

ANNUAL REPORT 2021



Shahzad Textile Mills Limited

SGS

Certificate PK05/00526

The management system of

Shahzad Textile Mills Limited

Head Office: 19-A, Off Zafar Ali Road, Gulberg V, Lahore, Pakistan.

has been assessed and certified as meeting the requirements of

ISO 9001:2015

For the following activities

**Manufacturing and Export of 100% Cotton, Blended, Pure Synthetic,
Combed, carded and double yarn.**

This certificate is valid from 10 October 2020 until 15 August 2023
and remains valid subject to satisfactory surveillance audits.
Recertification audit due a minimum of 60 days before the expiration date.
Issue 1. Certified since 16 August 2005

The audit leading to this certificate commenced on 04 September 2020
Previous issue certificate validity date was until 15 August 2020

This is a multi-site certification.
Additional site details are listed on the subsequent page.

Authorised by



SGS United Kingdom Ltd
Rossmore Business Park Ellesmere Port Cheshire CH65 3EN UK
t +44 (0)151 350-6666 f +44 (0)151 350-6600 www.sgs.com

HC SGS 9001 2015 0818 M2

Page 1 of 2



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Certificate PK05/00526, continued

SGS

Shahzad Textile Mills Limited

ISO 9001:2015

Issue 1

Detailed scope

The scope of registration appears on page 1 of this certificate.

Additional facilities

Site 01: 34th km, Sheikhpura Road, Sheikhpura, Pakistan.

Site 02: 7km, Sheikhpura-Faisalabad Road, Sheikhpura, Pakistan.



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COMPANY INFORMATION

Board of Directors

Mian Parvez Aslam

Mr. Imran Aslam

Mr. Irfan Aslam

Mr. Danish Aslam

Syed Raza Ali Bokhari

Dr. Ali Raza Khan

Mrs. Nazish Imran

Chairman

Chief Executive Officer

Bankers

Habib Metropolitan Bank Ltd

JS Bank Limited

National Bank of Pakistan

Meezan Bank Limited

Share Registrar

Hameed Majeed Associates (Pvt) Ltd

H.M. House, 7-Bank Square Lahore.

Chief Financial Officer

Mr. Nabeel Naveed

Company Secretary

Mr. Hassan-ud-Din Ansari

Retired on 30-06-2021

Syed Imran Haider

Subsequently appointed

Registered Office

19-A, Off. Zafar Ali Road,

Gulberg-V, Lahore.

Ph: +92(042)35754024-27

Fax: +92(042) 35712313

E-mail: info@shahzadtex.com

Web: www.shahzadtex.com

Auditors

Crowe Hussain Chaudhury & Co.

Chartered Accountants

Mills

Unit # 1, 4 & Socks Hosiery Unit

34th KM Lahore Sheikhpura

Raod, Sheikhpura.

Audit Committee

Syed Raza Ali Bokhari

Mian Parvez Aslam

Mr. Irfan Aslam

Chairman

Member

Member

Unit # 2

7th KM Sheikhpura Faisalabad

Road, Sheikhpura.

Human Resources &**Remuneration Committee**

Dr. Ali Raza Khan

Mr. Danish Aslam

Mrs. Nazish Imran

Chairman

Member

Member

VISION STATEMENT

We aim at seeing our mills to be a model manufacturing unit producing high quality yarn by complying with the requirements of Quality management System and continuously improving its effectiveness for total customers' satisfaction. We wish to play a leading role in the spinning sector by keeping a substantial presence in the export and local markets.

MISSION STATEMENT

1. To install state of the art machinery and to acquire sophisticated process technology to achieve maximum growth in a competitive quality environment.
2. To make strenuous efforts to enhance profitability of the mills ensuring a fair return to the investors, shareholders and employees of the company.
3. To exercise maximum care for improvement of quality of our products by employing a team of highly skilled technicians and professional managers.
4. To strive hard to explore new customers for the sale of our products in export and local markets.
5. To improve customers' satisfaction level by adhering strictly to quality requirements of our customers in local and export markets and by improving communications with customers for receiving prompt feedbacks about quality of our products.
6. To attend and prompt resolution of customers' quality complaints by taking timely corrective measures.
7. To improve logistic facilities for our customers dispatch programme and issue all shipments / delivery documents well in time.
8. To make comprehensive arrangements for the training of our workers / technicians.
9. To promote team work, sense of transparency, creativity in our professionals and technical people

CODE OF CONDUCT

Shahzad Textile Mills Limited, has laid down the following code of conduct, the observance of which is compulsory for all the directors and staff members of the company in the conduct of company's business in order to protect and safeguard the reputation and integrity of the company at all levels of its operations. Any contravention of these ethics is regarded as misconduct. The company will ensure that all the executives and subordinate staff members are fully aware of these standards and principles.

1. Conflict of interest

All staff member are expected not to engage in any activity which can cause conflict between their personal interests and company's interests, such as:

- a. In effecting the purchases for the company and selling its products the directors and the staff members are forbidden from holding any personal interest in any organization supplying goods or services to the company or buying its products.
- b. The staff members should not engage in any outside business while serving the company.
- c. Staff members are not permitted to conduct personal business in company's premises or use company's facilities for the same.
- d. If a staff member has direct or indirect relationship with an outside organization dealing with the company he must disclose the same to the management.

2. Confidentiality

All staff members are required not to divulge any secrets / informations of the company to any outsider even after leaving the service of the company unless it is so required by a court of law. During the course of service in the company they should not disseminate any information relating to business secrets of the company without the consent of management .

3. Kickbacks

All staff members are strictly forbidden not to accept any favour, gifts or kick backs from any organization dealing with the company. In case if such a favour is considered, in the interest of the company, the same should be disclosed clearly to the management.

4. Proper Books of Account

All funds, receipts and disbursements should be properly recorded in the books of accounts of the company. No false or fictitious entries should be made or misleading statement pertaining to the company or its operations should be issued. All agreements with agents, dealers and consultants should be made in writing supported with required evidence.

5. Relationship with government officials suppliers, agents etc.

The dealings of the company with Government officials, suppliers, buyers, agents and consultants of the company should always be such that the integrity of the company and reputation is not damaged. Members having queries in connection with how to deal with these requirements should consult the management.

6. Health and Safety

Every staff member is required to take care of his health and safety and of those working with him. The management is responsible for keeping its staff members insured as per government rules and regulations.

7. Environment

To preserve and protect the environment all staff members are required to operate the company's facilities and processes so as to ensure maximum safety of the adjoining communities, and strive continuously to improve environmental awareness and protections.

8. Alcohol, Drugs

All types of gambling and betting at the company's work places are strictly forbidden. Also bringing alcohols or drugs inside the work places are not allowed. If any staff member, not abiding by these prohibitions will attract disciplinary as well as penal action.

9. Coordination among staff members to maintain discipline

All staff members will work in close coordination with their co-workers, seniors and colleagues. Every member will cooperate with other members so that the company's work could be carried out effectively and efficiently. All cases of non-cooperation among staff members should be reported to the management for necessary and suitable action. Strict disciplinary action will be taken against those staff members who violate the rules and regulations of the company.

10. Workplace harassment

All staff members will be provided an environment that is free from harassment and in which all employees are equally respected. Work place harassment means any action that creates an intimidating, hostile or offensive environment which may include sexual harassment, disparaging remarks based on gender, religious, race or ethnicity.

SIX YEARS FINANCIAL SUMMARY

	2021	2020	2019	2018	2017	2016
	--- (Rupees in thousand) ---					
Sales	6,927,057	4,315,237	6,105,230	5,464,278	4,511,169	3,692,132
Gross Profit	729,399	322,054	525,898	267,586	242,998	184,755
Profit/(Loss) before taxation	438,760	62,568	188,593	101,183	64,031	21,632
Provision for tax	(133,106)	(16,966)	(57,867)	(28,984)	(29,316)	(34,989)
Profit/(Loss) after taxation	305,654	45,602	130,726	72,200	34,715	(13,357)
Total Assets	4,648,956	4,011,775	3,659,893	3,430,522	2,908,801	2,630,358
Current liabilities	1,169,234	968,118	836,690	969,147	764,960	591,876
	3,479,722	3,043,657	2,823,203	2,461,375	2,143,841	2,038,482
Represented By :						
Equity & Surplus	2,790,450	2,347,849	2,223,856	2,113,308	1,752,012	1,714,359
Long Term Loans & leases	267,150	336,280	323,871	58,036	98,777	-
Deferred Liabilities	422,123	359,528	275,476	290,030	293,053	324,123
	3,479,722	3,043,657	2,823,203	2,461,375	2,143,841	2,038,482

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

Name of Company: **SHAHZAD TEXTILE MILLS LIMITED**

Year Ending: **June 30, 2021**

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

1. The total number of Directors are seven (07) as per the following: -

- a) Male: 06
- b) Female: 01

2. The composition of the Board is as follows:

CATEGORY	NAMES
Independent Directors	Syed Raza Ali Bokhari Dr. Ali Raza Khan
Executive Directors	Mr. Imran Aslam Mr. Danish Aslam
Non-Executive Directors	Mian Parvez Aslam Mr. Irfan Aslam Mrs. Nazish Imran
Female Director	Mrs. Nazish Imran

The requirement of Independent Director is at least two or one third members of the board, whichever is higher. The Company appointed two independent directors and fraction of 0.33 was not rounded up as one because the fraction is below 0.5 and considered to be negligible.

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. Three members of the Board are exempted from Directors' Training Program by virtue of their requisite qualification and experience of serving on the Board of Listed Company while the remaining four Directors have not acquired prescribed certification under Directors' Training Program;
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. -

a) **Audit Committee:**

Syed Raza Ali Bokhari	Chairman
Mian Parvez Aslam	Member
Mr. Irfan Aslam	Member

b) **HR & Remuneration Committee:**

Dr. Ali Raza Khan	Chairman
Mr. Danish Aslam	Member
Mrs. Nazish Imran	Member

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/ yearly) of the committee were as per following,-

a) Audit Committee (1st quarter: 1 2nd quarter: 1 3rd quarter: 1 4th quarter: 4)

b) HR and Remuneration Committee (3 meetings in financial year)

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;

19. Explanation for Non-Compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

Sr. No.	Reg. Ref.	Requirement	Future course of Action
1	19	By June 30, 2021, at least 75% of the directors shall acquire certification under Directors' Training Program.	The Board shall take steps to arrange Directors' Training Certification for the remaining four directors by June 30, 2022.



CHAIRMAN



CHIEF EXECUTIVE

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE
MEMBERS OF SHAHZAD TEXTILE MILLS LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE
CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE
GOVERNANCE) REGULATIONS, 2020**

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 Shahzad Textile Mills Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Serial No.	Paragraph Reference	Description
1	9	At least 75% of the Directors have not acquired the prescribed certification under the Directors' Training Program as required under clause 19 of the Regulations.

Lahore
Dated: October 05, 2021


CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 43rd Annual General Meeting (“AGM”) of the Shareholders of **SHAHZAD TEXTILE MILLS LIMITED** (the “Company”) will be held at Company’s Registered Office, 19-A, Off. Zafar Ali Road, Gulberg -V, Lahore on Thursday, October 28, 2021 at 11:30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Annual Audited Financial Statements of the Company for the year ended June 30, 2021, together with the Chairman’s Review Report, Directors’ and Auditors’ Report thereon.
2. To appoint Company’s auditors and to fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of retiring auditors M/s Crowe Hussain Chaudhury & Co. Chartered Accountants for appointment as auditors of the Company.

SPECIAL BUSINESS

3. To consider and, if deemed fit, to pass the following resolution as Special Resolution with or without modification for ratification of transactions with related parties as per Note No. 37 of Audited Accounts 2021.

RESOLVED that the related party transactions carried out by the Company with related parties during the year ended June 30, 2021 be and are hereby approved.

RESOLVED FURTHER that Chief Executive of the Company be and is hereby authorized to approve transactions to be carried out with the related parties during the year ending June 30, 2022 and till the date of next annual general meeting.

By order of the Board



(SYED IMRAN HAIDER)
Company Secretary

Place: Lahore
Dated: October 05, 2021

NOTES:

1. **Closure of Share Transfer Books**
The Share Transfer Books of the Company will remain closed from October 19, 2021 to October 28, 2021 (both days inclusive). Transfers received in order at Company’s Independent Share Registrar’s Office, Hameed Majeed Associates (Pvt) Limited, H.M. House, 7-Bank Square, Lahore by the close of business on October 18, 2021 will be treated in time for the purpose of attending speaking and voting at the annual general meeting.
2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members. A Proxy must be a member of the Company.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited (“CDC”) will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. Two persons, whose name, addresses and CNIC numbers shall be mentioned on the form, shall witness the proxy form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

5. Change of Address

The shareholders are requested to promptly notify change in their address, if any to the Company's Share Registrar

6. CNIC/IBAN for E-Dividend Payment

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, of CNIC / IBAN all future dividend payments may be withheld.

7. Zakat Declarations:

The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

8. Circulations of Annual Reports through E-mail

The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.shahzadtex.com.

9. Tax Deductions from Filer and Non-Filers

The deduction of income tax from dividend payments shall be made on the basis of filers and non-filers

S. No	Nature of Shareholders	Rate of deduction
1	Filers	15.0%
2	Non- Filers	30.0%

Tax deduction will be made on the basis of Active Tax Payers List provided on the website of Feral Board of Revenue.

Members seeking exemption from deduction of tax on dividend payment or are eligible for deduction at a reduced rate are requested to submit a valid withholding tax exemption certificate or necessary documentary evidence, as the case may be.

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio/CDC Account No	Name of shareholder	CNIC	Shareholding	Total shares	Principal/joint shareholder
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10. Placement of Financial Statements

The Company has placed the Notice of AGM and Audited Annual Financial Statements for the year ended June 30, 2021 along with Auditors, Directors and Chairman's Reports thereon on its website: www.shahzadtex.com

11. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any are advised to contact our Share Registrar M/s Hameed Majeed Associates (Private) Limited, 7-Bank Square, Lahore, to collect enquire about their unclaimed dividend or pending shares, if any.

12. Online Participation in the Annual General Meeting:

Due to COVID-19 Pandemic and the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and request the members to consolidate their attendance and voting at the AGM through proxies. The meeting can be attended using smart phones/tablets/computer. To attend the meeting through video link, the members are requested to register themselves by providing the following information along with valid copy of CNIC / Passport / certified copy of board resolution/power of attorney in case of corporate shareholders with the subject "Registration for Shahzad Textile Mills Limited AGM" through emailcorporate@shaheencotton.com on or before 26 October, 2021.

Name of member	CNIC No.	CDC Account No/ Folio No.	Cell Number.	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email with the Company with. The login facility will remain open from start of the meeting till its proceedings are concluded.

The shareholders who wish to send their comments/suggestions on the agenda of the AGM can email the Company at emailcorporate@shaheencotton.com or WhatsApp at 0333-4352750. The Company shall ensure that comments / suggestions of the shareholders will be read out at the meeting and the responses will be made part of the minutes of the meeting.

13. Deposit of Physical Shares in CDC account

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017.

The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2021.

Ratification / approval of Related Party Transactions

The Company carried out transactions as per Note No. 37 of Audited Accounts 2021 with its related parties in the ordinary course of business under the authority of the special resolution of the members as approved by them during the last annual general meeting held on October 31, 2020. All these transactions were presented before the Board of Directors for their review and consideration as recommended by the Audit Committee on quarterly basis.

Since, the majority of the Company Directors were interested in the related party transactions carried out during the financial year ended June 30, 2021 with the related parties due to their common directorship (Mr. Irfan Aslam and Mr. Imran Aslam) and shareholding in these associated undertaking, therefore, these transactions have been placed before the members of the Company for their approval in the General meeting. The transactions with all related parties are entered on arms' length basis

Related parties transactions :

Name of Related Party	Nature of Relationship	Nature of Transactions	Amount of Transaction (Rs.)	Terms and Conditions
Sargodha Jute Mills Limited	Associated undertaking	Purchases (Jute Twin)	624,563.00	Market Price
Sargodha Jute Mills Limited	Associated undertaking	Amount Received - net	604,942	-
Sargodha Jute Mills Limited	Associated undertaking	Sales (Spinning Waste)	432,074.00	Market Price
Sargodha Jute Mills Limited	Associated undertaking	Rental Income (Godown Rent)	480,000.00	-

The company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to transaction with related parties in the normal course of business. All transactions entered into with related parties require the approval of the Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Audit Committee, such transactions are placed before the Board of directors for approval.

The Company shall be conducting transactions with its related parties during the year ending June 30, 2022 and till the next annual general meeting on an arm's length basis as per the approved policy with respect to transactions with related parties' in the normal course of business.

The Directors are interested in this business to the extent of their respective directorships and / or shareholdings

CHAIRMAN'S REVIEW REPORT

For the year ended June 30, 2021

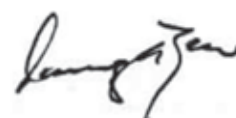
I feel great pleasure in presenting report on the functioning of Board of Directors of M/s Shahzad Textile Mills Limited. Through their excellent administration and close supervision, they have achieved best output in shape of better financial results. During hard times in ongoing pandemic, they have vigilantly managed and observed SOPs to save the staff and labor from the Covid-19 and with the grace of God no untoward incident happened which may become cause of loss of life.

The board has closely and efficiently observed the financial results on quarterly basis and took timely step for achieving better financial results. An annual evaluation of the Board performance was conducted in compliance with the stipulated requirements. The purpose of this evaluation is to ensure that the Board performance is measured in the context of overall corporate objectives and governance structure of the Company. The Board, during the year, played a dynamic role in steering the Company forward progressively. Through the commitment and effective surveillance of the Directors, the Company ensured transparency of corporate governance and compliance. The Board performed its role and responsibilities for the overall management and supervision of the affairs of the Company. I also appreciate the key role played by the Audit Committee in directing the management towards areas of improvements and recommending effective solutions. The Non-Executive and Independent Directors are equally involved in important decision of the company made by the board. I am pleased to report that Board' overall performance remained satisfactory for year 2021.

