309,000	309,000
Key management personnel	Short term employee benefits	28,600,000	23,400,000

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

#### 39 FINANCIAL INSTRUMENTS

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

	Note	2020 Rupees	2019 Rupees
<b>39.1 Financial assets</b>			
<i>Financial assets at amortized cost</i>			
Long term deposits	20	14,394,095	14,394,095
Trade debts	23	816,681,600	971,214,665
Advances to employees	24	15,306,304	16,981,488
Security deposits	24	128,065,677	97,629,246
Bank balances	26	202,877,965	302,171,995
		<b>1,177,325,641</b>	<b>1,402,391,489</b>

#### 39.2 Financial liabilities

##### *Financial liabilities at amortized cost*

Long term finances	9	2,013,891,529	1,969,798,943
Short term borrowings	16	3,480,258,201	2,190,946,621
Accrued interest/interest		82,844,398	75,540,323
Trade creditors	14	278,901,118	172,483,346
Accrued liabilities	14	255,192,427	286,681,689
Unclaimed dividend		6,638,404	5,053,216
		<b>6,117,726,077</b>	<b>4,700,504,138</b>

#### 40 FINANCIAL RISK EXPOSURE AND MANAGEMENT

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

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

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

##### 40.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

##### 40.1.1 Credit risk management practices

In order to minimise credit risk, the Company has adopted a policy of only dealing with credit worthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. Particularly for customers, a dedicated team responsible for the determination of credit limits uses a credit scoring system to assess the potential as well as existing customers' credit quality and assigns or updates credit limits accordingly. The ageing profile of trade debts and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The Company reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Company considers a financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due in the normal course of business based on history with the counterparty.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. This is usually the case with various customers of the Company where the Company has long standing business relationship with these customers and any amounts that are past due by more than 30 days in the normal course of business are considered 'performing' based on history with the customers. Therefore despite the foregoing, the Company considers some past due trade debts to have low credit risk where the debtor has a good history of meeting its contractual cash flow obligations and is expected to maintain the same in future.

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

The Company considers 'default' to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

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

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

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

### 40.1.2 Exposure to credit risk

Credit risk principally arises from the Company's loans and receivables. The maximum exposure to credit risk as at the reporting date is as follows:

	Note	2020 Rupees	2019 Rupees
<b>Loans and receivables</b>			
Long term deposits	20	14,394,095	14,394,095
Trade receivables	23	877,755,902	1,053,748,824
Advances to employees	24	15,306,304	16,981,488
Security deposits	24	128,065,677	97,629,246
Bank balances	26	202,877,965	302,171,995
		<b>1,238,399,943</b>	<b>1,484,925,648</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 40.1.3 Credit quality and impairment

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

	Note	External credit rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
Long term deposits	20	N/A	Performing	12-month ECL	14,394,095	-
Trade debts	23	N/A	Performing	Lifetime ECL	817,567,875	886,275
	23	N/A	In-default	Lifetime ECL	60,188,027	60,188,027
					877,755,902	61,074,302
Advances to employees	24	N/A	Performing	12-month ECL	15,306,304	-
Security deposit	24	A1 - A1+	N/A	12-month ECL	128,065,677	-
Bank balances	26	A1 - A1+	N/A	12-month ECL	202,877,965	-
					<b>1,238,399,943</b>	<b>61,074,302</b>

#### (a) Long term deposits

Long term deposits comprise security deposits placed with various utility companies. These deposits are placed for an indefinite period without any fixed maturity and will be due for refund only if the Company ceases to use the underlying services. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

#### (b) Trade debts

For trade debts, the Company has applied the simplified approach in IFRS9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on trade debts by using internal credit risk gradings. As at the reporting date, trade debts amounting to Rs. 60.188 million are considered to be credit impaired and thus 'in-default'. All other trade debts are considered 'performing' including those past due amounting to Rs. 279.997 million as there is no significant increase in credit risk in respect of these debts since initial recognition. The ageing analysis of trade debts as at the reporting date is as follows:

	Note	2020 Rupees	2019 Rupees
Neither past due nor impaired		537,570,607	843,169,570
Past due by upto 30 days		159,571,046	122,247,154
Past due by 31 days to 180 days		120,426,222	56,081,276
Past due by 180 days or more		60,188,027	32,250,824
		<b>877,755,902</b>	<b>1,053,748,824</b>

#### (c) Advances to employees

Advances to employees have been given against future salaries and post-employment benefits. Accordingly, these are considered to have no credit risk.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### (d) Security deposits

These are deposited with a banking company against bank guarantees. The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss.

### (e) Bank balances

The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss.

### 40.1.4 Concentrations of credit risk

There are no significant concentrations of credit risk.

### 40.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets with the exception of trade debts amounting to Rs. 291.391 million (2019: Rs. 408.79 million), which are partially secured through letters of credit and advances to employees which are secured against future salaries and post-employment benefits.

### 40.1.6 Changes in impairment allowance for expected credit losses

The changes in impairment allowance for expected credit losses have been presented in note 23.2.

### 40.2 Liquidity risk

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

#### 40.2.1 Liquidity risk management

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

#### 40.2.1 Exposure to liquidity risk

The followings is the analysis of contractual maturities of financial liabilities, including estimated interest/profit payments.

	2020				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	2,013,891,529	2,286,677,443	122,171,075	1,337,679,814	826,826,554
Short term borrowings	3,480,258,201	3,490,734,497	3,490,734,497	-	-
Accrued interest/profit	82,844,398	82,844,398	82,844,398	-	-
Trade creditors	278,901,118	278,901,118	278,901,118	-	-
Accrued liabilities	255,192,427	255,192,427	255,192,427	-	-
Unclaimed dividend	6,638,404	6,638,404	6,638,404	-	-
	<b>6,117,726,077</b>	<b>6,400,988,287</b>	<b>4,236,481,919</b>	<b>1,337,679,814</b>	<b>826,826,554</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2019				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	1,969,798,943	2,198,064,824	441,345,020	1,091,925,173	664,794,631
Short term borrowings	2,190,946,621	2,205,928,306	2,205,928,306	-	-
Accrued interest/profit	75,540,323	75,540,323	75,540,323	-	-
Trade creditors	172,483,346	172,483,346	172,483,346	-	-
Accrued liabilities	286,681,689	286,681,689	286,681,689	-	-
Unclaimed dividend	5,053,216	5,053,216	5,053,216	-	-
	4,700,504,138	4,943,751,704	3,187,031,900	1,091,925,173	664,794,631

### 40.3 Market risk

#### 40.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency.

##### (a) Currency risk management

The Company manages its exposure to currency risk through continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities/payments to assets/receipts and using source inputs in foreign currency.

##### (b) Exposure to currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

	2020 Rupees	2019 Rupees
<b>Financial assets</b>		
Trade debts		
USD	291,391,844	408,789,625
Bank balances		
USD	8,099,711	657,638
	299,491,555	409,447,263
<b>Financial liabilities</b>	-	-
<b>Net balance sheet exposure</b>	299,491,555	409,447,263
Foreign currency commitments		
CHF	-	(119,129,245)
EUR	-	(18,788,320)
JPY	-	-
USD	(1,829,062,078)	(251,094,970)
	(1,829,062,078)	(389,012,535)
<b>Net exposure</b>	(1,529,570,523)	20,434,728

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### (c) Exchange rates applied as at the reporting date

The following spot exchange rates were applied as at the reporting date.

	2020	2019
	<i>Rupees</i>	<i>Rupees</i>
CHF	-	164.32
Euro	-	182.32
USD	168.05	160.05

### (d) Sensitivity analysis

A five percent appreciation in Pak Rupee against foreign currencies would have decreased profit for the year and equity as at the reporting date by Rs. 14.975 million (2019: Rs. 20.472 million). A five percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year and equity. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

### 40.3.2 Interest/profit rate risk

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

#### (a) interest/profit bearing financial instruments

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

	2020	2019
	<i>Rupees</i>	<i>Rupees</i>
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	1,876,308,834	1,636,234,778
<b>Variable rate instruments</b>		
Financial assets	128,065,677	97,629,246
Financial liabilities	3,617,840,896	2,524,510,786

#### (b) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

#### (c) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year and equity as at the reporting date by Rs. 34.898 million (2019: Rs. 24.269 million). A decrease of 100 basis points would have had an equal but opposite effect on profit and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

#### (d) Interest rate risk management

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2020

#### 40.3.3 Price risk

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

#### 41 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders. The Company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances including current maturity. Total capital employed includes total equity as shown in the statement of financial position plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

	<i>Unit</i>	<b>2020</b>	<b>2019</b>
Total debt	<i>Rupees</i>	<b>2,021,859,141</b>	1,969,798,943
Total equity	<i>Rupees</i>	<b>3,889,547,232</b>	3,755,088,762
		<b>5,911,406,373</b>	5,724,887,705
Gearing		<b>34.20%</b>	34.41%

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

#### 42 FAIR VALUE MEASUREMENTS

##### 42.1 Financial Instruments

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all the financial instruments to approximate their fair values.

