



34<sup>th</sup> Annual Report  
2021

*Din*<sup>®</sup>  
**Din Textile Mills Ltd.**



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## OUR VISION

We aim at transforming Din Textile Mills Ltd. (DTML) into a Complete Textile unit to further explore international market of very high value products.

Our emphasis would be on product and market diversification, value addition and cost effectiveness. We intend to fully equip the Company acquire pioneer role in the economic development of the country.

The Company should secure and provide a rewarding return on investment to its shareholders and investor, quality products to its customer, a secured and friendly environment at place of work to its employees and present itself a reliable partner to all business associates.

## OUR MISSION



## OUR AMBITION

Leading Textile Sector through innovation, value addition, Contributing significant role in social and economic sector of the Country.

## ORGANIZATIONAL CULTURE

Din Textile's organizational culture is a driving force that pushes the company to move further and faster. our organizational culture refers to the traditions, customs, beliefs, assumptions, values and ways of interacting that contribute to the unique social and psychological environment of the organization.

Our corporate culture motivates our employees to share information, knowledge and skills with openness and in harmonized environment. It enables the company to maintain its competitiveness in its business area. Din Textile ensures that its workforce is competent in addressing business needs linked to the external forces and customers' requirements. We actively develop our cultural strengths through institutional measures, like training, and through informal approaches, such as personalized leadership and management support. The company also emphasizes the importance of openness among employees, as a way of promoting a positive mindset. Efforts to continuously improve the characteristics of Din Textile's organizational culture are applied and it maintains more progressive, growth oriented, creative, innovative work environment.





## CORPORATE INFORMATION

### Board of Directors

Shaikh Mohammad Muneer  
Shaikh Muhammad Tanveer  
Mr. Faisal Jawed  
Mr. Abdul Razzaq  
Mrs. Romisa Raffay

Chairman  
Chief Executive  
Director  
Director  
Director

Shaikh Muhammad Pervez  
Shaikh Muhammad Naveed  
Mr. Farhad Shaikh Mohammad  
Mr. Ehtesham Maqbool Elahi

Director  
Director  
Director  
Director

#### Company Secretary

Mr. Islam Ahmed

#### Chief Financial Officer

Mr. Shaukat Hussain Ch.  
(ACA, CPFA, FPFA, CFC)

#### Auditors

Naveed Zafar Ashfaq Jaffery & Co.,  
Chartered Accountants

#### Legal Advisor

Mohsin Teyebaly & Co.

#### Share Registrar

CDC Share Registrar Services Limited  
CDC House, 99-B, Block "B" S.M.C.H.S.  
Main Shahrah-e-Faisal, Karachi-74400  
Customer Support Services (Toll Free) 0800-23275  
Fax: ( 92 21 ) 34326053  
Email : info@cdcsrsl.com  
Website : www.cdcsrsl.com

#### Registered Office

Din House, 35-A/1, Lalazar Area,  
Opp: Beach Luxury Hotel, M. T. Khan Road, Karachi.

#### Website

www.dingroup.com

#### Email:

textile@dingroup.com

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Allied Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Faysal Bank Limited  
Standard Chartered Bank (Pakistan) Limited

#### Audit Committee

Mr. Abdul Razzaq  
Shaikh Muhammad Pervez  
Mr. Faisal Jawed

Chairperson  
Member  
Member

#### Human Resource and Remuneration Committee

Mr. Abdul Razzaq  
Mr. Faisal Jawed  
Mr. Farhad Shaikh Mohammad

Chairperson  
Member  
Member

#### Mills

Unit-I and Unit II: Kot Akbar Khan, 70 Km Multan Road,  
Tehsil Pattoki, District Kasur, Punjab.

Unit-III & Weaving: Revenue Estate, Bhai Kot, Tablighi Chowk,  
Raiwind Road, Tehsil and District Lahore – Punjab.

Unit-IV: Dars Road, Off Raiwind Manga Road,  
Bachuki Majha Distt. Kasur.



## Company PROFILE



From the day of inception, Din Textile has been constantly striving to achieve excellence and generate highest value for all of its stakeholders. Today Din Textile holds an unchallenged position at forefront of industry, within the country and overseas for its groundbreaking developments and innovative products line, Din Textile has gained immense trust for delivering superior quality products for exceeding the customer expectations. This is a testimony to Din's unwavering commitment to total satisfaction of its customers.

Under the dynamic leadership of the Group and strong Human Resource, Din Textile Mills Ltd. was founded in 1987 and in a very short time become an icon for the value added spinning industry in Pakistan. With four state-of-the-art spinning units, one Weaving unit and one dyeing unit located at Multan Road Pattoki and Raiwind having Consolidated annual production capacity of yarn 43.59/-Million-Kgs, fabric 86.01/-Million-square meter and dyeing of Fiber and Yarn 4.38 million Kgs.

With an consolidated annual turnover of Rs. 17.641 billion, today Din Textile Mills Ltd. employs over 3,200 employees. Din's aims to create superior value for our customers and stakeholders without compromising on commitments to safety, environment, health, and other social responsibilities for the communities in which we operates.

### OUR PRODUCT RANGE FROM:

Combed Compact Yarn

Core Spun Yarn

Dyed Yarn

Mélange Yarn

Slub Lycra Yarn

Slub Yarn

Ply Yarn

Greige Fabric





## Board of DIRECTORS

### **Shaikh Mohammad Muneer** Chairman

Shaikh Mohammad Muneer is the Chairman of Din Textile Mills Limited (Unit of Din Group of Companies). He also holds the position as Vice Chairman of MCB Bank Ltd, Patron-in-Chief of Korangi Association of Trade & Industry (KATI) and Patron-in-Chief of Friends of Burns Centre, Civil Hospital. He is also the Chairman of Chiniot Anjuman-e-Islamia, running various schools/colleges/hospitals and maternity homes & also involved in many other social and welfare activities across the globe.

Under his dynamic leadership and missionary zeal Din Group has been awarded various Best Export Performance Trophies by FPCCI for its highest exports and has also been awarded twice Top 25 Companies Award of the Karachi Stock Exchange by the Prime Minister of Pakistan. He has been awarded Best Business Man of the year award by FPCCI, "SITARA-I-ISAAR" in 2006 and "SITARA-I-IMTIAZ" in 2007 by the President of Pakistan. He has been awarded twice the Degree of Doctorate of Philosophy, by Governor of Sindh Pakistan. He has also been awarded **Life Time Achievement Award** by the President of Pakistan.

He has been the Chairman of All Pakistan Tanners Association for Seven terms, The Chairman of Korangi Association of Trade and Industry for Two Terms, and has been President of Federation of Pakistan Chambers of Commerce & Industry (FPCCI) & Chairman MCB Bank Ltd.

He acquired certificate under the director's Training Program, as required by Listed Companies (Code of Corporate Governance) Regulation, 2019, from PICG in 2015.

#### **Additional current holding position:**

- Director/CEO of Din Leather (Private) Limited
- Director/CEO of Din Farm Products (Private) Limited
- Director of Din Industries Limited
- Vice Chairman of MCB Bank Limited
- Fatimid Blood Foundation Board of Trustee.
- Board of Governors of College of Business Management (CBM) Karachi.
- Board of Governors of Greenwich University, Karachi.
- Board of Governors of Kidney Centre of Post Graduate Training Institute. Karachi
- Board of Governors of Shaukat Khanum Memorial Trust, Lahore



## **Shaikh Muhammad Pervez**

### **Director**

Shaikh Muhammad Pervez is the Non Executive Director of Din Textile Mills Limited (Unit of Din Group of Companies). After completion of his academic life, he joined his family business in 1971. He has played a vital role in the growth and success of the Group. He is actively engaged in many social and welfare projects which are running for the cause of humanity and are helping the needy and poor people.

He acquired certificate under the directors' Training program, as required by Listed Companies (Code of Corporate Governance) Regulations, 2019, from PICG in 2016.

### **In addition to the above, he is also:**

- Director of Din Leather (Private) Limited
- Director of Din Energy Limited
- Director of Din Power Limited
- Director of Din Farm Products (Private) Limited
- Director of Kanal (Private) Limited
- Director of Lahore Institute of Health Science Limited
- Director of Indus Hospital & Health Network
- Vice President, Patient Behbood Society for Agha Khan University Hospital
- Member Community Advisory Board, Agha Khan University Hospital
- Vice Chairman of Chiniot Baitulmaal
- Member Board Chiniot Anjuman-e-Islamia
- Member Board Sahara Trust
- Member Managing Committee Alhumra Falah o Behbood Association

### **Social Activities:**

- Life Member Karachi Gymkhana Club
- Life Member Karachi Club

## **Shaikh Muhammad Tanveer**

### **Chief Executive**

Shaikh Muhammad Tanveer is the Chief Executive of Din Textile Mills Limited (Unit of the Din Group of Companies). After joining as Director of Din Textile Mills Limited, his contribution in the growth of company's business is remarkable. He has also visited many countries, both, as single entrepreneur and as part of high-ranking business delegations.

He has held various positions such as Chairman of Punjab Industrial Estate (PIE), and actively involved in various business and industrial development projects of the Govt. of Punjab. He has held the position of Chairman of All Pakistan Textile Mills Association (APTMA). In his tenure, APTMA achieved remarkable milestones for the Development of Textile Sector in Pakistan.

He acquired certificate under the Directors' Training Program, as required by Listed Companies (Code of Corporate Governance) Regulation, 2019, from Institute of Chartered Accounts of Pakistan in 2015.

## **Shaikh Mohammad Naveed**

### **Director**

Shaikh Mohammad Naveed is an Executive Director of Din Textile Mills Limited (Unit of Din Group of Companies). He is Graduate from Boston University (BU), USA in Bachelor of Science in Business

Administration (BSBA) and Bachelor of Arts in Economics (BA Econ). He is a Qualified ISO-9000 Auditor from International Registrar of Certified Auditors (IRCA) & Microsoft Certified Professional (MCP).

Being a Director of Din Textile Mills Ltd., his prime responsibility is to take care of the Sales, Procurement, Balancing / Modernization of Textile Spinning, Dyeing, Power Plants of the company to meet high quality standard of the products.

He acquired certificate under the directors' Training program, as required by Listed Companies (Code of Corporate Governance) Regulations, 2019, from PICG in 2015.

**In addition to the above, he is also:**

- President, Pakistan China Joint Chamber of Commerce & Industry (PCJCCI) 2017-18, 2020-21.
- Chairman International Affairs, Pakistan China Joint Chamber of Commerce & Industry (PCJCCI) 2018-2019.
- President, Board of Directors, Lahore American School (LAS) 2011-2017.
- Treasurer, Board of Directors, Lahore American School (LAS) 2007-2011.
- Member of Managing Committee, (FPCCI) for the years 2018-2019.
- Member, Young Presidents' Organization (YPO) Indus Chapter.
- President, Boston University (BU) Alumni Association of Pakistan.

### **Mr. Faisal Jawed**

#### **Director**

Mr. Faisal Jawed is a Non-Executive Director of Din Textile Mills Limited (Unit of Din Group of Companies). He is Graduate of Business Administration (BBA MARKETING). Being learned personality, he is regularly participating in different Business and Administration oriented courses held by LUMS and other leading business Institutions.

He has vast experience in the field of marketing and having Good negotiation skills. Being a Director of Din Textile Mills Limited, he gives advises in procurement of Material like cotton and other manmade fibers like Lycra etc, Having good skills of operational and office managements, his advises are also useful in business's operation and management to improve the overall productivity and profitability of the Company.

He acquired certificate under the directors' Training program, as required by Listed Companies (Code of Corporate Governance) Regulations, 2019, from Institute of Chartered Accountants of Pakistan in 2014.

### **Mr. Farhad Shaikh Mohammad**

#### **Director**

Mr. Farhad Shaikh Mohammad is an Executive Director of Din Textile Mills Ltd. (Unit of Din Group of Companies). He is a finance graduate and has participated in various courses such as Corporate Governance Leadership and Corporate Finance Management. He has been invited as guest speaker at many universities and conferences. He is engaged in the matters of finance and accounts of the Din Group. He is also actively involved in philanthropy.

He acquired certificate under the directors' Training program, as required by Listed Companies (Code of Corporate Governance) Regulations, 2019, from PICG in 2011.

**In addition to the above, he is also:-**

- Director               Din Leather (Pvt.) Limited.
- Director               Din Energy Limited.
- Director               Din Power Limited.
- Director/CEO       Din Corporation (Pvt.) Limited.
- Director/CEO       Din Developments (Pvt.) Limited.



- Director/CEO      Din Sphere (Pvt.) Limited.
- Director          Fauji Fertilizer Company Limited.

### **Mr. Abdul Razzaq**

#### **Independent Director**

Mr. Abdul Razzaq is an Independent Non-Executive Director of Din Textile Mills Limited. After completion of his academic life, he joined his family business in 1991. It is expected that he will play a success role in the growth and success of the company. He also participate in many social and welfare activities and he is a member of Trade bodies like Korangi Association of Trade and Industry etc.

He acquired certificate under the directors' Training program, as required by Listed Companies (Code of Corporate Governance) Regulations, 2019, from IBA Karachi in 2016.

### **Mr. Ehtesham Maqbool Elahi**

#### **Independent Director**

Mr. Ehtesham Maqbool Elahi is an Independent Non-executive Director of our Company since 2019. He holds an undergraduate degree in Management from an International University. He is an industrialist and business consultant having experience of more than a decade. Mr. Ehtesham, is also a Corporate Advisor. He was certified from PICG in 2014. His specialization has been in change management and turnaround of various companies. His expertise has been adding value in enabling skills of HR, Supply Chain, IT ERP Resources, Negotiation, Team Building and Strategic Management skills.

**In addition to the above, he is also;-**

- Director of Macpac Films Limited.
- Director of Toyo Packaging (Private) Limited.

### **Mrs. Romisa Raffay**

#### **Independent Director (Female)**

Mrs. Romisa Raffay is an Independent Non-executive Director of Din Textile Mills Limited. After completion her academic life, she started her investment business in 2017. She has played a vital role in the growth and success of her investment business. She is actively engaged in many social and welfare activities for the sack of humanity and helping the needy and poor people.

She acquired certificate under the directors' Training program, as required by Listed Companies (Code of Corporate Governance) Regulations, 2019, from PICG in 2020.

## Board of DIRECTORS COMMITTEE



### 1- AUDIT COMMITTEE

The audit committee consists of Non-Executive Directors that assist the Board in a manner provided in the Code of Corporate Governance issued by SECP and forming part of the Listing Regulations of the Stock Exchange in Pakistan. The chairman of the audit committee of Din Textile Mills Ltd. is also an Independent Non-executive Director.

#### AUDIT COMMITTEE MEMBERS

| S. No | NAME OF DIRECTORS      |                                       |             |
|-------|------------------------|---------------------------------------|-------------|
| 1     | Mr. Abdul Razzaq       | (Independent Non-executive Director ) | Chairperson |
| 2     | Shaikh Muhammad Pervez | (Non-executive Director )             | Member      |
| 3     | Mr. Faisal Jawed       | (Non-executive Director )             | Member      |
| 4     | Mr. Islam Ahmed        |                                       | Secretary   |

#### MEETINGS OF THE COMMITTEE

| S. No. | Name of Director       | Total No. of Meeting | Meeting Attend |
|--------|------------------------|----------------------|----------------|
| 1      | Mr. Abdul Razzaq       | 4                    | 4              |
| 2      | Shaikh Muhammad Pervez | 4                    | 4              |
| 3      | Mr. Faisal Jawed       | 4                    | 4              |

### Terms of Reference

A strong control environment and established internal control framework exists in the company comprising clear structures, segregation of duties, authorization limits for the Company officials for operating bank accounts and approving expenditures, well-defined policies and procedures, budgeting and review processes to reduce the risk of undetected error / fraud and limit opportunities for misappropriation of assets or concealment of intentional misstatements.

The Terms of Reference of Audit Committee were presented to the members as required under the Code of Corporate Governance and the same was approved by the Board of Directors. Accordingly, the contents of the same are as under:



## Financial Reporting

- The company has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account views of the external auditor.
- Review of quarterly, half-yearly, and annual financial statements of the Company before their approval by the Board of Directors, focusing on:
  - › Major judgmental areas, where different approaches are possible;
  - › Significant adjustments resulting from the audit;
  - › Going concern assumption;
  - › Any changes in accounting policies and practices, on a year by year basis;
  - › Compliance with applicable accounting standards;
  - › Compliance with listing regulations and other statutory and regulatory requirements; and
  - › All related party transactions.
- Review of preliminary announcements of results before publication.

## Internal Controls and Risk Management Systems

- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- Review of the company's statement on internal control systems before endorsement by the board of directors and internal audit reports;
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities, and the reporting structure are adequate and effective;
- Determination of appropriate measures to safeguard the Company's assets and detection of frauds; and
- Consideration of major findings as a result of internal investigations of activities characterized by fraud, corruption, and abuse of power and management's response thereto.

## Compliance

- Review the adequacy and security of the Company's arrangements for its employees and its contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee shall ensure that these arrangements allow a proportionate and independent investigation of such matters and appropriate follow up action;
- Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof, receiving non-compliance reports (if any): and
- Determination of compliance with relevant statutory requirements.

## External Audit

- Consider and make recommendations to the board about the appointment, re-appointment, audit fees, and

removal of the Company's external auditor. The Committee shall oversee the selection process for a new auditor and, if an auditor resigns, the committee shall investigate the issues leading to his resignation and decide whether any action is required. The Board of Directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof;

- Review the management letter and management's response to the auditor's findings and recommendations;
- Develop and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter; and
- Facilitating the external audit and discussion with external auditors on major observations arising from the half-yearly review and annual audit, including any matter that the auditors may wish to highlight (in the absence of management, where necessary).

### **Reporting Procedure**

- The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed; and
- The committee shall produce a report on its activities to the Board of Directors.

### **Other Matters**

- Instituting special projects, value for money studies, or other investigations on any matter specified by the Board of Directors in consultation with the CEO and to consider remittance of any matter to the external auditors or any other external body;
- Arrange for periodic reviews of its performance and at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- Review of arrangement for staff and management to report to the Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- Be responsible for the coordination of the internal and external auditors; and
- Consideration of any other issue or matter as may be assigned by the Board of Directors.

### **Review of Terms of Reference**

The terms of reference of the Committee may be revised and modified with the approval of the Board.

## **2- HUMAN RESOURCE AND REMUNERATION COMMITTEE ( HR & R )**

Human Resource and Remuneration (HR&R) Committee have three members comprising of one executive and two non-executive directors including Chairman of the Committee.



## HUMAN RESOURCE AND REMUNERATION COMMITTEE ( HR & R ) MEMBERS

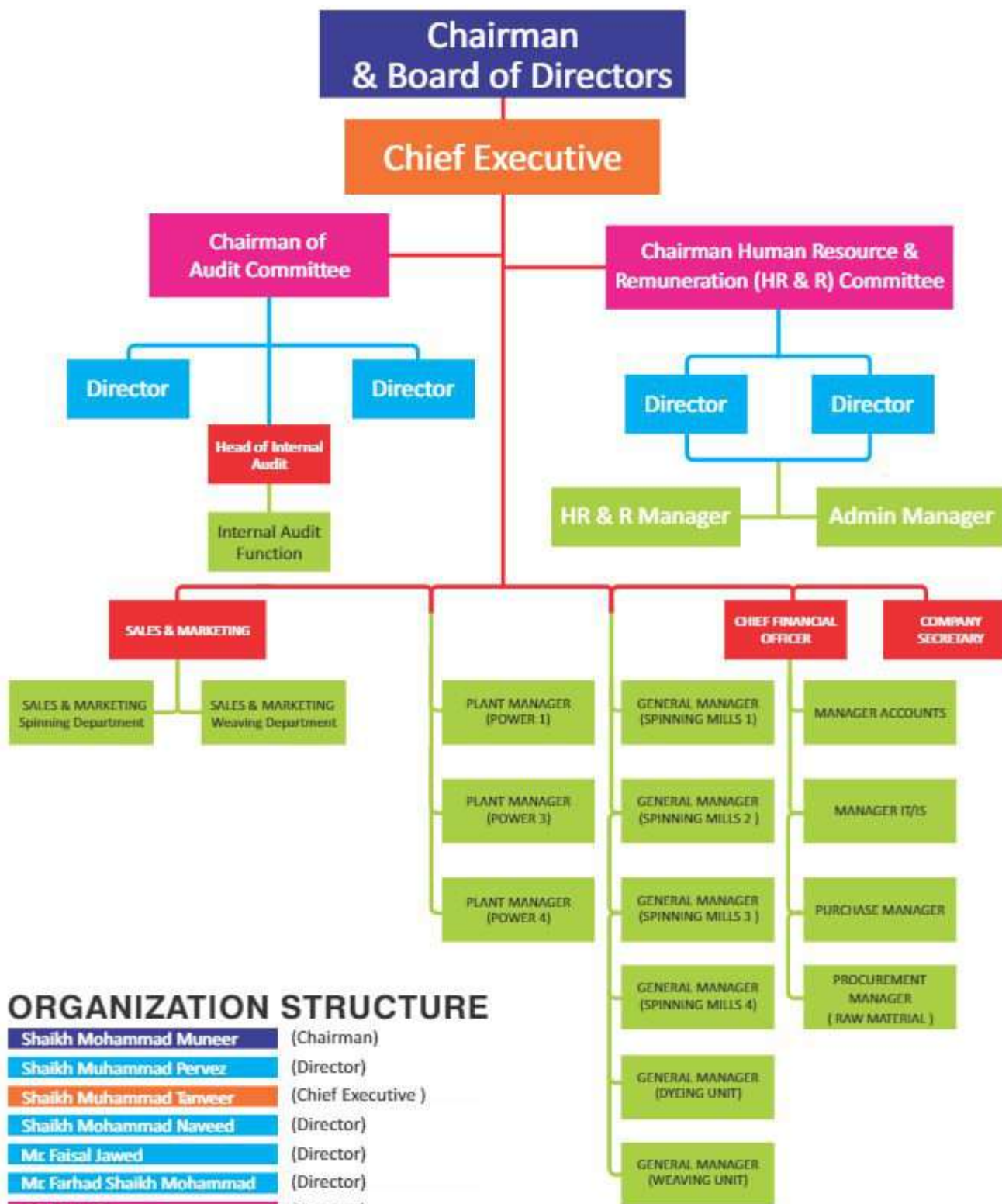
| S. No. | Name of Director           |                                       |             |
|--------|----------------------------|---------------------------------------|-------------|
| 1      | Mr. Abdul Razzaq           | (Independent Non-executive Director ) | Chairperson |
| 2      | Mr. Faisal Jawed           | (Non-executive Director )             | Member      |
| 3      | Mr. Farhad Shaikh Mohammad | (Executive Director )                 | Member      |
| 4      | Mr. Amir Riaz Qureshi      |                                       | Secretary   |

## MEETINGS OF THE COMMITTEE

| S. No. | Name of Director           | Total No. of Meeting | Date       | Meeting Attend |
|--------|----------------------------|----------------------|------------|----------------|
| 1      | Mr. Abdul Razzaq           | 1                    | 21-12-2020 | 1              |
| 2      | Mr. Faisal Jawed           | 1                    | 21-12-2020 | 1              |
| 3      | Mr. Farhad Shaikh Mohammad | 1                    | 21-12-2020 | 1              |

## Terms of Reference

- Recommending human resource management policies to the Board;
- Recommending to the Board the selection, evaluation, compensation (including retirement benefits), and succession planning of the CEO;
- Recommending to the Board the selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary, and Head of Internal Audit. This will include benefits in kind, compensation payments, including any compensation payable for loss or termination of their office or appointment;
- Consideration and approval on recommendations of the CEO on such matters for key management positions who report directly to the CEO;
- The remuneration of Executive and Non-Executive Directors shall not fall within the preview of the HR & R Committee;
- Recommendations in respect of compensation including performance incentives will ensure that:
  - › The Company can recruit, motivate, and retain persons of high ability, caliber, and integrity;
  - › The packages are consistent with what is normal in the industry and/or specific job-wise, as determined through surveys conducted;
  - › Incentives where applicable are based on criteria that have been carefully examined, discussed, and authorized.
- Selection recommendation should ensure that the Company has a formal selection procedure which provides for:
  - › A description of the position that requires to be filled with a profile of the ideal candidate;
  - › Selection Boards for various levels of recruitment.
- Performance evaluation should:
  - › Be based on procedures formally specified and which override individual likes and dislikes;
  - › Provide for a discussion of the Annual Performance Report with each manager concerned.
- The Committee will also:
  - › Review and approve compensation payable to senior management for any loss or on termination of service to ensure that it is consistent with contractual terms and otherwise fair;
  - › Review and advise on the training, development, and succession planning for the senior management regarding the Board's corporate goals and objectives;
  - › Devise a procedure for the approval of HR-related policies of the Company;
  - › Review from time to time as appropriate these Terms of Reference and the effectiveness of the Committee and recommend to the Committee and recommend to the Board any necessary changes.