On behalf of the Board, I wish to acknowledge the contribution of all our employees in the continued success of the Company. I also wish to thank our shareholders, customers, suppliers, bankers and other stakeholders for their confidence and support. The Board looks forward with confidence to the year ahead. As the situation stands, there are news that the production of cotton for the year 2021-22 will remain lower than the Government's estimate of 10.50 million bales. Cotton production is expected to be around 8.50 million bales. Due to this situation, price of cotton in local market is expected to remain on higher side. During financial year June 30, 2021 thirteen meetings of Board of Directors were held.

Lahore:

Dated: October 05, 2021



MIAN PARVEZ ASLAM
Chairman

DIRECTORS' REPORT

The Directors of your Company are pleased to present before you the 43rd directors report and the performance review together with the audit report and the financial statement of the company as at June 30, 2021.

Financial and Operational Performance:

The Current financial results of the Company are summarized below:

	2021 Rupees	2020 Rupees
Sales	6,927,056,814	4,315,236,599
Gross Profit	729,399,353	322,053,527
Profit before taxation and Share of Associate	350,186,040	30,830,562
Share of Net profit of associate	88,574,175	31,737,871
Profit before Taxation	438,760,215	62,568,433
Taxation	(133,106,153)	(16,966,476)
Profit after Taxation	<u>305,654,062</u>	<u>45,601,957</u>

Financial year 2021 has closed with a substantial increase in Sales of Rs 6,927,056,814 which shows an increase of 60.45% as compared to last year. Profit after taxation has also increased manifold and is almost 8 times higher than the previous year. The above sales figure includes export of socks of Rs. 671,340,336/- which is higher than the previous year. This attractive scenario is the result of strenuous efforts and extreme struggle of our management. They have achieved remarkable results in an unpleasant and adverse circumstances.

The outbreak of the Covid-19 pandemic which has shaken almost the entire globe. Besides, the major threat caused to the human lives, COVID-19 has gravely disturbed the social, political and economic status of the entire world. It was found that the major business related issues faced by the businessmen due to Covid-19 include the radical effect on the working capital of the business and future marketing campaign to seek new orders. The COVID-19 has exposed the economy to immense distress, ruptured system and left the economy out of breath.

In these unavoidable and adverse circumstances our management did not sit as silent spectator. They under the umbrella of security measures (SOPS for Covid-19) continued their business struggle and by the grace of God, presented marvelous financial results for the year under discussion.

FUTURE OUTLOOK,

Pakistan's textile sector, which makes up around 60% of the country's exports is struggling to increase its exports due to the intense competition in the region. If the Government of Pakistan succeeds in resolving key issues facing textile sector like high cost raw material and energy prices, then we can earn massive amount of foreign exchange from this industry. Availability of local cotton at higher rates and shortfall of cotton is being bridged up through imported cotton which in turn increase the cost of production of our manufacturers.

Government has introduced textile policy 2020-2025 which was not implemented in its true spirit.. It says that the global textile trade that stands at \$837 billion had an average growth rate of 0.1% over the last decade. When it comes to the global market for textile sector exports, it is dominated by China, which accounts for over 32pc of textile exports, valued at \$266 billion. Presently, Pakistan's share is 1.6 percent in the world textile trade, which is targeted to increase by 3 percent till 2025 which is not sufficient.

Two decades back, Pakistan's textile exports were ahead of its regional peers like Bangladesh, Vietnam and Cambodia. In 2003, when Pakistan's textile exports were \$8.3 billion, Vietnam's textile exports were \$3.87 billion, Bangladesh's were at \$5.5 billion. Now Vietnam is \$36.68 billion and Bangladesh is at \$40.96 billion. This numerical comparison clearly shows that we are left behind due to our non-supportive trade policies.

Though Government has taken many export facilitation measures to ease out the exporters but they are not enough as compared to other textile exporting countries. The government should take immediate measures to improve the domestic cotton production in order to control the growing price of local cotton. High energy prices are also a matter of prime concern. The management is highly focused to increase its export sales of socks unit and have decided for further expansion of this unit. For this purpose, letter of credit for 60 knitting machines have already been established. As travel restraints worldwide have now been lessened, management has increased its export marketing activities in order to achieve more export sales.

EARNING PER SHAR

The Earning per share is 17.01 per share as compared to previous year's earnings per share Rs.2.54 per share.

DIVIDEND

Though there is sizeable profit in current year but management does not intend to pay dividend as they are considering further expansion in socks unit. The costly machinery and equipment may require the company to use its earnings for capitalization. So the profit shall be reinvested into the company which is in the best interest of the shareholders.

ISO 9001-2015 Certification

The Company believes in sustainable quality of yarn to the satisfaction of its clients. For this the Company has obtained the latest version of ISO 9001-2015. This quality Certification which is renewed after every three years after exhaustive checking and comprehensive verification of Company's quality management system. This quality certification boost the trust of new customers and maintain the confidence of our old clients as well

PRINCIPAL RISKS AND UN-CERTANINTIES FACING THE COMPANY

Despite the fact that the Company's financial performance is much improved in the period under discussion but there are some risk factors which may have an impact on the future performance of the company.

FORMATION OF RISK MANAGEMENT COMMITTEE

Formation of risk management committee is not mandatory as per CCG Regulation 2019.

RISK FACTORS

A) FOREIGN EXCHANGE RISK

Foreign currency risk arises mainly where receivable and payable exist due to transaction entered into foreign currencies. As dollar shows shaky position with ever increasing trend therefore, Company is exposed to foreign currency risk on trade debts, payable and revenues which are entered in a currency other than Pak Rupees.

B) LIQUIDITY RISK

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate actions for new requirements.

C) CREDIT RISK

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The Management also continuously monitors credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

D) INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Majority of the interest rate exposure arises from short and long-term borrowings from bank, term deposits and deposits in profit and loss/saving accounts with banks and investments in mutual funds.

CHANGES DURING FINANCIAL YEAR CONCERNING NATURE OF THE BUSINESS OF THE COMPANY OR OF ITS SUBSIDIARIES AND JOINT OPERATION

As you very well aware that company has established socks manufacturing unit which is successfully functioning and attained a lucrative sales figure of Rs.671,340,336/- which shall be further enhanced during the current year. Management has decided to further expand this unit by inducting more latest imported socks machinery.

MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE COMPANY BUSINESS

We have shown excellent results which are appearing in financial data. However, in the present scenario export of yarn is almost nil and socks are being exported at very low profit margin as the cost of sales gone high and cannot compete in the international market. High electricity cost shaky cotton prices both these factors are clubbed and made it impossible to compete at the international level.

IMPACT OF COMPANY BUSINESS ON THE ENVIRONMENT

We are carefully maintaining a fresh and pollution free system at our mills by using latest safety devices which sucks all the fluff and other grains injurious to the health of the workers.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

We have introduced a comprehensive internal control system commensurate with the size, scale and complexity of its operations and well documented procedures for various processes which are periodically reviewed for the changes warranted due to business needs. The internal auditors continuously monitors the efficiency of internal control and regularly reporting to the Audit Committee and Board of Directors. The system of internal control facilitate effective compliance of section 138 of the Act and the Listing Regulations.

RELATED PARTIES TRANSACTIONS

The transactions between the related parties were made at arm's length prices determined in accordance with the comparable uncontrolled price method. The same are disclosed in the attached financial statements the related party transactions were approved by the Board on the recommendation of Audit Committee.

CODE OF CONDUCT FOR PROTECTION AGAINST HARASSMENT AT WORK PLACE.

The Company is determined to provide clean environment working atmosphere and ensures that every employee is treated with respect and dignity. The Company is committed to encourage a positive professional work atmosphere that is essential for the professional growth of its staff. Harassment, therefore, has no place at Shahzad Textile Mills Limited. As such, any offender must be ready to confront disciplinary and corrective action, ranging from a warning to termination of job if such situation arises.

ANTI CORRUPTION

We have provided corruption free environment to the workers. It includes corruption of all forms including extortion and bribery.

CORPORATE SOCIAL RESPONSIBILITY

The Company recognizes that the key to successful and sustainable business is to give back to the society from where we derive economic benefits. We create value for our local community, employers and the government by providing a vast array of facilities to our employees, financial assistance to the families of our deceased employees, promoting a better work life balance amongst our employees, contributing regularly to the national exchequer as per law

I. Health, Safety and Environment

We work continuously to ensure that our employees work in safe and healthy working environment. Besides, the Company is registered with Social Security and Employees Old Age Benefit Department of the Government and pay regular contribution for the health facility and retirement benefits to the workers of the company.

Work-Life Balance

In order to promote a healthy life balance, we strictly observe working timing from 9.00am to 5.30pm. This ensures that our employees have plenteous time for recreational activities with their families and friends.

II. Business Ethics

The Management is committed to conduct all business activities with integrity, honesty, and observance of laws and regulations. A Code of Conduct has been developed and approved by the Board.

Contribution to the National Exchequer

To meet our social obligations towards the development of the economy of the country, the Company has contributed Rs.482.086 million in the year 2020-21 into the Government Exchequer on account of taxes, levies, excise duty, Income Tax and Sales Tax. Moreover, foreign exchange amount of USD 4.9150 Million was also earned for the country from export sales(yarn & Socks) during financial year.

Energy Savings

The Management is watchfully focusing on energy saving. There are many preventive measures adopted by fixing energy conserving devices to save the energy. Awareness is also given to workers for energy saving so that unnecessary consumption wastage of energy could be saved.

COMPOSITION OF THE BOARD

The composition of the Board of Directors is in compliance with the requirement of listed Companies Code of Corporate Governance, Regulation 2019 applicable on a listed company which is given below:

Total Number of Directors

a) Male	6
b) Female	1

Composition:

i) Independent Directors	02
ii) Non –Executive Directors	03
iii) Executive Directors	02

NAME OF THE DIRECTORS AND BOARD OF DIRECTORS MEETING

During the period under review, thirteen (13) meetings of the Board of Directors were held from July 01, 2020 to June 30, 2021. The details regarding the attendance by the Board members at these meetings has been provided below:

Name of Directors	No. of Meetings Attended
Mian Parvez Aslam	13
Mr. Imran Aslam	13
Mr. Irfan Aslam	13
Syed Raza Ali Bokhari	13
Mr. Danish Aslam	13
Dr. Ali Raza Khan	13
Mrs. Nazish Imran	09

AUDIT COMMITTEE

The Board has formed an Audit Committee which consists of the following directors:

Syed Raza Ali Bokhari	Independent Director	Chairman
Mian Parvez Aslam	Non-Executive Director	Member
Mr. Irfan Aslam	Non-Executive Director	Member

During the period under review Seven (7) meetings of audit committee of the company were held from July 01, 2020 to June 30, 2021 respectively and the details of the attendance at these meetings is as follows:

Name of Member	No. of Meeting Attended
Syed Raza Ali Bokhari	Eight (7)
Mian Parvez Aslam	Eight (7)
Mr. Irfan Aslam	Eight (7)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

In Compliance with the Code of Corporate Governance Regulations, 2019 the Board of Directors has formed a Human Resource and Remuneration Committee comprising of three Directors named below. The HR & R Committee provides assistance to the Board of Directors in helping the Company's Human Resource function efficiently. Further, the HR & R Committee will also assess and makes recommendations to ensure that the Company's Human Resource policies are objectively associated with its overall business.

Dr. Ali Raza Khan	Independent Director	Chairman
Mr. Danish Aslam	Executive Director	Member
Mrs. Nazish Imran	Non-Executive Director	Member

Names of the members of the Committee	Meetings Attended
Syed Raza Ali Bokhari	Chairman / Independent Director Three (3)
Mr. Imran Aslam	Member / Executive Director Three (3)
Mrs. Nazish Imran	Member / Non-Executive Director Three (3)

CORPORATE GOVERNANCE

Statement of compliance as required under the List Companies (Code of Corporate Governance) 2019 is annexed. Statement of compliance under Companies Act, 2019 has not been notified.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND THE BOARD COMMITTEES

Complying with Listed Companies Code of Corporate Governance, 2019 the Board has developed a mechanism for evaluation of performance of the Board of Directors and board committees. Directors evaluation of performance according to questionnaire is expected in shorty. The core area of focus covered included:

- Alignment of corporate goals and objectives with vision and mission of the Company.
- Strategy formulation for sustainable operation;
- Measuring and monitoring of performance; and
- Evaluation of Board's Committees performance in relation to discharging their responsibilities set out in respective terms of reference.

Individual feedback was obtained and on the basis of that feedback the average rating of the performance of the board was found satisfactory. Improvement is an ongoing process and the board has identified the areas of improvement in line with the global best practices.

DIRECTORS' REMUNERATION

The Executive Directors remuneration is considered and recommended by the Human Resource and Remuneration Committee (HR & R) to the Board of Directors. Then remuneration matter is discussed considered reviewed and approved by the Board of Directors after due deliberations. Same policy is applicable for determination of remuneration for Non-Executive and Independent Directors.

APPOINTMENT OF AUDITORS

The Auditors M/s Crowe Hussain Chaudhry & Co. Chartered Accountant, will retire and eligible for re-appointment as auditors of the Company for the next year, The Audit committee and the Board have endorsed their re-appointment for reconsideration of the members at the forthcoming annual general meeting of the Company.

PATTERN OF SHAREHOLDING

The pattern of shareholding as of 30 June 2021 on the prescribed Form 34 is attached herewith.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of this report.

Please give a statement in respect of the following even if it doesn't apply:

- i. The information and explanation in regard to any contents of modification in the auditor's report.
- ii. Information about defaults in payment of any debts and reasons thereof.

ACKNOWLEDGMENT

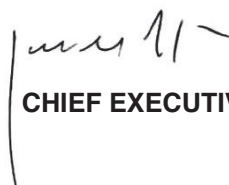
Your directors gratefully acknowledge the support and cooperation received from various department business associates, banks, financial institution customers, distributors and suppliers and other stakeholders of the Company. I take this opportunity, on behalf of the directors of the company, to thank all the shareholders, bankers and suppliers who actively participated in the growth of the company.

We also convey sense of high appreciation to all the employees for the Company for their hard work, dedication and continued commitment and contribution.



DIRECTOR

For and on behalf of the Board



CHIEF EXECUTIVE

Lahore:

Dated: October 05, 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHAHZAD TEXTILE MILLS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**Opinion**

We have audited the annexed financial statements of Shahzad Textile Mills Limited, which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss account, 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, statement of profit or loss account, 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 Company's affairs as at June 30, 2021 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 Standard Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the Key Audit Matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1	Revenue Refer to note 3.16 & 26 to the financial statements. The Company is primarily engaged in manufacturing and sale of yarn and socks. We identified recognition of revenue as a key audit matter since this represents key performance indicator of the Company.	Our key audit procedures included: <ul style="list-style-type: none"> Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls. Assessed the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards.

- | | |
|--|--|
| | <ul style="list-style-type: none"> • Obtained an understanding of agreement with the Company's customers and compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents to assess whether the revenue was recorded in accordance with the Company's revenue accounting policy and applicable financial reporting framework. • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Checked receipts from customers to whom sales were made. • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards. |
|--|--|

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 2021, 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

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

The engagement partner on the audit resulting in this independent auditor's report is Amin Ali.



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: October 05, 2021

STATEMENT OF FINANCIAL POSITION

	Note	2021 Rupees	2020 Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital: 40,000,000 (2020: 40,000,000) ordinary shares of Rs. 10 each		400,000,000	400,000,000
Issued, subscribed and paid up capital	4	179,713,720	179,713,720
Reserves	5	1,730,237,552	1,396,311,882
Surplus on revaluation of property, plant and equipment	6	880,498,720	771,823,230
		2,790,449,992	2,347,848,832
Non Current Liabilities			
Long term financing	7	267,149,542	336,279,986
Staff retirement benefits	8	124,170,679	129,666,668
Deferred liabilities	9	297,952,006	229,861,571
		689,272,227	695,808,225
Current Liabilities			
Trade and other payables	10	470,573,111	427,583,956
Unclaimed dividends		146,294	146,294
Unpaid dividends		199,348	199,348
Accrued mark up		19,911,125	21,868,525
Current portion of non-current liabilities	11	227,951,670	39,580,734
Short term borrowings	12	350,862,555	414,775,823
Provision for taxation	13	99,590,151	63,963,453
		1,169,234,254	968,118,133
Contingencies and Commitments			
	14	-	-
		4,648,956,473	4,011,775,190

The annexed notes from 1 to 45 form an integral part of these financial statements.


CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	15	2,415,858,301	2,279,163,700
Investment property	16	90,125,000	87,550,000
Investment in associate	17	592,204,575	497,464,549
Long term deposits	18	3,847,448	3,847,448
		3,102,035,324	2,868,025,697
Current Assets			
Stores and spares	19	132,402,205	105,207,083
Stock in trade	20	700,723,335	597,573,542
Trade debts	21	229,537,803	82,669,008
Advances, trade deposits, prepayments and other receivables	22	208,962,726	121,712,328
Short term investments	23	25,213,313	14,874,940
Tax refunds due from the Government	24	102,332,449	121,464,973
Cash and bank balances	25	147,749,318	100,247,619
		1,546,921,149	1,143,749,493
		<u>4,648,956,473</u>	<u>4,011,775,190</u>

The annexed notes from 1 to 45 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF PROFIT OR LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Sales	26	6,927,056,814	4,315,236,599
Cost of sales	27	(6,197,657,461)	(3,993,183,072)
Gross Profit		729,399,353	322,053,527
Operating Expenses			
- Selling and distribution costs	28	(110,389,410)	(47,931,398)
- Administrative expenses	29	(187,134,907)	(165,861,341)
		(297,524,317)	(213,792,739)
Operating Profit		431,875,036	108,260,788
Finance cost	30	(73,796,745)	(78,241,943)
Other operating expenses	31	(41,323,372)	(6,155,060)
Other income	32	33,431,121	6,966,777
Share of net profit of associate	17	88,574,175	31,737,871
		6,885,179	(45,692,355)
Profit before Taxation		438,760,215	62,568,433
Taxation	33	(133,106,153)	(16,966,476)
Net Profit for the Year		305,654,062	45,601,957
Earnings per Share - Basic and Diluted	34	17.01	2.54

The annexed notes from 1 to 45 form an integral part of these financial statements.


CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	Rupees	Rupees
Net Profit for the Year	305,654,062	45,601,957
Other Comprehensive Income for the Year		
<i>Items that will not be reclassified to profit or loss</i>		
Experience adjustment on remeasurement of staff retirement benefits	17,881,333	(1,826,954)
Related tax impact	(4,666,277)	460,758
	13,215,056	(1,366,196)
Surplus on revaluation of property, plant and equipment of the Company	147,764,694	39,392,923
Related tax impact	(26,690,052)	(9,934,895)
	121,074,642	29,458,028
Share in other comprehensive income for the year of Associate	6,152,556	95,237,175
Related tax impact	(922,883)	(14,285,576)
	5,229,673	80,951,599
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	139,519,371	109,043,431
Total Comprehensive Income for the Year	445,173,433	154,645,388

The annexed notes from 1 to 45 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Share Capital	Reserves			Surplus on revaluation of property, plan and equipment	Total
		Capital	Revenue	Total Reserves		
		Share Premium	Unappropriated Profits			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2019	179,713,720	5,796,000	1,280,986,547	1,286,782,547	757,360,085	2,223,856,352
Net profit for the year	-	-	45,601,957	45,601,957	-	45,601,957
Other comprehensive income for the year	-	-	79,585,403	79,585,403	29,458,028	109,043,431
Total comprehensive income for the year	-	-	125,187,360	125,187,360	29,458,028	154,645,388
Incremental depreciation charged on revalued property, plant and equipment during the year transferred to retained earning - net of deferred tax	-	-	10,803,768	10,803,768	(10,803,768)	-
Surplus realized on disposal of revalued property, plant and equipment transferred to retained earnings - net of deferred tax	-	-	116,133	116,133	(116,133)	-
Impact of deferred tax on export rate adjustment	-	-	-	-	(4,074,982)	(4,074,982)
Share of associate in change in deferred tax rate	-	-	379,132	379,132	-	379,132
Transactions with owners recorded directly in equity						
Final dividend paid for the year ended June 30, 2019	-	-	(26,957,058)	(26,957,058)	-	(26,957,058)
Balance as at June 30, 2020	179,713,720	5,796,000	1,390,515,882	1,396,311,882	771,823,230	2,347,848,832
Net profit for the year	-	-	305,654,062	305,654,062	-	305,654,062
Other comprehensive income for the year	-	-	18,444,729	18,444,729	121,074,642	139,519,371
Total comprehensive income for the year	-	-	324,098,791	324,098,791	121,074,642	445,173,433
Incremental depreciation charged on revalued property, plant and equipment during the year transferred to retained earning - net of deferred tax	-	-	9,714,714	9,714,714	(9,714,714)	-
Surplus realized on disposal of revalued property, plant and equipment transferred to retained earnings - net of deferred tax	-	-	98,870	98,870	(98,870)	-
Impact of deferred tax on export rate adjustment	-	-	-	-	(2,585,568)	(2,585,568)
Share of associate in change in deferred tax rate	-	-	13,295	13,295	-	13,295
Balance as at June 30, 2021	179,713,720	5,796,000	1,724,441,552	1,730,237,552	880,498,720	2,790,449,992

The annexed notes from 1 to 45 form an integral part of these financial statements.


CHIEF EXECUTIVE

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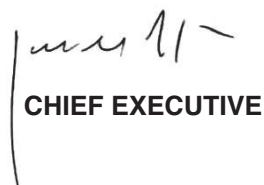
DIRECTOR

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

		2021	2020
	Note	Rupees	Rupees
CASH GENERATED FROM OPERATIONS	35	443,638,305	192,338,332
Income tax paid		(82,652,496)	(52,177,632)
Gratuity paid		(38,411,806)	(19,991,080)
Repayment of GIDC		(21,889,050)	-
Finance cost paid		(55,880,883)	(63,292,884)
Workers' (profit) participation fund paid		(3,551,805)	(10,803,922)
		(202,386,040)	(146,265,518)
Net Cash Generated from Operating Activities		241,252,265	46,072,814
CASH FLOW FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(117,238,241)	(3,057,370)
Capital work in progress		(2,576,829)	(192,632,927)
Short term investments		(10,062,238)	33,165,813
Proceeds from disposal of property, plant and equipment		10,239,782	1,539,167
Net Cash Used in Investing Activities		(119,637,526)	(160,985,317)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid to shareholders		-	(26,974,202)
Long term financing obtained		37,834,235	55,891,262
Long term financing repaid		(48,034,007)	(33,815,400)
Short term borrowings obtained / (repaid) - net		(63,913,268)	129,480,863
Net Cash (Used in) / Generated from Financing Activities	36	(74,113,040)	124,582,523
Net Increase Cash and Cash Equivalents		47,501,699	9,670,020
Cash and cash equivalents at the beginning of the year		100,247,619	90,577,599
Cash and Cash Equivalents at the End of the Year		147,749,318	100,247,619

The annexed notes from 1 to 45 form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Note 1

The Company and its Operations

Shahzad Textile Mills Limited (the Company) was incorporated in Pakistan on October 24, 1978 as a Public Limited Company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The Company is domiciled in Pakistan and its principal business is to manufacture and deal in all types of yarn and socks. The Company holds 24.94% ordinary shares in M/s Sargodha Jute Mills Limited, an Associated Company that is engaged in manufacturing, selling and dealing in jute products (refer to note 17).

Company's business units including its manufacturing facilities are located as under:

- The Company's registered office is situated at 19-A, Off Zafar Ali Road, Gulberg - V, Lahore
- 3 manufacturing facilities are situated at 34 KM, Lahore-Sheikhupura Road, Sheikhupura
- 1 manufacturing facility is situated at 7 KM, Sheikhupura-Faisalabad Road, Kharianwala

Note 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 Standards) Issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017: and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, 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 to the extent of following:

Staff retirement benefits	Note 8	Stated at Present value
Certain property, plant and equipment	Note 15	Stated at Revalued amount
Investment property	Note 16	Stated at Fair value
Investment in associate	Note 17	Stated at Equity method
Certain investments	Note 23	Stated at Fair value

2.3 Functional and presentational currency

These financial statements are prepared and presented in Pak Rupees which is the functional currency of the Company. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

2.4 Key judgements and estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

- 2.4.1** Provision for employees' retirement benefits [Note 3.2 and 8]
- 2.4.2** Estimate of useful lives and residual values of property, plant & equipment (Notes 3.6 & 15)
- 2.4.3** Estimate of useful lives and residual values of investment property (Notes 3.8 & 16)
- 2.4.4** Net realisable values of stock-in-trade & store and spares [Notes 3.10 & 3.11 and 19 & 20]
- 2.4.5** - Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) - Note 3.3, 9, 13 & 33
- 2.4.6** - Estimation of contingent liabilities - Note 3.5 & 14
- 2.4.7** - Provision for expected credit losses – Note 3.13.1 & 21
- 2.4.8** - Impairment loss of financial assets - Note 3.13, 21, 22, 23 & 25

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year

There are certain standards, amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods beginning on or after July 1, 2020. These are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

There are certain standards, amendments and interpretations to the accounting and reporting standards which are mandatory for companies having accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

	Effective Date (Period beginning on or after)
- IAS 1 Presentation of Financial Statements [Amendments]	January 1, 2022 & January 1, 2023
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors [Amendments]	January 1, 2023
- IAS 12 Income Taxes [Amendments]	January 1, 2023
- IAS 16 Property, Plant and Equipment [Amendments]	January 1, 2023
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets [Amendments]	January 1, 2023
- Annual Improvements to IFRS Standards 2018–2020	January 1, 2023

The Company has assessed that the impact of these amendments is not expected to be significant.

Note 3

Summary of Significant Accounting Policies

Significant accounting policies adopted in the preparation of annual financial statements of the Company for the current year are set out below that have been applied consistently to all the periods presented in these financial statements:

3.1 Provisions

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

3.2 Staff retirement benefits

Defined benefits plan

The Company operates an unfunded gratuity scheme covering its permanent employees. Employees are eligible for benefits under the gratuity scheme after completion of one year of continuous service. These benefits are calculated on the basis of the number of completed years of service and last drawn gross salary.

Actuarial gains / (losses) arising from experience adjustments and changes in actuarial assumptions for the defined benefits plan are charged or credited to other comprehensive income in the period in which these arise. Past service costs are recognized immediately in the statement of profit or loss account.

Provisions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out at each reporting date.

3.3 Taxation

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

3.3.1 Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

Current tax for current and prior periods, to the extent unpaid, is recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.3.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

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

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is calculated at rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or have been notified for subsequent enactment by the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

3.3.3 Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.4 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid or given in future for goods and services received or to be delivered or for any other amount, whether or not billed to the Company.

3.5 Contingent liabilities

A Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.6 Property, plant and equipment

Owned

Property, plant and equipment are stated at cost / revalued amounts less accumulated depreciation and identified impairment losses, if any. The Company has revalued its freehold land; buildings on freehold land; plant and machinery and powerhouse while all other assets are stated at cost. Cost of property, plant and equipment comprises historical cost, borrowing cost pertaining to the construction and erection period and directly attributable cost of bringing assets to their working condition.

Depreciation on property, plant and equipment, except freehold land, has been provided for using the reducing balance method at the rates specified in Note 14 and is charged to profit or loss account. Depreciation on additions is charged from the month in which the asset is available for use up to the month in which the asset is disposed off. Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting period and adjusted if impact on depreciation is significant.

The management reviews market value of revalued assets at each reporting date to ascertain whether the fair value of revalued assets has differed materially from the carrying value of revalued assets, thus necessitating further revaluation. The management engages independent professional valuers to value its property, plant and equipment every three to five years in line with the industry norms.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and any identified impairment loss, if any.

Increases in the carrying amount arising on revaluation of assets are recognized, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. However, the increase is first recognized in profit or loss to the extent that the increase reverses a revaluation decrease of the same asset previously recognized in profit or loss account.

Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the statement of profit or loss account) and depreciation based on the asset's original cost - incremental depreciation on revalued assets is transferred from surplus on revaluation of property, plant and equipment to retained earnings. All transfers from surplus on revaluation of property, plant and equipment are net of applicable deferred taxation. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of property, plant and equipment, if any, is shown in the statement of profit or loss account.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss.

3.7 Impairment

Carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of the fair value less costs to sell and value in use. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be the value in use. Impairment loss is recognized as expense in the statement of profit or loss account. Where conditions giving rise to impairment are reversed subsequently, the effect of the impairment charge is also reversed as a credit to the statement of profit or loss account. Reversal of impairment loss is restricted to the original cost of asset.

3.8 Investment property

Investment property, which is property held to earn rentals and /or for capital appreciation is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. The changes in fair value is recognised in the statement of profit or loss account. The fair value of investment property is determined at the end of each year using current market prices for comparable real estate, adjusted for any differences in nature, location and condition. The key assumptions used to determine the fair value of investment properties are provided in Note 16.

3.9 Investment in associate

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss account, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee company.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3.10 Stores and spares

These are valued at lower of moving average cost and net realizable value; whilst items considered obsolete are written off. Cost of items in transit comprises invoice value plus incidental charges paid thereon.

3.11 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw materials	-	Monthly average cost
Material in transit	-	Cost comprising invoice value plus incidental charges
Work in process	-	Estimated average manufacturing cost
Finished goods	-	Average manufacturing cost
Wastes	-	Net realizable value

Manufacturing cost in relation to work in process and finished goods comprises cost of material, labor and appropriately allocated manufacturing overheads. Net realizable value signifies estimated selling price in the ordinary course of business less necessary costs to make the sale.

3.12 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, these comprise cash in hand and cash at bank.

3.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.13.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

a) Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost and fair value through profit or loss. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

b) Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at the transaction price.

c) Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss account.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to the profit or loss account.

d) Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss account.

e) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forwardlooking factors specific to the debtors and the economic environment.

3.13.2 Financial liabilities**a) Initial recognition and measurement**

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc.

b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss account. Difference between carrying amount and consideration paid is recognized in the statement of profit or loss account when the liabilities are derecognized.

3.13.3 Off-setting of financial assets and financial liabilities

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

3.14 Foreign currency transactions

Transactions in foreign currencies are translated into Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated into Pak Rupees at the exchange rate prevailing at that date. Monetary translation differences are recognized in the statement of profit or loss account.

3.15 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party or between two or more segments of the Company are at arm's length basis determined using the comparable uncontrolled price method except in circumstances where it is not in the interest of the Company to do so.

3.16 Revenue recognition - Sale of goods

Revenue is recognized when performance obligation is satisfied by applying following five steps of revenue recognition:

- i) Identify the contract with a customer
- ii) Identify the performance obligation in the contract
- iii) Determine the transaction price of the contract
- iv) Allocate the transaction price to each of the separate performance obligations in the contract
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised when goods are dispatch from the mill to customer whereas revenue of export sales is recognized on date of issue of bill of lading.

3.17 Borrowing costs

Borrowing costs are charged to profit or loss as and when incurred except those costs that are directly attributable to acquisition, construction or production of qualifying assets that are capitalized as part of the cost of assets.

3.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Chief Executive Officer of the Company). Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

3.19 Dividend distribution

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

3.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at that date. There are three levels which are as under:

Level 1

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

Level 2

When there is no quoted price in an active market, the Company determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

Level 3

If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to profit or loss account on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

3.21 Earnings per share - basic and diluted

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. 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 determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.22 Balances from contract with customers**Contract assets**

A contract asset is the right to receive in exchange for goods transferred to the customer against which no invoice has been raised.

Trade receivables

Trade receivables represent the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Contract liabilities

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

Right of return assets

Right of return assets represent the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

3.23 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in noncurrent liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Note 4

Issued, Subscribed and Paid Up Capital

2021	2020		2021	2020
Number of shares			Rupees	Rupees
12,240,569	12,240,569	Ordinary shares of Rs. 10 each fully paid in cash	122,405,690	122,405,690
4,418,803	4,418,803	Ordinary shares of Rs. 10 each issued for consideration otherwise than in cash - share issued on amalgamation	44,188,030	44,188,030
1,312,000	1,312,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	13,120,000	13,120,000
<u>17,971,372</u>	<u>17,971,372</u>		<u>179,713,720</u>	<u>179,713,720</u>

4.1 Reconciliation of number of shares outstanding:

Number of shares outstanding as at the beginning of the year
 Number of shares issued / cancelled
 Number of shares outstanding as at the end of the year

2021	2020
Number of shares	
17,971,372	17,971,372
-	-
<u>17,971,372</u>	<u>17,971,372</u>

4.2 Sargodha Jute Mills Limited, an associate, holds 21,090 (2020: 21,090) ordinary shares of the Company as at the reporting date.

4.3 There are no agreements with shareholders for any specific voting rights, board selection, rights of first refusal and block voting etc.

4.4 All ordinary shares rank equally with regards to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Note 5

Reserves

	2021	2020
	Rupees	Rupees
Capital		
Share premium reserve	5,796,000	5,796,000
Revenue		
Unappropriated profits	<u>1,724,441,552</u>	<u>1,390,515,882</u>
	<u>1,730,237,552</u>	<u>1,396,311,882</u>

Note 6

Surplus on Revaluation of Property, Plant and Equipment

	2021	2020
	Rupees	Rupees
Land - freehold	550,578,170	550,578,170
- Opening balance	45,487,500	-
- Revaluation during the year	596,065,670	550,578,170
Buildings on freehold land	159,283,772	178,516,489
- Opening balance	9,146,402	-
- Revaluation during the year	168,430,174	178,516,489
Plant and machinery	56,795,785	61,071,651
- Opening balance	41,415,535	-
- Revaluation during the year	98,211,320	61,071,651
Power house	5,165,503	6,586,698
- Opening balance	51,715,257	-
- Revaluation during the year	56,880,760	6,586,698
	919,587,924	796,753,008
Deferred tax relating to export sales	(2,585,568)	(4,074,982)
Deferred tax related to revaluation surplus during the year	(26,690,052)	(9,934,895)
Incremental depreciation charged on revalued property, plant and equipment during the year transferred to retained earning - net of deferred tax	(9,714,714)	(10,803,768)
Surplus realized on disposal of revalued property, plant and equipment transferred to retained earnings - net of deferred tax	(98,870)	(116,133)
	<u>880,498,720</u>	<u>771,823,230</u>

- 6.1** First revaluation of land, building and plant and machinery was carried out by an independent valuer as at September 30, 1995 that resulted in revaluation surplus of Rs. 435.412 million
- 6.2** Latest revaluation of property plant and equipment was carried out on June 30, 2021, by an independent valuer that resulted in revaluation surplus of Rs.147.764 million. Market value/ Depreciated value was used for revaluation fo PPE.
- | | |
|---------------------|---------------------------------|
| Land | Market Value |
| Buildings | Market Value/ Depreciated Value |
| Plant and Machinery | Market Value/ Depreciated Value |
| Power House | Market Value/ Depreciated Value |
- 6.3** This represents amount transferred to deferred tax liability due to change in proportion of local and export sales resulting in change in estimate of deferred tax on surplus on revaluation of property, plant and equipment.
- 6.4** The surplus on revaluation of property, plant and equipment is not available for distribution to shareholders in accordance with Section 241 of the Companies Act, 2017.