##### 42.2 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than financial instruments are measured at fair value.

	<b>2020</b>	<b>2019</b>
	<i>Rupees</i>	<i>Rupees</i>

#### 43 RESTRICTION ON TITLE, AND ASSETS MORTGAGED/PLEDGED AS SECURITY

##### Mortgages and charges

Charge over current assets	<b>10,248,267,000</b>	8,631,000,000
Charge over fixed assets	<b>4,011,000,000</b>	4,012,000,000

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

### 44 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

	2020		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	9,000,000	19,600,000	26,892,576
Allowances and perquisites	-	-	5,287,113
Post employment benefits	-	-	4,203,480
	<b>9,000,000</b>	<b>19,600,000</b>	<b>36,383,169</b>
Number of persons	1	2	11

	2019		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	7,800,000	15,600,000	24,144,345
Allowances and perquisites	-	-	4,104,455
Post employment benefits	-	-	3,418,864
	<b>7,800,000</b>	<b>15,600,000</b>	<b>31,667,664</b>
Number of persons	1	2	11

### 45 SEGMENT INFORMATION

#### 45.1 Products and services from which reportable segments derive their revenues

Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The Company's reportable segments are therefore as follows:

Segment	Product
Spinning	Yarn
Weaving	Fabric

Information regarding Company's reportable segments is presented below.

#### 45.2 Information about reportable segments

	2020		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	9,364,935,146	2,994,710,731	12,359,645,877
Intersegment revenues	252,270,909	-	252,270,909
Depreciation	306,001,213	86,545,237	392,546,450
Segment results	655,811,732	200,175,485	855,987,217
Segment assets	8,581,579,060	1,794,159,626	10,375,738,686
Segment liabilities	728,334,668	280,753,461	1,009,088,129
Interest income	9,273,263	-	9,273,263
Additions to non-current assets	343,615,415	79,590,848	423,206,263
Disposals of property, plant and equipment	212,330	165,773	378,103

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2019		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	9,086,649,297	3,259,525,532	12,346,174,829
Intersegment revenues	-	256,534,320	256,534,320
Depreciation	279,759,602	94,927,094	374,686,696
Segment results	950,300,032	209,528,255	1,159,828,287
Segment assets	7,056,471,785	1,702,138,421	8,758,610,206
Segment liabilities	618,718,291	202,603,522	821,321,813
Interest income	5,779,946	-	5,779,946
Additions to non-current assets	570,821,259	8,120,321	578,941,580
Disposals of property, plant and equipment	18,471,513	275,966	18,747,479

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment results represent operating profit earned by the segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

### 45.3 Reconciliations of reportable segment information

#### 45.3.1 Segment revenues

	2020		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	9,617,206,055	2,994,710,731	12,611,916,786
Inter-segment revenues	(252,270,909)	-	(252,270,909)
Total for the Company	9,364,935,146	2,994,710,731	12,359,645,877

	2019		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	9,086,649,297	3,516,059,852	12,602,709,149
Inter-segment revenues	-	(256,534,320)	(256,534,320)
Total for the Company	9,086,649,297	3,259,525,532	12,346,174,829

#### 45.3.2 Segment assets

	2020		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	8,581,579,060	1,794,159,626	10,375,738,686
Unallocated assets			14,394,095
Long term deposits			371,896,299
Current taxation			
Total for the Company	8,581,579,060	1,794,159,626	10,762,029,080

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	2019		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	7,056,471,785	1,702,138,421	8,758,610,206
Unallocated assets			
Long term deposits			14,394,095
Current taxation			355,547,385
Total for the Company	7,056,471,785	1,702,138,421	9,128,551,686

### 45.3.3 Segment liabilities

	2020		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	728,334,668	280,753,461	1,009,088,129
Un-allocated liabilities			
Long term finances			2,013,891,529
Deferred taxation			212,161,009
Deferred grant			7,745,663
Short term borrowings			3,480,258,201
Accrued interest/profit			82,844,398
Workers' Profit Participation Fund			29,345,844
Workers' Welfare Fund			30,508,671
Unclaimed dividend			6,638,404
Total for the Company	728,334,668	280,753,461	6,872,481,848

	2019		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	618,718,291	202,603,522	821,321,813
Un-allocated liabilities			
Long term finances			1,969,798,943
Deferred taxation			243,408,108
Deferred grant			-
Short term borrowings			2,190,946,621
Accrued interest/profit			75,540,323
Workers' Profit Participation Fund			42,075,183
Workers' Welfare Fund			25,318,717
Unclaimed dividend			5,053,216
Total for the Company	618,718,291	202,603,522	5,373,462,924

### 45.4 Geographical information

The Company's operations are not distributed geographically.

### 45.5 Information about significant customers

There is no single significant external customer to whom sales in excess of 10% of the Company's total sales were made during the year.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

### 46 SHARES IN THE COMPANY HELD BY ASSOCIATED COMPANIES

Faisal Spinning Mills Limited, an associated company, holds 1,189,160 (2019: 1,189,160) ordinary shares of Rs. 10 each in the Company.

### 47 PLANT CAPACITY AND ACTUAL PRODUCTION

	Unit	2020	2019
<b>Spinning</b>			
Number of spindles installed	No.	68,640	68,640
Plant capacity on the basis of utilization converted into 20s count	Kgs'000	23,405	23,405
Actual production converted into 20s count	Kgs'000	25,354	25,285
<b>Weaving</b>			
Number of looms installed	No.	140	140
Plant capacity on the basis of utilization converted into 50 picks	Mtrs'000	29,355	29,355
Actual production converted into 50 picks	Mtrs'000	23,714	25,773

It is difficult to precisely compare production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindle speed and twist, picks etc. It would also vary according to the pattern of production adopted in a particular year.

### 48 IMPACT OF COVID - 19 ON THE FINANCIAL STATEMENTS

COVID-19 pandemic started at the end of December 2019 and broke out in China in January 2020. The slow down in Pakistan started in February 2020 following which a nationwide lockdown was imposed in Pakistan. Although, the Company's production facilities remained closed for a very briefly during the lockdown, material exports remained suspended throughout the last quarter of the financial year or were otherwise slow as the Company's buyers renegotiated contracts. However, things are now seen getting back to track and as export continue to pick up with the pandemic easing out, the management expects sustainable growth in revenue and profits in the ensuing financial year. The benefits of principal deferrals on long term finances and payroll financing at low interest rates under various schemes of the State Bank of Pakistan will further provide required momentum. There is no financial impact of COVID-19 on the carrying amounts of assets and liabilities or items of income and expenses reported in these financial statements except adjustment for Net Realizable Value as disclosed in note 22.2 and 22.3.

### 49 NUMBER OF EMPLOYEES

	2020	2019
Total number of employees	1,712	1,344
Average number of employees	1,702	1,340

### 50 RECOVERABLE AMOUNTS AND IMPAIRMENT

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

### 51 GENERAL

51.1 Figures have been rounded off to the nearest rupee.

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

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2020

NUMBERS OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD	Percentage
	FROM	TO		
377	1	100	12,279	0.19
169	101	500	65,981	1.03
30	501	1000	26,883	0.42
45	1001	5000	118,812	1.85
3	5001	10000	16,844	0.26
6	10001	15000	74,785	1.16
3	15001	20000	55,500	0.86
1	20001	25000	20,500	0.32
2	25001	30000	60,000	0.93
1	35001	40000	37,100	0.58
2	40001	45000	82,600	1.28
3	45001	50000	144,100	2.24
2	50001	55000	106,701	1.66
1	60001	65000	63,900	0.99
1	65001	70000	69,000	1.07
2	70001	75000	143,530	2.23
3	90001	95000	280,485	4.36
3	95001	100000	294,500	4.58
1	100001	105000	103,000	1.60
1	125001	130000	126,100	1.96
1	130001	135000	135,000	2.10
2	135001	140000	273,700	4.26
1	160001	165000	163,200	2.54
1	190001	195000	191,951	2.98
1	235001	240000	235,196	3.66
3	265001	270000	798,493	12.41
1	280001	285000	282,400	4.39
1	330001	335000	330,400	5.14
1	390001	395000	393,900	6.12
1	535001	540000	536,000	8.33
1	1185001	1190000	1,189,160	18.49
<b>670</b>			<b>6,432,000</b>	<b>100.00</b>

\* Note: The slabs representing nil holding have been omitted.