## ORGANIZATION STRUCTURE

|                                   |                            |
|-----------------------------------|----------------------------|
| <b>Shaikh Mohammad Muneer</b>     | (Chairman)                 |
| <b>Shaikh Muhammad Pervez</b>     | (Director)                 |
| <b>Shaikh Muhammad Tanveer</b>    | (Chief Executive )         |
| <b>Shaikh Mohammad Naveed</b>     | (Director)                 |
| <b>Mr Faisal Jawed</b>            | (Director)                 |
| <b>Mr Farhad Shaikh Mohammad</b>  | (Director)                 |
| <b>Mr. Abdul Razzaq</b>           | (Director)                 |
| <b>Mr. Ehtesham Maqbool Elahi</b> | (Director)                 |
| <b>Mrs. Romisa Raffay</b>         | (Director)                 |
| <b>Mr Shaukat Hussain Ch.</b>     | (Chief Financial Officer ) |
| <b>Mr Islam Ahmed</b>             | (Company Secretary)        |
| <b>Mr. Kashif Javed</b>           | (Head of Internal Audit)   |



## Our CORE VALUES

# DEDICATION TO CORE VALUES

Several features which have contributed to our growth and reputation include the exceedingly professional, high quality textile products for the various manufacturing companies. Out of all the factors, the most significant is our unwavering commitment to our Core Values. Our plans, and approach towards the market, changes in accordance with the varying market conditions. Din's Core values will prove to be consistent to overcome future challenges.



### **Respect and Trust**

We act with credibility, professionalism and integrity in all that we do. We recognise each other's differences and show consideration for one another and the environment we live in.



### **Clear Communication**

In order to achieve positive outcomes, we believe in being open, honest and clear communication at all levels.



### **Result Orientation Through Systems**

Core matrix must address each challenge with a "result oriented" approach, and focus on the solution of the problems that arise through predictive systems in every section of organization.



### **Exceeding Expectation with Team Work**

In order to exceed the expectations of our customers, we respect each individual by contributing equally to the success of each effort laid.



### **Corporate Culture**

There is passion and the ability to observe greater opportunities in every task we undertake through well defined Performance Evaluation System under good corporate culture /governance.



### **Customer Orientation and Satisfaction**

To achieve success, we believe in listening our customers and considering their needs. Everything we do encompasses the fact that our customers remain satisfied in all aspects.



### **Responsiveness with Excellence**

We strive for superior quality, even with the smallest task assigned. We are responsive to our customers, prospects and partners, separating Core Matrix from our competitors.



### **Integrity and Honesty**

Core matrix is intolerant towards any legal or ethical breaches. We believe in the highest level of integrity, sincerity and honesty.



### **Quality**

Commitment and dedication can be observed with all that we do from emails, to proposals, to customer documents and meetings, to the phone calls as well as training sessions.





## Code of ETHICS

### STATEMENT OF ETHICS AND BUSINESS PRACTICES For the year ended June 30, 2021

#### Policy Statement

The core values of Din Textile Mills Ltd. which are the vital part of our Success, Integrity, Honesty, Professionalism and Respect in all our business practices are backed up by the creativity & passion of our people.

The loyalty and confidence in our products and services is because of our solemnity in our business relations with our Customers, Suppliers, Shareholders, Regulatory Agencies and the Community as general. This is only possible because of the leaders at Din Textile who consider all this their one of the prime responsibility of setting example through personal performances and excellent attitudes to convey the ethical values to each individual at Din Textile Mills Ltd.

For retaining our glory and reputation, an uncompromising adherence to ethical excellence is integral for sustaining and creating the necessary strong foundation on which Din Textile had & can 'Grow and Prosper!' People at Din Textile today and in future, must be aware of and contribute for the high achieving standards required in all our business practices.

#### Scope

The Board of Directors on the whole is responsible for the appliance of ethical business practices and principles, which is applicable to every individual of Din Textile Mills Ltd. The word 'Individual' refers to you and your use in this code includes all employees and officers.

#### Principles:

##### 1. Din's Commitment to Its People

###### ➤ Share ownership

The key objective of Din Textile is to ensure its people are able to share the value which they helped to create. This is achieved through the promotion of staff share ownership.

### ➤ **Equal Opportunities**

Din Textile values the Individuality, Diversity and Creative potential that every individual brings to its business. All employees are treated with equal respect and dignity and are provided with equality of opportunity to develop themselves and their careers.

We want to attract, develop and motivate the best people. We are creating a working environment that is open, honest and unprejudiced, which encourages people to achieve their full potential. We value people Individuality and team contributions and offer opportunities to share in the company commercial success.

### ➤ **Employment, Discrimination and Harassment**

Din Textile policy is to respect the human rights of all individuals complying with National Laws considering working hours and good compensation. Din Textile enforces strict prohibition on the use of forced or child labor.

To Din Textile the harassment or discrimination of any individual is unacceptable. In particular, sexual and racial discrimination or harassment is totally unacceptable.

Human Capital Administrators & Managers are required to take account of the core International Labor Organization conventions and strive to observe the United Nation Declarations on human rights, for a guaranteed respect to the individual at Din Textile. What needs to be observed in particular is as follow: " Universal respect for an observance of human rights and fundamental freedom for all without any discrimination. We remunerate fairly with respect to skill, performance, our peers and local conditions."

## **2. What Din Textile requires of its people**

### ➤ **Compliance With Laws**

Din Textile, with its individuals, must comply with the laws and regulations of any country in which it is operating business. The policy applies without any exceptions. Particular areas to be noted here to control the competition aspect, along with the communication laws. These concern safety, health and the environment as well. It is the responsibility of Din's individuals to ensure, by taking appropriate advice and by making them aware of all the relevant local laws.

Din Textile complies with the Listing, the Prospectus, and the Disclosure and Transparency Rules.

### ➤ **Security of Information**

Information generated within the organization including computer programs, is the property of Din Textile, and should not be disclosed without proper authority and authentication unless legally required.

### ➤ **Use of Information for personal gain**

Individuals must not use confidential information obtained during their employment in Din Textile for personal gains. Individuals responsible for maintaining the secrecy and confidentiality of the sensitive and unpublished data and information of Din Textile must not provide that to any other individual outside the organization. The organization has enforced a strict share dealing code which prohibits individuals to trade the information internally.

### ➤ **Bribes**

Bribes are strictly prohibited to or from customers. Din Textile funds must not be used for the payments; direct or indirect, to government officials or individuals of state organizations for any unlawful or improper purpose.

### ➤ **Political Donations**

Financial donations to political parties or for promotion of any political cause are strictly prohibited. Payments or gifts to any individual influencing any political decision for obtaining or retaining Din Textile business, is unacceptable.



➤ **Conflicts of interest**

Individuals of Din Textile must avoid situations in which their personal or financial interests conflict with those of the Din Textile while dealing with the Customers, Suppliers, Contractors, Competitors, Partners or any individual doing or seeking business from Din Textile. The individuals of Din Textile should act in favor of the group and personal preferences should not be a prior concern. Every Din's individual is welcomed for a sound advice whenever they find themselves facing a potential conflict of interest.

This all is not limited to owning shares with business partners, company shares trading, personal or family involvement in commercial transactions with Din Textile; but also includes such activities or owning any interest like borrowing from third party based on the business relationship of Din Textile.

➤ **Corporate Reporting and Internal Controls**

It is important for every Din's individual that all of the official accounts and records must be documented in such a manner that clearly identified and describes the true nature of business transactions, assets or liabilities, and properly and timely classification of the records; so as the entries presented and saved in the records are in conformity with the generally accepted accounting principles. No records, entry or document should be false, distorted, misleading, misdirected, deliberately incomplete or suppressed.

Din Textile strictly adhere the principles of good corporate governance and it is committed to achieve the highest standards of corporate governance. Din Textile maintains effective, transparent financial reporting and sound internal control system ensuring true and fair performance measurement and compliance with local regulatory requirements and international accounting standards as applicable.

### **3. Din Textile's Commitment with their Competitors**

Din Textile competes enthusiastically but fairly in the operating markets in the true spirit to win the market. Din Textile being honest and trustworthy in all of its dealings had never and will not damage the reputation of competitors either directly or by implication or innuendo.

Din Textile had never and will not attempt to acquire information about a competitor's business by disreputable means nor will it engage in restrictive trade practices to abuse any position of market dominance.

### **4. Din Textile's Commitment with their Customers**

Din Textile had always been and wishes to be our customers' first choice for the excellent quality and efficient services. Relationship based on mutual trust will help us deliver innovative solutions that anticipate and meet our customers' needs.

Din Textile believes that reliability in dealing with customers is a prerequisite for a successful and sustained business relationship with them. In all advertising and other publications from Din Textile untrue, concealment and overstatement had always been and will be avoided.

### **5. Din Textile's commitment with their Suppliers**

Din Textile aims to develop and maintain best relationships with its suppliers based on mutual trust and embark on timely and agreed trade terms payments. Din Textile purchasing power must never be used unscrupulously. All of the information regarding the Din Textile and its suppliers must be respected and kept confidential. Din Textile buying decisions are always been a commitment of assurance that whatever material which is purchased for production and procurement, will always be safe for environment. We expect that our suppliers also enforce the same standards of employment, harassment and discrimination policies as like Din Textile.

### **6. Din Textile's Commitment with their Shareholders**

Din Textile always communicates its business policies, achievements and prospects with honesty and in accordance with applicable guidelines and regulations. We always strive to create excellent long term value

to reward investment. We will always maintain the highest standards of business practices and will be transparent in all our dealings as before.

## **7. Din Textile's Commitment with their Local Communities**

Din's individuals are encouraged for participation in the local communities and civil affairs. We at Din recognize our responsibilities as active members of the communities wherever we operate. Din strongly believes in contribution for the well being of wider communities. Din emphasizes our efforts in community services like education, literacy, healthcare and we will respect the traditions, cultures and heritages.

## **8. Din Textile's Commitment to the Environment**

Din Textile has always been given a great importance for protecting the environment in which we all live. We are concerned with the preservation of the environment in its broadest sense and recognize that certain resources are finite and must be used responsibly.

Din Textile believes to provide a clean, safe, healthy and pollution free environment for all of the individuals who live in and around Din Textile's manufacturing sites, by employing such technologies which are beneficial in maintaining and protecting environmental hygiene and health.

### **Implementation of this Statement**

The examples given in this statement are not intended to be comprehensive and Din Textile individuals must endeavor to observe the principles that they embody.

Din Textile reputation depends on effective implementation of policies and it is the responsibility of all managers to ensure that this statement and these policies and their application are communicated, understood and taken seriously by all individuals.

Din Textile Management must secure the co-operation of individuals and positively promote these policies by personal example, by clear guidance and by making advice available as appropriate.



# Events Calendar 2020-21



**JULY**  
06 2020  
Board of Directors Meeting for addition/ disposal of Fixed Assets & Authorized Representative of Shaikh Mohammad Raffay in Allied Bank Limited & National Bank of Pakistan Limited.

**AUGUST**  
27 2020  
Board of Directors Meeting for filing a Petition or other legal proceedings on behalf of the Company regarding GIDC Cases 2020.

**OCTOBER**  
02 2020  
Audit Committee and Board of Directors meeting for considering the financial accounts of the Company for the year ended June 30, 2020.

**OCTOBER**  
20 2020  
Audit Committee and Board of Directors meeting for considering the accounts of the Company for the first quarter ended September 30, 2020.

**OCTOBER**  
28 2020  
Annual General Meeting of shareholders for considering accounts of the Company for the year ended June 30, 2020.

**DECEMBER**  
21 2020  
Board of Directors Meeting for filing a Petition or other legal proceedings on behalf of the Company regarding SNGPL and for filing Constitution Petition.

**FEBRUARY**  
18 2021  
Audit Committee and Board of Directors meeting to considering accounts of the Company for the 2<sup>nd</sup> Quarter/Half Year ended December 31, 2020 and appointing Authorized Representative for signing bank documents and other.

**APRIL**  
19 2021  
Audit Committee and Board of Directors meeting to consider accounts of the Company for the third quarter ended March 31, 2021.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the Company will be held on Thursday the 28<sup>th</sup> October 2021 at 11:00 a.m. at Beach Luxury Hotel, Tulip Hall, M. T. Khan Road, Karachi.

### Ordinary Business

1. To confirm the minutes of the Annual General Meeting of the Company held on 28<sup>th</sup> October 2020.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2021 together with Directors and Auditors Report thereon.
3. To appoint Auditors, and fix their remuneration.
4. To transact any other business with the permission of the chair.

BY ORDER OF THE BOARD

**ISLAM AHMED**

COMPANY SECRETARY

Karachi: September 30, 2021

### **Notes:**

1. The share transfer books of the Company will remain closed from October 22, to October 28, 2021 (both days inclusive)
2. A Member entitled to attend, speak and vote at the Annual General Meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. A proxy in order to be effective must be received by the Company not less than 48 hours before the time of the meeting.
3. Members whose shares are deposited with Central Depository Company of Pakistan Limited are requested to bring their valid Computerized National Identity Cards along with the Participants I.D number and their account number in Central Depository Company of Pakistan Limited to facilitate identification at the time of Annual General Meeting. In case of proxy an attested copy of proxy's Identity Card, Account & Participants I.D. number be enclosed. In case of corporate entity, the Board of Directors, resolution / Power of attorney with specimen signature of the nominee shall be produced at the time of the meeting (unless it has been provided earlier).
4. Shareholders are advised to submit / send attested photocopy of their valid Computerized National Identity Card (CNIC) as it is mandatory to be printed its number on Dividend Warrants vide CBR's S.R.O. 641 (i)/2005 dated June 27, 2005, SECP's Notice dated April 02, 2010 issued in respect of S.R.O. 286/(I)/2005 dated March 31, 2005 & SECP's SRO Notification dated August 18, 2011, and also notify immediately of any change in their addresses to our **Share Registrar Services**, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi.
5. In accordance with SRO 470(I) 2016 dated 31<sup>st</sup> May 2016. SECP has allowed the Companies to circulate the annual audited accounts to its members through CD / DVD / USB instead of transmitting the hard copies at their registered addresses. The Company has obtained shareholders' approval in its 30<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> October, 2017. Accordingly, the Annual Report of Din Textile Mills Limited for the year which ended on 30<sup>th</sup> June, 2021 is being dispatched to the shareholders through CD.



However, if an shareholders, in addition, desires to get the hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven working days of receipt of such request.

6. For convenience of shareholders, a **“Standard Request Form”** for Annual Audited Financial Accounts is available on the Company's website.
7. We request to the shareholders of the company to carry your NADRA / Official registration approved Immunization Certificate with you to gain access to the Hotel. Your Immunization Certificate QR Code will also be acceptable, as long as it can be scanned and verified by concerned Hotel Staff. The shareholders need to show a proof of vaccination at the time of entering the hotel as per the local government SOP's.

## Message from **CHAIRMAN**



During the year under review, the World's as well as Pakistan's economy faced many uncertainties, which made it a challenging task to achieve the goals and targets set for the year. Nevertheless, foreseen risks due to COVID-19 were identified and mitigation actions planned and taken to combat the risks and instead make a benefit and advantage out of the prevailing situations all over the World. Due to complex nature of multiple uncertainties and interactions between those, a smart and active look into business and overall economy was must, which we did in order to go thorough the situation favorably. In general, the team on the grounds managed to evaluate and address the risks continuously with intelligence, which made the organization to emerge from the challenges on a winning note.

As the challenges in the current business environment are constantly evolving, we at DTML (Din Textile Mills Ltd.) are committed to endeavor to grow financially and create value for all our stakeholders. Being a purpose-driven organization, wherein, sustainability and growth resides at the core of our vision, values and corporate culture, we have taken a new business approach by incorporating the well-being of our employees, communities and the environment by acknowledging the ever-changing scenarios and showing resilience for making a growth in future for all.

We believe that we can create a better and bigger tomorrow by acting responsibly, taking accountability for our actions and responding to the needs of stakeholders connected with the Company such as communities, suppliers, and other stakeholders. Sustainable business growth requires us to make more from less which can be achieved only if governance, strategy, and sustainability go hand in hand.

As the world continues to battle with the pandemic, Regardless, DTML continues with expansion projects to reach its target of becoming Leading in Textile Industry. The ongoing expansion and BMR in Existing Spinning division, the Company has also Set up a state-of-the-art new weaving unit which commenced operations in February 2021 to obtain a distinctive position in the fabric industry.





## Chairman's REVIEW

It gives me great pride to welcome you to the 34th Annual General Meeting of Din Textile Mills Ltd. and to present before you the Annual Report and Audited Financial Statements for the year ended 30th June 2021. Despite a very difficult year, Din Team worked tirelessly to overcome obstacles and ended the Financial Year on a strong note.

### Economic Environment

Global activity has strengthened over recent months, short-term international economic outlook is still very much dependent on COVID-19 pandemic, especially in Pakistan's main export areas. The U.S. economic recovery appears to be sustaining fragile momentum amid an improving jobs market and a pickup in retail spending. Government has handled the pandemic with considerable dexterity which has been acknowledged worldwide. In addition, the government took swift and timely actions on the economic front to provide support to the business and economy during the difficult times. Thus, with the start of the new fiscal year, signs of economic recovery have started to unfold as evident from data on macro-variables. The fastest growth was registered in Technology Equipment, which posted a steep acceleration and the second-fastest expansion in four years. Finance-related sectors continued to perform strongly. Machinery & Equipment also registered stronger growth. Notably, Transportation registered higher activity in March for the first time since July 2020. Policy rate remain unchanged almost through out the year at the level of 7% which facilitate the growth of large manufacturing scale industries.

Pakistan economy has shown significant signs of economic recovery with fast resumption of economic dynamism. Government has taken growth-oriented initiatives and will continue to follow the positive reform momentum which will help to boost the competitiveness of Pakistan's economy and lay a strong foundation for a more robust, inclusive and sustainable recovery. Recent developments in Pakistan's macroeconomic indicators are positive. In absence of any major unexpected negative shocks, the economy is moving on a balanced and sustainable growth path. The challenge remains to elevate this sustainable growth path to a higher level. This requires extending Pakistan's production capacity and ensuring that a sufficient proportion of this additional production is exported, besides satisfying the needs of domestic consumers. Enhancing production capacity and increasing its efficiency is not possible without directing a larger proportion of the available and future income towards investments, instead of consumption.

### Textile Outlook

Overall textile exports experienced a jump of 30.6% during March 2021 over the corresponding month of the last year. This extraordinary performance of the textile sector can partially because of the government's supporting policies that include the introduction of regionally competitive energy tariffs, elimination of duty and taxes on industrial raw materials, lower interest rate, and paying off pending refunds to exporters. The closure of regional textile markets such as India and Bangladesh, because of the COVID-19 pandemic has also diverted global attention towards Pakistan. The textile products that Pakistan exports are diverse, ranging from raw cotton to readymade garments. However, except

for the recent up tick, overall textile exports have followed a downward.

Large investment in machinery, availability of quality raw material, enhanced skill set, and product development are essential to realize the sector's export potential. However, success in these avenues is not possible in the absence of consistent and predictable policies, and continuous power supply. This is particularly true due to the fierce competition in textile products that our region observes. on the other hand increase in Sales tax on cotton by 7% ( 10% to 17%) also create liquidity issue to spinning sector as well as the cost of doing business due to finance cost on higher borrowing to procure timely quality cotton for the whole year.

### **Marketing Activities**

The textile industry in Pakistan grew by 22.94 % during the outgoing financial year, enabling the export of \$15.4 billion worth of value-added textiles. There were numerous steps that the government took to facilitate this growth and this success must be met with a promise of consistency for the future as well. One of the reasons why we experienced this boost in exports was because of the pandemic. Covid-19 forced export-oriented industries to close down in order to limit the transmission of the virus. Accordingly, international orders were cancelled and production went to an all-time low. Now that restrictions are being eased, there was major progress within the industry and growth was inevitable. Having said this, there were also a number of initiatives that the government took on its own. It limited the exports of raw materials so that domestic demand could be catered to first. Additionally, to bridge the gap between demand and supply, it allowed for the duty-free import of raw materials. This empowered the industry and, coupled with the pressure to increase exports so that the economy could sustain itself, allowed for revenue to be generated.