Note 7

Long Term Financing - Secured

		2021	2020
	Note	Rupees	Rupees
Long term financing	7.1	299,268,300	323,870,700
Loan as per SBP refinance scheme	7.2	66,706,062	51,386,691
		<u>365,974,362</u>	<u>375,257,391</u>
Less: Current portion	11	<u>(98,824,820)</u>	<u>(38,977,405)</u>
		<u>267,149,542</u>	<u>336,279,986</u>

7.1 These represent long term loans from JS Bank Limited for enhancement / replacement of power generation facilities to the tune of Rs 24.220 million and long term loans from Habib Metropolitan Bank Limited for machinery of socks unit to the tune of Rs 299.650 million, under State Bank of Pakistan's (SBP) concessional rate scheme. These loans are secured against specific and exclusive charge on relevant power generators and machinery of the Company and are repayable in 3 to 8 years starting from February 2017 and ending in February 2028. Mark up on these facilities is charged at SBP rate, which is 5% per annum, payable on calendar quarter basis.

7.2 The Company has obtained total borrowing of Rs. 93.726 million from JS Bank Limited under the State Bank of Pakistan's refinance scheme for payment of salaries and wages, at subsidized rate of borrowing. This financing is secured against ranking charge over the fixed asset of the Company to be upgraded to pari passu charge over fixed assets of the Company. The loan is repayable in 8 quarterly installments in 2.5 years including a grace period of 06 months, starting from July 2020. Markup on this financing is charged at 3% per annum. The Company has recognised its liability under SBP refinance scheme at its fair value and recorded Rs. 6.773 million as deferred grant. The movement in loan is as under:

		2021	2020
	Note	Rupees	Rupees
7.2.1 Movement of the loan			
Opening balance		51,386,691	-
Loan received under SBP refinance scheme		37,834,235	55,891,262
Discounting of loan		(1,922,147)	(4,850,921)
Winding of loan		2,838,890	346,350
Repayments		<u>(23,431,607)</u>	<u>-</u>
		<u>66,706,062</u>	<u>51,386,691</u>

Note 8

Staff Retirement Benefits

		2021	2020
	Note	Rupees	Rupees
Present value of defined benefit obligation	8.3	<u>124,170,679</u>	<u>129,666,668</u>

8.1 The Company operates an unfunded gratuity scheme covering its permanent employees subject to completion of minimum prescribed period of service. Actuarial valuation of the scheme is carried out annually by an independent actuary and the latest actuarial valuation has been carried out as at June 30, 2021. Following key information is included in that actuarial report:

8.2 Actuarial assumptions

Discount rate	10.00%	8.50%
Expected rate of salary increase in future years	9.00%	7.50%
Average expected remaining working life of employees	9.00 Years	7.00 Years
Expected mortality rate for active members	As per SLIC (2001-2005) Mortality Table with one year setback Projected Unit Credit Method	

		2021	2020
	Note	Rupees	Rupees
Actuarial valuation method			
8.3 Company's liability			
Opening balance		129,666,668	104,977,647
Charge for the year	8.5	50,797,150	42,853,147
Remeasurement chargeable to other comprehensive income - experience adjustment		(17,881,333)	1,826,954
		162,582,485	149,657,748
Benefits paid to outgoing employees	8.4	(38,411,806)	(19,991,080)
		124,170,679	129,666,668
8.4 Movement in present value of defined benefit obligation			
Opening balance		129,666,668	104,977,647
Current service cost		41,407,985	29,318,197
Interest cost on defined benefit obligation		9,389,165	13,534,950
Benefits paid to outgoing employees		(38,411,806)	(19,991,080)
Remeasurement chargeable to other comprehensive income - experience adjustment		(17,881,333)	1,826,954
		124,170,679	129,666,668
8.5 Charge for the year			
Current service cost		41,407,985	29,318,197
Interest cost		9,389,165	13,534,950
		50,797,150	42,853,147
8.6 Charge for the year has been allocated as under			
Cost of sales	27	40,271,981	33,100,000
Administrative expenses	29	10,525,169	8,653,147
Capitalization of gratuity - trial run production		-	1,100,000
		50,797,150	42,853,147
8.7 Estimated expenses to be Charged for the year 2021-2022			2022
			Rupees
Current service cost			43,548,783
Interest cost			11,717,799
			55,266,582

8.8 Year end sensitivity analysis on defined benefit obligation

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in present value of defined benefit obligation as stated below:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees	Rupees
Discount rate	1%	114,158,278	136,241,483
Salary increase	1%	136,418,927	113,787,634

- 8.9** The Company does not have any plan assets covering its post-employment benefits payable. The comparative statement of present value of defined benefit obligations is as under:

	2021	2020	2019	2018	2017
	Rupees	Rupees	Rupees	Rupees	Rupees
Present value of defined benefit obligation	124,170,679	129,666,668	104,977,647	117,208,249	91,186,667
Fair value of plan asset	-	-	-	-	-
Net liability	<u>124,170,679</u>	<u>129,666,668</u>	<u>104,977,647</u>	<u>117,208,249</u>	<u>91,186,667</u>

Note 9

Deferred Liabilities

		2021	2020
	Note	Rupees	Rupees
Deferred tax liability - net	9.1	290,663,788	225,960,329
Gas infrastructure development cess	9.2	6,570,652	-
Deferred grant	9.3	717,566	3,901,242
		<u>297,952,006</u>	<u>229,861,571</u>

9.1 Deferred tax liability - net

Taxable temporary differences:

- Share of net profit of associate	78,990,686	64,779,682
- Accelerated tax depreciation	194,499,000	183,497,655
- Investment property	19,454,464	16,446,360
- Surplus on revaluation of property, plant and equipment	100,434,428	74,450,370
	<u>393,378,578</u>	<u>339,174,067</u>

Deductible temporary differences:

- Staff retirement benefits	(32,404,946)	(32,701,889)
- Allowance for doubtful debts	(420,509)	(192,917)
- Unused tax credits available	(58,996,381)	(77,089,076)
- Others	(10,892,954)	(3,229,856)
	<u>(102,714,790)</u>	<u>(113,213,738)</u>
	<u>290,663,788</u>	<u>225,960,329</u>

9.1.1 Reconciliation of deferred tax liability

Opening balance	225,960,329	170,497,971
Tax charged to profit or loss account	29,838,679	(15,206,828)
Charged / (credited) to other comprehensive income	32,279,212	23,759,713
Rate adjustment on revaluation surplus taken directly to equity	2,585,568	4,074,982
Tax credits utilized	-	42,834,491
Closing balance	<u>290,663,788</u>	<u>225,960,329</u>

9.2 Gas infrastructure development cess

Transferred from current liabilities	138,267,214	-
Expense during the year	20,536,894	-
Payments made during the year	(21,889,050)	-
Interest expense	9,054,210	-
Discounting of cess amount charged to profit or loss account	(13,142,028)	-
	<u>132,827,240</u>	<u>-</u>
	<u>(126,256,588)</u>	<u>-</u>
Less: current portion	<u>6,570,652</u>	<u>-</u>

- 9.2.1** This represents gas infrastructure development cess which is to be payable in 24 monthly equal installments and the Company has calculated its present value at borrowing cost of the Company and resultant difference charged to profit or loss account.

9.3 Deferred grant

Opening balance
Impact of discounting of loan
Amortization of grant
Deferred grant outstanding
Less: Current portion

2021	2020
Rupees	Rupees
4,504,571	-
1,922,147	4,850,921
(2,838,890)	(346,350)
3,587,828	4,504,571
(2,870,262)	(603,329)
717,566	3,901,242

Note 10

Trade and Other Payables

		2021	2020
	Note	Rupees	Rupees
Creditors for:			
- Goods supplied	10.1	75,795,748	42,631,580
- Services		17,511,228	10,063,661
Accrued liabilities	10.2	209,343,552	283,195,313
Contract liabilities		49,588,770	10,999,382
Workers' (profit) participation fund	10.3	23,562,269	3,405,071
Workers' welfare fund		18,177,823	9,401,669
Sales tax payable	10.4	71,099,419	62,920,199
Unclaimed wages		5,494,302	4,967,081
		470,573,111	427,583,956

- 10.1** Rs.113,975 (2020: Rs. 4,446) are payable to M/s Sargodha Jute Mills Limited, an Associated Company, as at the reporting date. The maximum aggregate amount payable to the Associate at the end of any month during the year was Rs. 141,687 (2020: Rs. 72,597).

- 10.2** Gas Infrastructure Development Cess (GIDC) amounting to Rs. 138.26 million was transferred to non-current liabilities during the year.

10.3 Workers' (profit) participation fund

Opening balance	3,405,071	9,927,366
Markup on Workers' (profit) participation fund	146,734	876,556
Provision for the year	23,562,269	3,405,071
	27,114,074	14,208,993
Payments made during the year	(3,551,805)	(10,803,922)
Closing balance	23,562,269	3,405,071

- 10.4** This includes Rs. 48.967 million (2020: Rs. 48.967 million) on account of provision for further sales tax.

Note 11

Current Portion of Non-Current Liabilities

		2021	2020
	Note	Rupees	Rupees
Current portion of long term financing	7	98,824,820	38,977,405
Current portion of deferred liability - GIDC	9	126,256,588	-
Current portion of deferred grant	9	2,870,262	603,329
		227,951,670	39,580,734

Note 12

Short Term Borrowings

		2021	2020
	Note	Rupees	Rupees
From banking companies - Secured			
Cash / packing finances	12.1	350,862,555	414,775,823

- 12.1** The Company obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 1,502 million (2020: Rs. 1,994 million) towards working capital requirements, retirement of local and foreign LCs and discounting of local bills / receivables. These facilities shall expire on various dates latest by June 30, 2021. Mark up on these facilities is charged from 1 to 6 months KIBOR plus a spread of 1% to 1.25% (2020: 1 to 6 months KIBOR plus a spread of 1% to 1.25%) payable quarterly. These facilities are secured by ranking and hypothecation charge on property, plant and equipment, stocks and receivables of the Company; lien over export and import documents and personal guarantee of sponsoring directors of the Company. The above balance represents the utilized portion of the funded facilities, whereas the Company has also utilized Rs. 241.441 million (2020: Rs. 130.544 million) from its non-funded facilities. Unutilized amount of funded and unfunded facilities are Rs. 909.69 million (2020: Rs. 1,448.68 million).

Note 13

Provision for Taxation - net

	2021	2020
	Rupees	Rupees
Opening balance	63,963,453	73,976,946
Charge for the year - Current	99,590,151	63,963,453
Prior year adjustment	(322,663)	2,394,458
	99,267,488	66,357,911
Payments / adjustments against advance tax, tax credits and refunds	(63,640,790)	(76,371,404)
	99,590,151	63,963,453

- 13.1** The provision for current year is based on turnover tax @ 1.5% (2020: 1.5%) on local sales and 1% on export sales.

- 13.2** Income tax assessments are deemed finalized by the management up to the Tax Year 2020 as tax returns were filed under the self assessment scheme.

Note 14

Contingencies and Commitments

	2021	2020
	Rupees	Rupees
14.1 Contingencies		
14.1.1 The Company has provided bank guarantee in the favor of following:		
- Sui Northern Gas Pipelines Limited (SNGPL)	79,748,042	74,374,000
- Lahore Electric Supply Company (LESCO)	10,430,000	10,430,000
- Excise and Taxation Office	19,400,000	19,400,000
- SBP Banking Services Corporation	17,929,125	-
	127,507,167	104,204,000

- 14.1.2** The Company is contingently liable for Rs. 30.650 million (2020: Rs. 25.722 million) on account of electricity duty on self generation. The Company has obtained stay order by filing petition on August 10, 2010 in Lahore High Court, Lahore against Lahore Electric Supply Company and has not admitted the said duty. The case is pending hearing before the Lahore High Court, Lahore.

14.2 Commitments

- 14.2.1** The Company's outstanding commitments / contracts as at the reporting date are as under:

	2021	2020
	Rupees	Rupees
Letters of credits	116,865,422	26,640,000

Note 15
Property, Plant and Equipment

	2021	2020
	Rupees	Rupees
Operating fixed assets		
Capital work in progress	2,415,858,301	2,267,328,022
	-	11,835,678
	2,415,858,301	2,279,163,700

Note
15.1
15.8

Operating fixed assets
Capital work in progress

15.1 Operating fixed assets

Year ended June 30, 2021

Description	Cost / Revalued Amounts						Rate	Depreciation				Bool Value as at June 30, 2021
	As at June 30, 2020	Additions	Revaluation Surplus	Adjustment	Disposals	Total as at June 30, 2021		As at June 30, 2020	For the year	Disposals	Adjustment	As at June 30, 2021
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees
Owned												
Land - freehold	557,650,000	-	45,487,500	-	-	603,137,500	-	-	-	-	-	-
Buildings on freehold land	382,615,436	14,412,507	9,146,402	(46,949,567)	-	359,224,778	5	29,219,730	17,729,837	-	(46,949,567)	-
Plant and machinery	1,210,814,361	108,733,453	41,415,535	(145,632,398)	(13,220,000)	1,202,110,951	5	89,030,173	58,400,147	(1,797,922)	(145,632,398)	-
Power house	201,000,000	-	51,715,257	(98,088,001)	-	154,627,256	20	72,360,001	25,728,000	-	(98,088,001)	-
Solar panel equipment	26,639,188	-	-	-	-	26,639,188	10	2,863,714	2,377,548	-	-	5,241,262
Furniture and fixtures	10,394,545	286,650	-	-	-	10,681,195	10	5,972,587	454,140	-	-	6,426,727
Vehicles	110,117,508	4,882,595	-	-	(2,172,930)	112,827,173	20	69,832,793	8,390,981	(521,844)	-	77,701,930
Electric installations	63,323,796	928,890	-	-	-	64,252,686	10	33,677,060	2,994,525	-	-	36,671,585
Computers and equipment	12,274,627	2,406,653	-	-	-	14,681,280	20	4,681,746	1,727,276	-	-	6,409,022
Arms and ammunition	410,775	-	-	-	-	410,775	7	274,410	9,545	-	-	283,955
Total as at June 30, 2021	2,575,240,236	131,650,748	147,764,694	(290,669,966)	(15,392,930)	2,548,592,782		307,912,214	117,811,999	(2,319,766)	(290,669,966)	132,734,481
												2,415,858,301

15.2 Operating fixed assets

Year ended June 30, 2020

Description	Cost / Revalued Amounts				Rate	Depreciation				Book Value as at June 30, 2021
	As at June 30, 2018	Additions	Disposals / Transfer	Total as at June 30, 2020		As at June 30, 2019	For the year	Revaluation Adjustment	As at June 30, 2020	
	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees
Owned										
Land - freehold	557,650,000	-	-	557,650,000	-	-	-	-	-	557,650,000
Buildings on freehold land	306,379,739	128,218,447	(51,982,750)	382,615,436	5	15,310,725	17,734,678	(3,825,673)	29,219,730	353,395,706
Plant and machinery	732,827,029	479,549,332	(1,562,000)	1,210,814,361	5	36,607,662	52,525,343	(102,832)	89,030,173	1,121,784,188
Power house	201,000,000	-	-	201,000,000	20	40,200,001	32,160,000	-	72,360,001	128,639,999
Solar panel equipment	26,639,188	-	-	26,639,188	10	221,993	2,641,721	-	2,863,714	23,775,474
Furniture and fixtures	5,867,172	4,527,373	-	10,394,545	10	5,467,776	504,811	-	5,972,587	4,421,958
Vehicles	108,144,332	3,057,370	(1,084,194)	110,117,508	20	61,079,430	9,698,911	(945,548)	69,832,793	40,284,715
Electric installations	47,048,857	16,274,939	-	63,323,796	10	30,835,579	2,841,481	-	33,677,060	29,646,736
Computers and equipment	7,088,862	5,185,765	-	12,274,627	20	3,404,611	1,277,135	-	4,681,746	7,592,881
Arms and ammunition	410,775	-	-	410,775	7	264,148	10,262	-	274,410	136,365
Total as at June 30, 2020	1,993,055,954	636,813,226	(54,628,944)	2,575,240,236		193,391,925	119,394,342	(4,874,053)	307,912,214	2,267,328,022

15.3 Had there been no revaluation, the cost, accumulated depreciation and book values of revalued assets would have been as follows:

	Book Value as on June 30, 2021	Book Value as on June 30, 2020
Land	7,071,830	7,071,830
Building on freehold land	198,188,396	193,217,963
Plant and machinery	1,088,647,996	1,045,833,687
Power house	97,385,919	121,732,399
1,391,294,141	1,367,855,879	

15.4 Depreciation charge for the year has been allocated as under:

	2021	2020
	Rupees	Rupees
Note		
27	107,230,057	107,903,222
29	10,581,942	11,491,120
	117,811,999	119,394,342

15.5 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location / Address	Usage of Immovable Property	Total Area
34-KM, Lahore-Sheikupura Road, Sheikupura	Manufacturing facility	104 Kanals and 3 Marlas
7-KM, Sheikupura-Faisalabad Road, Kharianwala	Manufacturing facility	128 Kanals and 7 Marlas

15.6 Forced sales value of revalued assets is as follows:

	June 30, 2021	June 30, 2018
	Rupees	Rupees
freehold land	512,666,875	427,073,000
buildings on freehold land	305,341,061	258,737,441
plant and machinery	1,021,794,308	665,460,447
power house	131,433,168	170,850,000

15.7 Fair value hierarchy

The Company measured its land; buildings on freehold land; plant and machinery and power house under level 2 of fair value hierarchy. Details of such revalued assets as at the reporting date are as follows:

Level 2	Land	Building	Plant and machinery	Power House
	Rupees	Rupees	Rupees	Rupees
For the year ending June 30, 2021	603,137,500	359,224,778	1,202,110,951	154,627,256
For the year ending June 30, 2020	557,650,000	353,395,706	1,121,784,188	128,639,999

Assumptions used in fair value calculation have been given in note 6 of these financial statements. No other assets are measured under level 1 and level 3 of the fair value hierarchy.