## LIST OF SHARE HOLDERS AS AT JUNE 30, 2020

Sr #	Shareholder Category	Percentage	No. of Shares
<b>1</b>	<b>ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES</b>		
	M/S. FAISAL SPINNING MILLS LTD	18.49	1,189,160
	MR. MUHAMMAD SHAKEEL	0.47	30,000
	MR. FARRUKH SALEEM	1.41	91,000
	MR. YOUSUF SALEEM	1.96	126,100
	MR. SAQIB SALEEM	1.47	94,700
	MR. MUHAMMAD QASIM	4.17	268,100
	MR. FAISAL SHAKEEL	4.12	265,196
	MR. HAMZA SHAKEEL	4.12	265,197
	MR. ABDULLAH BILAL	1.53	98,100
	MR. UMER KHURRAM	0.04	2,500
	MRS. NAZLI BEGUM	3.66	235,196
	MRS. SABA YOUSUF	1.80	116,094
	MRS. SABA SAQIB	2.29	147,494
	MRS. SADAF FARRUKH	2.35	151,194
	MRS. SUMBUL QASIM	1.09	70,285
<b>2</b>	<b>Director's, CEO, Their Spouse and Minor Children</b>		
	MR. MUHAMMAD SHAHEEN	1.07	69,000
	MR. MUHAMMAD SALEEM	0.78	50,000
	MR. KHURRAM SALEEM	0.99	63,900
	MR. IQBAL MEHBOOB VOHRA	0.04	2,500
	MR. BILAL SHARIF	3.58	230,285
	MR. MUHAMMAD AMIN	4.39	282,400
	MR. ADIL SHAKEEL	4.12	265,196
	MR. MUSTAFA TANVIR	0.01	500
	MR. ASIF ELAHI	0.01	500
	MRS. YASMIN BEGUM	0.65	42,000
	MRS. SEEMA BEGUM	0.63	40,600
	MRS. AMNA KHURRAM	2.73	175,803
	MRS. SAMIA BILAL	8.33	536,000
	MRS. FATIMA AMIN	5.14	330,400
	MRS. MARIUM ADIL	0.01	500
	MASTER AZAAN BILAL	1.53	98,200
	MASTER ALI BILAL	1.53	98,200
<b>3</b>	<b>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS AND INSURANCE COMPANIES</b>		
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	6.12	393,900
	NATIONAL BANK OF PAKISTAN	0.00	31

## LIST OF SHARE HOLDERS AS AT JUNE 30, 2020

### 4 INVESTMENT COMPANY

PROVIDUS INVESTMENTS (PRIVATE) LIMITED	0.29	18,500
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### 5 JOINT STOCK COMPANIES

SHAFI (PRIVATE) LIMITED	0.01	400
M/S. MEHRAN SUGAR MILLS LIMITED	0.00	200

### 6 INDIVIDUAL SHAREHOLDERS

8.15 524,042

### 7 OTHER COMPANIES

0.91 58,627

### TOTAL

**100.00 6,432,000**

### 8 DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO

COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN NIL

### 9 SHAREHOLDERS HOLDING 05% OR MORE

M/S. FAISAL SPINNING MILLS LTD	18.49	1,189,160
STATE LIFE INSURANCE CORPORATION OF PAKISTAN	6.12	393,900
MRS. SAMIA BILAL	8.33	536,000
MRS. FATIMA AMIN	5.14	330,400

## CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2020

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDE	SHARES HELD	PERCENTAGE %
1	Director's, CEO, Their Spouse and Minor Children	19	2,285,984	35.54
2	Associated Companies, Undertaking and Related Parties	19	3,150,316	48.98
3	Banks / Financial Institutions	1	31	0.00
4	Insurance Company	1	393,900	6.12
5	General Public / Individuals	622	524,042	8.15
6	Investment Company	1	18,500	0.29
7	Joint Stock Companies	2	600	0.01
8	Other Companies	5	58,627	0.91
		<b>670</b>	<b>6,432,000</b>	<b>100.00</b>

## Year-Wise Operating Data

2020	2019	2018	2017	2016	2015
------	------	------	------	------	------

### Spinning Unit

Spindle installed  
Spindles worked  
Installed capacity after conversion into 20/s count - Kg  
Actual production converted into 20s - Kg

68,640	68,640	68,640	68,640	59,136	59,136
68,640	68,640	68,640	68,640	59,136	59,136
23,405,000	23,405,000	23,405,000	23,405,000	21,015,867	21,015,867
25,354,000	25,285,000	25,240,000	21,911,000	20,979,751	19,934,197

### Weaving Unit

Air jet looms installed  
Air jet looms worked  
Installed capacity after conversion into 50 picks - Meter  
Actual production converted to 50 picks - Meter

140	140	140	140	139	139
140	140	140	140	139	139
29,355,000	29,355,000	20,352,500	20,352,500	19,771,000	19,771,000
23,714,000	25,773,000	26,942,000	14,491,059	11,634,888	11,456,148

## Year-Wise Financial Data

2020	2019	2018	2017	2016	2015
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### Rupees in Thousands

### Profit and loss account

Turnover (Net)  
Gross profit  
Operating profit  
Financial expenses  
Profit before tax  
Profit after tax  
Cash dividend

12,359,646	12,346,175	10,257,434	8,064,238	6,846,744	7,623,285
1,247,768	1,612,731	1,071,515	795,444	521,135	650,230
855,987	1,159,828	690,724	543,551	296,346	379,266
306,630	371,504	186,788	166,058	168,906	260,190
549,357	788,324	503,936	377,493	127,440	119,076
425,277	635,425	368,475	245,797	94,938	82,001
150,509	127,354	147,936	98,410	32,160	32,160

### Balance Sheet

Share Capital  
Reserves  
Shareholder equity  
Long term liabilities  
Short term loan  
Current liabilities  
Current portion of long term loans  
Fixed assets  
Current assets

64,320	64,320	64,320	64,320	64,320	64,320
3,800,000	3,500,000	3,000,000	2,800,000	2,600,000	2,500,000
3,889,547	3,755,089	3,251,805	2,973,279	2,759,050	2,678,841
1,959,433	1,600,162	1,543,020	1,817,591	1,376,316	1,063,744
3,480,258	2,190,947	3,146,462	1,242,801	1,153,712	380,500
4,271,426	3,185,410	3,980,546	1,846,274	1,765,146	1,038,510
59,566	369,637	303,439	221,742	254,009	280,492
3,811,341	3,781,060	3,595,552	3,897,891	3,512,679	3,052,232
6,936,294	5,333,098	5,695,622	3,169,630	2,593,542	1,877,665

### Ratios

#### Performance

Sales growth percentage - Year to Year basis  
Gross profit (%)  
Profit before tax (%)  
Profit after tax (%)

0.11%	20.36%	27.20%	17.78%	-10.19%	3.30%
10.10%	13.06%	10.45%	9.86%	7.61%	8.53%
4.44%	6.39%	4.91%	4.68%	1.86%	1.56%
3.44%	5.15%	3.59%	3.05%	1.39%	1.08%

Breakup value per share - Rupees per share  
Market value of share - at the year end - Rupees per share

604.72	583.81	505.57	462.26	428.96	416.49
255.00	239.90	355.30	240.36	150.00	146.00

Earnings per share - Rupees per share  
Price earning ratio

66.12	98.79	57.29	38.21	14.76	12.75
3.86	2.43	6.20	6.29	10.16	11.45

#### Leverage

Gearing ratio  
Debt to equity (%)  
Interest covering ratio


1.41	1.11	1.54	1.10	1.01	0.64
50.38%	42.61%	47.45%	61.13%	49.88%	39.71%
2.79	3.12	3.70	3.27	1.75	1.46

#### Liquidity ratio

Current ratio



1.62	1.67	1.43	1.72	1.47	1.81
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







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-  FAQs Answered
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اصل بنیاد پر کاروباری سفر خرچ

غیر ایگزیکٹو یا آزاد ائریکٹرز کو کسی بھی قسم کی فیس یا معاوضے کی ادائیگی نہیں کی گئی ہے۔

آڈیٹر

موجودہ آڈیٹر کے میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکائونٹنٹ 27 اکتوبر 2020 کو شیڈول ہونے والے سالانہ عام اجلاس کے اختتام پر ریٹائر ہو جائیں گے، تاہم وہ اہل ہونے کے بعد انہیں دوبارہ تقرری کے لئے پیش کیا گیا ہے۔ آڈٹ کمیٹی نے میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکائونٹنٹ کو 30 جون 2021 کو ختم ہونے والے سال کے بیرونی آڈیٹر کی تقرری کی تجویز دی ہے۔ بیرونی آڈیٹر میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکائونٹنٹ کو اطمینان بخش درجہ بندی دی گئی ہے انسٹی ٹیوٹ آف چارٹرڈ اکائونٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت۔ فرم اور اس کے تمام ساتھی انسٹی ٹیوٹ آف چارٹرڈ اکائونٹنٹس آف پاکستان کے ذریعہ ضابطہ اخلاق پر بین الاقوامی فیڈریشن آف اکائونٹنٹس کے رہنما اصولوں کی تعمیل کرتے ہیں اور وہ ایس ای سی پی ایکٹ 1997 کے سیکشن 361 کے تحت آڈٹنگ رانی بورڈ کے ساتھ رجسٹرڈ ہیں۔