During the year under review, The company's overall gross sales Increase by 41.51 % in term of value, mainly because of strict monitoring of production processes, by controlling production losses and increasing production capacity by increasing 2,976 Spindles, Whereas export sales are increased by 62.20 % due to better yarn prices in international markets as well as in domestic Markets also, domestic sale increase by 33.52 % as compared to last year. The combination of Gross Local and export sales is 68.05% and 31.95 % respectively in the current year whereas it was 72.13% and 27.87% in the year 2020.

Despite the Covid-19 impact and uncertain global economic situation the management of your Company react proactively to the situation and increase the Gross margin by 7.29% (2021: 17.65% and 2020: 10.36%) , by doing strict control over cost and better stock management.

### **Operational Review**

The cotton production in Pakistan has plunged 34% to 5.57 million bales (of 155 kg per bale) in the current fiscal year 2020-21 compared to the same period of last year. This output was in line with the full-year production estimated at a four-decade low in the ongoing year. In November 15, the Concerned authorities showed arrivals at 4.03 million bales of 155 kg (equivalent to 2.9 million bales of 480 lbs.), down 41% from the same period of last year. Pakistan's cotton production is anticipated to decline to a multi-year low due to a 10% decrease in the planted area, crop damage from heavy monsoon rains, and severe pest infestation. The shortfall in domestic supplies will be bridged through imports, with cotton imports forecast recorded at 4.9 million of 480 lbs. bales, which is slightly higher than the local production of 4.7 million bales during the year.

The Current cotton season 2020-21 at the domestic level start with the slightly high prices as compare to last year's prices of raw cotton (2020-21: Rs.9,000 2019-20: Rs. 8,500). Afterword the cotton prices are remained in increasing trend trough out the year and reach up to the level of 13,900 in June and July 2021, with an average of Rs. 11,400/- per pound as compare to the last year average prices of Rs, 9,300 per Mound of 40 Kgs which is 22.58% higher than last year's prices.

Continuing attacks of various variant's of Covid-19 in different countries of the world and uncertain situation of lock downs has adversely affected the textile industry Globally, Despite of these facts Our management team with



proactive approach keeping close monitoring of the markets behaviors' and be strategically prepared to combat any unforeseen situation. During the year our Company Produced 40.083 Million Kgs yarn as compared to 35.601 Million Kgs in last year, thereby achieving an average capacity utilization of 91.95% during the year as compared to 86.60% during the last year. 118,906 out of 123,072 spindles remained operational during the year which attended 96.61% utilization of installed capacity as compare to 100,795 working spindles out of 120,096 spindles having 83.93% utilization of installed capacity in last year. Keeping in view technological up-gradation in the textile Spinning Sector to achieve the most efficient and cost-effective production facilities which make us more comparative in the current yarn market, our company continuously doing BMR in all units of the company. Despite non consisting of Power Supplies the annual production and yield Targets mainly missed due to the temporary shutdown of production operations/shortage of Laboure during the strict lockdown in the country due to pandemic situation.

Keeping in view the Market situation in Last year 2019-2020 the management of your company decided to setup a weaving unit with the Capacity of 144 Looms. with the record time of 1 year from groundbreaking ceremony in February 2021 we Commenced the commercial production. The production Capacity on the basis of 5 months we utilized the 31.23% due to starts up of production gradually. In Jun 2021 all 144 loom come in to production in fully capacity. Our management is so confident that we perform in weaving sector more efficiently then other due to having state of the art weaving project and it will majorly contribute in increasing the wealth of stake holders.

## Financial Review

Operating under the highly challenging environment created by the ongoing COVID-19 global pandemic, the Din Textile began the Financial Year managing to break even in 1st Quarter and eventually ended the year with a noteworthy performance. The Din Textile recorded a Net Sales 17.641 Billion as compare to Sales in 2019-20 Rs. 12.483 Billion. Despite the current uncertain economic situation and uncompetitive business environment your Compnay recorded highest profit before tax of Rs. 1.937 Billion whereas in the year 2019-20 Compnay earns profit before tax Rs. 177.722 Million. One of the key factors for Profitability during the period under consideration was the favorable yarn prices in the both Markets, international as well as the domestic, best utilization of production facilities with diversification of products according to market need and profitability. Although 2020-21 ended favorably for the Company, supply chain disruptions were seen with subsequent waves of COVID-19 infections, which triggered a host of adverse economic and social consequences.

We are committed to enhance cost-effective and comparative product base by diversifying into high-quality products with high financial returns. We are implemented 4M theory of business management ( Man, Material, Machinery and Methods )and perform much better in the competitive Business environment. We took cost-saving and controlling initiatives, to particularly offset the negative impact of escalating input costs. Cost of Sale as compare to sales decreased by 7.29%. It is Rs.14.53 billion which is 82.35% of the sale in the year 2020-21 where it was 11.19 billion which was 89.64 % of the sale in the year 2019-20. Despite the devaluation in the Rupee value and continuous increasing trend in utilities and other costs, our cost sales remain controlled due to cost reduction policies of Management without compromising in qualities. Management having effective control on Inventory management, despite of Increase in Prices of Raw Material, the raw material consumption only decreased by 8.07% which is 60.80% of Net Sales in the current year, whereas it was 68.87% of Net Sales in the year 2019-20. The Power Cost as compare to Sale has reduced by 1.25% which is 7.25% of sales in the current year, whereas it was 8.50% in the year 2019-20. The Increase in net Profit margins on sale is mainly due to gradually increase in yarn demand and increase in in yarn prices after the 1st Quarter of the year under review and then remain stable throughout the period in local as well as global market.

The management of the company have made considerable efforts and motivative measure to promote a cost-conscious culture across the board, the distribution cost, administrative expenses, as compared to sales percentage has slightly increased by 0.17%, 0.04% respectively, it is 0.61% and 1.67% in the current year, whereas it was 0.44% and 1.63% of sales in the year 2019-20 respectively. Despite the expansion of operation and inflationary economic conditions the management of your company follows best practices and intelligent use of working capital the financial cost decrease by 2.56% as compared to last year, it is 3.97% of sales in the year under review and 6.53% of sales in the year 2019-20. Interest rate (Policy Rate) has Maintained at level of 7% trough out the year without any change which

support the industry in the current situation. Other operating expenses Increase by 0.46%, it mainly consists of Worker's profit participation fund and workers welfare fund and loss on sale of old plant and equipment's.

The company's cash flow from operation during the current year after working capital changes, payment of income tax, finance cost, WPPF, and staff retirement benefits shows cash inflow of Rs.1,791.677 million reflect the effort of the Management of the Company to control and well-managed operations. Continuous BMR and expansion policy to achieve the economy of scale your company spent Rs.4,041.225 million in the current year and 2,320.203 million in the year 2019-20. After adjustment of investing activities of Rs. 4,041.225 million and net of financing activities of Rs. 3,541.016 million, The Company's net cash inflow of Rs. 1,291.469 million during the year, cash and cash equivalent at the end of year shows an amount of short term borrowing of RS. 498.470 million as compared to last year's short term borrowing of Rs. 1,974.513 million.

Keeping in view the financial result of the Company for the year 2020-21, We are continuing putting our best efforts to focus on driving forward our financial performance which helps us to sustain long-term growth and deliver industry-leading returns to our stakeholders in the future.

### **Dividend & Appropriation**

As part of its diversification and expansion plans, the Company has followed a financial strategy in which it used internally generated cash flows to finance the capital intensive projects, The directors have not proposed any dividend for the year ended June 30, 2021, (2019-20: Nil).

### **Contribution To National Exchequer**

Din Textile contributes towards the national economy on account of taxes and other levies, during the year under review our company paid 593.491 million ( 2019-20 Rs. 876.010 million ) as cost of finance, contribute to the foreign reserves of the country US\$ 20.44 Million ( 2019-20 \$ 7.634Million ) as direct exports, and accrued to the government in term of Income Tax payment amounting to Rs. 46.487 million ( 2019-20 Rs.151.266 million ).

### **Research & Development**

We at Din Textile, have been consistent in our approach to respond to the everchanging processes we have been witnessing in recent years. However, we have quickly adapted ourselves by enhancing our research and development capabilities, flexibly responding to the evolving policies and energy landscape, capitalizing on the most viable solutions and by investing in innovative technologies and human resources. We believe that cutting edge technology plays an important role in achieving sustainability, creating innovative businesses and long-term value for our stakeholders. We believe, innovation is the solution to sustain the growth. Our focused and continuous investment in BMR bringing the updated technology during the year under review our company set up a new weaving unit of 144 looms and expansion and BMR in existing Spinning units we spent a net of Rs. 4,059.785 million (2019-20 Rs.2,362.286 million ) on capital expenditure to realigned the company as per changing market needs. There is an emphasis on team achievements and pride in individual accomplishments that contribute to our overall success.

### **Information Technology**

We are committed to the process of upgrading and enhancing our IT infrastructure and moving towards greater process automation. Additionally, we remain focused on working closely with end-users in studying their day-to-day activities and finding opportunities to automate and streamline various tasks in this regard, Considerable efforts were expended in analyzing business process and reporting System through a series of discussion with business users. WE at Din Textile Implemented SAP for best utilization of Company resources and timely decisions based on best ERP solutions.

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

We at Din Textile are committed to be known as an organization who places the utmost priority on the health, safety



and overall well-being of our employees. Our Environment, Health & Safety (EHS) policy, objectives, standards and working procedures are designed to make Din's a very safe and healthy place to work at. Through a formal materiality assessment process, we have identified business level sustainability material issues and developed a time-bound roadmap for each business to leapfrog our overall performance which shall be made part of public disclosures in the future. We are also focused on creating a safe and ethical working environment across all our manufacturing facilities. We have been working towards achieving 'Zero Harm' and have set a target of achieving zero reportable injuries, under the Sustainability Vision across all our operations. Our goal of 'Zero Harm' implies to "Zero Accident and Zero Incident" for all the people working at Din Textile. We have long supported the overall well-being of our employees to improve their work-life balance and morale to boost their productivity.

The company also has a first-aid facility with an on-duty doctor for providing emergency treatment to its workers/staff. The resilience and the agility with which response was initiated to safeguard employees and partners was praiseworthy. We ensured sanitization and safety protocols, regular health screening across all plant sites and work from home wherever possible. A vaccination drive was conducted for employees and their families on all plant sites and head offices.

### **HR Management and Employment Relations**

We at Din Textile, consider our employees to be a core part of our organization and have significantly invested in improving their welfare and happiness index, in a bid to drive performance excellence. We are committed to provide our employees with a stable work environment that includes equal opportunities for learning and development. We have also ensured various aspects related to safety, enhancement of competency levels and overall well-being of our workforce. Our Human Resources team is tasked with establishing, administering and effectively communicating corporate values, policies and practices to our employees and treat them with dignity and equality. Employees are regularly updated on their need to fulfil their compliance requirements related to various aspects of their job roles.

We understand that our employees contribute significantly to the success of our business and we wholeheartedly recognize their efforts that are instrumental in our continued success. As an employee-centric organization, we focus on enhancing their learning and development, ensuring proper talent management and succession planning. We take pride in announcing that we are an equal-opportunity employer, and our philosophy of inclusivity and empowerment reiterates that our people are given ample opportunities to showcase their talents, bring out innovative solutions, take risks and make decisions that would enable them to learn, grow and thrive in this competitive world. It is our endeavor to make sure that our employees have understanding and knowledge of our sustainability agenda and adequate encouragement is provided to the employees to drive more ownership towards its implementation. We strive to maintain the overall work life balance of our employees, which in turn, has provided a boost to their productivity and has contributed to their overall employability quotient.

### **Corporate Social Responsibility (CSR)**

Din's CSR policy is driven by the imperative need to positively touch the lives of its stakeholders. At Din's, we remain committed to supporting the communities where we live and operate through various social and community initiatives. In this direction, our key areas of focus include health care, education, and sports. During the past three decades, Din's philosophy remained to conduct business ethically and responsibly, bringing development to the land where it operates. The Company takes on the social initiative which considers that its contribution would improve the lives of its communities.

Din's practices active corporate citizenship through corporate philanthropy, energy conservation, environmental protection measure, community investments, consumer protection measure, employment of special persons, industrial relationship occupational safety & health, business ethic, an anti-corruption measure, and contribution to the national exchequer.

### **Future Outlook**

We believe that the demand of yarn and fabric remain strong in both market domestic and globally due to continued

rerouting of orders out of China and other regional Asian countries. United State banned textile product which are manufactured by using Xinjian province cotton, it is an opportunity for Pakistan exporters to tapped us markets. The capacity enhancements in textile sector witnessed that it is an indication of strong order flows, while exports' competitiveness is also supported by recent Rupees depreciation, the continued rationalization of imports tariffs on raw materials and power subsidies from the government. Pakistan Cotton crop has been forecasted at the level of 8 million bales for the current season 2021-22 and shortfall will be covered from import of cotton which caused high prices of raw material due to depreciation of Rupees against dollar. The Management of your company foresee the situation and proactively response to it. The profit Margins may decline due to high price of Raw material which will be reversed by tapping new exports markets.

The country's economic scenario and market conditions for the textile-spinning / Weaving sector are seems to be better for the near future, as compared to the current year. For the revival of the textile sector Government needs to address the issue related to Energy cost, import of yarn, and allow duty-free import of cotton being reason local cotton is not sufficient for local consumption and not fit for the production of high-quality fine count yarn.

### **Acknowledgement**

Being Chairman of the Board of Director on behalf of the Board, we express Our gratitude to customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the commitment and contribution made by the employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, cooperation and support.

On behalf of the Board

**S.M. Muneer**  
Chairman Board of Directors



# Director's REPORT



The Directors are pleased to present the 2021 Annual Report together with the audited Financial Statements of the Company for the year ended June 30, 2021.

## Overview

The principal business of the Company is to manufacture and sale of yarn and fabric. The manufacturing units are located at Pattoki and Raiwind in the province of Punjab. The business of the Company is mainly exposed to price increase in raw material and exchange rate fluctuations, which may affect its performance.

## Financial Results

|   | Year ended June 30 |                  |
|---|--------------------|------------------|
|   | 2021               | 2020             |
|   | Rupees in '000'    |                  |
| Profit & Loss Appropriations  |                    |                  |
| Un-appropriated Profit brought forward  | 1,439,019          | 1,471,573        |
| Total comprehensive Income for the year                                       | 1,566,607          | 40,316           |
| Cash dividend for the year ended June 30, 2019 @ 25% i.e. Rs. 2.50/ per share | -                  | (72,870)         |
| Un-appropriated Profit carried forward  | <b>3,005,626</b>   | <b>1,439,019</b> |
| Earnings per share - basic and diluted  | <b>29.79</b>       | <b>0.86</b>      |

## Chairman's Review

The Directors of the company endorse the contents of the Chairman's Review which covers review of business and operations, outlook and investment plans for strategic growth.

## Operational Performance

|                     | Year ended June 30 |            |              |
|---------------------|--------------------|------------|--------------|
|                     | 2021               | 2020       | Inc./ (Dec.) |
|                     | Rupees in '000'    |            |              |
|                     |                    |            | %age         |
| Total Sales         | 17,641,435         | 12,482,831 | 41.33        |
| Local Sales         | 12,112,840         | 9,071,916  | 33.52        |
| Export Sales        | 5,686,278          | 3,505,708  | 62.20        |
| Commission & Claims | (157,683)          | (94,793)   | 66.34        |
| Gross Profit        | 3,112,947          | 1,293,209  | 140.71       |

## Salient Feature of the Accounting Results

The achievements of the year under review may be compared against preceding year are as under:

|                          | Year ended June 30        |                |
|--------------------------|---------------------------|----------------|
|                          | 2021                      | 2020           |
|                          | .....Rupees in '000'..... |                |
| Sales                    | 17,641,435                | 12,482,831     |
| Cost of Sales            | (14,528,487)              | (11,189,622)   |
| Gross profit             | 3,112,947                 | 1,293,209      |
| Distribution cost        | (106,923)                 | (54,420)       |
| Administrative expenses  | (294,470)                 | (203,347)      |
| Other operating expenses | (151,043)                 | (49,917)       |
| Finance cost             | (700,728)                 | (814,753)      |
|                          | (1,253,164)               | (1,122,436)    |
| Other Operating Income   | 77,233                    | 6,949          |
| Profit before Taxation   | <b>1,937,017</b>          | <b>177,722</b> |

## Dividend

As part of its diversification and expansion plans, the Company has followed a financial strategy in which it used internally generated cash flows to finance the capital intensive projects, the directors have not proposed any dividend for the year ended June 30, 2021, (2020: Nil).

## Financial Management

### Cash Flow Management

During the year an amount of Rs. 3,448.96 million was generated from company's operating activities before taking the effect of changes of working capital, this is mainly due to effective cost control measures, in spite of continuous increase in direct costs e.g. minimum wages and fuel & power, Rs. (2,117.73) million was used in working capital by increasing in stores, spare parts & loose tools, stock in trade, trade debts and Other receivables. At the end of the year 2021 the liquid fund position comprising of cash and cash equivalents amounts to Rs. (373.69) Million.

The Company has an effective Cash Flow Management system in place whereby cash inflows and out flows are projected on regular basis and rigorously monitored. Working Capital requirements are planned to be financed through internal cash generation and short term borrowings from external resources where necessary.

The Board is satisfied that there are no short or long term financial constraints including the accessibility to credit and a strong Statement of Financial Position as at June 30, 2021 with current Ratio 1.27 : 1.00

## Risk Mitigation

The Inherent risks and uncertainties in running a business directly affect the success of business. The management of Din Textile Mills Limited has identified its exposure to the potential risks. As a part of our policy to produce forward looking statement we are outlining the risks which may affect our business. This exercise also helps the management focus on a strategy to mitigate risk factors.

### Credit Risk

All financial assets of the company except cash in hand are subject to credit risk. The company believes



that it is not exposed to major concentration of credit risk. Exposure is Managed through application of credit limits to its customers secured by and on the basis of past experience, sales volume, consideration of financial position, past track records and recoveries, economic conditions of particularly the textile sector and generally the industry. The company believes that it is prudent to provide provision of doubtful debts.

#### **Liquidity Risk**

Prudent liquidity risk management ensures availability of the sufficient funds for meeting contractual commitments. The Company's fund management strategy aims at managing liquidity risk through internal cash generation and committed credit lines with financial institutions.

#### **Interest Rate Risk**

Majority of the interest rate exposure arises from short and long term borrowing from banks and term deposits and deposits in PLS saving accounts with banks. Therefore, a change in interest rates at the reporting date would not effect the Statement of Profit or Loss.

#### **Foreign Exchange Risk.**

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currencies. The company is mainly exposed to short term USD/ PKR parity on its imports of raw material and Plant and Machinery.

### **Production facilities**

Performance of our production facilities was excellent with unprecedented levels of output. Our team continued to improve efficiencies through harmonized efforts, eliminating wastage and avoidance of shutdowns on numerous occasions. The Company is determined to continue its focus on maximum capacity utilization for sustained profitability and to maintain its position as the leading Textile Manufacturer of the Country.

### **Related Parties**

The Board of Directors have approved the policy for transaction/contract between company and its related parties on an arm's length basis and relevant rates are to be determined as per the comparable un controlled price methods. The Company has fully complied with the best practices of transfer pricing as contained in the listing regulation of the Pakistan Stock Exchange.

### **Corporate Governance**

The Company is committed to standards of corporate governance to ensure business integrity and upholding the confidence of all the stake holders. The Board of Directors is accountable to the share holders for good corporate governance. The management of the company is continuing to comply with the provision of best practices set out in the Code of Corporate Governance particularly with regards to independence of non executive Director. The company remains committed to conduct its business in line with the listing regulations of Pakistan Stock Exchange, which clearly defines the rules and responsibilities of the Board of Directors and the management. Vision and Mission statements, Core Values, and Code of Conduct have been prepared and approved by the Board. Significant policies as required under the Code of Corporate Governance have been framed and are under review of the Board.

During the year the Board was actively involved in performing their duties including those required to be performed under various laws and the memorandum and Article of Association of the company with the

ultimate object of safeguarding the interest if the share holders, enhancing the profitability of the company, increasing shareholders' wealth and promoting market confidence.

The Directors are pleased to state that:-

**Disclosures under Code of Corporate Governance  
Corporate and Financial Reporting Framework**

- a) The Financial statements together with the notes thereon have been drawn up by the management in conformity with the Companies Act 2017. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed.
- e) The system of internal control and other such procedure which are in place, are being continuously reviewed by the Internal Audit Function. The process of reviewing will continue and any weakness in control will be removed.
- f) There are no significant doubts upon the company's ability to continue as a going concern.
- g) There has been no material departure from the Best Practices of Corporate Governance, as detailed in the listing regulations.
- h) The key operating and financial data for last six years in summarized form annexed.
- i) The outstanding statutory duties, taxes, charges and levies, if any, have been fully disclosed in the financial statements.
- j) The significant plans and decisions along with futures prospects have been outlined in the Chairman's Review.

## Material Changes

There have been no material changes since June 30, 2021 other then mentioned in the audited financial statements of the company for the year ended June 30, 2021 which would affect its financial position at the date.

## Composition of Board

Board of Directors as at June 30, 2021 consists of:

**Total number of directors**

- |           |    |
|-----------|----|
| a) Male   | 08 |
| b) Female | 01 |

**Composition**

- |                                  |    |
|----------------------------------|----|
| a) Independent Directors         | 03 |
| b) Other Non-executive Directors | 03 |
| c) Executive Directors           | 03 |



## Board of Directors' Meetings

During the year under review seven meetings of the Board of Directors were held from July 2020 to June 2021. The attendances of the board members are as follows:

| NAME OF DIRECTORS |  | NO. OF MEETINGS<br>ATTENDED |
|-------------------|--|-----------------------------|
| 1                 | Shaikh Mohammad Muneer (Non-Executive Director )                 | 6                           |
| 2                 | Shaikh Muhammad Pervez (Non-Executive Director )                 | 7                           |
| 3                 | Shaikh Muhammad Tanveer (Executive Director )                    | 6                           |
| 4                 | Shaikh Mohammad Naveed (Executive Director )                     | 7                           |
| 5                 | Mr. Faisal Jawed (Non-Executive Director )                       | 7                           |
| 6                 | Mr. Farhad Shaikh Mohammad (Executive Director )                 | 7                           |
| 7                 | Mr. Abdul Razzaq (Independent Non-executive Director )           | 7                           |
| 8                 | Mr. Ehtesham Maqbool Elahi (Independent Non-executive Director ) | 7                           |
| 9                 | Mrs. Romisa Raffay (Independent Non-executive Director )         | 7                           |

The leave of absence was granted to the members for not attending the board meetings.