15.8 Capital Work in Progress

Opening balance
Additions during the year
Transferred to plant and machinery

2021	2020
Rupees	Rupees
11,835,678	452,958,607
2,576,829	192,632,927
(14,412,507)	(633,755,856)
-	11,835,678

15.9 Detail of disposals of property, plant and equipment

The detail of property, plant and equipment disposed off during the year having individual book value exceeding Rs. 500,000 or more are as follows:

Particulars of Assets	2021					Relationship with the purchaser
	Cost/Revalued Amount	Carrying Amount	Sales Price	Gain / (Loss)	Particular of the Year	Mode of Disposal
	Rupees	Rupees	Rupees	Rupees		
Plant and machinery:						
Blow machine	1,650,000	1,420,873	567,782	(853,091)	Ideal Trading and Co.	Negotiation
Blow machine	1,500,000	1,291,703	1,900,000	608,297	Ideal Trading and Co.	Negotiation
Winder machine	8,170,000	7,066,199	4,500,000	(2,566,199)	Ideal Trading and Co.	Negotiation
Winder machine	1,900,000	1,643,302	1,200,000	(443,302)	Ideal Trading and Co.	Negotiation
Vehicles						
Swift Suzuki	2,101,930	1,639,505	2,050,000	410,495	Premier Insurance Limited	Insurance claim
	15,321,930	13,061,582	10,217,782	(2,843,800)		None

Note 16

Investment Property

		2021	2020
	Note	Rupees	Rupees
Investment property - at fair value	16.1	<u>90,125,000</u>	<u>87,550,000</u>

16.1 The fair value of the investment property is determined as at the reporting date by an independent valuer. This investment property is located at 7th Floor of Tricon Corporate Centre, 73-E Jail Road, Lahore.

The fair value of the investment property was determined based on the market comparable approach that reflects recent transaction prices for similar properties, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in lettable units. The fair value hierarchy as at the end of reporting date is Level 2.

The forced sale value of the investment property is assessed at Rs. 76,606,250 (2020:Rs. 61,285,000) by the independent valuer.

Note 17

Investment in Associate

	2021	2020
	Rupees	Rupees
Associates - Unquoted		
Sargodha Jute Mills Limited:		
8,120,000 (2020: 8,120,000) fully paid ordinary shares of Rs. 10 each		
Equity held 24.94% (2020: 24.94%)		
Cost of investment Rs. 65,600,000 (2020: Rs. 65,600,000)		
Carrying amount of investment	<u>592,204,575</u>	<u>497,464,549</u>

17.1 Reconciliation of the above information to the carrying amount of the interest in M/s Sargodha Jute Mills Limited is as under:

Net assets of the Associate	<u>2,374,517,138</u>	<u>1,994,645,343</u>
Percentage of shareholding in Associate	<u>24.94%</u>	<u>24.94%</u>
Carrying amount of investment	<u>592,204,575</u>	<u>497,464,549</u>

17.2 The Company accounts for its investment in Sargodha Jute Mills Limited (the Associate) under equity method as prescribed in IAS 28 (Investments in Associates). Information extracted from the audited financial statements of the Associate is as follows:

Current assets	2,371,062,563	2,000,691,431
Non-current assets	1,463,910,589	1,512,818,148
Current liabilities	1,264,701,280	1,292,859,000
Non-current liabilities	195,754,734	226,005,236
Equity	2,374,517,138	1,994,645,343
Total assets	3,834,973,152	3,513,509,579
Revenue	4,574,989,728	2,916,403,842
Net profit for the year	355,149,056	127,256,900
Other comprehensive income / (loss)	24,669,431	381,865,175
Total comprehensive income for the year	379,818,487	509,122,075

Note 18

Long Term Deposits

	2021	2020
	Rupees	Rupees
Lahore Electric Supply Company	1,597,430	1,597,430
Sui Northern Gas Pipelines Limited	1,928,612	1,928,612
Others	321,406	321,406
	<u>3,847,448</u>	<u>3,847,448</u>

Note 19

Stores and Spares

	2021	2020
	Rupees	Rupees
Stores and spares	19.1 <u>132,402,205</u>	<u>105,207,083</u>

19.1 This includes stores in transit amounting to Rs. 15.627 million (2020: Rs. 6.943 million) as at the reporting date.

Note 20

Stock in Trade

	2021	2020
	Rupees	Rupees
Raw materials	510,174,223	425,585,639
Work in process	85,044,030	40,459,744
Finished goods	<u>105,505,082</u>	<u>131,528,159</u>
	<u>700,723,335</u>	<u>597,573,542</u>

20.1 Stocks amounting to Rs. 199.956 million (2020: Rs. 257.655 million), approximately, are pledged against short term borrowings.

Note 21

Trade Debts

	2021	2020
	Rupees	Rupees
Local debts (Unsecured - considered good)	21.1 126,681,960	51,169,138
Foreign debts (Secured - considered good)	104,467,168	32,264,809
Less: Allowance for doubtful debts	21.2 <u>(1,611,325)</u>	<u>(764,939)</u>
	<u>229,537,803</u>	<u>82,669,008</u>

21.1 No balance (2020: Rs. 47,902) are receivable from M/s Sargodha Jute Mills Limited, an Associated Company, as at the reporting date. The maximum aggregate amount due from the Associate at the end of any month during the year was Rs. 102,271 (2020: Rs. 107,143).

21.2 Allowance for doubtful debts

Opening balance	764,939	729,316
Loss allowance charged to profit or loss account	846,386	35,623
	<u>1,611,325</u>	<u>764,939</u>
Reversal of provision	-	-
Closing balance	<u>1,611,325</u>	<u>764,939</u>

Note 22

Advances, Trade Deposits, Prepayments and Other Receivables

		2021	2020
	Note	Rupees	Rupees
Advances (Unsecured - considered good):			
- Employees	22.1	656,828	183,310
- Suppliers and others		58,061,995	27,960,469
- Letters of credit		186,244	-
Income tax deducted at source / advance tax		82,620,960	52,137,409
Margins with banks against letter of guarantee		30,345,936	7,042,811
Prepayments		2,173,823	1,193,316
Duty draw back on export		28,696,147	25,941,784
Insurance claims receivable		4,971,001	6,802,993
Due from associated company	22.2	200,000	360,000
Interest receivable on TDR		1,049,792	-
Other receivables		-	90,236
		<u>208,962,726</u>	<u>121,712,328</u>

22.1 No amount was due from chief executive, directors and executives as at the reporting date (2020: Nil).

22.2 There is an amount of Rs. 200,000 (2020: Rs. 360,000) receivable from M/s Sargodha Jute Mills Limited, an Associated Company, as at the reporting date. The maximum amount outstanding during the year was Rs. 600,000. (2020: 360,000).

Note 23

Short Term Investments

		2021	2020
	Note	Rupees	Rupees
At fair value through profit or loss	23.1		
Investment in quoted shares	23.2	650,000	650,000
Investment in mutual funds	23.3	-	10,216,951
At amortized cost			
Investment in term deposit receipts (TDR)	23.3 & 24.4	24,563,313	4,007,989
		<u>25,213,313</u>	<u>14,874,940</u>

23.1 Investments in quoted shares are measured at fair value through profit or loss. The quoted market value in an active market is considered as the fair value of investment. The resulting difference between cost and fair value of investment is taken to the profit or loss account.

23.2 The Company has invested in ordinary shares of M/s Sajjad Textile Mills Limited (STML). STML has applied for delisting and is in process of buying shares from shareholders at Rs. 25 per share; consequently, the Company had remeasured its investment at Rs.25 per share.

23.3 This investment is lien marked by JS Bank Limited against guarantees issued by it to the LESCO on the behalf of the Company.

23.4 These TDRs yield profit at rates ranging from 6.5% to 7.2% (2020: 5.75% to 12%).

Note 24

Tax Refunds Due from the Government

	2021	2020
	Rupees	Rupees
Sales tax	34,103,930	37,764,623
Income tax	68,228,519	83,700,350
	<u>102,332,449</u>	<u>121,464,973</u>

Note 25

Cash and Bank Balances

		2021	2020
	Note	Rupees	Rupees
Cash in hand		775,927	692,535
Cash at banks - Current accounts		125,939,009	99,555,084
Cash at banks - Saving accounts	25.1	21,034,382	-
		<u>147,749,318</u>	<u>100,247,619</u>

25.1 This represents amounts in saving accounts yielding profit ranging from 5.5% (2020: Nil) per annum.

Note 26

Sales - Net

		2021	2020
		Rupees	Rupees
Yarn sales			
- Local		7,190,936,664	4,889,679,141
- Export		113,890,183	22,464,784
Socks sales			
- Local		106,142	7,166,322
- Export		671,340,336	121,735,906
Waste sales yarn		39,629,835	27,710,208
Waste sales socks		24,948,804	2,302,110
		<u>8,040,851,964</u>	<u>5,071,058,471</u>
Duty draw back		25,969,913	2,939,484
Sales tax		<u>(1,139,765,063)</u>	<u>(758,761,356)</u>
		<u>6,927,056,814</u>	<u>4,315,236,599</u>

26.1 All the revenue is recognised at point in time.

Note 27

Cost of Sales

		2021	2020
	Note	Rupees	Rupees
Raw materials consumed		4,398,489,180	2,886,024,619
Stores and spares consumed		179,008,678	102,995,150
Packing materials consumed		184,376,931	86,806,979
Salaries, wages and other benefits	27.1	671,026,555	443,016,379
Fuel and power		595,253,256	442,947,216
Insurance		10,082,497	7,484,662
Repairs and maintenance		26,939,268	10,757,494
Other manufacturing expenses		28,029,477	355,216
Depreciation	15.4	15,782,771	11,048,426
		<u>107,230,057</u>	<u>107,903,222</u>
		<u>6,216,218,670</u>	<u>4,099,339,363</u>
Opening work in process		40,459,744	31,904,689
Closing work in process		(85,044,030)	(40,459,744)
		<u>(44,584,286)</u>	<u>(8,555,055)</u>
Cost of goods manufactured:		<u>6,171,634,384</u>	<u>4,090,784,308</u>
- Opening finished goods		131,528,159	33,926,923
- Closing finished goods		<u>(105,505,082)</u>	<u>(131,528,159)</u>
		<u>26,023,077</u>	<u>(97,601,236)</u>
		<u>6,197,657,461</u>	<u>3,993,183,072</u>

27.1 This includes Rs. 40.27 million (2020: Rs. 33.10 million) in respect of staff retirement benefits.

Note 28

Selling and Distribution Costs

	2021	2020
	Rupees	Rupees
Commission to selling agents	53,140,336	22,835,781
Freight and octroi	39,542,717	9,455,427
Export sale expenses	17,706,357	15,640,190
	<u>110,389,410</u>	<u>47,931,398</u>

Note 29

Administrative Expenses

		2021	2020
	Note	Rupees	Rupees
Salaries, wages and other benefits	29.1	112,500,608	102,697,740
Printing and stationery		576,192	341,885
Communication		5,084,130	2,104,076
Travelling and conveyance		3,569,256	2,474,393
Repairs and maintenance		5,721,886	2,075,671
Vehicles' running and maintenance		13,535,233	10,862,547
Rent, rates and taxes		7,574,003	7,397,334
Insurance		2,308,231	2,580,452
Legal and professional charges		3,454,319	4,410,955
Fees and subscription		4,030,665	3,745,469
Utilities		13,090,387	10,541,908
Entertainment		4,475,339	4,265,351
Advertisement		249,250	412,340
Miscellaneous		383,466	460,100
Depreciation	15.4	10,581,942	11,491,120
		<u>187,134,907</u>	<u>165,861,341</u>

29.1 This includes Rs. 10.52 million (2020: Rs. 8.653 million) in respect of staff retirement benefits.

Note 30

Finance Cost

	2021	2020
	Rupees	Rupees
Interest / mark-up on:		
- Short term borrowings	37,821,502	59,689,540
- Long term financing	18,940,871	13,160,132
	<u>56,762,373</u>	<u>72,849,672</u>
Unwind of long term loan	2,838,890	532,299
Unwinding of deferred liability	9,054,210	-
Bank charges	3,337,426	2,398,663
Commission on bank guarantees	1,657,112	1,584,753
Interest on workers' (profit) participation fund	146,734	876,556
	<u>73,796,745</u>	<u>78,241,943</u>

Note 31

Other Operating Expenses

	2021	2020
	Rupees	Rupees
Auditors' remuneration		
- Statutory audit	1,150,000	1,150,000
- Limited scope review	100,000	100,000
- Other attestation services	50,000	50,000
	1,300,000	1,300,000
Loss on disposal of property, plant and equipment - Net	2,833,382	58,647
Provision for workers' (profit) participation fund	23,562,269	3,405,071
Provision for workers' welfare fund	8,776,154	1,251,369
Allowance for doubtful debts	846,386	35,623
Loss on sale of raw material	1,090,927	-
Exchange loss	2,914,254	104,350
	<u>41,323,372</u>	<u>6,155,060</u>

Note 32

Other Income

		2021	2020
	Note	Rupees	Rupees
Profit on sale of raw material		-	288,578
Gain on revaluation of short term investments at fair value through profit or loss - net		-	171,950
Gain on disposal of short term investment		276,135	452,515
Profit on saving account and term deposit receipts		3,002,278	355,484
Amortization of deferred grant		2,838,890	346,350
Discounting of Gas Infrastructure Development Cess		13,142,028	-
Fair value gain on investment property		2,575,000	-
Rental income	32.1	11,596,790	5,351,900
		<u>33,431,121</u>	<u>6,966,777</u>

32.1 This includes Rs. 0.480 million (2020: 0.480 million) on account of rental income from related party.

Note 33

Taxation

	2021	2020
	Rupees	Rupees
Current tax:		
- For current year	99,590,151	63,963,453
- For prior years		
- Tax adjustment	(322,663)	2,394,458
- Tax appeal order adjustments	3,999,986	(6,994,498)
- Tax credits	-	(27,190,109)
	3,677,323	(31,790,149)
	103,267,474	32,173,304
Deferred tax	29,838,679	(15,206,828)
	<u>133,106,153</u>	<u>16,966,476</u>

33.1 The charge for taxation is based on tax at the rate of 1.5% (2020: 1.5%).

33.2 Reconciliation of tax charge for the year

Profit before taxation	438,760,215	62,568,433
Tax @ 29% (2020: 29%) on profit before taxation	127,240,462	18,144,846
Prior year tax charge	(322,663)	2,394,458
Tax appeal relief	3,999,986	(6,994,498)
Tax credits	-	(27,190,109)
Tax effect on income taxed at reduced rate	(25,686,511)	(9,203,983)
Tax effect of exports under final tax regime	(19,882,394)	(1,359,311)
Tax effect of local sales taxed at minimum tax rate	17,918,594	56,381,901
Deferred tax	29,838,679	(15,206,828)
	<u>133,106,153</u>	<u>16,966,476</u>

Note 34

Earnings per Share - Basic and Diluted

		2021	2020
		Rupees	Rupees
Basic earning per share is based on			
Net profit for the year attributable to ordinary shareholders	Rupees	305,654,062	45,601,957
Weighted average number of ordinary shares outstanding during the year	Number	17,971,372	17,971,372
Earnings per share - Basic	Rupees	<u>17.01</u>	<u>2.54</u>

34.1 Diluted Earnings per Share

There is no dilutive effect on the basic earnings per share of the Company as the Company has no such commitments that would result in dilution of earnings of the Company.

Note 35

Cash Generated from Operations

	2021	2020
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	438,760,215	62,568,433
Adjustments for:		
- Depreciation	117,811,999	119,394,342
- Share of net profit of associate	(88,574,175)	(31,737,871)
- Loss on disposal of property, plant and equipment - Net	2,833,382	58,647
- Gain on short term investment at fair value through profit or loss	-	(171,950)
- Gain on disposal of short term investment	(276,135)	(452,515)
- Provision for staff retirement benefits	50,797,150	42,853,147
- Discounting of gas infrastructure development cess	(13,142,028)	-
- Exchange gain / (loss)	2,914,254	(104,350)
- Allowance for doubtful debts	846,386	35,623
- Provision for workers' (profit) participation fund	23,562,269	3,405,071
- Provision for workers' welfare fund	8,776,154	1,251,369
- Amortization of deferred grant	(2,838,890)	(346,350)
- Interest on workers' (profit) participation fund	146,734	876,556
- Unwinding of deferred liabilities	9,054,210	-
- Fv gain on short term investment	(2,575,000)	-
- Finance cost	56,762,373	73,381,971
	<u>166,098,683</u>	<u>208,443,690</u>
Operating profit before working capital changes	<u>604,858,898</u>	<u>271,012,123</u>

	2021	2020
	Rupees	Rupees
Decrease / (increase) in current assets:		
- Stores and spares	(27,195,122)	(11,243,234)
- Stock in trade	(103,149,793)	(85,203,394)
- Trade debts	(150,629,435)	(9,236,356)
- Advances, trade deposits, prepayments and other receivables	(56,766,847)	12,627,867
- Tax refunds due from the Government - sales tax	3,660,693	12,640,820
Increase / (decrease) in current liabilities:		
- Trade and other payables	172,859,911	1,740,506
	(161,220,593)	(78,673,791)
Cash Generated from Operations	443,638,305	192,338,332

Note 36

Reconciliation of Liabilities arising from Financing Activities

	As at June 30, 2020	Non-cash changes	Cash Flows	As at June 30, 2021
	Rupees	Rupees	Rupees	Rupees
Long term financing	375,257,391	916,743	(10,199,772)	365,974,362
Short term borrowings	414,775,823	-	(63,913,268)	350,862,555
Dividend payable	345,642	-	-	345,642
Total liabilities from financing activities	<u>790,378,856</u>	<u>916,743</u>	<u>(74,113,040)</u>	<u>717,182,559</u>

	As at June 30, 2019	Non-cash changes	Cash Flows	As at June 30, 2020
	Rupees	Rupees	Rupees	Rupees
Long term financing	357,686,100	(4,504,571)	22,075,862	375,257,391
Short term borrowings	285,294,960	-	129,480,863	414,775,823
Dividend payable	362,786	-	(26,974,202)	345,642
Total liabilities from financing activities	<u>643,343,846</u>	<u>(4,504,571)</u>	<u>124,582,523</u>	<u>790,378,856</u>

Note 37

Balances and Transactions with Related Parties

Related parties comprise associated companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Transactions during the year

Related party	Relationship	Shareholding	Nature of Transaction	2021	2020
				Rupees	Rupees
Sargodha Jute Mills Limited	Associate	24.94%	Rental income from associate amount received-net	480,000 604,942	480,000 62,301
			Purchase of materials, goods and service from Associate	624,563	362,996
			Sales of materials, goods and services to Associate	432,074	348,753
Directors			Dividends paid to Associate	-	26,890
			Loan received from Director	-	55,000,000
			Loan repaid of director	-	55,000,000
			Sales of Shares Investment	-	1,729,808
Balances receivable as at June 30,					
Sargodha Jute Mills Limited (note 21 & 22)			Long term investment	592,204,575	497,464,549
			Trade debts	-	47,902
			Other receivables	200,000	360,000
			Trade payable	113,975	4,446

37.1 There were no transactions with key management personnel other than undertaken as per terms of their employment that have been disclosed in Note 38.