قانونی آڈیٹر نے نہ تو کوئی فیصلہ سازی، داخلی آڈٹ یا انتظامی امور انجام دیئے اور نہ ہی کمپنی کے کسی ڈائریکٹر یا ایگزیکٹوز کے ساتھ ان کا کسی بھی طرح کا رشتہ ہے۔ منگنی کے شراکت داروں کو ہر پانچ سال کی تکمیل کے بعد گھمایا گیا تھا۔

بورڈ آف ڈائریکٹرز نے میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکائونٹنٹ کو 30 جون 2021 کو ختم ہونے والے سال کے بیرونی آڈیٹر کی تقرری کی بھی سفارش کی ہے اور آڈیٹر کا اجرت سال 2020-21 کے لئے پی کے آر 538،1، 500.00 پر مقرر کیا گیا ہے کوڈ کے ریگولیشن (3) 32 کے تحت آڈٹ کمیٹی کے ذریعہ بورڈ کو سفارش کی گئی ہے۔ معاوضہ جیب کے اخراجات سے زیادہ شامل ہے اور اسائنمنٹ میں کارپوریٹ گورننس کے تحت سالانہ قانونی آڈٹ، محدود دائرہ کار جائزہ اور جائزہ رپورٹ بھی شامل ہے۔

مادی تبدیلیاں اور وعدے

کمپنی کی مالی سال کے اختتام کے درمیان کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی مادی تبدیلی اور وعدے نہیں ہوئے جس سے بیلنس شیٹ سے متعلق ہے اور ڈائریکٹرز کی رپورٹ کی تاریخ۔

اعتراف

میں بورڈ آف ڈائریکٹرز، قابل قدر حصص یافتگان، صارفین، بینکروں، سپلائرز اور دیگر اسٹیک ہولڈرز کی ان کی حمایت، اعتماد اور اعتماد کے لئے انتہائی مقروض ہوں۔ میں بھی تمام ملازمین کی وفاداری سے لگن اور محنت کے لئے ان کی تعریف کرتا ہوں جس سے کمپنی کو اپنے مقاصد حاصل کرنے میں مدد ملی۔

بورڈ کے لئے اور اس کی طرف سے



محمد سلیم

(ڈائریکٹر)



محمد امین

(چیف ایگزیکٹو)

کراچی: 29 ستمبر 2020



وبائی صورتحال سے دوچار، یہ کمپنی ان لوگوں کو مختصر عطیات دینے میں کافی حد تک ذمہ دار رہی ہے جنہیں امداد کی اشد ضرورت تھی۔ مزید برآں، ایسے پروگرام بنائے گئے ہیں جو ملازمین کو کام اور ذاتی زندگی کے تقاضوں میں توازن قائم کرنے میں مدد دیتے ہیں اور ملازمت پر زیادہ مطمئن اور نتیجہ خیز بننے میں جس کے نتیجے میں کاروبار میں کمی واقع ہوتی ہے، ملازمین کے حوصلے بڑھ جاتے ہیں۔ کمپنی فضلہ ضائع کرنے، ری سائیکلنگ، توانائی کے تحفظ اور ماحول دوست ٹیکنالوجی کے استعمال اور آگاہی پیدا کرنے کے لئے باقاعدگی سے وقفوں سے جنگلات کی کٹائی کے سفر کا انتظام کر کے قدرتی ماحول کو برقرار رکھنے کو یقینی بناتی ہے۔

صحت، حفاظت اور ماحولیاتی پالیسی

چونکہ کوویڈ 19 کا وبائی پھیل گیا ہے اور وائرس کے تیزی سے پھیلانے پوری دنیا میں خطرے کی گھنٹی بیدار کر دی ہے اور پاکستان اس وبائی صورتحال سے بھی مستثنیٰ نہیں ہے۔ کمپنی ملازمین کی صحت اور حفاظت کے لئے پرعزم ہے اور اس وائرس کے اثرات کو کم سے کم کرنے کے لئے حکومت اور ذیلیویجی اویکی طرف سے جاری کردہ ہدایات پر سختی سے عمل کرے گی۔

ان مشکل اوقات کے دوران، کمپنی نے اپنے ملازمین کو گھر سے کام کرنے کی اجازت دے کر، باقاعدگی سے وقفوں سے احاطے کی جراثیم کشی کا بندوبست کر کے، ملازمین کے لئے وائرس کا مفت معائنہ کرایا، وائرس سے متاثرہ افراد کو تنخواہ کے ساتھ رخصت کی اجازت دے کر، پگھلا کر کی اجازت دے کر حفاظتی اقدامات کو یقینی بنایا۔ اور کام کے اوقات کو مختصر کریں، چہرے کے ماسک فراہم کریں اور کام کی جگہ پر مناسب صفائی کریں۔

وبائی مرض کے دوران، بہت سے چیلنجز ہیں سے ایک یہ ہے کہ قانون اور دیگر مضابطہ کارانہ نظاموں کی تعمیل میں مناسب فیصلہ سازی کے ساتھ روزانہ کی سرگرمیوں کا تسلسل یقینی بنانا ہے۔ اس سلسلے میں کمپنی نے ویڈیو میٹنگ پلیٹ فارمز اور ایپس کے ذریعہ دستیاب سہولیات کا پوری طرح سے استعمال کیا۔

کمپنی کی صحت، حفاظت اور ماحولیاتی پالیسی کے بیان سے صحت، خطرے کو دور کرنے یا تمام کارکنوں، ٹھیکیداروں اور زائرین کی حفاظت، اور وبائی صورتحال کی جانچ کے اوقات میں کسی اور کے خطرات کو کم کرنے کی ہر ممکن کوشش کرتے ہوئے خوشگوار اور قابل عمل ماحول کا مظاہرہ ہوتا ہے۔

ڈائریکٹر معاوضے کی پالیسی

ایگزیکٹو ڈائریکٹر کی معاوضہ پالیسی کی خصوصیت کو انسانی وسائل اور معاوضہ کمیٹی (ایچ آر آئی) نے بورڈ ایکٹ برائے کمپنیز ایکٹ 2017، کمپنیوں کے آرٹیکل آف ایسوسی ایشن اور کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے تحت تیار اور تجویز کیا ہے۔

ایگزیکٹو ڈائریکٹر کا معاوضہ مارکیٹ کی مسابقت پر مبنی ہوئے طے کیا جاتا ہے جو ایک جیسی کمپنیوں میں مماثلت رکھتا ہے، جبکہ بورڈ کی اسٹیمنس کے دائرہ کار اور سالانہ اجلاسوں پر بھی اہلیت، تجربے، دائرہ کار پر مبنی ہوتے ہوئے۔

ایگزیکٹو ڈائریکٹر، ایچ آر آئی کی طرف سے تجویز کردہ مقررہ ماہانہ معاوضے اور دیگر اجازت ناموں کے حقدار ہیں جن کو بورڈ نے باقاعدہ طور پر منظور کیا اور کمپنی کے عمومی اجلاس میں ممبروں کی منظوری کے بعد:

(1) مسٹر محمد امین۔ سی ای او

PKR کی ماہانہ معاوضہ 800،000.00۔

کمپنی نے گاڑی کو ایندھن کے ساتھ برقرار رکھا اور سالانہ 800،000.00 روپے کے آر کے اخراجات کی مرمت کی۔

ذاتی اور آفس استعمال کے ل Mobile موبائل فون سالانہ 125،000.00 کے حساب سے۔

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(2) مسٹر محمد شاپن۔ ایگزیکٹو ڈائریکٹر

PKR کا ماہانہ معاوضہ 1،000،000.00۔

کمپنی نے گاڑی کو ایندھن کے ساتھ برقرار رکھا اور سالانہ 800،000.00 روپے کے آر کے اخراجات کی مرمت کی۔

ذاتی اور آفس استعمال کے ل Mobile موبائل فون سالانہ 125،000.00 کے حساب سے۔

اصل بنیاد پر کاروباری سفر خرچ

(3) مسٹر عادل شکیل۔ ایگزیکٹو ڈائریکٹر

PKR کی ماہانہ معاوضہ 800،000.00۔

کمپنی نے گاڑی کو ایندھن کے ساتھ برقرار رکھا اور سالانہ 800،000.00 روپے کے آر کے اخراجات کی مرمت کی۔

ذاتی اور آفس استعمال کے ل Mobile موبائل فون سالانہ 125،000.00 کے حساب سے۔

during 2019-20 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور انسانی وسائل اور معاوضہ کمیٹی کے اجلاس اور شرکت کی تعداد درج ذیل ہے۔