## Committee of Board of Directors

Audit Committee and Human Resource and Remuneration Committee are disclosed as under:

### Audit Committee

|                        |             |
|------------------------|-------------|
| Mr. Abdul Razzaq       | Chairperson |
| Shaikh Muhammad Pervez | Member      |
| Mr. Faisal Jawed       | Member      |

### Human Resource and Remuneration Committee

|                            |             |
|----------------------------|-------------|
| Mr. Abdul Razzaq           | Chairperson |
| Mr. Faisal Jawed           | Member      |
| Mr. Farhad Shaikh Mohammad | Member      |

Attendance of Audit Committee and Human Resource and Remuneration Committee of Directors is given in the, "Board of Directors Committees".

## Changes in Nature of Business

By the grace of almighty, in addition of yarn manufacturing, company expands its operations by successfully commencing commercial production of greige fabric weaving facility by the mid of third quarter of current reporting period. There is no further significant changes been occurred during the year to report.

## Repayments of Debts / Loans

The Company has an effective cash flow strategy in place whereby inflows and outflows are projected and monitored on a regular basis. This comprehensive strategy has always empowered company in smooth settlement of its financial commitments and hopes to cater any and every challenge that will come in its way. In compliance with the above, the management has put constant endeavors to rationalize borrowing cost, which is done by managing a balanced portfolio of sources of funds and efficient financing arrangements.

The Company has a practice of settling obligations on a timely basis, and accordingly, there is no history of any default with respect to payment of debts including this year.

## **Directors' Remuneration**

The Board of Directors is authorized to fix remuneration of the Directors for their extra services. In this regard, the Board of Directors have developed a comprehensive Remuneration policy for Non-executive and Independent Directors of the Company.

Remuneration package of Chief Executive and other directors is disclosed in note 33 to the financial statements.

## **Adequacy of Internal Audit Function**

Din Textile has an independent Internal Audit Function. The Internal Audit function is as integral and effective part of the Company's corporate governance structure which provide the Management, the adequate assurance that internal controls and the check and balance system is operating properly, identification of opportunities for implementation of better and cost effective controls, weaknesses in the existing system and processes and alternate procedures and corrective actions needed to strengthen the control system. The Audit Committee reviewed the quarterly, half yearly and annual statements before submission of the Board and their publication, CFO, Head of Internal audit and a representative of external auditors attended the meetings where issues relating to accounts and audit were discussed. The Audit Committee also reviewed internal audit findings and held separate meeting with internal audit and external audit as required under the Code of Corporate Governance. The Audit Committee also discussed with the external auditors their letter to management. Related Party Transactions were also placed before the Audit Committee prior to the approval of Board.

## **Orientation Course**

Orientation with every evolving business environment and upskilling of front runners with latest management practices always speedup the execution and implementation of new strategies, ideas and action plan. The management of the company has decided to carry out in-house management orientation training program by professional management trainers to acquaint top and mid-tier management with ever changing best business practices. The main purpose of this program is not only to equip our front runners with growing industry standards but also make them more competitive and on top of changing industry standards. Further the employees who feel appreciated and challenged through training opportunities feel more satisfied and contribute more aggressively towards attaining organizations missions, vision and objectives so this program is designed for this purpose too. Our robust training and development program have a combination of both technical trainings like time management on production floor, best use of available resources, optimize production and minimize breakdowns, energy efficiency etc. and on soft skills like creative thinking, problem solving, team management, decision making, conflict management, emotional intelligence, leadership and peoples management etc.

## **Statement of Ethics and Business Practices**

The Board has prepared and circulated the Statement of Ethics and Business Practices signed by every Director and employee of the Company as a token of acknowledgement of his / her understanding of the standards of conduct in relation to any body associated of dealing with the Company.

## **Statement of Compliance with the Code of Corporate Governance**

The requirement of the Code of Corporate Governance set out by the Pakistan Stock Exchange in the Listing Regulations relevant for the year ended June 30, 2021 have been complied with. A statement to this effect is annexed with the report.



## Web Presence

Company's all periodic financial statements including Annual Reports are available on the Company's website [www.dingroup.com](http://www.dingroup.com) for information for the investors as well as shareholders.

## Board Evaluation

In compliance with Code of Corporate Governance Regulations 2019, the Board has put in place a mechanism for the annual evaluation of Board's performance. The evaluation of the performance of the Board is essentially an assessment of how the board has performed on all of the following parameters:

- Board composition and quality
- Board functions
- Financial performance of the company
- Statutory obligations
- Corporate Governance
- Risk Management
- Human Resource Management
- Research and Development
- Business expansion

## Auditors

Statutory Audit for the company for the financial year ended June 30, 2021 has been concluded and the auditors have issued their Audit Report on the company's Financial Statements, and the Statement of Compliance with Code of Corporate Governance. The Auditors Messrs.' Naveed Zafar Ashfaq Jaffery & Company, Chartered Accountants, Karachi, shall retire at the conclusion of annual general meeting and they have indicated their willingness to continue as Auditors. They have confirmed achieving satisfactory rating by the Institute of Chartered Accountant of Pakistan (ICAP) and compliance with the Guideline on the Code of Ethics of the International Federation of Accountants (IFAC) as adopted by ICAP. The Board proposed their reappointment as auditor for the financial year ended June 30, 2021 the engagement partner will be rotated in line with the requirement of Code of Corporate Governance. The Board's Audit Committee has also recommended their re-appointment which has been endorsed by the Board.

## Pattern of Shareholding

The pattern of shareholding as at June 30, 2021 along with disclosures as required under Code of Corporate Governance, is annexed.

The Directors, Chief Executive, Chief Financial Officer, Company Secretary, and their spouses and minor children, have reportedly carried out no trading in the shares of the Company.

## Acknowledgement

The board of directors is always a source of guidance and support for the management and are well aware of the challenges that lie ahead and is determined to ensure growth, generate profits and create value for your company and we are confident that they will continue to show the same dedication in the years ahead. We are pleased to acknowledge that the relation with employees remained cordial and harmonious throughout the year. The management recognizes and record its sincere appreciation to all employees for their continued

dedication, commitment and hard work for the growth and prosperity of the company, with out which, this performance would not have been possible.

In the end the board of directors would like to thank the Almighty for all his blessings in these challenging times and to convey our appreciation to all banks, customers , dealers and stake holders for their continued support in the company.

On behalf of the Board

SHAIKH MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAIKH MOHAMMAD  
Director



## Key Highlights FOR THE YEAR



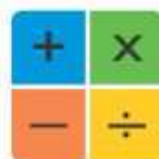
| Sales Revenue | Rupees in '000' |
|---------------|-----------------|
| 2021          | 17,641,435      |
| 2020          | 12,482,831      |



| Total Assets | Rupees in '000' |
|--------------|-----------------|
| 2021         | 17,607,595      |
| 2020         | 12,457,735      |



| Earning Per Share | Rupees |
|-------------------|--------|
| 2021              | 29.79  |
| 2020              | 0.86   |



| Profit After Tax | Rupees in '000' |
|------------------|-----------------|
| 2021             | 1,562,921       |
| 2020             | 36,636          |



| Capital Expenditure | Rupees in '000' |
|---------------------|-----------------|
| 2021                | 4,059,785       |
| 2020                | 2,362,286       |



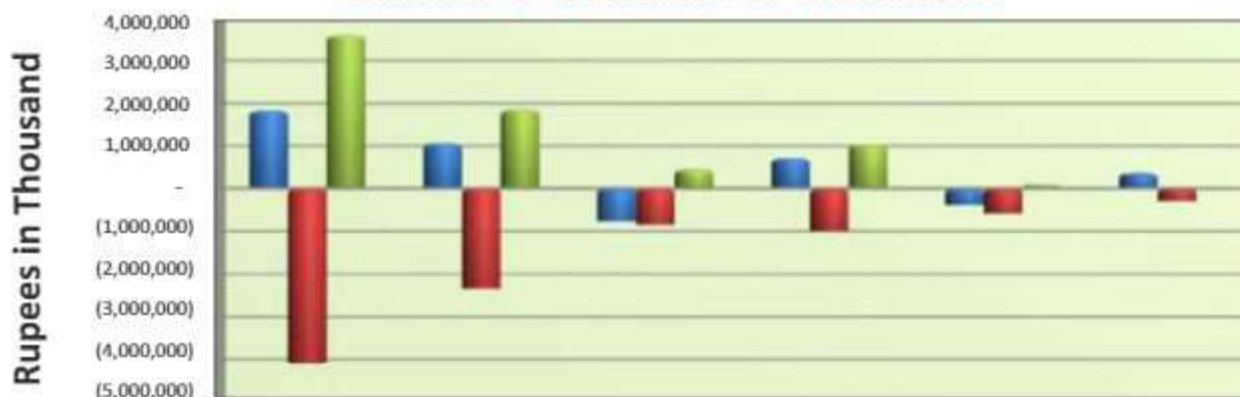
| Donations | Rupees in '000' |
|-----------|-----------------|
| 2021      | 500             |
| 2020      | 4,000           |

## Summary statement OF CASH FLOWS



|                                    | Year ended June 30 |                |                    |                |                  |               |
|------------------------------------|--------------------|----------------|--------------------|----------------|------------------|---------------|
|                                    | 2021               | 2020           | 2019               | 2018           | 2017             | 2016          |
|                                    | Rupees in '000'    |                |                    |                |                  |               |
| <b>Cash Flows from / (Used in)</b> |                    |                |                    |                |                  |               |
| Operation activities               | 1,791,677          | 1,038,174      | (762,702)          | 690,836        | (387,956)        | 347,286       |
| Investing activities               | (4,041,225)        | (2,320,203)    | (838,292)          | (982,739)      | (586,003)        | (290,638)     |
| Financing activities               | 3,541,017          | 1,820,810      | 439,114            | 1,005,605      | 88,206           | 574           |
| <b>Net Cash Flows</b>              | <b>1,291,469</b>   | <b>538,781</b> | <b>(1,161,880)</b> | <b>713,702</b> | <b>(885,753)</b> | <b>57,223</b> |
| Opening Cash and Cash Equivalents  | (1,665,159)        | (2,203,940)    | (1,042,060)        | (1,755,762)    | (870,009)        | (927,232)     |
| Closing Cash and Cash Equivalents  | (373,690)          | (1,665,159)    | (2,203,940)        | (1,042,060)    | (1,755,762)      | (870,009)     |

### SUMMARY OF STATEMENT OF CASH FLOWS



|                      | 2021        | 2020        | 2019      | 2018      | 2017      | 2016      |
|----------------------|-------------|-------------|-----------|-----------|-----------|-----------|
| Operation activities | 1,791,677   | 1,038,174   | (762,702) | 690,836   | (387,956) | 347,286   |
| Investing activities | (4,041,225) | (2,320,203) | (838,292) | (982,739) | (586,003) | (290,638) |
| Financing activities | 3,541,017   | 1,820,810   | 439,114   | 1,005,605 | 88,206    | 574       |



## Six Years at a Glance

|  |          | YEAR ENDED JUNE 30 |            |            |           |           |           |
|--|----------|--------------------|------------|------------|-----------|-----------|-----------|
|  |          | 2021               | 2020       | 2019       | 2018      | 2017      | 2016      |
| Operating Results:   |          |                    |            |            |           |           |           |
| Sales-net  | (Rs 000) | 17,641,435         | 12,482,831 | 11,560,482 | 9,479,190 | 7,421,792 | 7,602,604 |
| Cost of Sales  | (Rs 000) | 14,528,487         | 11,189,622 | 10,243,242 | 8,671,900 | 6,944,651 | 6,942,947 |
| Gross Profit   | (Rs 000) | 3,112,947          | 1,293,209  | 1,317,240  | 807,289   | 477,141   | 659,657   |
| Operating Profit   | (Rs 000) | 2,560,512          | 985,526    | 1,048,797  | 583,922   | 281,708   | 460,626   |
| Profit / (Loss) Before Tax   | (Rs 000) | 1,937,017          | 177,722    | 418,541    | 231,337   | 1,488     | 201,128   |
| Profit / (Loss) for the year   | (Rs 000) | 1,562,921          | 36,636     | 362,448    | 144,888   | (63,297)  | 60,519    |
| Dividends  | (Rs 000) | -                  | -          | 72,870     | -         | -         | 28,027    |
| Earning / (Loss) before interest, taxes, depreciation & amortization(EBITDA)         | (Rs 000) | 3,299,441          | 1,497,531  | 1,423,040  | 915,966   | 560,048   | 717,539   |
| Per Share Results and Returns:   |          |                    |            |            |           |           |           |
| Earning / (Loss) per share   | (Rupees) | 29.79              | 0.86       | 10.46      | 4.97      | (2.82)    | 2.70      |
| Cash Dividend per Share  | (Rupees) | -                  | -          | 2.50       | -         | -         | 1.25      |
| Dividend yield ratio   | (%)      | -                  | -          | 3.08       | -         | -         | 1.48      |
| Dividend payout ratio  | (%)      | -                  | -          | 20.11      | -         | -         | 46.31     |
| Market Price Per Share at the end of the year (PSX 100 Index)                        | (Rupees) | 90.00              | 41.98      | 81.25      | 94.77     | 113.05    | 84.59     |
| Price Earning Ratio  | (Times)  | 3.02               | 49.07      | 7.77       | 19.07     | (40.05)   | 31.34     |
| Financial Position:  |          |                    |            |            |           |           |           |
| Reserves   | (Rs 000) | 4,151,820          | 2,585,213  | 1,871,574  | 1,576,594 | 1,433,752 | 1,523,471 |
| Current Assets   | (Rs 000) | 8,406,965          | 6,630,783  | 6,531,953  | 5,393,380 | 4,410,750 | 3,009,652 |
| Current Liabilities  | (Rs 000) | 6,616,490          | 5,676,145  | 5,980,228  | 5,023,205 | 4,681,202 | 3,040,434 |
| Net Current Assets / (Liabilities)   | (Rs 000) | 1,790,475          | 954,638    | 551,725    | 370,175   | (270,452) | (30,782)  |
| Property Plant & Equipment   | (Rs 000) | 9,183,100          | 5,809,205  | 3,987,276  | 3,542,913 | 2,895,905 | 2,585,435 |
| Total assets   | (Rs 000) | 17,607,595         | 12,457,735 | 10,536,976 | 8,951,539 | 7,322,125 | 5,629,405 |
| Long Term Debt   | (Rs 000) | 7,104,012          | 3,562,996  | 2,721,565  | 2,282,450 | 1,276,846 | 1,188,639 |
| Shareholders' equity   | (Rs 000) | 4,676,487          | 3,109,880  | 2,163,056  | 1,800,811 | 1,657,968 | 1,747,688 |
| Capital Employed   | (Rs 000) | 10,991,105         | 6,781,590  | 4,556,748  | 3,928,334 | 2,640,923 | 2,588,971 |
| Share Capital  | (Rs 000) | 524,667            | 524,667    | 291,482    | 224,217   | 224,217   | 224,217   |
| Break up value per share   | (Rupees) | 89.13              | 59.27      | 74.21      | 80.32     | 73.94     | 77.95     |
| Financial Ratio:   |          |                    |            |            |           |           |           |
| Current ratio  | (Times)  | 1.27               | 1.17       | 1.09       | 1.07      | 0.94      | 0.99      |
| Debt to Total Assets   | (%)      | 43.18              | 44.45      | 46.98      | 37.55     | 42.12     | 37.86     |
| Return on equity   | (%)      | 33.42              | 1.18       | 16.76      | 8.05      | (3.82)    | 3.46      |
| Return on capital employed   | (%)      | 14.22              | 0.54       | 7.95       | 3.69      | (2.40)    | 2.34      |
| Quick Acid test ratio  | (Times)  | 0.60               | 0.56       | 0.43       | 0.39      | 0.31      | 0.48      |
| Earnings / (Loss) before interest, taxes depreciation & amortization margin (EBITDA) | (%)      | 18.70              | 12.00      | 12.31      | 9.66      | 7.55      | 9.44      |
| Dividend cover ratio   | (%)      | -                  | -          | 4.97       | -         | -         | 2.16      |
| Bonus Share issued   | (Rs 000) | -                  | -          | -          | 67,265    | -         | -         |
| Debt to Equity Ratio   | (%)      | 151.91             | 114.57     | 125.82     | 126.75    | 77.01     | 68.01     |
| Profitability Ratios:  |          |                    |            |            |           |           |           |
| Gross Profit Ratio   | (%)      | 17.65              | 10.36      | 11.39      | 8.52      | 6.43      | 8.68      |
| Net Profit Margin  | (%)      | 10.98              | 1.42       | 3.62       | 2.44      | 0.02      | 2.65      |
| Interest Coverage  | (Times)  | 3.76               | 1.22       | 1.66       | 1.66      | 1.01      | 1.78      |
| No. of days in Receivable  | (Days)   | 68.06              | 65.38      | 48.38      | 47.39     | 34.85     | 38.38     |
| No. of days in Payable   | (Days)   | 12.90              | 71.10      | 12.35      | 13.68     | 10.51     | 10.94     |
| No. of Days in Inventory   | (Days)   | 99.33              | 120.52     | 130.92     | 133.66    | 90.46     | 60.38     |
| Cash Operating Cycle   | (Days)   | 154.48             | 114.80     | 166.95     | 167.36    | 114.80    | 87.82     |
| Debtors turnover ratio   | (Times)  | 5.36               | 5.58       | 7.54       | 7.70      | 10.47     | 9.51      |
| Creditor Turnover ratio  | (Times)  | 12.21              | 8.70       | 30.94      | 31.19     | 37.24     | 34.88     |
| Inventory turnover   | (Times)  | 3.67               | 3.03       | 2.79       | 2.73      | 3.10      | 4.77      |
| Fixed Assets Turnover  | (Times)  | 1.92               | 2.15       | 2.90       | 2.68      | 2.56      | 2.94      |
| Total Assets Turnover  | (Times)  | 1.00               | 1.00       | 1.10       | 1.06      | 1.01      | 1.35      |
| Other Data:  |          |                    |            |            |           |           |           |
| Depreciation & Amortization  | (Rs 000) | 661,696            | 505,056    | 373,747    | 331,926   | 276,549   | 256,906   |
| Capital Expenditure  | (Rs 000) | 4,059,785          | 2,362,286  | 852,075    | 992,290   | 592,707   | 293,942   |

# STATEMENT OF VALUE ADDED

## WEALTH GENERATED

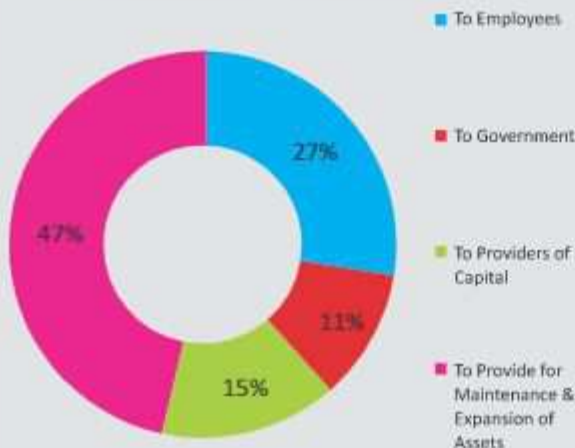
|                         | 2021           | 2020           |
|-------------------------|----------------|----------------|
| Gross Sales Revenue     | 17,799,118,058 | 12,577,623,825 |
| Other Receipts          | 77,233,269     | 6,949,219      |
| Less:                   |                |                |
| Material & services     |                |                |
| Material & Factory cost | 12,778,717,740 | 9,831,096,059  |
| Administrative & other  | 70,445,773     | 86,402,485     |
| Distribution            | 106,922,722    | 54,419,678     |
| Broker's Commissions    | 157,683,446    | 94,792,580     |

|           |               |     |               |     |
|-----------|---------------|-----|---------------|-----|
| Value Add | 4,762,581,646 | 100 | 2,517,862,242 | 100 |
|-----------|---------------|-----|---------------|-----|

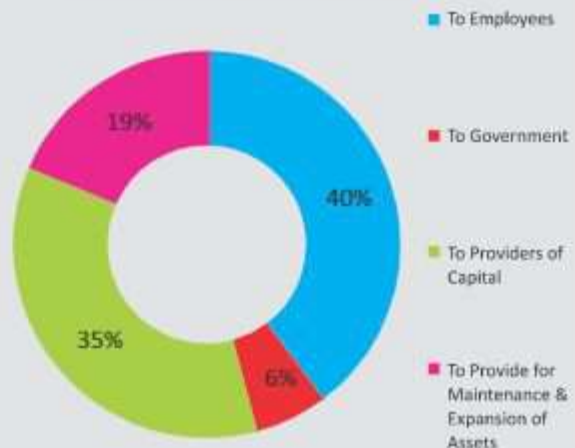
## WEALTH DISTRIBUTED

|  |               | %age  |               | %age   |
|--|---------------|-------|---------------|--------|
| To Employees                                     |               |       |               |        |
| Salaries & benefits                              | 1,314,918,694 | 27.61 | 1,002,357,898 | 39.81  |
| To Government                                    |               |       |               |        |
| Tax  | 375,071,978   | 7.88  | 142,060,094   | 5.64   |
| Worker Profit Participation fund                 | 104,028,821   | 2.18  | 9,652,110     | 0.38   |
| Worker Welfare Fund                              | 39,530,952    | 0.83  | 3,667,802     | 0.15   |
| To Providers of Capital                          |               |       |               |        |
| Dividend to Share Holders                        | -             | -     | 72,870,485    | 2.89   |
| Bonus to Share Holders                           | -             | -     | -             | -      |
| Mark up/Interest on Borrowed Fund                | 700,728,356   | 14.71 | 814,752,986   | 32.36  |
| To Provide for Maintenance & Expansion of Assets | 661,695,807   | 13.89 | 505,055,778   | 20.06  |
| Depreciation                                     | 1,566,607,038 | 32.89 | (32,554,911)  | (1.29) |
| Profit Retained                                  |               |       |               |        |
|  | 4,762,581,646 |       | 2,517,862,242 |        |