37.2 Sales and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled price method.

Note 38**Chief Executive's, Directors' and Executives' Remuneration**

The aggregate amounts charged in the financial statements for the year as remuneration and benefits to chief executive, directors and executives of the Company are as follows:

	2021			2020		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	13,090,909	1,636,364	20,407,273	13,090,909	1,363,636	24,225,455
Medical	1,309,091	163,636	2,040,727	1,309,091	136,364	2,422,545
Bonus	1,200,000	150,000	1,829,167	-	-	-
Staff retirement benefits	1,200,000	150,000	1,837,500	1,200,000	150,000	2,079,000
	16,800,000	2,100,000	26,114,667	15,600,000	1,650,000	28,727,000
Number of persons	1	1	8	1	1	9

38.1 In addition to above, Chief Executive, Director, and Executives are provided with free use of Company maintained vehicles in accordance with the Company's policy.

38.2 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 39

Segment Information

For management purposes, the activities of the Company are recognized into two operating segments, i.e. sales of yarn and sock. The Company operates in the said reportable operating segments based on the nature of the product, risk and return, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements relate to the Company's reportable segments of yarn and socks. Entity-wide disclosures regarding reportable segments are as follows:

39.1**Segment Results for the period ended June 30, 2021**

	Yarn	Socks	Total
	Rupees in Thousand		
Revenue	6,208,315	718,742	6,927,057
Operating profit	401,207	30,668	431,875
Finance cost	(41,847)	(14,915)	(56,762)
Finance cost - unallocated			(17,034)
Other operating expense			(41,323)
Other income			33,431
Share of net profit from associate			88,574
Profit before taxation			<u>438,760</u>

Segment Results for the period ended June 30, 2020

	Yarn	Socks	Total
	Rupees in Thousand		
Revenue	4,182,580	132,657	4,315,237
Segment results	138,213	(29,952)	108,261
Finance cost	(62,045)	(11,337)	(73,382)
Finance cost - unallocated			(4,860)
Other operating expense			(6,155)
Other income			6,967
Share of net profit from associate			31,738
Profit before taxation			<u>62,568</u>

39.2**Segment financial position for the year ended June 30, 2021****Assets**

	Yarn	Socks	Total
Property, plant and equipment	1,549,821	866,037	2,415,858
Store and spares	98,591	33,811	132,402
Stock in trade	566,682	134,041	700,723
Trade debts	129,378	100,160	229,538
Advances to suppliers	39,659	18,403	58,062
	<u>2,384,131</u>	<u>1,152,452</u>	<u>3,536,583</u>

	Yarn	Socks	Total
	Rupees in Thousand		
Unallocated Assets			
Investment property			90,125
Long term investments			592,205
Long term deposits			3,847
Advances, trade deposits, prepayments and other receivables			150,902
Short term investments			25,213
Tax refunds due from the Government			102,332
Cash and bank balances			147,749
Total assets			<u>4,648,956</u>
Liabilities			
Long term financing	67,011	298,964	365,975
Trade creditors	54,312	38,995	93,307
Short term borrowings	311,313	-	311,313
Accrued mark up	10,530	9,381	19,911
	<u>443,166</u>	<u>347,340</u>	<u>790,506</u>
Unallocated liabilities			
Deferred tax liability - net			290,664
Deferred grant			3,588
Staff retirement benefit			124,171
Gas infrastructure development cess			132,827
Other payables			377,266
Unclaimed dividends			146
Unpaid dividends			199
Short term borrowing			39,549
Provision for taxation - net			99,590
			<u>1,858,506</u>

Segment financial position for the year ended June 30, 2020

Assets			
Property plant and equipment	1,617,751	661,413	2,279,164
Store and spares	84,567	20,640	105,207
Stock in trade	525,763	71,811	597,574
Trade debts	57,736	24,933	82,669
Advances to suppliers	23,789	4,171	27,960
	<u>2,309,606</u>	<u>782,968</u>	<u>3,092,574</u>
Unallocated Assets			
Investment property			87,550
Long term investments			497,465
Long term deposits			3,847
Advances, trade deposits, prepayments			93,752
Short term investments			14,875
Tax refunds due from the Government			121,465
Cash and bank balances			100,247
Total assets			<u>4,011,775</u>

	Yarn	Socks	Total
	Rupees in Thousand		
Liabilities			
Long term financing	65,531	309,726	375,257
Creditors	32,520	20,176	52,696
Short term borrowings	414,776	-	414,776
Accrued mark up	16,969	4,900	21,869
	<u>529,796</u>	<u>334,802</u>	<u>864,598</u>
Unallocated liabilities			
Deferred tax liability - net			225,960
Deferred grant			4,505
Staff retirement benefit			129,667
Other payables			374,888
Unclaimed dividends			146
Unpaid dividends			199
Provision for taxation - net			63,963
Total liabilities			<u>1,663,926</u>

	2021	2020
	Percentage	Percentage
39.3 Information about products:		
Yarn	89.05%	96.28%
Socks	9.64%	2.95%

39.4 Major customers:

There is no individual customer to whom sales are 10% more than of revenue.

39.5 Geographical Information:

Company's revenue from external customers and geographical location is given as under:

	2021	2020
	Rupees in thousand	
Pakistan	6,115,856	4,168,096
Europe	336,508	84,355
United State of America	446,319	62,786
Africa	26,250	-
	<u>6,924,933</u>	<u>4,315,237</u>

39.6 All non-current assets of the Company are located and operated in Pakistan as at the reporting date.

Note 40

Plant Capacity and Production

			2021	2020
Yarn		Note		
Plant capacity converted into 20/S count	Kilograms	40.1	41,732,689	37,282,894
Actual production converted into 20/S count	Kilograms		37,685,883	28,928,470
Socks				
Plant capacity dozen pairs	Dozen pairs		2,004,480	1,250,000
Actual production dozen pairs	Dozen pairs		1,414,189	362,408

40.1 Reasons attributable to under utilization of optimal production capacity are mainly due to various factors such as spindles' speed, twist, maintenance of machinery, power shutdown, etc.

Note 41

Financial Risk Management**41.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk**(i) Currency risk**

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

The Company is exposed to currency risk arising primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to foreign entities. As at the reporting date, the Company's exposure to currency risk was as follows:

	2021	2020
	Rupees in thousand	
Trade debts	104,467	32,265
Outstanding commitments against letters of credit	(116,865)	(26,640)
Net exposure	(12,398)	5,625
The following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average exchange rate during the year	162.44	165.88
Reporting date rate	157.13	167.75

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 1% against the USD with all other variables held constant, the impact on profit before taxation for the year would have been Rs. 0.129 million (2020: Rs. 0.056 million) respectively lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. This sensitivity analysis reflects exposure as at the reporting date and is unrepresentative of the exposure during the year.

(ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a 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 instrument traded in the market. The Company is exposed to equity and commodity price risk in respect of short term investments carried at market value. Following analysis shows the impact of change in equity and commodity price.

	2021	2020
	Rupees in thousand	
Investment in quoted shares	650	650
Change in equity prices (%)	1%	1%
Effect on profit or loss (Rupees in thousands)	6.50	6.50

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing asset. The Company's interest rate risk arises from short term borrowings. As the borrowings made at variable rates, these expose the Company to cash flow interest rate risk. As at the reporting date the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2021	2020
	Rupees in thousand	
<i>Fixed rate instruments - Financial liabilities</i>		
Long term financing	365,974	375,257
<i>Floating rate instruments - Financial liabilities</i>		
Short term borrowings	350,863	414,776
<i>Fixed rate instruments - Financial assets</i>		
Short term investment	24,563	4,008
<i>Floating rate instruments - Financial liabilities</i>		
Bank balances in saving's account	21,034	-

Sensitivity analysis for fixed rate instruments

The Company have certain financial liabilities at fixed rate. Therefore, no impact on profit or loss of the Company is expected.

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit or loss. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting dates were outstanding for the entire year.

	2021	2020
Effect on profit or loss (Rupees in thousand)	3,298	4,148

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2021	2020
	Rupees in thousand	
Long term deposits	3,847	3,847
Long term investment	592,205	497,465
Trade debts	229,538	82,669
Short term investments	25,213	14,875
Trade deposits and other receivables	36,567	14,296
Bank balances	146,973	99,555

The aging of trade debts as at the reporting date is as follows:

Past due 1 - 30 days	168,072	69,104
Past due 31 - 60 days	27,032	1,510
Past due 61 - 90 days	14,656	-
More than 91 days	19,778	12,055
	<u>229,538</u>	<u>82,669</u>

The Company's exposure relating to credit risk relating to trade debt is disclosed in relevant notes to the financial statement. There are no significant debtors that are past due as at the reporting date.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2021	2020
	Short term	Long term			
	Rupees in thousand				
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	3,768	29,054
MCB Bank Limited	A-1+	AAA	PACRA	57,289	8,899
Habib Bank Limited	A-1+	AAA	JCR-VIS	4,456	5,952
Allied Bank Limited	A-1+	AAA	PACRA	7,446	610
Meezan Bank Limited	A-1+	AA+	JCR-VIS	48,879	39,214
National Bank of Pakistan	A-1+	AAA	PACRA	736	987
United Bank Limited	A-1+	AAA	JCR-VIS	112	112
Bank Alfalah Limited	A-1+	AA+	PACRA	8,269	2,585
JS Bank Limited	A-1+	AA-	PACRA	16,018	12,142
				146,973	99,555

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

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages its liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at the reporting date, the Company has Rs. 906.76 million (2020: Rs. 1,448.68 million) worth unavailed limits (both funded and unfunded) from financial institutions and Rs. 147.749 million (2020: Rs. 100.248 million) cash and bank balances. Following are the contractual maturities of financial liabilities:

Contractual maturities of financial liabilities as at June 30, 2021:

	Carrying Amount	Contractual cash flows	Within 1 Year	1 - 2 Year	2 - 5 Years	More than 5 Years
----- Rupees in thousand -----						
Long term financing	365,974	420,211	115,470	77,965	149,918	76,858
GIDC	132,827	136,915	130,298	6,617	-	-
Trade and other payables	302,651	302,651	302,651	-	-	-
Accrued interest	19,911	19,911	19,911	-	-	-
Short term borrowings	350,863	350,863	350,863	-	-	-
	<u>1,172,226</u>	<u>1,230,551</u>	<u>919,193</u>	<u>84,582</u>	<u>149,918</u>	<u>76,858</u>

Contractual maturities of financial liabilities as at June 30, 2020:

	Carrying Amount	Contractual cash flows	Within 1 Year	1 - 2 Year	2 - 5 Years	More than 5 Years
----- Rupees in thousand -----						
Long term financing	375,257	398,452	41,196	84,994	149,731	122,531
Trade and other payables	335,891	335,891	335,891	-	-	-
Accrued interest	21,869	21,869	21,869	-	-	-
Short term borrowings	414,776	414,776	414,776	-	-	-
	<u>1,147,793</u>	<u>1,170,988</u>	<u>813,732</u>	<u>84,994</u>	<u>149,731</u>	<u>122,531</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date, the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

- Level 1 Quoted market prices
- Level 2 Valuation techniques (market observable)
- Level 3 Valuation techniques (non market observable)

The Company held following financial instruments measured at fair value:

	Total	Level 1	Level 2	Level 3
----- Rupees in thousand -----				
Financial assets - 2021	650	650	-	-
Financial assets - 2020	<u>10,867</u>	<u>10,867</u>	<u>-</u>	<u>-</u>

41.2 Financial instruments by categories

Financial assets as at June 30, 2021

	Fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
----- Rupees in thousand -----				
Long term deposits	-	3,847	-	3,847
Long term investment	-	592,205	-	592,205
Short term investments	650	24,563	-	25,213
Trade debts	-	229,538	-	229,538
Trade deposits and other receivables	-	36,567	-	36,567
Cash and bank balances	-	147,749	-	147,749
	650	1,034,469	-	1,035,119

Financial assets as at June 30, 2020

	Fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
----- Rupees in thousand -----				
Long term deposits	-	3,847	-	3,847
Long term investment	-	497,465	-	497,465
Short term investments	10,867	4,008	-	14,875
Trade debts	-	82,669	-	82,669
Trade deposits and other receivables	-	14,296	-	14,296
Cash and bank balances	-	100,248	-	100,248
	10,867	702,533	-	713,400

Financial liabilities at amortized cost

	2021	2020
Rupees in thousand		
Long term financing	365,974	375,257
GIDC	132,827	-
Trade and other payables	302,651	335,891
Accrued mark-up	19,911	21,869
Short term borrowings	350,863	414,776
	1,172,226	1,147,793

41.3 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Note 42

Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

		2021	2020
	Note	Rupees in thousand	
Total borrowings	7&11	717,554	793,934
Cash and bank balances		(147,749)	(100,248)
Net Debt		569,805	693,686
Equity		2,790,450	2,347,849
Total capital employed		3,360,255	3,041,535
Gearing Ratio		16.96%	22.81%

Note 43

Number of Employees

	2021	2020
	Number	Number
Total number of employees as at the year end	2217	2169
Average number of employees during the year	2195	2130

Note 44

Authorization of Financial Statements


These financial statements were approved and authorized by the Board of Directors of the Company for issuance on October 05, 2021.

Note 45

General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. Following re-arrangement / reclassification has been made in these financial statements for better presentation that does not have any financial impact on financial statements:

Nature	From	To	Amount Rupees
Freight and octroi	Export sale expenses (Note28)	Freight and octroi (Note28)	5,775,583
Outsourcing charges	Other manufacturing expenses (Note27)	Toll manufacturing expenses (Note27)	355,216


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

FORM 34

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2021
CUIN (INCORPORATION NUMBER) 0006512

No. of Shareholders	Share Holding		Total Share Held
	From	To	
473	1	100	11,593
225	101	500	53021
33	501	1,000	22,991
33	1,001	5,000	60,843
2	5,001	10,000	18,900
1	10,001	15,000	13,580
1	15,001	20,000	15,061
1	20,001	25,000	21,090
2	35,001	40,000	76,303
2	105,001	110,000	214,717
2	295,001	300,000	600,000
1	315,001	320,000	319,570
1	325,001	330,000	326,391
2	495,001	500,000	1,000,000
1	760,001	765,000	760,382
1	1105001	1,110,000	1,105,907
1	1,790,001	1,795,000	1,790,249
1	2,605,001	2,610,000	2,608,032
1	4,465,001	4,470,000	4,466,371
1	4,485,001	4,490,000	4,486,371
785	Total		17,971,372

Categories of Shareholders		Share Held	Percentage
5.1	Directors, Chief Executive Officer, and their spouse and minor children	13,268,831	73.83
5.2	Associated Companies, undertakings and related parties	1,021,090	5.68
5.3	NIT and ICP	9,310	0.05
5.4	Banks, Development Financial Institutions, Non Banking Financial Institutions,	2,200	0.01
5.5	Insurance Companies	600	0.00
5.6	Modarabas and Mutual Funds	122	0.00
5.7	Share Holding 10% or more	14,111,405	78.52
5.8	General Public		
	a. Local	3,663,541	20.39
	b. Foreign	-	-
5.9	Others (Securities & Joint Stock Companies)	5,178	0.03

CATEGORIES OF SHAREHOLDING
INFORMATION REQUIRED AS PER CODE OF CORPORATE GOVERNANCE
AS AT JUNE 30, 2021

S.#	Particular	Shares Held	Percentage
1)	Associated Companies, Undertakings and Related Parties		
	i) Sargodha Jute Mills Limited	21,090	0.11
	ii) Mrs. Saima Hassan	500,000	2.78
	iii) Sadaf Parvez	500,000	2.78
		1,021,090	5.67
2)	Mutual Funds		
	i) Golden Arrow Selected Stock Fund Limited	122	0.00
3)	Directors, Chief Executive Officer and their Spouse and Minor Children		
	i) Mian Parvez Aslam - Director	2,608,032	14.51
	ii) Mr. Imran Aslam - Chief Executive Officer	4,486,371	24.96
	iii) Mr. Irfan Aslam - Director	4,466,371	24.85
	iv) Mr. Danish Aslam - Director	1,000	0.01
	v) Syed Raza Ali Bokhari - Director	500	0.01
	vi) Dr. Ali Raza Khan - Director	650	0.01
	vii) Mrs. Nazish Imran - Director	300,000	1.66
	viii) Mrs. Sara Irfan - Spouse	300,000	1.66
	ix) Mrs. Fakhra Parvez - Spouse	1,105,907	6.15
		13,268,831	73.83
4)	Executives	500	0.01
5)	Public Sector Companies and Corporations	9,310	0.05
6)	Banks, Development Financial Institutions, Non Banking Financial Institutions, Insurance Companies, Takaful, Modarabas and Pension Funds	2,800	0.03
7)	Individuals and Joint Stock Companies	3,668,719	20.41
	TOTAL NUMBER OF SHARES	17,971,372	100.00
8)	Shareholders Holding Five Percent or More Voting Rights		
	Mian Parvez Aslam	2,608,032	14.51
	Mian Shahzad Aslam	2,550,631	14.19
	Mr. Imran Aslam	4,486,371	24.95
	Mr. Irfan Aslam	4,466,371	24.85
	Mrs. Fakhra Parvez	1,105,907	6.15

Detail of Purchase / Sales / by Directors/CEO/Company Secretary/CFO and Their Spouses /Minor Children during 2021.