حساب کتاب کا گروہ یا لوگ

Sr	Name	Designation	Category
i	Khurram Salim	Member	Non- Executive Director
ii	Bilal Sharif	Member	Non- Executive Director
iii	Iqbal Mehboob	Chairman	Independent Director

آڈٹ کمیٹی میں تین اراکین پر مشتمل ہے جس میں چیئرمین آزاد ڈائریکٹرز ہیں جبکہ دیگر تمام نان ایگزیکٹو ڈائریکٹرز اور بورڈ آف ڈائریکٹرز کے مقرر کردہ حوالہ کی شرائط کے تحت اپنی ذمہ داریوں کو نبھا رہے ہیں۔

مالی خواندگی والے ممبر کی تقرری ضابطہ نمبر (iii) (1) 27 کے مطابق ضابطہ کے باب X میں کی گئی ہے۔

بورڈ آف ڈائریکٹرز کی منظوری سے قبل دونوں عبوری اور سالانہ مالی بیانات کا جائزہ لینے کے لئے ضابطہ اخلاق کی ضابطہ نمبر (2) 27 کی تعمیل میں باقاعدگی سے وقفوں پر آڈٹ کمیٹی کے اجلاس منعقد ہوتے تھے جس کے ساتھ ساتھ سال میں ایک بار عبوری آڈٹ سے ملاقات ہوتی ہے۔ سی ایف او کے بغیر اور کسی دوسرے کے اندرونی آڈٹ کے بغیر، سی ایف او اور عبوری آڈٹ کی موجودگی کے بغیر۔

ایک آڈٹ کمیٹی کمپنی کے بورڈ آف ڈائریکٹرز کی ایک اہم آپرینگ کمیٹی ہے جو مالی رپورٹنگ اور انکشافات کی نگرانی کی ذمہ داری سنبھالتی ہے، اس بات کا یقین دلاتے ہوئے کہ کمپنی کے اثاثوں کی مناسب حفاظت کی جائے، عبوری اور سالانہ مالی بیانات کی توثیق کی جائے، متعلقہ پارٹنر لین دین کی منظوری دی جائے، نظم و نسق کا جائزہ لیا جائے، داخلی کنٹرولوں کی تاثیر کو یقینی بنانا، جعلی سرگرمیوں پر تفتیش اور رپورٹنگ، اکائونٹ پالیسیوں کی نگرانی، کسی بھی بیرونی آڈٹ کی نگرانی، ریگولیٹری تعمیل اور انتظامیہ کے ساتھ رسک مینجمنٹ پالیسیوں پر تبادلہ خیال۔

آڈٹ کمیٹیاں کمپنی کے چیف فنانشل آفیسر (سی ایف او) اور اندرونی آڈٹ کے سربراہ کے ساتھ بات چیت برقرار رکھتی ہیں۔ کمیٹی کو یہ اختیار بھی حاصل ہے کہ وہ ان معاملات میں خصوصی تحقیقات کا آغاز کرے جہاں یہ طے کیا جاتا ہے کہ اکائونٹنگ کے عمل مشکوک یا مشتبہ ہیں اور اندرونی آڈٹ کمیٹی کو اس طرح کی کوششوں میں معاونت کرتا ہے۔

انسانی وسائل اور معاوضہ کمیٹی

Sr	Name	Designation	Category
i	Iqbal Mehboob	Chairman	Independent Director
ii	Khurram Salim	Member	Non- Executive Director
iii	Adil Shakeel	Member	Executive Director

ہیومن ریسورس اینڈ اینمیشن کمیٹی (ایچ آر آری) (تین ممبروں پر مشتمل ہے جن میں اکثریت نان ایگزیکٹو ڈائریکٹرز ہیں جبکہ چیئرمین آزاد ڈائریکٹرز ہیں۔ HRRC معاوضے اور فوائد سے متعلق کسی بھی قانون ساز رہنما خطوط کی تعمیل کا جائزہ لے، ملازمت، مزدوری اور انسانی حقوق سے متعلق قانون سازی کی تعمیل کا جائزہ لے۔

بورڈ آف ڈائریکٹرز کی جانب سے ایچ آر آری کمپنی کی انسانی وسائل کی پالیسیاں، منصوبے، اور طریقہ کار کی نگرانی اور انتظامیہ، بورڈ کی منظوری کے لئے جائزہ، منظوری، یا تجویز، ایگزیکٹو، ڈائریکٹرز، کمیٹی ممبران اور دیگر کے منصفانہ اور مسابقتی معاوضے سے متعلق فیصلے اہم الیکار۔

کارپوریٹ سماجی ذمہ داری کی پالیسی

کمپنی معاشرے کے بارے میں اپنے فرض کو مالکان یا اسٹاک ہولڈرز پر ان کی معاشی ذمہ داریوں سے بالاتر اور قانون یا معاہدے کے ذریعہ مقرر کردہ ذمہ داریوں سے بالاتر سمجھتی ہے۔ یہ ان کی سرگرمیوں سے متاثرہ بیرونی گروہوں کے بارے میں گہری توثیق کا باعث ہے اور خام مال کی خریداری سے لے کر مینوفیکچرنگ ٹکنالوجی اور ضائع ہونے والے کچرے تک پیداوار کے ہر مرحلے پر ماحولیاتی تحفظ کے لئے مناسب غور کیا گیا ہے۔

شیئر ہولڈنگ کا نمونہ

شیئر ہولڈنگ کا نمونہ اور حصص یافتگی کے انداز کے بارے میں اضافی معلومات الگ الگ منسلک ہیں۔

متعلقہ پارٹی

ایس آر او 2018 (1) 768 کے نوٹیفکیشن کے تحت پارٹی سے متعلق تمام متعلقہ لین دین آر پی ٹی (کے لئے ایک مضبوط پالیسی موجود ہے جس میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ رہنما خطوط کو لین دین اور ریکارڈوں کی بحالی کے حوالے سے پالیسی میں باقاعدگی سے شامل کیا گیا ہے۔

بورڈ کی تفصیلات

کمپنی نے بورڈ کی کارکردگی، بورڈ کے ممبران اور اس کی کمیٹی کے ممبروں کے جائزہ لینے کے لئے ضابطہ اخلاق (v) (3) 10 کی تعمیل میں داخلی طور پر بورڈ کی تشخیصی کارروائی کا انتخاب کیا ہے۔

Sr No	Category	Gender		Total
		Male	Female	
(i)	Independent Director	3	0	3
(ii)	Executive Directors	3	0	3
(ii)	Non- Executive Directors	3	1	4

قانونی دستاویزات، بورڈ اور کمیٹی کے اجلاسوں کے منٹ، اس وقت موجود پالیسیاں اور دیگر ذیلی دستاویزات، سوالنامے، بورڈ اور کمیٹیوں کے ممبروں کے ساتھ بات چیت کے بارے میں ایک جامع جائزہ لیا گیا ہے۔

بورڈ مرکب

Name of Directors	Board of Directors		Committees			
			Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Mohammad Shaheen	4	4	-	-	-	-
Mr. Khurum Salim	4	4	6	6	1	1
Mr. Bilal Sharif	4	4	6	6	-	-
Mr. Mohammad Amin	4	4	-	-	-	-
Mr. Adil Shakeel	4	4	-	-	1	1
Mr. Iqbal Mehboob	4	4	6	6	1	1
Mr. Asif Elahi	4	4	-	-	-	-
Mr. Mustafa Tanvir	4	4	-	-	-	-
Mrs. Samia Bilal	4	4	-	-	-	-

ضابطہ نمبر 34 کے تحت مطلوبہ طور پر دس (10) ڈائریکٹرز کا بورڈ مندرجہ ذیل ہے۔

بورڈ اور آڈٹ کمیٹی کے اجلاس

اجلاس میں شرکت کے اہل تمام ڈائریکٹرز، کمپنی کے عام اجلاسوں میں شریک ہوئے ہیں

ضابطہ اخلاق (6) 10 کے تحت ذاتی طور پر یا ویڈیو کانفرنس کے ذریعے جب تک کہ کسی بھی معقول وجہ سے ایسا کرنے سے باز نہ آجائے

- سردیوں کے موسم میں گیس کی بلا تعطل فراہمی کیونکہ متبادل ذرائع پیداوار کی لاگت میں اضافہ کریں گے۔

- سوت اور خام کپاس کی درآمد پر درآمدی ڈیوٹی اور ٹیکس کا بھاری۔

- وبائی صورتحال کی وجہ سے جی آئی ڈی سی کی بازیابی میں راحت اور صنعت کو درپیش لیکویڈیٹی بحران کا سامنا کرنا پڑتا ہے۔

- کسانوں کے ذریعہ گزریوں کے حملے سے نمٹنے کے لئے ٹھوس اقدام۔

کارپوریٹ گورننس کے کوڈ کی تعمیل

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کا بیان جوڑا گیا ہے۔

کارپوریٹ اور مالی رپورٹنگ کے فریم ورک پر بیان

آپ کی کمپنی کے ڈائریکٹر کمپنیز ایکٹ 2017، کوڈ آف کارپوریٹ گورننس ریگولیشنز "2019 کوڈ"، پاکستان اسٹاک ایکسچینج لمیٹڈ کے رول بک اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ذریعہ