### Distribution of wealth 2021



### Distribution of wealth 2020





## HORIZONTAL ANALYSIS

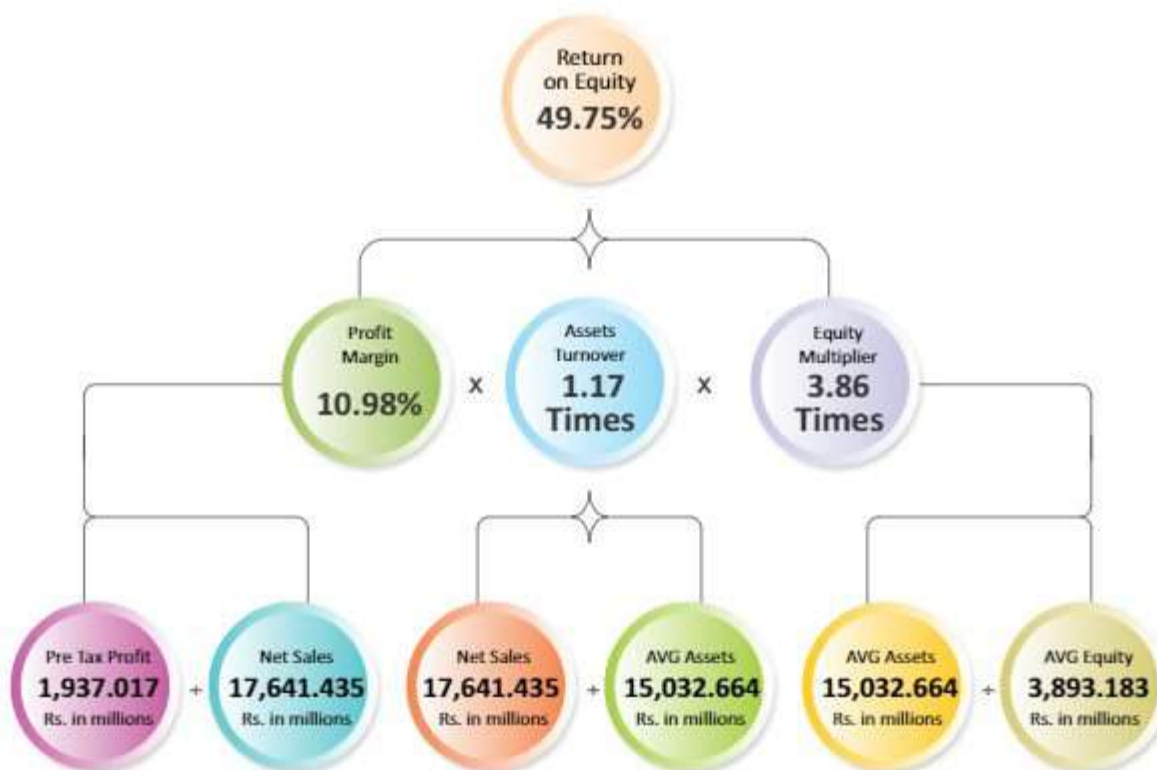
|   | 2021          | Variance vs Last<br>Year Increase/<br>(Decrease) % | 2020          | Variance vs Last<br>Year Increase/<br>(Decrease) % | 2019          | Variance vs Last<br>Year Increase/<br>(Decrease) % | 2018         | Variance vs Last<br>Year Increase/<br>(Decrease) % | 2017         |
|---|---------------|--|---------------|--|---------------|--|--------------|--|--------------|
| ..... (Rupees in million).....            |               |  |               |  |               |  |              |  |              |
| <b>Operating Results</b>                  |               |  |               |  |               |  |              |  |              |
| Sales - net                               | 17,641        | 41.33  | 12,483        | 7.98   | 11,560        | 21.96  | 9,479        | 27.72  | 7,422        |
| Cost of sales                             | (14,528)      | 29.84  | (11,190)      | 9.24   | (10,243)      | 18.12  | (8,672)      | 24.87  | (6,945)      |
| <b>Gross profit</b>                       | <b>3,113</b>  | <b>140.71</b>                                      | <b>1,293</b>  | <b>(1.82)</b>                                      | <b>1,317</b>  | <b>63.17</b>                                       | <b>807</b>   | <b>69.19</b>                                       | <b>477</b>   |
| Distribution cost                         | 107           | 96.48  | 54            | 15.56  | 47            | (10.37)  | 53           | (2.60)   | 54           |
| Administrative expenses                   | 294           | 44.81  | 203           | 25.53  | 162           | 9.49   | 148          | 6.64   | 139          |
| Other operating expenses                  | 151           | 202.59   | 50            | (15.91)  | 59            | 159.45   | 23           | 731.85   | 3            |
| Finance cost                              | 701           | (13.99)  | 815           | 29.17  | 631           | 78.83  | 353          | 25.07  | 282          |
| Other operating income /(loss)            | 77            | 1011.39  | 7             | 1,301.07   | 0             | 321.67   | 0            | (93.43)  | 2            |
| <b>Profit / (loss) before taxation</b>    | <b>1,937</b>  | <b>990</b>   | <b>178</b>    | <b>(57.54)</b>                                     | <b>419</b>    | <b>80.92</b>                                       | <b>231</b>   | <b>15442.32</b>                                    | <b>1</b>     |
| Provision for taxation                    | (374)         | 165.15   | (141)         | 151.52   | (56)          | (35.11)  | (86)         | 33.44  | (65)         |
| <b>Profit / (loss) for the year</b>       | <b>1,563</b>  | <b>4166.13</b>                                     | <b>37</b>     | <b>(89.89)</b>                                     | <b>362</b>    | <b>150.16</b>                                      | <b>145</b>   | <b>328.90</b>                                      | <b>(63)</b>  |
| <b>Statement of Financial Position</b>    |               |  |               |  |               |  |              |  |              |
| <b>NON CURRENT ASSETS</b>                 |               |  |               |  |               |  |              |  |              |
| Property, plant and equipment             | 9,183         | 58.08  | 5,809         | 45.69  | 3,987         | 12.54  | 3,543        | 22.34  | 2,896        |
| Long term deposits                        | 18            | (1.22)   | 18            | 0.00   | 18            | 16.40  | 15           | (1.44)   | 15           |
| <b>Total non current assets</b>           | <b>9,201</b>  | <b>57.90</b>                                       | <b>5,827</b>  | <b>45.49</b>                                       | <b>4,005</b>  | <b>12.56</b>                                       | <b>3,558</b> | <b>22.22</b>                                       | <b>2,911</b> |
| <b>CURRENT ASSETS</b>                     |               |  |               |  |               |  |              |  |              |
| Stores, spare parts and loose tools       | 330           | 2.70   | 321           | (32.03)  | 473           | 65.96  | 285          | (54.77)  | 630          |
| Stock in trade                            | 4,127         | 31.87  | 3,129         | (9.72)   | 3,466         | 10.93  | 3,124        | 35.16  | 2,312        |
| Trade debts                               | 3,289         | 47.11  | 2,236         | 45.93  | 1,532         | 24.50  | 1,231        | 73.67  | 709          |
| Advances                                  | 143           | (2.20)   | 146           | (57.54)  | 344           | 502.77   | 57           | 38.63  | 41           |
| Trade deposits                            | 1             | 255.47   | 0             | (84.98)  | 1             | 189.63   | 0            | (73.04)  | 1            |
| Other receivables                         | 74            | 498.75   | 12            | 11.98  | 11            | (73.02)  | 41           | 63.41  | 25           |
| Tax refunds due from the Government       | 319           | (33.05)  | 476           | (30.02)  | 681           | 10.12  | 618          | (3.65)   | 641          |
| Cash and bank balances                    | 125           | (59.66)  | 309           | 1172.25  | 24            | (33.97)  | 37           | (28.31)  | 51           |
| <b>Total current assets</b>               | <b>8,407</b>  | <b>26.79</b>                                       | <b>6,631</b>  | <b>1.51</b>  | <b>6,532</b>  | <b>21.11</b>                                       | <b>5,393</b> | <b>22.28</b>                                       | <b>4,411</b> |
| <b>Total assets</b>                       | <b>17,608</b> | <b>41.34</b>                                       | <b>12,458</b> | <b>18.23</b>                                       | <b>10,537</b> | <b>17.71</b>                                       | <b>8,952</b> | <b>22.25</b>                                       | <b>7,322</b> |
| <b>CURRENT LIABILITIES</b>                |               |  |               |  |               |  |              |  |              |
| Trade and other payables                  | 4,848         | 38.47  | 3,501         | 13.62  | 3,081         | (12.19)  | 3,509        | 47.47  | 2,380        |
| Contract Liabilities                      | 7             | 100.00   | -             | 0.00   | -             | 0.00   | -            | 0.00   | -            |
| Unclaimed dividend                        | 6             | (0.94)   | 6             | 13.68  | 5             | 2.08   | 5            | (0.20)   | 5            |
| Accrued mark up and interest              | 157           | 23.15  | 127           | (33.42)  | 191           | 103.73   | 94           | 38.06  | 68           |
| Short term borrowings                     | 498           | (74.75)  | 1,975         | (11.39)  | 2,228         | 106.53   | 1,079        | (40.30)  | 1,807        |
| Current portion of<br>Long term financing | 1,101         | 1531.66  | 67            | (85.77)  | 474           | 41.14  | 336          | (20.23)  | 421          |
| <b>Total Current Liabilities</b>          | <b>6,616</b>  | <b>16.57</b>                                       | <b>5,676</b>  | <b>(5.08)</b>                                      | <b>5,980</b>  | <b>19.05</b>                                       | <b>5,023</b> | <b>7.31</b>  | <b>4,681</b> |
| <b>WORKING CAPITAL</b>                    | <b>1,790</b>  | <b>87.56</b>                                       | <b>955</b>    | <b>73.03</b>                                       | <b>552</b>    | <b>49.04</b>                                       | <b>370</b>   | <b>(236.87)</b>                                    | <b>(270)</b> |
| <b>TOTAL CAPITAL EMPLOYED</b>             | <b>10,991</b> | <b>62.07</b>                                       | <b>6,782</b>  | <b>48.83</b>                                       | <b>4,557</b>  | <b>16.00</b>                                       | <b>3,928</b> | <b>48.75</b>                                       | <b>2,641</b> |
| <b>NON CURRENT LIABILITIES</b>            |               |  |               |  |               |  |              |  |              |
| Long term financing                       | 6,003         | 71.74  | 3,496         | 55.54  | 2,247         | 15.46  | 1,946        | 127.50   | 856          |
| <b>Deferred liabilities</b>               |               |  |               |  |               |  |              |  |              |
| Staff retirement benefits - gratuity      | 165           | 18.27  | 140           | 19.79  | 117           | 15.82  | 101          | (9.03)   | 111          |
| Deferred taxation                         | 146           | 302.39   | 36            | 22.61  | 30            | (63.10)  | 80           | 385.47   | 17           |
| <b>Total Non Current Liabilities</b>      | <b>6,315</b>  | <b>71.98</b>                                       | <b>3,672</b>  | <b>53.39</b>                                       | <b>2,394</b>  | <b>12.51</b>                                       | <b>2,128</b> | <b>116.44</b>                                      | <b>983</b>   |
| <b>Net Worth</b>                          | <b>4,676</b>  | <b>50.38</b>                                       | <b>3,110</b>  | <b>43.77</b>                                       | <b>2,163</b>  | <b>20.12</b>                                       | <b>1,801</b> | <b>8.62</b>  | <b>1,658</b> |
| <b>Net Worth Represented by:</b>          |               |  |               |  |               |  |              |  |              |
| Issued, subscribed and paid up capital    | 525           | 0.00   | 525           | 80.00  | 291           | 30.00  | 224          | 0.00   | 224          |
| Reserves                                  | 4,152         | 60.60  | 2,585         | 38.13  | 1,872         | 18.71  | 1,577        | 9.96   | 1,434        |
|   | 4,676         | 50.38  | 3,110         | 43.77  | 2,163         | 20.12  | 1,801        | 8.62   | 1,658        |
| <b>Total Equity and Liabilities</b>       | <b>17,608</b> | <b>41.34</b>                                       | <b>12,458</b> | <b>18.23</b>                                       | <b>10,537</b> | <b>17.71</b>                                       | <b>8,952</b> | <b>22.25</b>                                       | <b>7,322</b> |

## VERTICAL ANALYSIS

|  | 2021                | %       | 2020     | %       | 2019     | %       | 2018    | %       |
|--|---------------------|---------|----------|---------|----------|---------|---------|---------|
|  | (Rupees in million) |         |          |         |          |         |         |         |
| Operating Results                      |                     |         |          |         |          |         |         |         |
| Sales - net                            | 17,641              | 100.00  | 12,483   | 100.00  | 11,560   | 100.00  | 9,479   | 100.00  |
| Cost of sales                          | (14,528)            | (82.35) | (11,190) | (89.64) | (10,243) | (88.61) | (8,672) | (91.48) |
| Gross profit                           | 3,113               | 17.65   | 1,293    | 10.36   | 1,317    | 11.39   | 807     | 8.52    |
| Distribution cost                      | 107                 | 0.61    | 54       | 0.44    | 47       | 0.41    | 53      | 0.55    |
| Administrative expenses                | 294                 | 1.67    | 203      | 1.63    | 162      | 1.40    | 148     | 1.56    |
| Other operating expenses               | 151                 | 0.86    | 50       | 0.40    | 59       | 0.51    | 23      | 0.24    |
| Finance cost                           | 701                 | 3.97    | 815      | 6.53    | 631      | 5.46    | 353     | 3.72    |
| Other operating income                 | 77                  | 0.44    | 7        | 0.06    | 0        | 0.00    | 0       | 0.00    |
| Profit before taxation                 | 1,937               | 10.98   | 178      | 1.42    | 419      | 3.62    | 231     | 2.44    |
| Provision for taxation                 | (374)               | (2.12)  | (141)    | (1.13)  | (56)     | (0.49)  | (86)    | (0.91)  |
| Profit / (Loss) for the year           | 1,563               | 8.86    | 37       | 0.29    | 362      | 3.14    | 145     | 1.53    |
| Statement of Financial Position        |                     |         |          |         |          |         |         |         |
| NON CURRENT ASSETS                     |                     |         |          |         |          |         |         |         |
| Property, plant and equipment          | 9,183               | 52.15   | 5,809    | 46.63   | 3,987    | 37.84   | 3,543   | 39.58   |
| Long term deposits                     | 18                  | 0.10    | 18       | 0.14    | 18       | 0.17    | 15      | 0.17    |
| Deffered Taxation Assets               | -                   | 0.00    | -        | 0.00    | -        | 0.00    | -       | 0.00    |
| Total non current assets               | 9,201               | 52.25   | 5,827    | 46.77   | 4,005    | 38.01   | 3,558   | 39.75   |
| CURRENT ASSETS                         |                     |         |          |         |          |         |         |         |
| Stores, spare parts and loose tools    | 330                 | 1.87    | 321      | 2.58    | 473      | 4.49    | 285     | 3.18    |
| Stock in trade                         | 4,127               | 23.44   | 3,129    | 25.12   | 3,466    | 32.90   | 3,124   | 34.90   |
| Trade debts                            | 3,289               | 18.68   | 2,236    | 17.95   | 1,532    | 14.54   | 1,231   | 13.75   |
| Advances                               | 143                 | 0.81    | 146      | 1.17    | 344      | 3.26    | 57      | 0.64    |
| Trade deposits                         | 1                   | 0.00    | 0        | 0.00    | 1        | 0.01    | 0       | 0.00    |
| Other receivables                      | 74                  | 0.42    | 12       | 0.10    | 11       | 0.10    | 41      | 0.46    |
| Tax refunds due from Government        | 319                 | 1.81    | 476      | 3.82    | 681      | 6.46    | 618     | 6.90    |
| Cash and bank balances                 | 125                 | 0.71    | 309      | 2.48    | 24       | 0.23    | 37      | 0.41    |
| Total current assets                   | 8,407               | 47.75   | 6,631    | 53.23   | 6,532    | 61.99   | 5,393   | 60.25   |
| Total assets                           | 17,608              | 100.00  | 12,458   | 100.00  | 10,537   | 100.00  | 8,952   | 100.00  |
| CURRENT LIABILITIES                    |                     |         |          |         |          |         |         |         |
| Trade and other payables               | 4,848               | 27.53   | 3,501    | 28.10   | 3,081    | 29.24   | 3,509   | 39.20   |
| Contract Liabilities                   | 7                   | 0.04    | -        | 0.00    | -        | 0.00    | -       | 0.00    |
| Unclaimed dividend                     | 6                   | 0.03    | 6        | 0.05    | 5        | 0.05    | 5       | 0.06    |
| Accrued mark up and interest           | 157                 | 0.89    | 127      | 1.02    | 191      | 1.81    | 94      | 1.05    |
| Short term borrowings                  | 498                 | 2.83    | 1,975    | 15.85   | 2,228    | 21.15   | 1,079   | 12.05   |
| Current portion of                     |                     |         |          |         |          |         |         |         |
| Long term financing                    | 1,101               | 6.25    | 67       | 0.54    | 474      | 4.50    | 336     | 3.75    |
| Total current Liabilities              | 6,616               | 37.58   | 5,676    | 45.56   | 5,980    | 56.75   | 5,023   | 56.12   |
| WORKING CAPITAL                        | 1,790               | 10.17   | 955      | 7.66    | 552      | 5.24    | 370     | 4.14    |
| TOTAL CAPITAL EMPLOYED                 | 10,991              | 62.42   | 6,782    | 54.44   | 4,557    | 43.25   | 3,928   | 43.88   |
| NON CURRENT LIABILITIES                |                     |         |          |         |          |         |         |         |
| Long term financing                    | 6,003               | 34.09   | 3,496    | 28.06   | 2,247    | 21.33   | 1,946   | 21.74   |
| Deferred liabilities                   |                     |         |          |         |          |         |         |         |
| Staff retirement benefits - gratuity   | 165                 | 0.94    | 140      | 1.12    | 117      | 1.11    | 101     | 1.13    |
| Deferred taxation                      | 146                 | 0.83    | 36       | 0.29    | 30       | 0.28    | 80      | 0.90    |
| Total Non Current Liabilities          | 6,315               | 35.03   | 3,672    | 29.18   | 2,394    | 22.44   | 2,128   | 22.87   |
| Net Worth                              | 4,676               | 27.39   | 3,110    | 25.25   | 2,163    | 20.81   | 1,801   | 21.01   |
| Net Worth Represented by:              |                     |         |          |         |          |         |         |         |
| Issued, subscribed and paid up capital | 525                 | 2.98    | 525      | 4.21    | 291      | 2.77    | 224     | 2.50    |
| Reserves                               | 4,152               | 23.58   | 2,585    | 20.75   | 1,872    | 17.76   | 1,577   | 17.61   |
|  | 4,676               | 26.56   | 3,110    | 24.96   | 2,163    | 20.53   | 1,801   | 20.12   |
| Total Equity and Liabilities           | 17,608              | 100.00  | 12,458   | 100.00  | 10,537   | 100.00  | 8,952   | 100.00  |

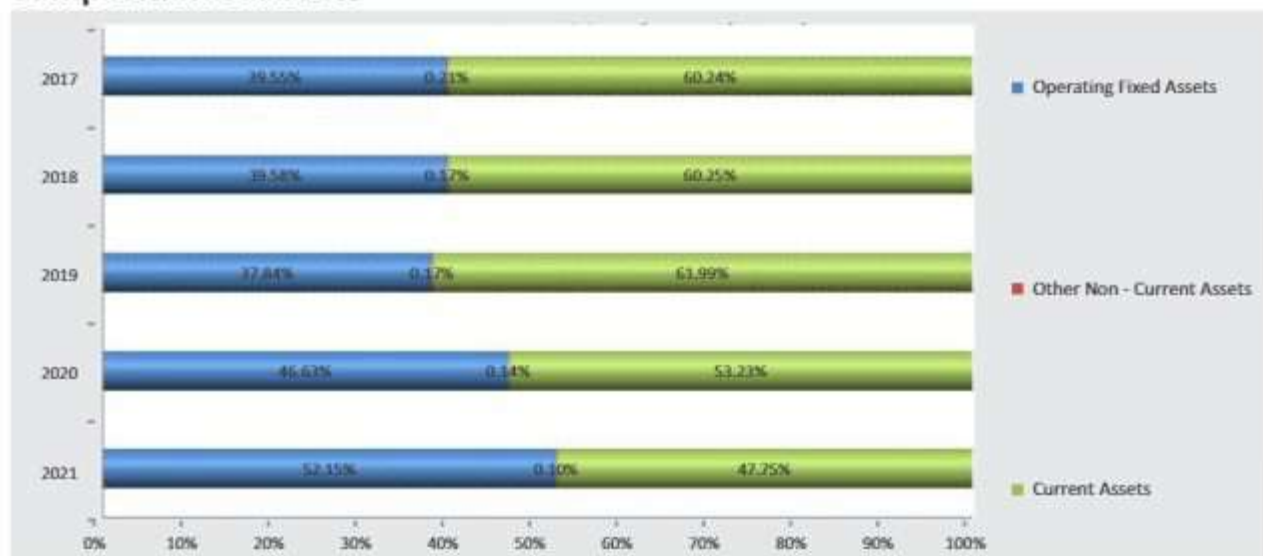


# DuPont Analysis



| Year | Return on Equity (ROE)<br>D=A*B*C | Profit Margin =<br>Pre tax Profit /<br>Net Sales<br>A | Assets<br>Turnover = Net<br>Sales / AVG.<br>Assets<br>B | Equity Multiplier<br>= Avg. Assets /<br>Avg. Equity<br>C |
|------|-----------------------------------|---|---|--|
| 2021 | 49.75%                            | 10.98%  | 1.17  | 3.86   |
| 2020 | 6.74%                             | 1.42%   | 1.09  | 4.36   |
| 2019 | 21.12%                            | 3.62%   | 1.19  | 4.92   |
| 2018 | 13.38%                            | 2.44%   | 1.16  | 4.71   |
| 2017 | 0.09%                             | 0.02%   | 1.15  | 3.80   |
| 2016 | 11.75%                            | 2.65%   | 1.36  | 3.26   |