No Purchase / Sales of shares were carried out by Directors / CEO/Company Secretary/CFO, Executives, and their spouses and minor children.

کارپوریٹ گورننس

لسٹڈ کمپنی کے کوڈ آف کارپوریٹ گورننس کی تکمیل کے لئے 2019ء منسلک ہے

بورڈ آف ڈائریکٹرز کی قدر پیمائی

لسٹڈ کمپنی کے کوڈ آف کارپوریٹ گورننس 2019ء کے مطابق بورڈ نے ایک میکنیزم تیار کیا ہے جو ڈائریکٹرز کی قدر پیمائی اور انکی کارکردگی کو چیک کرتا ہے۔ سال رواں کے درمیان ایک جامع سوال نامہ تیار کیا گیا ہے جو تمام ممبرز کے درمیان بانٹا گیا ہے۔ کہ وہ نقصان دہ جگہوں پر اپنی توجہ بڑھائیں۔ یہ سوال نامہ درج ذیل ہے۔ کارپوریٹ کے مقاصد کو اپنا مشن بنانے اور پائیدار قسم کی اسٹریٹجی بنانے اور کروں کی پرفارمنس کو چیک کریں اُس پر نظر رکھیں اور بورڈ کی پرفارمنس کو بھی چیک کریں بورڈ یہ بتائے کہ کوئی جگہوں پر بہتری کی گنجائش ہے۔

ڈائریکٹرز کی تنخواہ

ڈائریکٹروں کی تنخواہ کی پالیسی (ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈینٹ) تنخواہ کی پالیسی مارکیٹ میں موجود شیڈولڈ کے مطابق ہے جو ان کے کام کے مطابق ہے ایگزیکٹو ڈائریکٹر کی تنخواہ کی منظوری بورڈ آف ڈائریکٹرز دیتا ہے۔ کوئی ڈائریکٹر بھی اپنی تنخواہ خود مقرر نہیں کر سکتا کمپنی نان ایگزیکٹو ڈائریکٹر اور انڈیپنڈینٹ ڈائریکٹرز پر بھی یہی پالیسی لاگو ہوتی ہے

محاسب کا تقرر

محاسب میسر بارو ورتھ حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ ہو جائیں گے اور اگلے سال کے لئے کمپنی کے محاسب کے طور پر تقرری کے اہل ہیں آڈٹ کمیٹی اور بورڈ نے کمپنی کے آئندہ سالانہ اجلاس عام میں ممبران کی نظر ثانی کے لئے ان کی دوبارہ تقرری کی حمایت کی ہے۔

خاکہ شیئر ہولڈرز

فارم 34 آف 30 جون 2021ء پیٹرن آف شیئر ہولڈنگز یہاں منسلک کر دیا گیا ہے۔


مالی سال کی تکمیل کے بعد کے واقعات

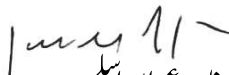
کوئی بھی ایسا بڑا واقعہ جو کمپنی کے مالی حالات کو تبدیل کرے وقوع پذیر نہیں ہوا

اعتراف

ہم مختلف شعبوں کے کاروباری ساتھیوں، بینکوں، مالیاتی اداروں، صارفین، ڈسٹری بیوٹرز، سپلائرز اور کمپنی کے دیگر سٹیک ہولڈرز کے تعاون کا شکریہ ادا کرتے ہیں جنہوں نے فعال طور پر کمپنی کی ترقی میں حصہ لیا ہے۔ ہم کمپنی کے تمام تر ملازمین کو ان کی محنت، لگن اور مسلسل وابستگی کے لئے بہت سرہتے ہیں۔

برائے اور بحکم بورڈ


جناب دانش اسلم
ڈائریکٹر


جناب عمران اسلم
چیف ایگزیکٹو آفیسر

لاہور: مورخہ 105 اکتوبر 2021

بورڈ آف ڈائریکٹرز

- (i) آزاد ڈائریکٹرز 02
(ii) نان ایگزیکٹو ڈائریکٹرز 03
(iii) ایگزیکٹو ڈائریکٹرز 02

ڈائریکٹرز کے نام اور بورڈ آف ڈائریکٹرز کی میٹنگ
بورڈ آف ڈائریکٹرز کی میٹنگ

نام ڈائریکٹرز	تعداد حاضری
میاں پرویز اسلم	13
عمران اسلم	13
عرفان اسلم	13
سید رضاعلی بخاری	13
دانش اسلم	13
ڈاکٹر رضاعلی خان	13
نازش عمران	09

آڈٹ کمیٹی

بورڈ نے آڈٹ کمیٹی تشکیل دی ہے جو حسب ذیل ڈائریکٹرز پر مشتمل ہے۔

سید رضاعلی بخاری (انڈیپنڈنٹ ڈائریکٹر)	چیرمین
میاں پرویز اسلم (نان ایگزیکٹو ڈائریکٹر)	ممبر
عرفان اسلم (نان ایگزیکٹو ڈائریکٹر)	ممبر

آڈٹ کمیٹی مؤثر طور پر موجود اندرونی کنٹرول سسٹم کے ذریعے مفادات کا جائزہ اور کوتاہیوں کی نشاندہی کرتی ہے۔ کمیٹی اندرونی کنٹرول سسٹم کے بہتر نفاذ کے لئے اصلاحی اقدامات بھی تجویز کرتی ہے۔ مزید جائزہ سال کے دوران یکم جولائی 2020ء سے لے کر 30 جون 2021ء تک آڈٹ کمیٹی کے آٹھ (7) اجلاس منعقد ہوئے آڈٹ کمیٹی کی حاضری درج ذیل ہے۔

نام رکن	تعداد حاضری
سید رضاعلی بخاری	7
میاں پرویز اسلم	7
عرفان اسلم	7

ہیومن ریسورس اور معاوضہ (HR & R) کمیٹی

کارپوریٹ گورننس کے ضابطہ اخلاق کے مطابق، بورڈ آف ڈائریکٹرز نے ہیومن ریسورس اور معاوضہ (HR & R) کمیٹی تشکیل دی ہے جو درج ذیل نامی تین ارکان پر مشتمل ہے۔ ہیومن ریسورس اور معاوضہ (HR & R) کمیٹی کمپنی کے انسانی ذرائع کو مؤثر طریقے سے فعال بنانے میں مدد فراہم کرتی ہے۔ اس کے علاوہ ہیومن ریسورس اور معاوضہ (HR & R) کمیٹی اس بات کو یقینی بنانے کے لئے کہ کمیٹی کی ہو مین ریسورس پالیسیاں اس کے مجموعی کاروبار کے ساتھ باضابطہ طور پر منسلک ہیں کی تشخیص اور سفارشات بھی مرتب کرے گی۔

نام کمیٹی	عہدہ	تعداد حاضری
ڈاکٹر رضاعلی خان	چیرمین	03
مسٹر دانش اسلم	رکن	03
مسٹر نازش عمران	رکن	03

متعلقہ پارٹیوں سے لین دین

متعلقہ پارٹیوں کے درمیان لین دین قابل رسائی قیمتیں مقرر کر کے کیا گیا۔ کمپنی پاکستان میں شاک ایکسچینج کی سٹنگ کے ضابطے میں موجود منتقلی پر اسٹنگ بہترین طریقوں پر عمل پیرا ہے۔ آڈٹ کمپنی کی سفارش پر بورڈ کی طرف سے متعلقہ پارٹی کے لین دین کی منظوری دی گئی تھی۔

کام کی جگہ پر ہراساں کرنے کے خلاف تحفظ کا ضابطہ اخلاق

کمپنی کام کرنے کی جگہ پر صاف ماحول فراہم کرنے کا پختہ ارادہ رکھتی ہے۔ اور اس بات کو یقینی بناتی ہے کہ ہر ملازم سے عزت اور وقار کا سلوک کیا جاتا ہے۔ کمپنی ایک مثبت پیشہ وارانہ کا ماحول کو فروغ دینے کیلئے پرعزم ہے جو اس کے عمل کی پیشہ وارانہ ترقی کے لئے ضروری ہے اس وجہ سے ہراساں کرنے کی شہزاد ٹیکسٹائل ملز لمیٹڈ میں کوئی جگہ نہیں ہے۔ تاکہ مجرم کو انضباطی اور اصلاحی کارروائی کا سامنا کرنے، ایسی انتباہ پیدا ہونے پر ملازمت سے برخاستگی کے لئے تیار رہنا چاہیے۔

اینٹی کرپشن

ہم کارکنوں کو کرپشن سے آزاد ماحول فراہم کرتے ہیں اس میں کرپشن کی تمام صورتیں بدعنوانی اور رشوت بھی شامل ہے۔

اجتماعی سماجی ذمہ داری

کمپنی تسلیم کرتی ہے کہ معاشرہ کو اقتصادی فوائد پہنچانا کامیاب اور پائیدار کاروبار کی کلید ہے۔ ہم اپنے ملازمین کو وسیع سہولیات کی فراہمی، اپنے مرحوم ملازمین کے خاندانوں کی مدد اپنے ملازمین کے درمیان بہتر کام اور زندگی کے توازن کا فروغ، قانون کے مطابق قومی خزانے میں باقاعدہ حصہ فراہم کر کے اپنی مقامی کمیونٹی، ملازمین اور حکومت کی قدر پیدا کرتے ہیں۔

صحت، حفاظت اور ماحول

ہم پائے ملازمین کے لئے محفوظ اور صحت مند کام کا ماحول یقینی بنانے کے لئے مسلسل کام کرتے ہیں۔ اس کے علاوہ کمپنی حکومت کے سوشل سیورٹی اور ایسپلائز اولڈ ایج بینیفٹ ڈیپارٹمنٹ کے ہاں رجسٹرڈ ہے اور کمپنی کے کارکنوں کو صحت کی سہولت اور ریٹائرڈ منٹ فوائد کے لئے باقاعدہ حصہ ادا کرتی ہے۔

کام اور زندگی کا توازن

صحت کام اور زندگی کے توازن کو فروغ دینے کے لئے ہم سختی سے صبح 9:00 بجے سے سہ پہر 5:30 بجے کام کا معلومات کے مطابق عمل کرتے ہیں یقینی بناتا ہے کہ ہمارے ملازمین کے پاس کام کے بعد اپنے اہل خانہ اور دوستوں کے ساتھ غیر نصابی سرگرمیوں سے لئے کافی وقت میسر ہے۔

کاروباری اخلاقیات

انتظامیہ تمام کاروباری سرگرمیوں کو صداقت، ایمانداری اور قوانین اور قواعد و ضوابط کی پاسداری سے انجام دینے کے لئے پرعزم ہے۔ ضابطہ اخلاق بورڈ کی طرف سے تیار اور منظور کیا گیا ہے۔

قومی خزانے میں شراکت

ملک کی اقتصادی ترقی کے لئے اپنی قانونی اور سماجی ذمہ داری کو پورا کرنے کے لئے کمپنی نے ٹیکس، لیویز، ایکسائز اور سیلز ٹیکس کی مددیں حکومتی خزانے میں مالی سال 2020-21ء میں 482.086 ملین حصہ شامل کیا ہے۔ اس کے علاوہ موجودہ مالی سال کے دوران دھاگے کی برآمد سے ملک کے لئے 4.9150 امریکی ڈالر کا غیر ملکی زرمبادلہ بھی کمایا ہے۔

بجلی کی بچت

انتظامیہ ہمہ وقت بجلی کی بچت پر توجہ مرکوز کر رہی ہے بجلی کی بچت کے آلات نصب کر کے توانائی کے تحفظ کے لئے اقدامات کئے ہیں۔ کارکنوں کو توانائی کی بچت کے لئے آگاہی بھی دی جاتی ہے۔ تاکہ بجلی کے غیر ضروری استعمال کو بچایا جاسکے۔ ہم نے بجلی کی بچت کے لئے سولر پینل بھی نصب کئے ہیں جو سستی بجلی پیدا کرنے میں بہت معاون ہیں

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کی تشکیل کوڈ آف کارپوریٹ گورننس 2017 کے مطابق ہے۔

ڈائریکٹرز کی تعداد

(a)	مرد حضرات	06
(b)	خواتین	01

آسانیاں کی وجہ سے پیچھے رہ گیا ہے۔ اگرچہ حکومت نے برآمد کنندگان کو آسانیاں فراہم کرنے کے لئے بہت سے برآمدگی اقدامات کئے ہیں۔ جن میں آسان شرائط پر صنعتی قرضے شامل ہیں لیکن یہ برآمدات کرنے والے دیگر مالک کے مقابلے میں ناکافی ہیں۔ مقامی کپاس کی بڑھتی ہوئی قیمت کو کنٹرول کرنے کے لئے حکومت کو چاہیے کہ وہ مقامی پیداوار بڑھانے کے لئے فوری اقدامات کرے۔ توانائی کی مہنگی قیمتیں بھی اہم تشویش کا باعث ہے۔ ہماری انتظامیہ برآمدی جرابوں کو فروخت بڑھانے کے لئے جرابوں کے یونٹ میں توسیع کرنے کا ارادہ رکھتی ہے۔ جس کے لئے 60 نئی Socks مشینوں کے لئے لیٹر آف کریڈٹ کھل چکے ہیں۔ چونکہ دنیا بھر میں سفری پالیسیوں پر پابندیاں نرم ہو چکی ہیں اس لئے کمپنی نے بھی اپنی ایکسپورٹ مارکیٹنگ کی سرگرمیوں میں اضافہ کیا ہے۔ تاکہ زیادہ برآمدی فروخت کے آرڈر حاصل کئے جائیں۔

آئی ایس او 9001-2015 سرٹیفیکیشن

کمپنی نے اپنے گاہکوں کے اطمینان کے لئے جو دھاگے کے معیاری پیداوار پر یقین رکھتے ہیں۔ کمپنی نے 2015-9001 تازہ ترین سرٹیفیکیشن حاصل کیے ہیں۔ یہ سرٹیفیکیشن پر تین سال کے بعد مکمل جانچ اور جامع تصدیق کی تجدید کی جاتی ہے۔ کوالٹی سرٹیفیکیشن نے صارفین کا اعتماد بڑھاتا ہے۔ اور پرانے گاہکوں کا اعتماد برقرار رکھتا ہے۔

نقصانات کے خدشات

زر مبادلہ کے نقصان کے خدشات

بیرونی کرنسی میں کاروبار کی وجہ سے اتار چڑھاؤ کا خدشہ سر پر منڈلاتا ہے۔ جب کاروبار بیرونی کرنسی میں کیا جاتا ہے تو بیرونی کرنسی کے اتار چڑھاؤ کی وجہ سے کاروبار میں نقصان کا خدشہ ہوتا ہے۔ کیونکہ کاروباری واجب الادا قرضے واجب الوصول رقوم میں فرق آنالازی ہے کمپنی کا زیادہ آمدنی کرنسی میں ہے اس لئے نقصان کے خدشات بھی زیادہ ہیں۔

لیکویڈیٹی نقصان کا خدشہ

کسی بھی کاروبار کے وعدے پورے کرنے کے لئے فنڈز کا اکٹھا کرنا اور مقررہ وقت پر انکی ادائیگی کاروبار کی اہلیت ظاہر کرتا ہے بنیادی خطرہ اُس وقت اُٹھتا ہے جب مالی اساسوں کے لین دین میں فرق آ جاتا ہے کمپنی کو مؤثر تشریکش کا بندوبست کر کے مقررہ وقت پر ادائیگی کی پالیسی پر عمل درآمد کرنا چاہیے اور مستقبل کی ضرورتوں کی لئے بھی فنڈز کا بندوبست رکھنا چاہیے۔

اُدھار میں نقصان کا خدشہ

اُدھار میں نقصان کا خدشہ اکاؤنٹنگ نقصان ظاہر کرتا ہے جو روپے بنگ کے وقت ابھر کے سامنے آتا ہے خدشے کم کرنے کے لئے کمپنی نے گاہکوں سے اُدھار کی پالیسی بھی بنائی ہے اور پھر یہ اُدھار کی مقررہ حد مسلسل نظر میں رکھی جاتی ہے۔

شرح سود میں اتار چڑھاؤ سے نقصان

شرح سود میں اتار چڑھاؤ سے نقصان کا خدشہ اُس وقت وقوع پذیر ہوتا ہے۔ جب شرح سود میں کمی بیشی ہوتی ہے کیونکہ کمپنی نے لمبے عرصے کے قرضے اور کم تر مدت کے قرضے بینکوں سے لئے ہوئے ہیں جن سے کاروبار چلایا جاتا ہے اور بینک جب سود میں اضافہ کرنے ہیں تو کمپنی کو نقصان کا سامنا کرنا پڑتا ہے۔ چاہے وہ نفع نقصان کا کھاتا ہو یا انویسٹمنٹ کا اکاؤنٹ ہو یا کوئی فنڈ ہو۔