جاری کردہ ہدایات کے تحت اپنی ذمہ داریوں سے آگاہ ہیں۔ ریگولیشنز کی تعمیل کے ایک حصے کے طور پر، ہم درج ذیل کی تصدیق کرتے ہیں:

financial کمپنی کے انتظام کے ذریعہ تیار کردہ یہ مالی بیانات، اس کی امور کی منصفانہ حیثیت، اس کی کارروائیوں، نقد بہا اور لیکویڈیٹی میں تبدیلیوں کا نتیجہ پیش کرتے ہیں۔

company کمپنی کے اکاؤنٹ کی مناسب کتابیں برقرار رکھی گئی ہیں۔

statements مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔

statements بین الاقوامی مالیاتی رپورٹنگ معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔

internal اندرونی کنٹرول کا نظام ڈیزائن کے مطابق تھا اور اس کو موثر انداز میں نافذ اور نگرانی کی جارہی ہے۔

going کمپنی کی تشویش کی حیثیت سے جاری رکھنے کی اہلیت پر کوئی خاص شبہات نہیں تھے۔

corporate کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی مادی طور پر رخصتی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔

ہم نے ڈائریکٹرز اور ملازمین کے مابین ایک ضابطہ اخلاق اور کاروباری حکمت عملی تیار کی ہے اور اس کی گردش کی ہے۔

Direct بورڈ آف ڈائریکٹرز نے ایک وژن اور مشن بیان اور کارپوریٹ حکمت عملی کی مجموعی وضاحت کو اپنایا ہے۔

تمام ڈائریکٹرز اس کے عمومی اجلاس میں شریک ہوئے ہیں جب تک کہ معقول وجوہ کی بنا پر تعطل نہ کیا جائے۔

Corporate تمام ڈائریکٹرز کو کوڈ آف کارپوریٹ گورننس کمپنیز ایکٹ اور آئین آف ایسوسی ایشن کے مطابق اپنی شرائط کے آغاز پر اپنی ذمہ داریوں، کردار، معاوضے، اختیارات اور ذمہ داری کے

ساتھ تفویض کیا گیا ہے۔

Corporate کوڈ آف کارپوریٹ گورننس ریگولیشن کے تحت مطلوب کمپنی کے تمام ڈائریکٹرز کو ڈائریکٹرز بینک پروگرام (ڈی ٹی پی) کے تحت منظور شدہ / چھوٹ دی گئی ہے

resource انسانی وسائل، سیٹھ بنانے والا، خریداری، اسٹیک ہولڈرز کے ساتھ مواصلات کا طریقہ کار، ماحولیات، صحت اور حفاظت، ڈائریکٹر کا معاوضہ، ایف ڈی سی لائٹنگ اور رسک منجمنٹ وغیرہ

کے بارے میں اہم پالیسیوں کا صحیح اپ ڈیٹ ریکارڈ موجود ہے۔

Corporate کوڈ آف کارپوریٹ گورننس ایکٹ 2017 کی ضرورت کے مطابق، ہم نے اس رپورٹ میں درج ذیل معلومات شامل کی ہیں۔

o حصص یافتگی کے انداز کا بیان الگ سے دیا گیا ہے۔

o متعلقہ اقدامات اور متعلقہ افراد کے ذریعہ رکھے ہوئے حصص کا بیان۔

o بورڈ کے اجلاسوں کا بیان اور سال کے دوران منعقدہ سالانہ عمومی اجلاس اور ہر ڈائریکٹر کی حاضری کو الگ سے دیا گیا ہے۔

o کمپنیز ایکٹ کی دفعہ (4) 192 کی دفعات کے تحت چیئر مین جائزہ رپورٹ۔

o تعمیل کے بیان پر ضابطہ اخلاق کے ضابطہ 36 کے تحت چیئر مین کے ذریعہ دستخط کریں۔

last گذشتہ چھ سالوں سے اہم آپریٹنگ مالی اعداد و شمار۔ منسلک آڈٹ مالیاتی بیانات میں ٹیکسوں اور محصولات کے بارے میں معلومات کا کافی حد تک انکشاف کیا گیا تھا۔

listed کمپنی درج کمپنیوں کے اندرونی کاروبار کی ممانعت کے بارے میں ایس ای سی پی کی طرف سے جاری کردہ رہنما خطوط پر سختی سے عمل کرتی ہے اور کمپنی کے حصص میں کوئی ٹریڈنگ اس کے

ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری، ہیڈ آف انٹرنل آڈٹ اور ان کے شریک حیات اور نابالغ بچوں نے نہیں کی تھی۔ حصص یافتگی کے انداز میں انکشاف کیا۔

کمپنی کے مالی بیانات کمپنی کے آڈیٹر جن سر فراز رحیم اقبال رفیق، چارٹرڈ اکائونٹنٹ نے باقاعدگی سے آڈٹ کیے ہیں اور آڈیٹرز نے 30 جون 2020 کو ختم ہونے والے مالی بیانات کے بارے میں کلین آڈٹ رپورٹ جاری کی ہے اور بیان پریکٹس جائزہ رپورٹ بھی جاری کر دی ہے۔ کوڈ آف کارپوریٹ گورننس ریگولیشنز، "2019 کوڈ"۔ یہ رپورٹیں مالی بیانات کے ساتھ منسلک ہیں۔

## اکائونٹنگ معیارات

کمپنی کی اکائونٹنگ پالیسیاں کمپنیز ایکٹ، 2017 اور اس طرح کے منظور شدہ بین الاقوامی اکائونٹنگ معیارات اور بین الاقوامی مالیاتی رپورٹنگ معیارات کی ضروریات کو پوری طرح سے ظاہر کرتی ہیں جنہیں اس ایکٹ کے تحت مطلع کیا گیا ہے اور ساتھ ہی ساتھ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ ہدایات کے ذریعے بھی۔

## پاکستان کا معاشی جائزہ

پاکستان تیزی سے ویڈیو کلپ میں کاروباری سرگرمیاں اٹھنے کے آثار دکھا رہا ہے، کیونکہ معیشت میں نئے کورونا وائرس کے انفیکشن کے بارے میں تشویش ختم ہوتی جا رہی ہے جو سات دہائیوں کے دوران پہلی بار معاہدہ ہوا ہے۔ تاہم، زراعت اور صنعت میں بہتری کی وجہ سے حوصلہ افزائی کی گئی ہے، اس کے ساتھ ساتھ رواں مالی سال میں مجموعی گھریلو مانگ میں بھی متوقع بہتری کی پیش گوئی کی جا رہی ہے۔ مالی سال 2020-21 میں پاکستان کی نمو بحال ہونے کی پیش گوئی کی جا رہی ہے کیونکہ کوڈ 19 اور 19 کی متوقع تخفیف کے ساتھ معاشی جذبات میں بہتری آئی ہے

ساتھ ہی اصلاحات کا دوبارہ آغاز جس میں پارلیمنٹ کے ذریعہ ایف اے ٹی ایف قانون سازی کی منظوری بھی شامل ہے۔ یہ بھی توقع کی جا رہی ہے کہ رواں مالی سال میں پاکستان کی معیشت 2 کی رفتار سے ترقی کر سکتی ہے، یہ جنوبی ایشیائی ممالک کے بعد پانچویں سب سے کم رفتار ہے۔ ماخذ: اے ڈی بی کی رپورٹ

حالیہ اجلاس میں اسٹیٹ بینک آف پاکستان (ایس بی پی) نے بیٹنچ مارک ریٹ کو 7 فیصد بدلا ہے

جبکہ افراط زر کی پیش گوئی قدرے بڑھ گئی ہے، بنیادی طور پر کھانے کی قیمتوں کو فراہمی کے حالیہ جھٹکوں کی وجہ سے۔ توقع کی جا رہی ہے کہ اوسط افراط زر پہلے کی پیش گوئی کے مقابلے میں معمولی نیچے کی بجائے مالی سال 21 کے دوران پہلے اعلان کردہ 9 - 7 فیصد کی حدود میں گر جائے گا۔ افراط زر، نمو اور حکومت اور اسٹیٹ بینک کے ذریعہ کئے گئے محرک اقدامات کے اثرات کو مد نظر رکھتے ہوئے، کلیدی شرح کو سات فیصد برقرار رکھنا، افراط زر کی توقعات کو برقرار رکھتے ہوئے ابھرتی ہوئی بحالی کے لئے ضروری مدد فراہم کرنے کے لئے مناسب رہا۔ مالی استحکام برقرار رکھنے اور مالی استحکام کو برقرار رکھنا۔ مرکزی بینک نے ایک متمول زرمبادلہ کی شرح کو ایک متمول زرمبادلہ کی شرح سے مارکیٹ پر مبنی زرمبادلہ کی شرح میں تبدیل کرنے کے ذریعہ انتہائی ضروری لیکن سخت فیصلہ کیا جو اس مدت کے دوران مجموعی معیشت اور زرمبادلہ کی شرح میں استحکام کی علامت ہے۔