## Composition of Assets



## Equity & Liabilities

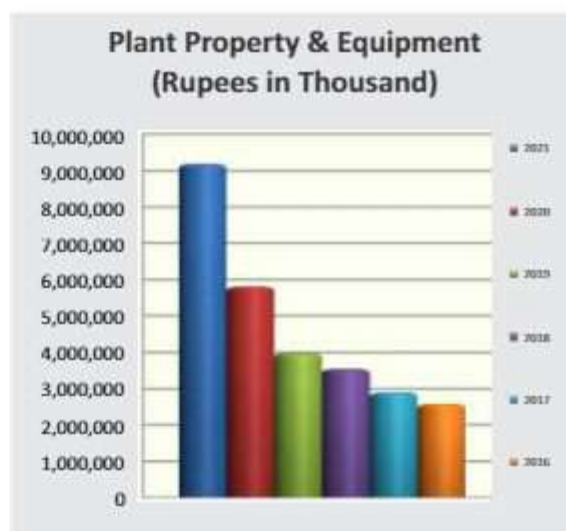
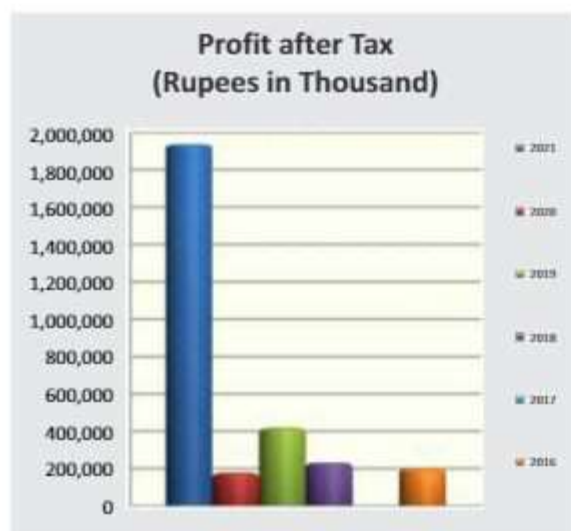


## Profit & Loss - Breakup of Major Expenses

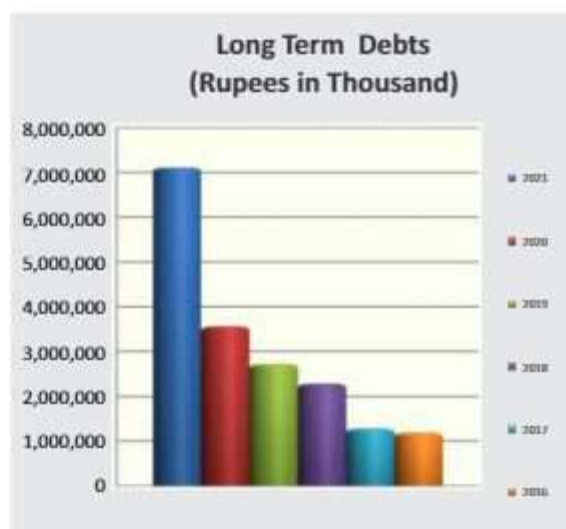
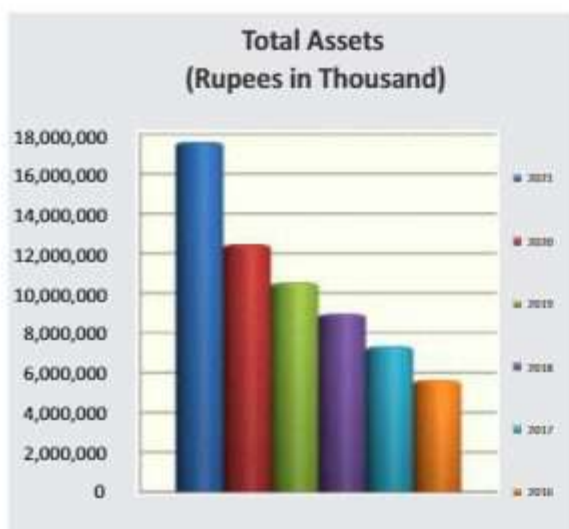
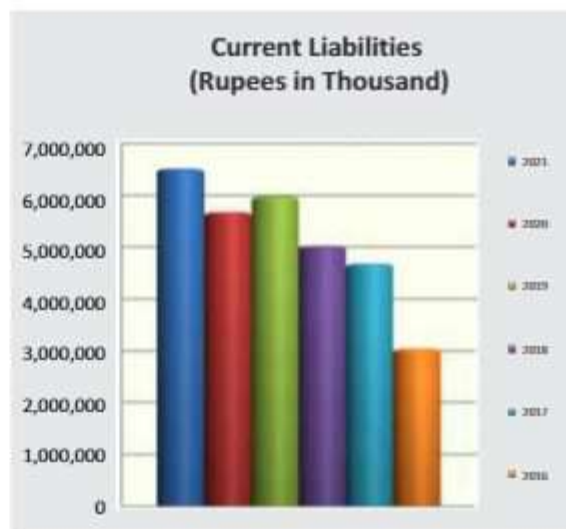
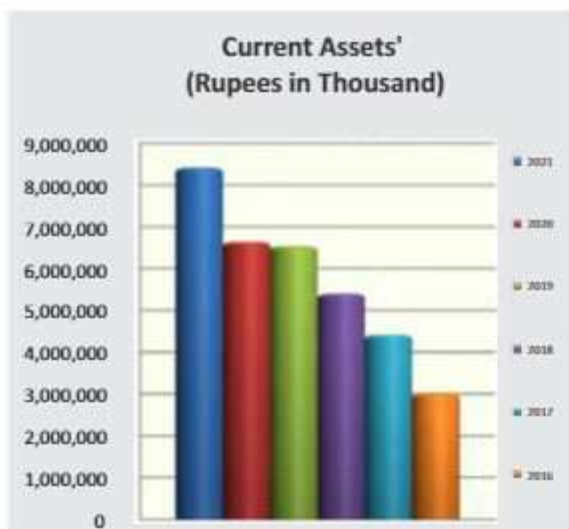
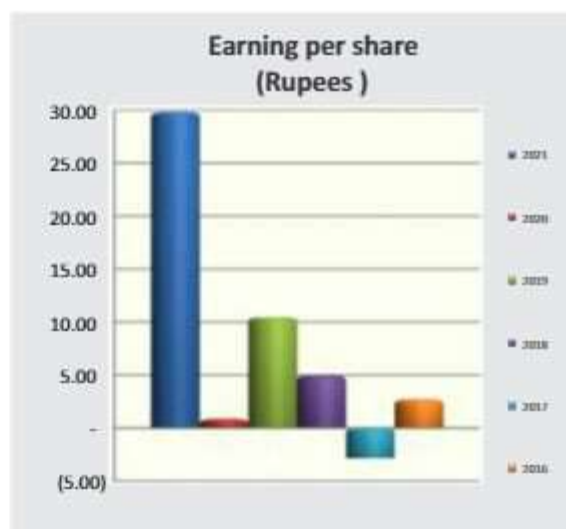
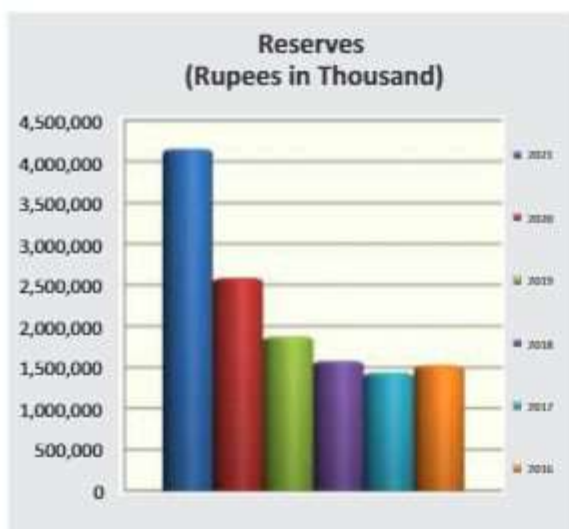




## GRAPHICAL ANALYSIS OF SIX YEARS AT A GLANCE

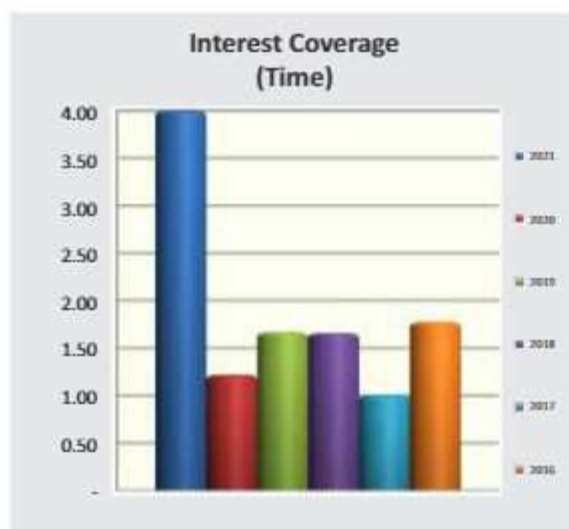
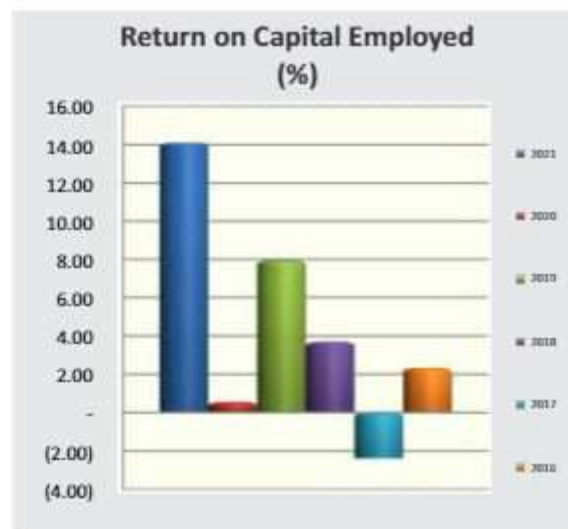
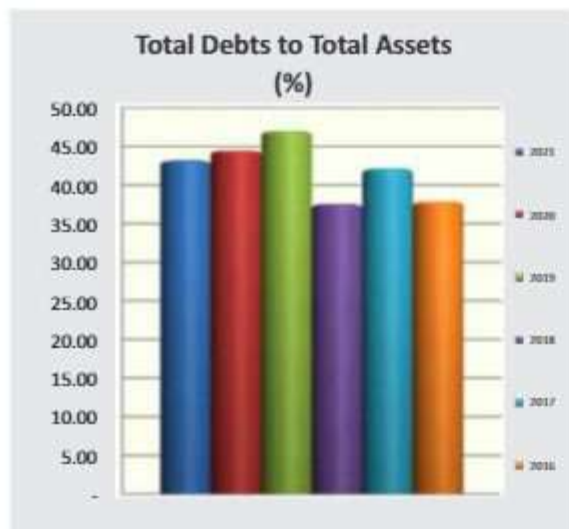


## GRAPHICAL ANALYSIS OF SIX YEARS AT A GLANCE

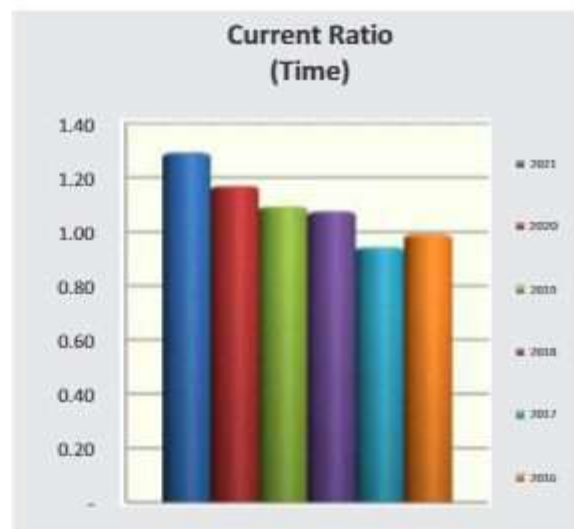
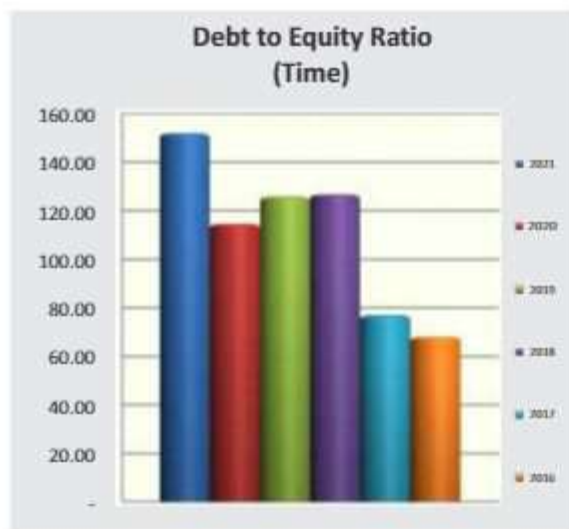
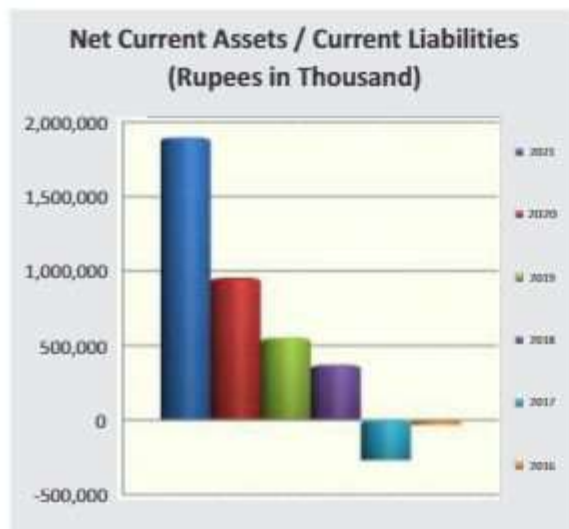




## GRAPHICAL ANALYSIS OF SIX YEARS AT A GLANCE



## GRAPHICAL ANALYSIS OF SIX YEARS AT A GLANCE





**DETAIL OF PATTERN OF SHAREHOLDING**  
As at June 30, 2021

| Category No. | Categories of Shareholders   | No. of Shares   | Category-wise No. Of Folios / CDC Accounts | Category wise Shareheld | Percentage %  |
|--------------|--|---|--|-------------------------|---------------|
| 1            | Individuals / General Public   | 14,642,755  | 811  | 14,642,755              | 27.91         |
| 2            | Others   | 214,563   | 15   | 214,563                 | 0.41          |
| 3            | <b>Directors, Chief Executive and their Spouse and Minor Children</b><br>1. SHAIKH MOHAMMAD MUNEEER<br>2. SHAIKH MUHAMMAD PERVEZ<br>3. SHAIKH MUHAMMAD TANVEER<br>4. SHAIKH MOHAMMAD NAVEED<br>5. FAISAL JAWED<br>6. FARHAD SHAIKH MOHAMMAD<br>7. ABDUL RAZZAQ<br>8. EHTESHAM MAQBOOL ELAHI<br>9. ROMISA RAFFAY<br>10. GHAZALA PERVEZ<br>11. SHAIKH MOHAMMAD RAFFAY  | 2,388<br>7,376,842<br>1,914,056<br>4,930,858<br>3,814,095<br>1,223,479<br>1,277<br>899<br>899<br>3,986,260<br>1,223,479 | 11   | 24,474,532              | 46.65         |
| 4            | Executive  | -   | -  | -                       | -             |
| 5            | <b>Public Sector Companies and Corporations</b><br>CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST<br>NATIONAL BANK OF PAKISTAN<br>M/S INVESTMENT CORPORATION OF PAKISTAN<br>M/S NATIONAL BANK OF PAKISTAN INVESTOR A/C   | 811,934<br>265<br>429<br>9,523  | 4  | 822,151                 | 1.57          |
| 6            | <b>Associated Companies, undertakings and related parties</b><br>DIN CORPORATION (PVT.) LIMITED<br>DIN INDUSTRIES MANAGEMENT (PVT.) LIMITED  | 6,469,187<br>5,679,742  | 2  | 12,148,929              | 23.16         |
| 7            | <b>Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds</b><br>STATE LIFE INSURANCE CORP. OF PAKISTAN<br>M/S NATIONAL DEVELOPMENT FINANCE CORPORATION<br>M/S STATE LIFE INSURANCE CORPORATION OF PAKISTAN<br>M/S AL FAYSAL INVESTMENT BANK LTD.<br>M/S FIRST TRI-STAR MODARABA<br>TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND<br>FIRST TRI-STAR MODARABA | 169<br>2,181<br>943<br>3,775<br>400<br>43,167<br>120  | 7  | 50,755                  | 0.10          |
| 8            | <b>Mutual Fund</b><br>Golden Arrow Selected Stocks Fund Limited  | 113,064   | 1  | 113,064                 | 0.22          |
| 9            | Foreign Companies  | -   | -  | -                       | -             |
| <b>TOTAL</b> |  | <b>52,466,749</b>   | <b>851</b>                                 | <b>52,466,749</b>       | <b>100.00</b> |

Shareholders Holding five Percent or more voting interest in the listed company

Total Paid-up Capital of the Company 52,466,749

10% of the Paid-up Capital of the Company 5,246,675

| Share holders holding 10% or more           | Shares Held | Percentage |
|---|-------------|------------|
| SHAIKH MUHAMMAD PERVEZ                      | 7,376,842   | 14.06      |
| DIN CORPORATION (PVT.) LIMITED              | 6,469,187   | 12.33      |
| DIN INDUSTRIES MANAGEMENT (PRIVATE) LIMITED | 5,679,742   | 10.83      |

**Pattern of Shareholding  
As of June 30, 2021**

| NO. OF SHARE HOLDERS | SHAREHOLDING SLAB |    |         | TOTAL SHARES HELD |
|----------------------|-------------------|----|---------|-------------------|
| 233                  | 1                 | to | 100     | 3,418             |
| 210                  | 101               | to | 500     | 50,544            |
| 254                  | 501               | to | 1000    | 230,021           |
| 108                  | 1001              | to | 5000    | 248,611           |
| 16                   | 5001              | to | 10000   | 119,663           |
| 5                    | 10001             | to | 15000   | 56,192            |
| 3                    | 15001             | to | 20000   | 54,928            |
| 2                    | 20001             | to | 25000   | 48,350            |
| 1                    | 40001             | to | 45000   | 43,167            |
| 1                    | 75001             | to | 80000   | 78,500            |
| 1                    | 80001             | to | 85000   | 81,500            |
| 1                    | 110001            | to | 115000  | 113,064           |
| 1                    | 810001            | to | 815000  | 811,934           |
| 4                    | 1220001           | to | 1225000 | 4,893,916         |
| 2                    | 1910001           | to | 1915000 | 3,828,112         |
| 1                    | 1915001           | to | 1920000 | 1,916,056         |
| 2                    | 3810001           | to | 3815000 | 7,628,190         |
| 1                    | 3815001           | to | 3820000 | 3,817,694         |
| 1                    | 3985001           | to | 3990000 | 3,986,260         |
| 1                    | 4930001           | to | 4935000 | 4,930,858         |
| 1                    | 5675001           | to | 5680000 | 5,679,742         |
| 1                    | 6465001           | to | 6470000 | 6,469,187         |
| 1                    | 7375001           | to | 7380000 | 7,376,842         |
| <b>851</b>           |                   |    |         | <b>52,466,749</b> |





**Review Report on the Statement of Compliance contained in Listed  
Companies(Code of Corporate Governance) Regulations, 2019**

**INDEPENDENT AUDITORS'S REVIEW REPORT**

To the members of Din Textile Mills Limited

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 Din 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.

Karachi

**Dated : 30 September 2021**

*Naveed Zafar Ashfaq Jaffery & Co.*

Chartered Accountants

Engagement Partner: Azeem H. Siddiqui – FCA

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

**For the year ended June 30, 2021**

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

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

|           |   |
|-----------|---|
| A. Male   | 8 |
| B. Female | 1 |

2. The composition of Board is as follows:

| CATEGORY                    | Name  |
|-----------------------------|---|
| Independent Directors       | Mr. Abdul Razzaq<br>Mr. Ehtesham Maqbool Elahi                                  |
| Non-Executive Directors     | Shaikh Mohammad Muneer - Chairman<br>Shaikh Muhammad Pervez<br>Mr. Faisal Jawed |
| Executive Directors         | Shaikh Muhammad Tanveer<br>Shaikh Mohammad Naveed<br>Mr. Farhad Shaikh Mohammad |
| Female Independent Director | Mrs. Romisa Raffay  |

3. The Directors have confirmed that none of them is serving as a Director on the Board of more than seven listed companies, including Din Textile Mills Ltd.
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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
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 Companies Act, 2017 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 meetings of the Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All nine members of Board of Directors comply with requirements of directors' training as required under clause 19 of the Listed Companies (Code of Corporate Governance) Regulation, 2019.
10. The Board has approved appointment of the Chief Financial Officer, the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CEO and CFO duly endorsed the financial statements before approval of the Board.



12. The board has formed following committees comprising of members given below:

**Audit Committee**

|                        |             |
|------------------------|-------------|
| Mr. Abdul Razzaq       | Chairperson |
| Shaikh Muhammad Pervez | Member      |
| Mr. Faisal Jawed       | Member      |

**Human Resource and Remuneration Committee**

|                            |             |
|----------------------------|-------------|
| Mr. Abdul Razzaq           | Chairperson |
| Mr. Faisal Jawed           | Member      |
| Mr. Farhad Shaikh Mohammad | 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 of the committee were as per following:
- |                                  |  |
|----------------------------------|--|
| a. Audit Committee               | Four Quarterly Meetings                      |
| b. HR and Remuneration Committee | One Annual Meeting held on December 21, 2020 |
15. The Board has set up an effective internal audit function which comprises of professionals, 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 (ICAP) 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, that they and the partners of the firm, involved in the audit, are not a close relative of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors 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.

KARACHI  
Date: 30 September 2021

Shaikh Muhammad Tanveer  
Chief Executive

Farhad Shaikh Mohammad  
Director

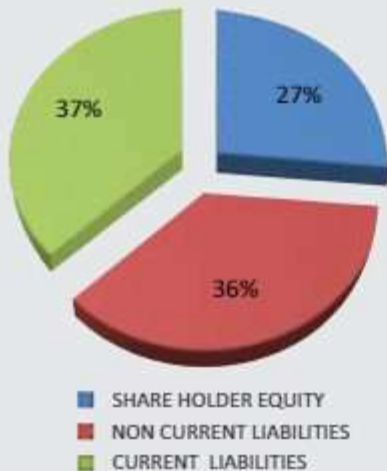
The background of the slide is a photograph of a person's hands working at a desk. The person is wearing a dark blue long-sleeved shirt. On the desk, there is a silver laptop, a silver calculator, and several sheets of paper. One sheet shows a bar chart with blue bars and a line graph. Another sheet shows a bar chart with orange bars. A clipboard with a green cover and a white sheet of paper is also visible. The scene is lit with warm, golden light, suggesting a sunset or sunrise. The overall composition is professional and focused on financial analysis.