مالی سال کے دوران کمپنی کے بزنس اور اس کے ماتحت اداروں کے کاروبار میں تبدیلی

کمپنی کے کاروبار میں موجودہ مالی سال کے دوران تبدیلی واقع ہوئی ہے کیونکہ کمپنی نے دھاگے کی پیداوار کے ساتھ ساتھ جرابوں کا کاروبار بھی شروع کر دیا ہے۔

مرکزی رجحان کے اجراء جو کمپنی کے مستقبل کی ترقی پر اثر انداز ہو سکتے ہیں۔

کمپنی کی انتظامیہ تولد و جان سے اس عمل میں جتنی ہوئی ہے کہ اپنی ٹیمز ہولڈرز کو زیادہ سے زیادہ منافع دکھائے موجودہ حالات میں جب کہ کپاس کی فصل بدترج خراب ہوتی جا رہی ہے اور بجلی کی قیمت دن بدن بڑھتی جا رہی ہے اس وجہ سے چائنہ نے جو کہ سب سے بڑا دھاگے کا درآمد کنندہ ہے اپنی تمام تر توجہ ویتنام اور بنگلہ دیش پر مرکوز کر دی ہے۔ جہاں لیبر پاکستان سے کہیں زیادہ سستے داموں پر میسر ہے پاکستان کیلئے ان ملکوں سے دھاگے کی فروخت میں مقابلہ کرنا بہت مشکل ہو گیا ہے پھر بھی کمپنی کی انتظامیہ نے مشکل ترین حالات کے باوجود بہتر نتائج دکھائے ہیں جو قابل ستائش ہیں۔

کمپنی کے کاروبار کا حالات پر اثر

ہم پانی ملوں میں تازہ اور گندگی سے پاک ماحول کو ترتیب دیئے ہوئے ہیں ہم نے وہاں تمام تر حفاظتی اقدامات کر رکھے ہیں مثال کے طور پر مل میں جدید طرز کے سکڑ لگائے ہیں جو ساری فلف اور نقصان کنندہ اجزاء کو چوس کے باہر پھینک دیتا ہے اور وکروں کے لئے صاف ستھرا ماحول بنائے رکھتا ہے۔

موزوں ترین اندرونی مالی کنٹرول

یہ بورڈ کی ذمہ داری ہے کہ کمپنی میں موزوں ترین اندرونی مالی کنٹرول کو ترویج دے اور اس پر عمل درآمد کرائے اور اس کے خاطر خواہ نتائج پر نظر رکھے۔ یہ اندرونی مالی کنٹرول بین الاقوامی رپورٹنگ کے مطابق ہونا چاہیے تاہم کمپنی ایک پرائمری اندرونی کنٹرول بنائے ہوئے ہے جس میں جواب دہی کا عمل بہت عیاں ہے۔

ڈائریکٹرز رپورٹ

میں تمام ڈائریکٹران کی جانب سے سال 30 جون 2021ء کے تئالیسویں سالانہ رپورٹ ہمراہ پڑتال شدہ گوشواروں بمعہ پڑڈائریکٹران کا جائزہ آپ کو پیش کرتا ہوں۔
مالی اور عملی کارکردگی
کمپنی کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے۔

2020 (روپے)	2021 (روپے)	
4,315,236,599	6,927,056,814	دھاگے کی فروخت
322,053,527	729,399,353	خام منافع
30,830,562	350,186,040	ٹیکس اور ایسوسی ایٹ کے منافع کے حصہ سے پہلے کا منافع
31,737,871	88,574,175	ایسوسی ایٹ کے حصے کا خالص منافع
62,568,433	438,760,215	ٹیکس سے پہلے کا منافع
(16,966,476)	(133,106,153)	ٹیکسیشن
45,601,957	305,654,062	ٹیکس کے بعد کا منافع

میں دلی مسرت محسوس کرتا ہوں کہ موجودہ سال 2021 میں دھاگے اور جرابوں کی مجموعی فروخت سال 2020 کی نسبت میں شاندار اضافہ ہوئے جو کہ 60.43 فیصد ہے کمپنی کے مالی منافع میں بھی توقعات کے مطابق 8 گنا اضافہ ہوا ہے۔ جو کہ 305.654.00 ملین روپے ہے۔

مندرجہ بالا مالی گوشوارہ میں فروخت کی مجموعی مقدار جو کہ 6,927.057 ملین روپے ہے اس 696.395 ملین جرابوں کی فروخت بھی شامل ہے۔ جو کہ پچھلے سال کی نسبت کہیں زیادہ ہے۔ یہ جاذب نظر مالی منظر نامہ انتظامیہ کی انتھک محنت اور جانشانی کا نتیجہ ہے۔ جو انہوں نے ناخوشگوار اور ناموافق حالات میں بھی کمپنی کے بہتری کے لئے جاری رکھیں۔ آپ کو اندازہ ہوگا کہ COVID-19 عالمگیر وباء نے پوری دنیا کو ہلا کر رکھ دیا ہے۔ اس نے معاشرتی، سیاسی اور اقتصادی حالات کو بھی درہم برہم کر دیا ہے۔ یہ نتیجہ سامنے آیا ہے کہ COVID-19 کی تباہ کاریوں نے کاروبار پر جمود اور زریکار سرمایہ (Working Capital) کو بڑی طرح متاثر کیا ہے۔

یہ قابل رشک بات ہے کہ ان ناموافق حالات میں ہماری کمپنی کی انتظامیہ خاموش تماشائی نہیں بنی رہی۔ انہوں نے (SOPs) کی چھتری کے نیچے اپنی کوششوں کو جاری رکھا اور اللہ پاک کی مہربانی سے حیرت انگیز نتائج پیش کئے ہیں۔

فی حصہ آمدنی

30 جون 2021 کو - ہونے والے سال کے لئے کمپنی کی فی شیئر آمدنی -/17.01 روپے فی شیئر ہے۔ جو پچھلے سال 2020 میں -/2.54 روپے فی شیئر تھی

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے سال 30 جون 2021 کے منافع تقسیم نہ کرنے کا فیصلہ کیا ہے۔ یہ منافع جرابوں کے یونٹ کی مزید وسعت اور تعمیراتی عمل میں استعمال کرنے کی تجویز کو منظور کیا ہے جو کہ حصہ داروں کے وسیع تر مفاد میں ہے

مستقبل کا نقطہ نظر

حکومت نے ٹیکسٹائل پالیسی 2020-2025 متعارف کرائی ہے۔ جو کہ اس کی اصل روح کے مطابق نافذ نہیں ہوئی۔ جب ٹیکسٹائل سیکٹر کی برآمدات کے لئے عالمی منڈی کی بات آتی ہے۔ تو اس پر چین کا غلبہ نظر آتا ہے۔ جو کہ ٹیکسٹائل کی برآمدات کا 32 فیصد سے زیادہ حصہ رکھتا ہے۔ جسکی مالیت 266.00 ملین ڈالر ہے۔ اس وقت پاکستان کا حصہ ٹیکسٹائل کی عالمی تجارت 1.6 فیصد ہے جسے 2025 تک 3 فیصد تک بڑھانے کا ہدف ہے جو کافی نہیں ہے۔

دو دھائیاں پہلے پاکستان کی برآمدات بنگلہ دیش، ویت نام اور کمبوڈیا سے کہیں آگے تھی۔ 2003 میں پاکستانی برآمدات 8.3 ملین ڈالر تھی۔ ویت نام کی برآمدات 3.87 ملین ڈالر تھی اور بنگلہ دیش کی 5.5 ملین ڈالر تھی۔ اب ویت نام کی برآمدات 35.68 ملین ڈالر ہے اور بنگلہ دیش کی 40.96 ملین ڈالر ہے۔ یہ عددی موازنہ واضح طور پر ظاہر کرتا ہے کہ پاکستان غیر معاون تجارتی پالیسیوں

FORM OF PROXY

I/We _____ Son / Daughter / Wife of _____ being a member
 Of **SHAHZAD TEXTILE MILLS LIMITED** and holder of _____ Shares Folio
 No. _____ CDC Participant ID # _____ and
 Sub Account # _____ do hereby appoint _____ of or failing
 him /her _____ of _____ as my/our proxy to
 attend, speak and vote for me/us and on my/our behalf at the Annual General meeting of Shahzad Textile Mills
 Limited scheduled to be held on Thursday October 28, 2021 at 11:30 a.m at 19-A, Off. Zafar Ali Road, Gulberg-
 V, Lahore and at any adjournment thereof.

As witness my/our hands this _____ day of _____ 2021.

1. Witnesses:

Name: _____

Signature: _____

CNIC: _____

Address: _____

Please affix here Revenue
Stamp of Rs. 5/-

Members' Signature

2. Witnesses:

Name: _____

Signature _____

CNIC: _____

Address: _____

Shareholder's Folio No. _____

CDC A/c No. _____

CNIC: _____

Address: _____

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy.
2. Proxies, in order to be effective, must be received at the Company's Registered Office, 19-A, Off. Zafar Ali Road, Gulberg-V, Lahore, not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
3. CDC account holders will further have to follow the under-mentioned guidelines as laid down in circular # 1, dated 26th January, 2000 of the Securities and Exchange Commission of Pakistan.
 - i) In case of individuals, the account holder and/or sub-account holder whose securities and their registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
 - ii) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - iii) In case of corporate entity, the Board's resolution/power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

The Secretary

SHAHZAD TEXTILE MILLS LIMITES

19-A, Off Zafar Ali Road, Gulberg V, Lahore.

Tel: +92 (42) 35754024-27

پراکسی فارم (مختار نامہ)

میں اہم _____ ولد/دختر/زوجہ _____ بحیثیت رکن
 شہزاد ٹیکسٹائل ملز لمیٹڈ اور حامل _____ حصص بمطابق فلیو نمبر _____
 سی ڈی سی پارٹنر شپ (شرکت) آئی ڈی نمبر _____ اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر _____
 مقررہ / محترمہ _____ کا/کی _____
 کو اپنے اہمارے ایما پر _____ بروز _____ 28 اکتوبر 2021 دوپہر 11:30 بجے
 بمقام _____ Off, 19-A ظفر علی روڈ گلبرگ-V، لاہور
 منعقد ہونے والے شہزاد ٹیکسٹائل ملز لمیٹڈ کے سالانہ اجلاس نام میں حق رائے دی استعمال کرنے،
 کرتے ہیں۔
 آج بروز _____ تاریخ _____ 2021 کو میرے/ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان

5 روپے کی رسیدی ٹکٹ یہاں چسپاں کریں۔

-1

نام: _____
 دستخط: _____
 کمپیوٹر انڈر قومی شناختی کارڈ نمبر: _____
 پتہ: _____

-2

دستخط رکن: _____
 شہزاد ٹیکسٹائل ملز کا فلیو نمبر: _____
 سی ڈی سی اکاؤنٹ نمبر: _____
 کمپیوٹر انڈر قومی شناختی کارڈ نمبر: _____
 پتہ: _____

نوٹ:

- 1- سالانہ اجلاس نام میں شرکت اور رائے دی کا مستحق رکن، پراکسی مقرر کر سکتا ہے۔
- 2- پراکسیاں تاکہ مؤثر ہو سکیں، کمپنی کے رجسٹرڈ دفتر Off, 19-A ظفر علی روڈ، گلبرگ-V لاہور میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانی چاہئیں اور باقاعدہ مہر، دستخط اور گواہی شدہ ہونی چاہئیں۔
- 3- اراکین جو اپنے حصص سنٹرل ڈیپازٹری کمپنی پاکستان لمیٹڈ کے سنٹرل ڈیپازٹری سسٹم میں جمع کرنا چاہتے ہوں، کو سیکیورٹیز اینڈ ایکسچینج کمیشن پاکستان کی سرکار نمبر مورخہ 26 جنوری 2000 میں دی گئی ذیل میں درج ذیل ہدایات پر عمل کرنا ہوگا۔
- i- بصورت افراد، اکاؤنٹ ہولڈر اور ایسا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن تفصیلات سی ڈی سی قواعد و ضوابط کے مطابق اپ لوڈ ہوں، انہیں درج بالا شرائط کے مطابق پراکسی فارم (مختار نامہ) جمع کرانا ہوگا۔
- ii- سینیفیشل اونرز (مستفید ہونے والے افراد) اور پراکسی کے کمپیوٹر انڈر قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم (مختار نامہ) کے ہمراہ جمع کرانا ہوگی۔
- iii- بصورت کارپوریٹ، منڈی بورڈ کی قرارداد / مختار نامہ مع نامزد کے دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

سیکرٹری
شہزاد ٹیکسٹائل ملز لمیٹڈ

19-A آف ٹنفر علی روڈ، گلبرگ-۵ لاہور

Tel: +92 (42) 35754024-27

Iman Haider

ضروری اطلاع

محترم شیئر ہولڈر (ز)

کمپنیز ایکٹ 2107 شق 242 اور سیوریٹیز اینڈ ایکسچینج کمیشن پاکستان کے سرکلر نمبر 18/2017 بتاریخ یکم اگست 2017 کے ذریعے SECP کی طرف سے تمام لمیٹڈ کمپنیوں کو ہدایت کی گئی ہے کہ یکم نومبر 2017 کے بعد سے ادا ہونے والے ڈیویڈنڈ کی رقم الیکٹرانک طریقہ کار سے براہ راست شیئر ہولڈرز کی طرف سے فراہم کردہ بینک اکاؤنٹ میں منتقل کی جائے۔

درج بالا ہدایات کے تناظر میں، آپ سے گزارش کی جاتی ہے کہ آپ مکمل بینک اکاؤنٹ/IBAN (انٹرنیشنل بینک نمبر) کی تفصیل درج ذیل فارمیٹ کے تحت کمپنی کے شیئرز رجسٹرار، شہزاد ٹیکسٹائل ملز لمیٹڈ، 19-A آف ظفر علی روڈ، گلبرگ 5 لاہور کو مہیا کریں (سی ڈی سی اکاؤنٹ ہولڈر/سب اکاؤنٹ ہولڈر یہ تفصیل متعلقہ اسٹاک ایکسچینج کو مہیا کریں) تاکہ ہم درج بالاشق/سرکلر پر عمل پیرا ہو سکیں۔



سید عمران حیدر

کمپنی سیکریٹری

شہزاد ٹیکسٹائل ملز لمیٹڈ

فولیو نمبر	
شیئر ہولڈر کا نام	
بینک اکاؤنٹ نمبر	
بینک کا نام، برانچ کا نام، کوڈ اور پتہ	
موبائل نمبر	
فون نمبر (اگر ہے)	
کمپیوٹرائزڈ شناختی کارڈ نمبر	
(کاپی منسلک کریں)	
بیان کیا جاتا ہے کہ درج بالا معلومات درست ہیں اور یہ کہ میں درج بالا معلومات میں تبدیلی کی صورت میں کمپنی اور متعلقہ شیئرز رجسٹرار کو مطلع کرونگا۔	
دستخط شیئر ہولڈر	

ANNUAL ACCOUNTS

REQUEST FORM

Consent for Circulation of Annual Audited Financial Statements through e-mail

Company Name: **Shahzad Textile Mills Limited**

Folio No. / CDC Sub -Account No. _____

E-mail Address: _____

CNIC No. _____

The above e-mail address will be recorded in the members register maintained under Section 120 of the Companies Act, 2017.

I will inform the Company or the Registrar about any change in my e-mail address immediately. Henceforth, I will receive the Audited Financial Statements along with Notice only on the above e-mail address, unless a hard copy has been specifically requested by me.

Name and Signature of Shareholder

(Attachment Copy of CNIC)

The Secretary

SHAHZAD TEXTILE MILLS LIMITES

19-A, Off Zafar Ali Road, Gulberg V, Lahore.

Tel: +92 (42) 35754024-27

درخواست فارم

سالانہ مالی سال کے آڈٹ شدہ اکاؤنٹس کی بذریعہ ای میل منظوری

کمپنی کا نام: شہزاد ٹیکسٹائل ملز لمیٹڈ

فولیو: سی ڈی سی سب اکاؤنٹ نمبر _____

ای میل ایڈریس: _____

شناختی کارڈ نمبر _____

اوپر دیا گیا ای میل ایڈریس کا اندراج ممبر رجسٹرڈ انڈر سیکشن 120 آف کمپنیز ایکٹ 2017 ہوگا۔

میں کمپنی کو کسی بھی ای میل ایڈریس کی تبدیلی کی صورت میں فوری اطلاع دوں گا اور میں کمپنی کے مالیاتی گوشوارہ (نظر ثانی شدہ) اور نوٹس کی کاپی اوپر دیئے گئے ای میل ایڈریس پر موصول کروں گا جس کے لئے میں نے خاص طور پر درخواست کی ہے۔

شیئر ہولڈر کا نام اور دستخط

شناختی کارڈ کی کاپی منسلک شدہ ہے

سیکرٹری
شہزاد ٹیکسٹائل ملز لمیٹڈ

19-A آن ظفر علی روڈ، گلبرگ-۵ لاہور

Tel: +92 (42) 35754024-27

CONSENT FOR VIDEO CONFERENCE FACILITY

In compliance with Section 134(1)(b) of the Companies Act, 2017 if the Company receive consent from members holding aggregate 10 % or more shareholding residing at geographical location to participate in the meeting through video link facility at least 10 days prior to the date of general meeting. The company will arrange video link facility in that city. To avail this facility please provide following information and submit to registered address of the Company.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access the facility.

REQUEST FORM

I/We _____ of _____ being a member of Shahzad Textile Mills Limited, holder of _____ Ordinary Shares as per Register Folio No. / CDC Sub Account No. _____ hereby opt for video conference facility at _____

Signature of Member



19-A, OFF, ZAFAR ALI ROAD
GULBERG-V, LAHORE - PAKISTAN