یہاں ہونے والی گفتگو کے تسلسل میں ہم کوڈ 19 کے دوران قرض کی ادائیگی کو موخر کرنے، پالیسی شرح کو کم کرنے، ڈیجیٹل نیشن میں سہولت فراہم کرنے اور ملازمین کی تنخواہوں کے لئے ری فنانس اسکیم متعارف کرانے کے ذریعہ وبائی بیماری کے مضر اثرات سے نمٹنے کے ذریعہ اسٹیٹ بینک کے کردار کی تعریف کرنا چاہتے ہیں۔ کاروبار

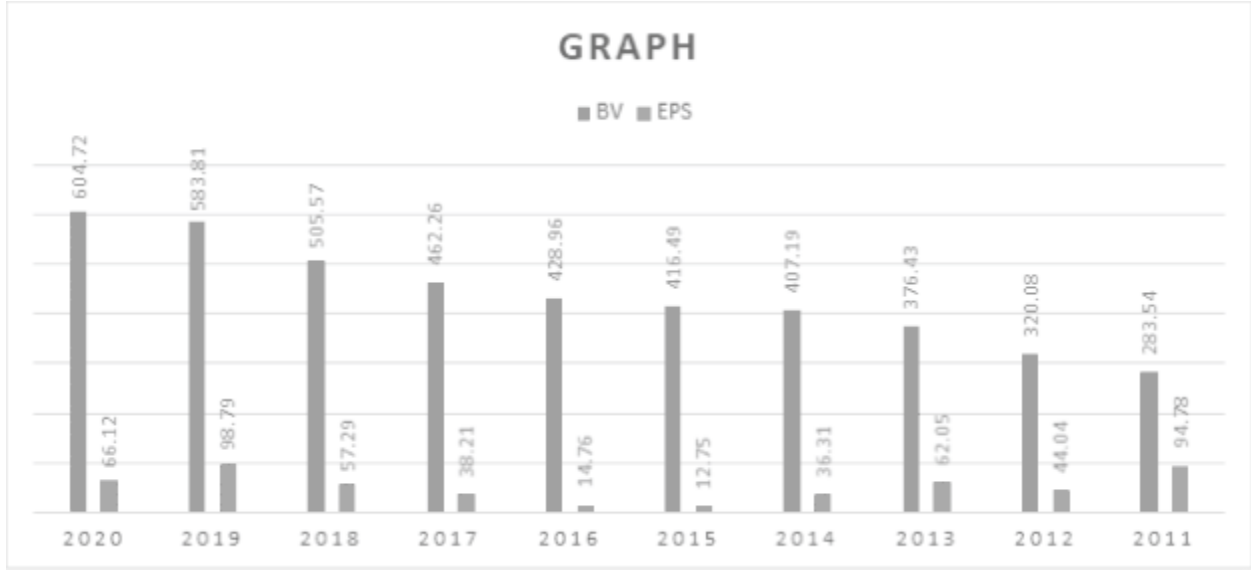
ہمسایہ ممالک سے تازہ ترین اطلاعات موصول ہو رہی ہیں کہ کورونا وائرس وبائی بیماری میں مسلسل انتشار پھیلتا جا رہا ہے جس کے نتیجے میں کپڑوں کے آرڈروں کو بڑی بین الاقوامی منڈیوں سے پاکستان کی طرف تیزی سے منتقل کر دیا گیا جس کی وجہ سے پاکستان کی پوری ٹیکسٹائل انڈسٹری کو دھکا لگا۔ ملک میں ایکسپورٹ آرڈرز کی بھونچال کے باوجود ہم ان کا بروقت تدارک کرنے سے قاصر ہیں کیونکہ کپاس کی قلت کی وجہ سے ہمیں سوت کی شدید قلت کا سامنا ہے۔ اس کی سے مقامی صنعت کاروں کے لئے موقع کی کھڑکی سے فائدہ اٹھانے اور مستقبل میں طویل مدتی پابند تعلقات استوار کرنے میں ایک بڑی رکاوٹ ہے۔ اس کے برعکس ہمارے برآمد کنندگان پریشان ہیں اگر حکومت کی جانب سے فوری اقدامات نہ کیے جائیں تو نہ صرف پاکستان جانے کا حکم بند ہوگا بلکہ مقامی صنعتکار مستقبل خریداروں سے بھی محروم ہو جائیں گے۔

روٹی ملک کی دیہی معیشت کی ریڑھ کی ہڈی ہے اور لاکھوں مزدوروں کو براہ راست اور بالواسطہ ملازمت کے مواقع فراہم کرتی ہے۔ غیر موسموں، پانی کی کم دستیابی اور ٹنڈیوں کے حملوں کی وجہ سے پاکستان کی کپاس کی پیداوار 15-2014 میں 14 ملین گانٹھوں سے کم ہو کر 2019-20 میں 9.17 ملین گانٹھوں تک رہ گئی ہے۔ اس وبا کو ویڈ 19 وبائی مرض نے ٹیکسٹائل انڈسٹری کی پوری ویلیو چین میں بھی منفی اثر ڈالا ہے۔

لوگوں کو بڑی تعداد میں روزگار فراہم کرنے کے علاوہ، ٹیکسٹائل کے شعبے نے 40 سے زائد اتحادی صنعتوں کی بھی حمایت کی اور اصلاحی اقدام اٹھانے میں تاخیر کی وجہ سے صنعتیں بند، دارالحکومت کی پرواز اور بڑے پیمانے پر بے روزگاری کا سبب بن سکتا ہے۔

ان رکاوٹوں کے مالک ہیں، ہم تجویز کرتے ہیں کہ فوری طور پر کچھ اقدامات کیے جائیں ورنہ یہ پاکستان کی پوری ٹیکسٹائل انڈسٹری کے لئے ایک دھچکا ہوگا۔

جی ایس ٹی کے نفاذ کی وجہ سے ٹیکسٹائل کی صنعت کو شدید لیکوئیٹی بحران کا سامنا کرنے کے بعد انکم اور سیلز ٹیکس کی واپسی کو فوری طور پر جاری کریں۔



30 جون، 2020 کو ختم ہونے والے سال کے لئے ہر حصص کی آمدنی K 30 جون، 2019 کے مقابلہ میں پی کے آر 66.12 ہے جہاں یہ 98.79 رہی۔ اسی طرح، 30 جون، 2020 کو ختم ہونے والے سال کے لئے اس حصص کے وقفے کی قیمت اسی سال کے مقابلہ میں پی کے آر 604.72 ہے جہاں یہ پی کے آر 583.81 پر کھڑی تھی۔

کیش فلو مینجمنٹ

کسی بھی کاروباری انٹرپرائز کی کامیابی میں ورکنگ کپینٹل مینجمنٹ کا نمایاں کردار ہوتا ہے اس طرح کمپنی ورکنگ سرمائے سے منسلک وسائل کے زیادہ سے زیادہ استعمال کے لئے موثر ورکنگ کپینٹل مینجمنٹ کو یقینی بنانے اور کوشش کرنے پر مرکوز ہے۔

30 جون 2020 کو ختم ہونے والے سال کے دوران موجودہ تناسب (2018: 1.43) 1.67 ہے جو کمپنی کے لئے اپنی موجودہ ذمہ داری کو بروقت ادا کرنا تسلی بخش سمجھا جاتا ہے۔ رواں سال کے دوران کمپنی نے اکانٹ کی طویل مدتی مالی اعانت پر PKR کو 354.317 ملین کی ادائیگی کی ہے۔

مزید یہ کہ 30 جون کو ختم ہونے والے سال کے دوران، 2020 پی کے آر 276.277 ملین حصص یافتگان کو منافع کے طور پر ادا کیا گیا ہے۔

فنانسنگ ڈھانچہ

کسی کمپنی کے لئے دارالحکومت کے ڈھانچے کے اجزاء کے بارے میں فیصلہ اہم اہمیت کا حامل ہے اور اس کا نفع اور طویل مدتی استحکام پر ممکنہ اثر پڑتا ہے اس طرح اس ڈھانچے کو اس طرح برقرار رکھا گیا ہے کہ اس سے زیادہ سے زیادہ فائدہ اٹھایا جا سکے اور وہ اس کو اپنانے میں کامیاب ہو جائے۔ متحرک کاروباری ماحول۔