## Financial STATEMENTS

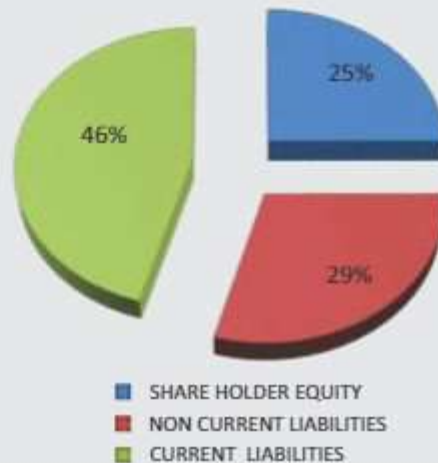
2021

## GRAPHICAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION

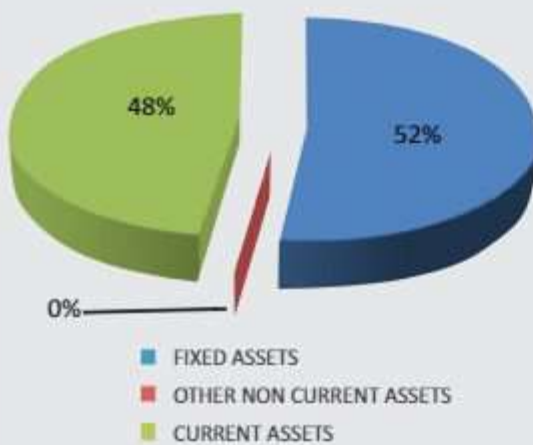
**2020-2021**



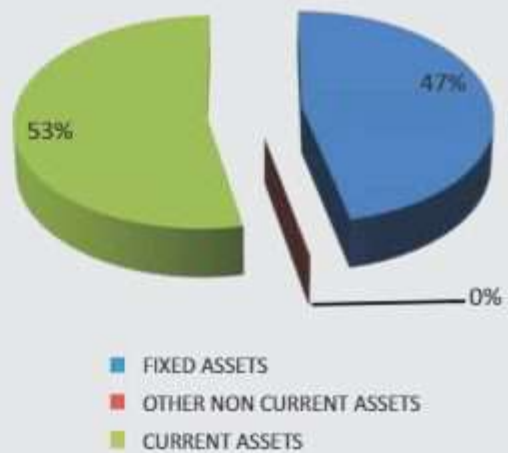
**2019-2020**



**2020-2021**



**2019-2020**







## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIN TEXTILE MILLS LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of Din Textile Mills Limited (the Company), which comprise the statement of financial position as at June 30, 2021 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matter(s)

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.

# Naveed Zafar Ashfaq Jaffery & Co.

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Following are the Key audit matter(s):

| S. No. | Key Audit Matter(s)  | How the matter was addressed in our audit   |
|--------|--|---|
| 01.    | <p><b>Property, Plant and Equipment</b></p> <p>As disclosed in note 5 to the financial statements, the Company has incurred substantial amount of capital expenditure of Rs. 4,332.64 million during the year for enhancement of production and operating capacity.</p> <p>We focused on capital expenditure incurred during the year as this represents a significant transaction for the year and involves certain judgemental areas, such as capitalization of elements of eligible components of cost as per the applicable financial reporting standards, therefore, we have identified this as a key audit matter.</p> | <p>Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• understanding of the design and implementation of management controls over capitalization and testing control over authorization of capital expenditure and accuracy of its recording in the system and impaling policies consistently</li> <li>• testing, on sample basis, the costs incurred on various items with supporting documentation and contracts;</li> </ul> <p>assessing the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards;</p> <ul style="list-style-type: none"> <li>• physical verification of the Additions in fixed assets on sample basis and reviewed the relevant contracts and documents supporting various components of the capitalised cost; and</li> <li>• inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.</li> </ul> |
| 02.    | <p><b>Valuation of Stock-in-Trade</b></p> <p>Refer notes 8 to the financial statements.</p> <p>The Company has stock-in-trade aggregating Rs.4,126.58 million, forming significant part to company's assets. Comprising raw materials, finished goods and work in process.</p>   | <p>Our procedures in relation to this matter included:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of internal controls over purchases and valuation of stock in trade and testing, on a sample basis, their design, implementation and operating effectiveness;</li> </ul>   |

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Web: www.nzaj.com.pk

Following are the Key audit matter(s):

| S. No. | Key Audit Matters   | How the matter was addressed in our audit  |
|--------|---|--|
|        | <p>We identified valuation of stock in trade as key audit matter because stock-in trade constitutes 23.4% of the total assets of the Company as at June 30, 2021 as it directly affects the profitability of the Company.</p>   | <ul style="list-style-type: none"> <li>obtaining an understanding of the basis for the determination of NRV and the key estimates adopted, including future selling prices and costs necessary to make the sales and the basis of the calculation and justification for the amount of the write-downs and provisions;</li> <li>assessing the NRV of stock-in-trade by comparing, on a sample basis, estimation of future selling prices for the products with the selling prices achieved subsequent to the end of the reporting period; and</li> <li>Comparing NRV to the cost of a sample of stock-in-trade and comparison to the associated provision to assess whether stock-in-trade provisions are complete.</li> </ul>  |
| 03.    | <p><b>Valuation of Trade Debts</b></p> <p>Refer notes 9 to the financial Statements and the accounting policy in note 4.8 to the financial statements</p> <p>The Company has significant balance of trade debts. Provision against doubtful trade debts is based on loss allowance for Expected Credit Loss (ECLs).</p> <p>We identified recoverability of trade debts as a key audit matter as it involves significant judgement in determining the recoverable amount of trade debts.</p> | <p>Our audit procedures to assess the valuation of trade debts, amongst others, included the</p> <ul style="list-style-type: none"> <li>obtaining an understanding of and assessing the design and testing implementation of management's key internal controls relating to credit control process (including credit account application approvals credit limit review); and allowances for doubtful debts;</li> <li>obtaining an understanding of the basis for the determination of provision required at the year end and the receivables collection process;</li> <li>testing the accuracy of the data on a sample basis extracted from the Company's accounting system which has been used to calculate the provision required including subsequent recoveries;</li> <li>circularizing direct confirmation to debtors on sample basis; and</li> </ul> |

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Web:www.nzaj.com.pk

Following are the Key audit matter(s):

| S. No. | Key Audit Matters  | How the matter was addressed in our audit   |
|--------|--|---|
|        |  | <ul style="list-style-type: none"> <li>assessing the historical accuracy of Credit loss if any under IFRS 9 by examining the utilization or release of previously recorded provisions for doubtful debts.</li> </ul>  |
| 04.    | <p><b>The Company's exposure to litigation risk</b></p> <p>The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk. In our judgement, the Company has significant litigation cases in respect of tariff difference claimed by Sui Northern Gas Pipelines Limited (SNGPL), levy of Gas Infrastructure Development Cess (GIDC), levy of Cotton Cess, contribution to Employees Old-Age Benefits Institution (EOBI) and Social Security and Custom / Excise and Sales Tax Appellate Tribunal, Karachi regarding penalty and additional tax, details of which are disclosed in notes 15.2 to 15.3 to the annexed financial statements.</p> <p>Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.</p> | <p>Our procedures in relation to this matter included:</p> <ul style="list-style-type: none"> <li>Obtained and reviewed details of the significant pending legal/tax cases and discussed the same with Company's management;</li> <li>Circulated confirmations to the company's external legal and tax counsels for their views on open legal/tax matters;</li> <li>Reviewed correspondence of the company with the relevant authorities;</li> <li>Evaluated rationale provided by the company and opinion of the external legal/tax counsel;</li> <li>Involved internal tax professionals to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the tax advisors engaged by the Company; and</li> <li>Reviewed the disclosures made in the financial statements in respect of such contingencies.</li> </ul> |
| 05.    | <p><b>Borrowings and finance costs</b></p> <p>Refer notes 18 and 29 to the financial statements.</p> <p>The Company has obtained a range of financing facilities from different financial institutions with varying terms and tenure.</p> <p>This was considered to be a key audit matter as these affects Company's gearing, liquidity and solvency.</p>  | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>assessing the design and operating effectiveness of the Company's internal controls over recording the terms and conditions of borrowings from financial institutions, including their classification as either current or non-current and associated costs;</li> </ul>  |

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Following are the Key audit matter(s):

| S. No. | Key Audit Matters   | How the matter was addressed in our audit   |
|--------|---|---|
|        | Further, compliance with debt covenants is a key requirement of these financing arrangements. | <ul style="list-style-type: none"><li>• obtaining confirmations of borrowings as at 30 June 2021 directly from the financial institutions;</li><li>• testing the calculation of mark-up recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with approved accounting standards as applicable in Pakistan; and</li><li>• assessing the adequacy of the Company's compliance with the loan covenants and the disclosure in the financial statements.</li></ul> |

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

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

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

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

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

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

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

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

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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 scepticism 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.



# Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

A Member Firm of:



An Association of  
Independent Accounting Firms

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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:

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

Karachi

Dated : 30 September 2021

*Naveed Zafar Ashfaq Jaffery & Co.*

Chartered Accountants

Engagement Partner: Azeem H. Siddiqui – FCA

Other  
Offices:

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## Statement of Financial Position

As at June 30, 2021

|  | Note | 2021<br>Rupees | 2020<br>Rupees |
|--|------|----------------|----------------|
| <b>NON CURRENT ASSETS</b>                                      |      |                |                |
| Property, plant and equipment                                  | 5    | 9,183,099,754  | 5,809,204,866  |
| Long term deposits   | 6    | 17,530,051     | 17,746,951     |
|  |      | 9,200,629,805  | 5,826,951,817  |
| <b>CURRENT ASSETS</b>  |      |                |                |
| Stores, spare parts and loose tools                            | 7    | 330,089,678    | 321,405,226    |
| Stock in trade   | 8    | 4,126,582,122  | 3,129,278,953  |
| Trade debts  | 9    | 3,289,302,048  | 2,235,985,003  |
| Advances   | 10   | 142,670,030    | 145,883,245    |
| Trade deposits   | 11   | 611,400        | 172,000        |
| Other receivables  | 12   | 74,000,452     | 12,359,207     |
| Tax refunds due from Government                                | 13   | 318,929,055    | 476,345,181    |
| Cash and bank balances   | 14   | 124,780,159    | 309,354,078    |
|  |      | 8,406,964,944  | 6,630,782,893  |
| <b>CURRENT LIABILITIES</b>                                     |      |                |                |
| Trade and other payables                                       | 15   | 4,847,820,538  | 3,501,042,695  |
| Contract liabilities   |      | 6,739,305      | -              |
| Unclaimed dividend   |      | 5,857,561      | 5,912,860      |
| Accrued mark up / interest                                     | 16   | 156,645,885    | 127,201,456    |
| Short term borrowings - Secured                                | 17   | 498,470,343    | 1,974,513,110  |
| Current portion of<br>Long term financing - Secured            | 18   | 1,100,956,126  | 67,474,738     |
|  |      | 6,616,489,758  | 5,676,144,859  |
| <b>WORKING CAPITAL</b>   |      | 1,790,475,186  | 954,638,034    |
| <b>TOTAL CAPITAL EMPLOYED</b>                                  |      | 10,991,104,991 | 6,781,589,851  |
| <b>NON CURRENT LIABILITIES</b>                                 |      |                |                |
| Long term financing  | 18   | 6,003,056,182  | 3,495,521,020  |
| Deferred liabilities   |      |                |                |
| Staff retirement benefits - gratuity                           | 19   | 165,428,800    | 139,872,106    |
| Deferred taxation  | 20   | 146,132,696    | 36,316,450     |
|  |      | 6,314,617,678  | 3,671,709,576  |
| <b>CONTINGENCIES AND COMMITMENTS</b>                           | 21   |                |                |
| <b>NET WORTH</b>   |      | 4,676,487,313  | 3,109,880,275  |
| <b>EQUITY</b>  |      |                |                |
| <b>SHARE CAPITAL AND RESERVES</b>                              |      |                |                |
| Authorized capital   |      |                |                |
| 200,000,000 (2020: 200,000,000) ordinary shares of Rs. 10 each |      | 2,000,000,000  | 2,000,000,000  |
| <b>Net Worth Represented by:</b>                               |      |                |                |
| Issued, subscribed and paid up capital                         |      |                |                |
| 52,466,749 (2020: 52,466,749) ordinary shares of Rs. 10/- each | 22   | 524,667,490    | 524,667,490    |
| Reserves   | 23   | 4,151,819,823  | 2,585,212,785  |
|  |      | 4,676,487,313  | 3,109,880,275  |

The annexed notes from 1 to 44 form an integral part of these financial statements.

SHAIKH MUHAMMAD TAYEER  
Chief Executive

FARHAD SHAIKH MOHAMMAD  
Director

SHAIKH MUHAMMAD TAYEER  
Chief Financial Officer

## Statement of Profit or Loss

For the year ended June 30, 2021

|  | Note | 2021<br>Rupees   | 2020<br>Rupees   |
|--|------|------------------|------------------|
| Sales - net                            | 24   | 17,641,434,612   | 12,482,831,245   |
| Cost of sales                          | 25   | (14,528,487,446) | (11,189,621,786) |
| Gross profit                           |      | 3,112,947,166    | 1,293,209,459    |
| Distribution cost                      | 26   | 106,922,722      | 54,419,678       |
| Administrative expenses                | 27   | 294,469,844      | 203,346,873      |
| Other operating expenses               | 28   | 151,042,866      | 49,916,848       |
| Finance cost                           | 29   | 700,728,356      | 814,752,986      |
|  |      | 1,253,163,788    | 1,122,436,385    |
|  |      | 1,859,783,378    | 170,773,074      |
| Other income                           | 30   | 77,233,269       | 6,949,219        |
| Profit before taxation                 |      | 1,937,016,647    | 177,722,293      |
| Taxation                               | 31   | (374,095,661)    | (141,086,740)    |
| Profit for the year                    |      | 1,562,920,986    | 36,635,553       |
| Earnings per share - basic and diluted | 32   | 29.79            | 0.86             |

The annexed notes from 1 to 44 form an integral part of these financial statements.

SHAIKH MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAIKH MOHAMMAD  
Director

SHAUKAT HUSSAIN CHAUDHARY  
Chief Financial Officer



# Statement of Comprehensive Income

## For the year ended June 30, 2021

|  | 2021<br>Rupees | 2020<br>Rupees |
|--|----------------|----------------|
| Profit for the year  | 1,562,920,986  | 36,635,553     |
| Items that will not be subsequently reclassified to<br>Statement of Profit or Loss |                |                |
| Remeasurements of staff retirement benefits  |                |                |
| Remeasurement recognized   | 4,662,369      | 4,653,375      |
| Related deferred taxation  | (976,317)      | (973,354)      |
|  | 3,686,052      | 3,680,021      |
| Total comprehensive Income for the year  | 1,566,607,038  | 40,315,574     |

The annexed notes from 1 to 44 form an integral part of these financial statements.

SHAikh MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAikh MOHAMMAD  
Director

SHAUKAT HUSSAIN CHAUDHARY  
Chief Financial Officer

# Statement of Cash Flows

For the year ended June 30, 2021

|  | Note | 2021<br>Rupees  | 2020<br>Rupees  |
|--|------|-----------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |      |                 |                 |
| Profit before taxation                                     |      | 1,937,016,647   | 177,722,293     |
| Adjustments for:   |      |                 |                 |
| Depreciation   |      | 661,695,807     | 505,055,778     |
| Staff retirement benefits - gratuity                       |      | 77,520,890      | 68,298,835      |
| Workers' profit participation fund                         |      | 104,028,821     | 9,652,110       |
| Workers' welfare fund                                      |      | 39,530,952      | 3,667,802       |
| Provisions for doubtful debts                              |      | -               | 2,000,000       |
| Government grant   |      | (76,968,636)    | (1,130,391)     |
| Finance cost   |      | 700,728,356     | 814,752,986     |
| Loss / (Gain) on disposal of property, plant and equipment |      | 5,411,656       | (5,809,267)     |
|  |      | 1,511,947,846   | 1,396,487,853   |
| Profit before working capital changes                      |      | 3,448,964,493   | 1,574,210,146   |
| (Increase) / Decrease in current assets                    |      |                 |                 |
| Stores, spare parts and loose tools                        |      | (8,684,452)     | 151,429,628     |
| Stock in trade   |      | (997,303,169)   | 336,878,430     |
| Trade debts  |      | (1,053,317,045) | (705,751,034)   |
| Advances   |      | 3,213,215       | 197,705,497     |
| Other receivables  |      | (61,641,245)    | (1,322,347)     |
|  |      | (2,117,732,696) | (21,059,826)    |
| Increase / (Decrease) in current liabilities               |      |                 |                 |
| Trade and other payables                                   |      | (1,141,811,400) | 1,358,324,431   |
| Payable against murabaha financing                         |      | 2,433,072,097   | (932,229,094)   |
|  |      | 1,291,260,697   | 426,095,337     |
| Cash generated from operations                             |      | 2,622,492,494   | 1,979,245,657   |
| Finance cost paid  |      | (593,490,993)   | (876,010,285)   |
| Taxes (paid) / refund received                             |      | (103,857,520)   | 70,254,816      |
| Dividend paid  |      | (55,299)        | (72,158,819)    |
| Workers' profit participation fund paid                    |      | (86,109,706)    | (22,619,047)    |
| Staff retirement benefits - gratuity paid                  |      | (47,301,827)    | (40,538,731)    |
|  |      | (830,815,345)   | (941,072,066)   |
| Net cash generated from operating activities               |      | 1,791,677,149   | 1,038,173,591   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |      |                 |                 |
| Proceeds from sale of property, plant and equipment        |      | 18,782,700      | 41,110,697      |
| Fixed capital expenditure                                  |      | (4,059,785,051) | (2,362,286,455) |
| Long term deposits - net                                   |      | (222,500)       | 972,910         |
| Net cash used in investing activities                      |      | (4,041,224,851) | (2,320,202,848) |
| Net cash utilized after investing activities               |      | (2,249,547,702) | (1,282,029,257) |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |      |                 |                 |
| Issuance of shares   |      | -               | 979,379,310     |
| Long term financing  |      | 3,541,016,550   | 841,430,900     |
| Net cash generated from financing activities               |      | 3,541,016,550   | 1,820,810,210   |
| Net Increase in cash and cash equivalents                  |      | 1,291,468,848   | 538,780,953     |
| Cash and cash equivalents at the beginning of the year     |      | (1,665,159,032) | (2,203,939,985) |
| Cash and cash equivalents at the end of the year           |      | (373,690,184)   | (1,665,159,032) |
| <b>CASH AND CASH EQUIVALENTS</b>                           |      |                 |                 |
| Cash and bank balances                                     | 14   | 124,780,159     | 309,354,078     |
| Short term borrowings                                      | 17   | (498,470,343)   | (1,974,513,110) |
|  |      | (373,690,184)   | (1,665,159,032) |

The annexed notes from 1 to 44 form an integral part of these financial statements.

SHAikh MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAikh MOHAMMAD  
Director

SHAUKAT HUSSAIN CHAUDHARY  
Chief Financial Officer

# Statement of Changes in Equity

For the year ended June 30, 2021

| Particulars  | Share capital | Reserves      |             |                       | Sub total     | Total         |
|--|---------------|---------------|-------------|-----------------------|---------------|---------------|
|  |               | Capital       | Revenue     |                       |               |               |
|  |               | Share Premium | General     | Unappropriated profit |               |               |
| Rupees   |               |               |             |                       |               |               |
| Balance as at June 30, 2019  | 291,481,940   | -             | 400,000,000 | 1,471,573,936         | 1,871,573,936 | 2,163,055,876 |
| 80% Right share issued @ Rs 42/- per share with Rs. 32/- premium per share | 233,185,550   | 746,193,760   | -           | -                     | 746,193,760   | 979,379,310   |
| 25% cash dividend for the year ended June 30, 2019 @ Rs 2.50/- per share   | -             | -             | -           | (72,870,485)          | (72,870,485)  | (72,870,485)  |
| Total comprehensive income for the year                                    | -             | -             | -           | 40,315,574            | 40,315,574    | 40,315,574    |
| Balance as at June 30, 2020  | 524,667,490   | 746,193,760   | 400,000,000 | 1,439,019,025         | 2,585,212,785 | 3,109,880,275 |
| Total comprehensive income for the year                                    | -             | -             | -           | 1,566,607,038         | 1,566,607,038 | 1,566,607,038 |
| Balance as at June 30, 2021  | 524,667,490   | 746,193,760   | 400,000,000 | 3,005,626,063         | 4,151,819,823 | 4,676,487,313 |

The annexed notes from 1 to 44 form an integral part of these financial statements.

SHAikh MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAikh MOHAMMAD  
Director

SHAUKAT HUSSAIN CHAUDHARY  
Chief Financial Officer



# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The company is limited by shares, incorporated in Pakistan on June 13, 1988 and is quoted on Pakistan stock exchange (Formerly: Karachi Stock Exchange Limited). The registered office of the company is situated at 35 - A / 1 Lalazar Area, Opposite Beach Luxury Hotel, Karachi in the province of Sindh, Pakistan.
- 1.2 The principal business of the company is to manufacture and sale of yarn and fabric. The manufacturing units are located at Pattoki and Raiwind in the province of Punjab.
  - a) Unit-I and II: Kot akbar Khan, 70 Km Multan Road, Tehsil Pattoki, District Kasur, Punjab.
  - b) Unit-III and Weaving: Revenue Estate, Bhai Kot, Tablighi Chowk, Raiwind Road, Tehsil and District Lahore - Punjab.
  - c) Unit-IV: Dars Road, Off Raiwind Manga Road, Bachuki Majha Distt. Kasur

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountant of Pakistan as notified under the Companies Act, 2017 and Provisions of and directives issued under the Companies Act, 2017.
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 2.2 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the company's functional and presentation currency and figures are rounded to the nearest rupee.

### 2.3 Changes in accounting standards, interpretations and pronouncements

#### 2.3.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year and are relevant:

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 1 July 2020. However, these do not have any significant impact on the Company's financial reporting and therefore have not been detailed in these financial statements.

#### 2.3.2 Standards, interpretations and amendments to existing standards that are applicable to the company but are not yet effective:

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 1 July 2021:

- Interest Rate Benchmark Reform - Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is

applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

- **Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)** effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarify what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- **Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)** effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- **Reference to the Conceptual Framework (Amendments to IFRS 3)** - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
- **Classification of liabilities as current or non-current (Amendments to IAS 1)** amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

**Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)** - the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:



- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

### **2.3.3 Annual Improvements to IFRS 2018-2020 Cycle - the improvements address amendments to following approved accounting standards**

- IFRS 9 - The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 - The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The above amendments are effective from annual period beginning on or after 1 January 2022 and are not likely to have an impact on the Company's financial statements.