اسی سال کے مقابلہ میں 30 جون، 2020 کو ختم ہونے والے رواں سال کے دوران کمانے کا تناسب 1.41 ہے جہاں یہ 1.11 ہے۔ اگرچہ موجودہ مدت کے دوران زیر غور تناسب میں تھوڑا سا اضافہ کیا گیا ہے لیکن پھر بھی یہ مالیاتی ادارے اور صنعت کے اصولوں کے مطابق قابل قبول حد ہے۔

توازن، جدید کاری اور تبدیلی

پوری دنیا میں تکنیکی ترقی کو روکنے کے لئے کمپنی نے پلانٹ اور مشینری کی جدید کاری کے لئے رواں سال کے دوران پی کے آر کو 423.206 ملین لاگت آئی۔

کریڈٹ ریٹنگ

22-اپریل 2020 کو A-1 / A- سنگل A-مانس (A-One) کی حتمی درجہ بندی کمپنی میسر کے JCR-VIS کمپنی نے تفویض کی ہے۔ تفویض کردہ درجہ بندی کو "درجہ بندی دیکھنا - ترقی پذیر" حیثیت پر رکھا گیا ہے۔

مالیاتی گوشوارے

کمپنیز ایکٹ 2017 کے تحت ضرورت کے مطابق، پی ایس ایکس کے درج ذیل قواعد و ضوابط اور ایس ای سی پی کے ذریعہ جاری کردہ ہدایات چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے 30 جون 2020 کو ختم ہونے والے سال کے لئے کمپنی کے مالی بیانات پیش کیے، جن کی باقاعدہ طور پر ان کے اپنے دستخطوں کے تحت توثیق کی گئی، جاری اور گردش کے لئے بورڈ آف ڈائریکٹرز کی منظوری اور اجازت۔

## ڈائریکٹرز کی رپورٹ

محترم ممبران آپ کی کمپنی کے ڈائریکٹرز 30 جون 2020 کو ختم ہوئے سال کے لئے کمپنی کے مالی بیان پر آڈٹ رپورٹ پیش کرنے کے ساتھ خوش ہیں۔

مالی نمائی

	Year ended June 30 2020 Rupees	Year ended June 30 2019 Rupees
Sales	12,359,645,877	12,346,174,829
Cost of goods sold	(11,111,877,733)	10,733,443,352
Gross profit	<b>1,247,768,144</b>	<b>1,612,731,477</b>
Other operating income	32,500,619	6,804,907
	<b>1,280,268,763</b>	<b>1,619,536,384</b>
Selling & Distribution cost	(233,025,294)	223,401,105
Administrative expenses	(155,084,179)	132,042,342
Other operating expenses	(36,172,073)	104,264,650
Finance cost	(306,630,426)	371,504,106
	<b>(730,911,972)</b>	<b>831,212,203</b>
Profit before tax	<b>549,356,791</b>	<b>788,324,181</b>
Provision for taxation		
Current year	(153,129,370)	130,161,231
Deferred	29,049,294	22,738,177
	<b>(124,080,076)</b>	<b>152,899,408</b>
Profit after tax	<b>425,276,715</b>	<b>635,424,733</b>
Earnings per share - basic and diluted	<b>66.12</b>	<b>98.79</b>

اس سال کے مقابلے میں 30 جون 2020 کو ختم ہونے والے رواں سال کے دوران پی کے آر 12، 346.175 ملین سے پی کے آر نے 13.471 ملین یعنی پی کے آر سے 12، 359.646 ملین تک معمولی اضافہ کیا ہے۔

پچھلے سال کے مقابلے میں موجودہ سال میں فروخت کا مجموعی منافع 10.10 فیصد ہے جہاں اس مدت کے دوران اس میں 2.97 فیصد کمی ہوئی ہے۔ کمپنی نے 30 جون 2020 کو ختم ہونے والے سال کے دوران پی کے آر 425.276 ملین ٹیکس کے بعد خالص منافع حاصل کیا جبکہ اسی مدت کے مقابلے میں پی کے آر 635.425 ملین رہی۔

### ڈیویڈنڈ اور جزیل محفوظ مختص

کمپنی نے 30 جون 2019 کو ختم ہونے والے سابقہ سال کے (1986) پی کے آر 19.80 فی حصص (کے سالانہ منافع کے علاوہ 31 دسمبر 2020 کو ختم ہونے والے نصف سال کے لئے) 234.00 پی کے آر 23.40 فی شیئر (پر عبوری منافع ادا کیا ہے۔)

چونکہ وبائی حالت کی صورتحال ابھی ختم نہیں ہوئی ہے اور کمپنی کے بہترین مفاد میں بورڈ آف ڈائریکٹرز اس بات پر متفق ہیں کہ منافع کا اعلان موجودہ سال کے لئے روکا جائے گا۔ آڈٹ کمیٹی کے ذریعہ تجویز کردہ اس تناظر میں، بورڈ آف ڈائریکٹرز نے فیصلہ کیا ہے کہ 30 جون 2020 کو ختم ہونے والے موجودہ سال کے لئے کوئی منافع کا اعلان نہیں کیا جائے گا۔

اس کے علاوہ، کمپنی نے کوویڈ 19 کے مالی اثرات کو کم کرنے کے لئے اسٹیٹ بینک کی پیش کردہ ادائیگی ملازمین کی تنخواہوں کے لئے طویل مدتی قرضوں اور ری فنانسنگ اسکیم کے لئے پرنسپل کی التوا کا فائدہ اٹھایا ہے جس سے 2020 اور 2021 کے منافع کی ادائیگی پر بھی پابندی ہے۔

مزید یہ کہ بورڈ آف ڈائریکٹرز نے کسی غیر متوقع ہنگامی صورتحال کو پورا کرنے کے لئے پی کے آر 300.00 ملین کی رقم کو عام ذخائر میں منتقل کرنے کی تجویز پیش کی ہے۔

حصص کی فی حصص آمدنی اور بریک اپ ویلیو



## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of **BLESSED TEXTILES LIMITED** and holder of \_\_\_\_\_  
ordinary share as per Share Register Folio No. \_\_\_\_\_ and/or CDC Participant  
ID No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ hereby appoint  
Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ or failing  
him/her \_\_\_\_\_ of \_\_\_\_\_ as my / our  
proxy to act on my/our behalf at the 33<sup>rd</sup> Annual General Meeting of the Company to be held on  
Tuesday 27th, 2020 at 11:00 am at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi  
Industrial Area, Karachi. and/or at any adjournment thereof.

### WITNESS

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC/Passport # \_\_\_\_\_

Affix  
Rs. 5/-  
Revenue  
Stamp

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020

### Notes:

If a member is unable to attend the meeting, they may complete and sign this form and sent it to the Company Secretary, **BLESSED TEXTILES LIMITED**, Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. so as to reach not less than 48 hours before the time scheduled for holding the meeting.

- (i) The Proxy form shall be witnessed by a person whose name, address and CNIC/Passport number should be stated on the form.
- (ii) Attested copy of CNIC or the Passport of the beneficial owner alongwith the Proxy form should also be submitted.
- (iii) The Proxy nominee shall produce his / her original CNIC or original Passport at the time of the meeting.
- (iv) In case of a Corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature should be submitted (unless it has been provided earlier) along with Proxy form to the Company.



## پرسی فارم

میں \_\_\_\_\_ کے \_\_\_\_\_  
 کے رکن اور عام شیئر کے حامل کی حیثیت کے \_\_\_\_\_ (شیئر کی تعداد)  
 رجسٹرڈ فوئیو نمبر \_\_\_\_\_ اور ایسی ڈی سی فوئیو کا آئی ڈی نمبر \_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_ کے  
 \_\_\_\_\_ یا \_\_\_\_\_ کے  
 کو کمپنی کے سالانہ اجلاس جو 27 اکتوبر 2020 کو منعقد ہوگا، میں میرے / ہمارے لئے اور میری / ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں / کرتے ہیں۔

دستخط \_\_\_\_\_ بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ / \_\_\_\_\_ 2020 -

گواہان:

دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

\_\_\_\_\_

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_

پاسپورٹ نمبر: \_\_\_\_\_

دستخط شیئر ہولڈر

(دستخط کا کمپنی میں رجسٹرڈ نمونے کے ہو، ہوم مطابق ہونا ضروری ہے)

دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

\_\_\_\_\_

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_

پاسپورٹ نمبر: \_\_\_\_\_

نوٹ: نمائندے کو فعال بنانے کے لئے نامزدگی کا فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانا چاہیے۔ نمائندے کو کمپنی کا رکن ہونا ضروری نہیں۔  
 سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرداً فرداً درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ تصدیق شدہ نقل یا پاسپورٹ، پراکسی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔

**REGISTERED OFFICE**

Umer House, 23/1, Sector 23, S.M. Farooq Road,  
Korangi Industrial Area, Karachi-74900, Pakistan

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Fax No. : 021 - 35063002 - 3

E-mail : [khioff@umergroup.com](mailto:khioff@umergroup.com)

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