### **2.3.4 The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.**

- Definition of Accounting Estimates (Amendments to IAS 8) - The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.
- The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) - The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

The above amendments are effective from annual period beginning on or after 01 July 2021 and are not likely to have impact on the Company's financial statements.



### **3 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention on accrual basis except cash flows and for revaluation of certain financial instruments at fair value and recognition of certain staff retirement benefits at present value.

The company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies which the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows.

#### **3.1 Provision for taxation**

The company takes into account the current income tax law and decisions taken by the appellate authorities. Instances where the company's view differs from the view taken by the income tax department at the assessment stage and where the company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

#### **3.2 Staff retirement benefits - gratuity**

Certain actuarial assumptions have been adopted as disclosed in relevant note to the financial statements for valuation of present value of defined benefit obligation. Any changes in these assumptions in future year might affect unrecognized gains and losses in those years.

#### **3.3 Financial instruments**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on market conditions existing at Statement of Financial Position date.

#### **3.4 Property, plant and equipment**

The company reviews recoverable amount, useful life, residual value and possible impairment on an annual basis. Any changes, if material in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

#### **3.5 Other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows.**

- 3.5.1** Provision for doubtful debts
- 3.5.2** Estimation of net realizable value
- 3.5.3** Computation of deferred taxation
- 3.5.4** Disclosure of contingencies

### **4 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies set out below are consistently applied for all periods presented in these financial statements.

#### **4.1 Property, plant and equipment - owned**

##### **Recognition**

Property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any

identified impairment loss. Cost of tangible assets consists of historical cost pertaining to erection / construction period and other directly attributable cost of bringing the asset to working condition.

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

#### **Depreciation**

Depreciation on all items of property, plant and equipment except for freehold land is charged to statement of profit or loss applying the reducing balance method so as to write off historical cost of an asset over its estimated useful life at the rates as disclosed in note 5. Depreciation on additions is charged from the month in which the asset is acquired or capitalized while no depreciation is charged in the month of disposal.

#### **Derecognition**

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

### **4.2 Right-of-use asset**

Effective July 1, 2019, the right-of-use asset is initially measured based on the initial measurement of lease liability, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently measured at cost model. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term.

### **4.3 Capital work in progress**

Capital work in progress is stated at cost less any identified impairment loss. Transfers are made to relevant fixed assets category as and when assets are available for use.

### **4.4 Long term deposits**

These are stated at cost which represents the fair value of consideration given.

### **4.5 Investments**

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.



#### 4.5.1 Investment in subsidiary and associated companies

Investments in subsidiaries and Associates are recognized at cost less impairment loss, if any. At each Statement of Financial Position date, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense. Where impairment losses subsequently reverses, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the Statement of Profit or Loss.

#### 4.5.2 Derecognition

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

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at Fair Value Through Other Comprehensive Income (FVTOCI), the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

All purchases and sales are recognized on the trade date which is the date that the company commits to purchase or sell the investment, except for sale and purchase of securities in future market which are accounted for at settlement date. Cost of purchase includes transaction cost.

#### 4.6 Stores, spare parts and loose tools

These are valued at lower of cost and net realizable value. Cost is determined by moving average method. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

#### 4.7 Stock in trade

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

##### 4.7.1 Raw material

|            |   |
|------------|---|
| In hand    | Weighted average cost   |
| In transit | Cost comprising invoice value plus other charges incurred thereon |

4.7.2 Work in process      Raw material cost plus appropriate manufacturing overheads

4.7.3 Finished goods      Raw material cost plus appropriate manufacturing overheads

4.7.4 Waste      Net realizable value

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



#### **4.8 Trade debts and other receivables**

Trade debts originated by the company are recognized and carried at original invoice value less any allowance for uncollectable amounts. An estimated provision for doubtful debts is made when there is objective evidence that collection of the full amount is no longer probable. The amount of provision is charged to statement of profit or loss. Bad debts are written off as incurred. Other receivables are stated at amortized cost. Known impaired receivables are written off, while receivables considered doubtful are provided for.

#### **4.9 Cash and cash equivalents**

Cash in hand, cash at bank and short term deposits, which are held to maturity, are carried at cost. For the purpose of cash flow statements, cash and cash equivalent comprise cash in hand, with banks on current & saving accounts and short term borrowings.

#### **4.10 Staff retirement benefits**

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

The company operates an unfunded gratuity scheme covering for all its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity.

Provision is made annually to cover the obligation on the basis of actuarial valuation and charged to statement of profit or loss currently. The most recent actuarial valuation was carried on June 30, 2021 using the Projected Unit Credit Method.

Expense comprising of current service cost and interest cost is recorded in Statement of Profit or Loss, whereas any remeasurements due to actuarial assumptions are charged to other comprehensive income as and when they arise.

#### **4.11 Taxation**

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

##### **4.11.1 Current**

Provision for current taxation is based on taxability of certain income streams of the company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credit and tax rebates available, if any. The charge for current tax includes any adjustment to past years liabilities.

##### **4.11.2 Deferred**

Deferred tax is provided, using the Statement of Financial Position liability method, on all temporary differences at the Statement of Financial Position date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor taxable profits.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial

Position 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.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted at the Statement of Financial Position date.

#### **4.12 Trade and other payables**

Liabilities for trade and other payable are carried at fair value plus any attributable cost, to be paid in the future for goods and services received, whether or not billed to the company, and subsequently measured at amortized cost using the effective interest method.

#### **4.13 Ijarah**

In ijarah transactions' significant portion of the risks and rewards of ownership are retained by the lessor. Islamic Financial Accounting Standard 2 - 'Ijarah', issued by the Institute of Chartered Accountants of Pakistan, requires the recognition of 'ujrah payments' (lease rentals) against ijarah financing as an expense in the statement of profit or loss on a straight-line basis over the ijarah term.

#### **4.14 Provisions**

A provision is recognized in the Statement of Financial Position when the company has a legal or constructive obligation as a result of past event, and it is probable that an out flow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

#### **4.15 Borrowings and borrowing costs**

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently at amortized cost.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its commissioning.

#### **4.16 Revenue recognition**

Revenue from contracts with customers is recognized at the point in time when the performance obligation is satisfied i.e. control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods.

#### **4.17 Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rate of exchange prevailing at the Statement of Financial Position date, except those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Non monetary items are translated into Pak Rupee on the date of transaction or on the date when fair values are determined. Exchange differences are included in statement of profit or loss currently. Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of the transaction.



## **4.18 Financial instruments**

### **4.18.1 Financial Assets**

#### **Initial Measurement**

Initially, the company classifies its financial assets as fair value through other comprehensive income (FVTOCI), fair value through profit or loss (FVTPL), and measured at amortized cost. These are measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. For an item at FVTPL, transaction cost is charged to statement of profit or loss.

#### **Subsequent Measurement**

Debt instruments at FVTOCI are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Equity instruments at FVTOCI are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

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

### **4.18.2 Financial Liabilities**

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

## **4.19 Offsetting of financial assets and liabilities**

A financial asset and financial liability is offset and the net amount is reported in the Statement of Financial Position if the company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and the liabilities simultaneously.

## **4.20 Impairment**

At each Statement of Financial Position date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is the higher of sale value less cost to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an immediately.



Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

#### **4.21 Related party transactions**

All transactions with related parties are carried out by the company at arms' length price using the method prescribed under the Companies Act 2017 with the exception of loan taken from related parties which is interest / mark up free.

#### **4.22 Segment reporting**

Segment reporting is based on the operating (business) segments of the entity. An operating segment is a component of the entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the entity's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker ('CODM') to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the entity that makes the strategic decisions.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

Transactions among the business segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

#### **4.23 Government grants**

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of government refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

#### **4.24 Research and development cost**

Research and development cost is charged to statement of profit or loss in the year in which it is incurred.

## 4.25 Dividend

The dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

## 5 PROPERTY, PLANT AND EQUIPMENT

|                                    | Note | 2021<br>Rupees       | 2020<br>Rupees       |
|------------------------------------|------|----------------------|----------------------|
| Operating fixed assets             | 5.1  | 8,988,515,953        | 5,341,764,723        |
| Capital work in progress - at cost | 5.2  | 194,583,801          | 467,440,143          |
|                                    |      | <b>9,183,099,754</b> | <b>5,809,204,866</b> |

### 5.1 Operating fixed assets

| 2021                      |                          |                                |                          |  |   |  |                                |                            |
|---------------------------|--------------------------|--------------------------------|--------------------------|--|---|--|--------------------------------|----------------------------|
|                           | Cost as at July 01, 2020 | Additions / (deletions)        | Cost as at June 30, 2021 | Accumulated depreciation as at July 01, 2020 | Depreciation charge / (deletion) for the year | Accumulated depreciation as at June 30, 2021 | Book value as at June 30, 2021 | Annual depreciation rate % |
|                           | Rupees                   |                                |                          |  |   |  |                                |                            |
| <b>Owned Assets</b>       |                          |                                |                          |  |   |  |                                |                            |
| Freehold land             | 198,093,786              | -                              | 198,093,786              | -  | -   | -  | 198,093,786                    | 0%                         |
| Building on freehold land | 1,037,711,887            | 961,802,634                    | 1,999,514,521            | 546,228,204                                  | 86,896,586                                    | 633,124,790                                  | 1,366,389,731                  | 10%                        |
| Plant and machinery       | 7,965,577,248            | 3,311,739,021<br>(94,518,250)  | 11,182,798,019           | 3,535,355,689                                | 543,960,816<br>(70,738,116)                   | 4,008,578,389                                | 7,174,219,630                  | 10%                        |
| Electric installation     | 310,206,967              | 18,452,494                     | 328,659,461              | 168,713,766                                  | 15,159,329                                    | 183,873,095                                  | 144,786,366                    | 10%                        |
| Tools and equipment       | 63,699,374               | 1,621,790                      | 65,321,164               | 51,487,271                                   | 1,321,889                                     | 52,809,160                                   | 12,512,004                     | 10%                        |
| Furniture and fixture     | 41,637,897               | 14,258,365                     | 55,896,262               | 20,098,825                                   | 2,735,014                                     | 22,833,839                                   | 33,062,423                     | 10%                        |
| Office equipment          | 9,855,669                | 2,927,668                      | 12,783,337               | 6,030,986                                    | 502,082                                       | 6,533,068                                    | 6,250,269                      | 10%                        |
| Computers                 | 18,360,674               | 5,495,878                      | 23,856,552               | 13,602,639                                   | 2,274,688                                     | 15,877,327                                   | 7,979,225                      | 30%                        |
| Vehicles                  | 53,398,829               | 16,343,543<br>(1,188,003)      | 68,554,369               | 15,260,228                                   | 8,845,403<br>(773,781)                        | 23,331,850                                   | 45,222,519                     | 20%                        |
| 30-Jun-21                 | 9,698,542,331            | 4,332,641,393<br>(95,706,253)  | 13,935,477,471           | 4,356,777,608                                | 661,695,807<br>(71,511,897)                   | 4,946,961,518                                | 8,988,515,953                  |                            |
| 2020                      |                          |                                |                          |  |   |  |                                |                            |
|                           | Cost as at July 01, 2019 | Additions / (deletions)        | Cost as at June 30, 2020 | Accumulated depreciation as at July 01, 2019 | Depreciation charge / (deletion) for the year | Accumulated depreciation as at June 30, 2020 | Book value as at June 30, 2020 | Annual depreciation rate % |
|                           | Rupees                   |                                |                          |  |   |  |                                |                            |
| <b>Owned Assets</b>       |                          |                                |                          |  |   |  |                                |                            |
| Freehold land             | 174,304,150              | 23,789,636                     | 198,093,786              | -  | -   | -  | 198,093,786                    | 0%                         |
| Building on freehold land | 926,823,472              | 110,888,415                    | 1,037,711,887            | 502,151,489                                  | 44,076,715                                    | 546,228,204                                  | 491,483,683                    | 10%                        |
| Plant and machinery       | 6,364,564,407            | 1,740,760,168<br>(139,747,327) | 7,965,577,248            | 3,206,536,289                                | 435,599,238<br>(106,779,838)                  | 3,535,355,689                                | 4,430,221,559                  | 10%                        |
| Electric installation     | 294,673,841              | 15,533,126                     | 310,206,967              | 153,962,827                                  | 14,750,939                                    | 168,713,766                                  | 141,493,201                    | 10%                        |
| Tools and equipment       | 63,699,374               | -                              | 63,699,374               | 50,130,371                                   | 1,356,900                                     | 51,487,271                                   | 12,212,103                     | 10%                        |
| Furniture and fixture     | 39,216,376               | 2,421,521                      | 41,637,897               | 17,858,652                                   | 2,240,173                                     | 20,098,825                                   | 21,539,072                     | 10%                        |
| Office equipment          | 9,457,760                | 397,909                        | 9,855,669                | 5,625,355                                    | 405,631                                       | 6,030,986                                    | 3,824,683                      | 10%                        |
| Computers                 | 16,282,794               | 2,077,880                      | 18,360,674               | 12,177,710                                   | 1,424,929                                     | 13,602,639                                   | 4,758,035                      | 30%                        |
| Vehicles                  | 27,181,352               | 33,124,636<br>(6,907,159)      | 53,398,829               | 14,632,193                                   | 5,201,253<br>(4,573,218)                      | 15,260,228                                   | 38,138,601                     | 20%                        |
| 30-Jun-20                 | 7,916,203,526            | 1,928,993,291<br>(146,654,486) | 9,698,542,331            | 3,963,074,886                                | 505,055,778<br>(111,353,056)                  | 4,356,777,608                                | 5,341,764,723                  |                            |

5.1.1 Depreciation for the year has been allocated as under.

|                         | 2021<br>Rupees     | 2020<br>Rupees     |
|-------------------------|--------------------|--------------------|
| Cost of sales           | 655,104,862        | 500,314,382        |
| Administrative expenses | 6,590,945          | 4,741,396          |
|                         | <b>661,695,807</b> | <b>505,055,778</b> |

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

| Location  | Usage of immovable property | Total Area (in acres)  | Covered Area (in sq.ft) |
|---|-----------------------------|------------------------|-------------------------|
| Kot Akbar Khan, 70 Km Multan Road, Tehsil Pattoki, Distt. Kasur, Punjab                 | Manufacturing Facility      | 37.50                  | 648,163                 |
| Revenue Estate, Bhai Kot, Tablighi Chowk, Rawind Road, Tehsil and Distt. Lahore, Punjab | Manufacturing Facility      | 51.99                  | 694,603                 |
| Dars Road, Off Raiwind Manga Road, Bachuki Majha, Distt. Kasur                          | Manufacturing Facility      | 27.50                  | 355,688                 |
|   |                             | <b>2021<br/>Rupees</b> | <b>2020<br/>Rupees</b>  |

5.2 Capital work in progress - at cost

|                        |                    |                    |
|------------------------|--------------------|--------------------|
| Building - civil works | 50,967,736         | 222,898,045        |
| Plant and machinery    | 103,733,261        | 222,318,502        |
| Electric Installation  | 28,909,078         | 14,269,265         |
| Intangible Assets      | 10,973,726         | 7,954,331          |
|                        | <b>194,583,801</b> | <b>467,440,143</b> |

The movement in capital work in progress is as follows.

|                                      |                    |                    |
|--------------------------------------|--------------------|--------------------|
| Balance at the beginning of the year | 467,440,143        | 34,146,979         |
| Additions during the year            |                    |                    |
| Building - civil works               | 789,872,325        | 307,185,572        |
| Plant and Machinery                  | 3,193,153,780      | 1,963,078,670      |
| Electric installation                | 33,092,307         | 29,802,391         |
| Intangible Asset                     | 3,019,395          | 408,240            |
|                                      | 4,019,137,807      | 2,300,474,873      |
| Transfer to operating fixed assets   |                    |                    |
| Building - civil works               | 961,802,634        | 110,888,415        |
| Plant and Machinery                  | 3,311,739,021      | 1,740,760,168      |
| Electric installation                | 18,452,494         | 15,533,126         |
|                                      | 4,291,994,149      | 1,867,181,709      |
| Balance at the end of the year       | <b>194,583,801</b> | <b>467,440,143</b> |

5.3 Disposal of property, plant and equipment

| Particulars  | Cost              | Accumulated depreciation | Written down value | Sale proceeds     | Gain / (Loss)      | Mode of disposal |
|--|-------------------|--------------------------|--------------------|-------------------|--------------------|------------------|
| Rupees   |                   |                          |                    |                   |                    |                  |
| Items with individual net amount exceeding Rs.500,000 each   |                   |                          |                    |                   |                    |                  |
| Plant and machinery  |                   |                          |                    |                   |                    |                  |
| Autocone Schlafhorst   | 19,276,938        | 13,081,905               | 6,195,033          | 4,017,094         | (2,177,939)        | Negotiation      |
| B-11 China   | 900,000           | 150,206                  | 749,794            | 179,487           | (570,307)          | Negotiation      |
| Comber Machine   | 9,512,736         | 8,828,541                | 684,195            | 1,880,342         | 1,196,147          | Negotiation      |
| Ring Frame Toyota 480 Spindles                               | 1,400,000         | 170,722                  | 1,229,278          | 1,282,051         | 52,773             | Negotiation      |
| Savio Cone Winder - ORION                                    | 44,465,087        | 35,766,071               | 8,699,016          | 2,991,453         | (5,707,563)        | Negotiation      |
| Simplex Drawframe  | 9,698,574         | 6,700,464                | 2,998,110          | 2,051,282         | (946,828)          | Negotiation      |
| Yarn Slub Device   | 5,328,721         | 2,365,116                | 2,963,604          | 3,978,000         | 1,014,396          | Negotiation      |
| Sub total  | <b>90,582,056</b> | <b>67,063,025</b>        | <b>23,519,030</b>  | <b>16,379,709</b> | <b>(7,139,321)</b> |                  |
| Various assets having net book amount up to Rs. 500,000 each |                   |                          |                    |                   |                    |                  |
| Machinery  | 3,936,194         | 3,675,090                | 261,104            | 1,952,991         | 1,691,887          |                  |
| Vehicles   | 1,188,003         | 773,782                  | 414,221            | 450,000           | 35,779             |                  |
| Sub total  | <b>5,124,197</b>  | <b>4,448,872</b>         | <b>675,325</b>     | <b>2,402,991</b>  | <b>1,727,666</b>   |                  |
| Grand total  | <b>95,706,253</b> | <b>71,511,897</b>        | <b>24,194,356</b>  | <b>18,782,700</b> | <b>(5,411,656)</b> |                  |



|  | Note    | 2021<br>Rupees | 2020<br>Rupees |
|--|---------|----------------|----------------|
| <b>5.4</b>   |         |                |                |
| Loss / (Gain) on disposal property of plant and equipment  |         |                |                |
| Cost   |         | 95,706,253     | 146,654,486    |
| Less : Accumulated depreciation                            |         | (71,511,897)   | (111,353,056)  |
| Sale proceeds  |         | 24,194,356     | 35,301,430     |
| Loss / (Gain) on disposal of property, plant and equipment | 28 & 30 | (5,411,656)    | (5,809,267)    |
| (Gain) on disposal of property, plant and equipment        |         | (3,990,981)    | (9,651,860)    |
| Loss on disposal of property, plant and equipment          |         | 9,402,637      | 3,842,593      |
| <b>6</b>   |         |                |                |
| <b>LONG TERM DEPOSITS</b>                                  |         |                |                |
| Security deposits  |         |                |                |
| Electricity - WAPDA  | 6.1     | 15,968,651     | 15,968,651     |
| Ijarah Deposits  | 6.2     | 1,170,700      | 1,387,600      |
| Others   | 6.1     | 390,700        | 390,700        |
|  |         | 17,530,051     | 17,746,951     |

6.1 These deposits are non-interest bearing.

6.2 These represents deposits against the vehicles under Ijarah agreement obtained from Habib Metropolitan Bank Limited - Islamic banking branch and hence carry no markup.

|  | Note | 2021<br>Rupees | 2020<br>Rupees |
|--|------|----------------|----------------|
| <b>7</b>                                   |      |                |                |
| <b>STORES, SPARE PARTS AND LOOSE TOOLS</b> |      |                |                |
| Stores - at mills                          |      | 108,825,748    | 127,952,046    |
| Stores - in transit                        |      | 47,622,949     | 21,236,553     |
| Spare parts                                |      | 173,475,436    | 172,041,496    |
| Loose tools                                |      | 165,545        | 175,131        |
|  |      | 330,089,678    | 321,405,226    |
| <b>8</b>                                   |      |                |                |
| <b>STOCK IN TRADE</b>                      |      |                |                |
| Raw material                               |      |                |                |
| Raw material in hand                       |      | 2,636,900,101  | 1,801,904,694  |
| Raw material in transit                    |      | 482,909,630    | 338,327,784    |
| Work in process                            |      | 295,916,487    | 132,622,559    |
| Finished goods                             | 8.1  | 660,091,697    | 783,526,866    |
| Waste                                      |      | 20,206,167     | 49,508,911     |
| Packing material                           |      | 30,558,040     | 23,388,139     |
|  |      | 4,126,582,122  | 3,129,278,953  |

8.1 Finished goods amounting to Rs. 2,389,662 (June 30, 2020 : Rs 127,560,820) are stated at their net realizable value aggregating Rs. 2,182,044 (June 30, 2020 : Rs. 119,572,509). The amount charged to statement of profit or loss in respect of stocks written down to their net realizable value is Rs. 207,618 (June 30, 2020 : Rs. 7,988,311).

|                              | Note | 2021<br>Rupees | 2020<br>Rupees |
|------------------------------|------|----------------|----------------|
| <b>9</b>                     |      |                |                |
| <b>TRADE DEBTS</b>           |      |                |                |
| Considered good              |      |                |                |
| Secured                      | 9.1  | 1,296,886,347  | 342,746,674    |
| Unsecured                    | 9.2  | 1,992,415,701  | 1,893,238,329  |
|                              |      | 3,289,302,048  | 2,235,985,003  |
| Considered doubtful          |      | 2,000,000      | 2,000,000      |
|                              |      | 3,291,302,048  | 2,237,985,003  |
| Provision for doubtful debts |      | (2,000,000)    | (2,000,000)    |
|                              |      | 3,289,302,048  | 2,235,985,003  |

9.1 This represents trade debts arising on account of export sales which are secured by way of Export letter of credit.

9.2 It includes an amount Rs. 19,511,789 (June 30, 2020 : Rs 1,572,426) receivable from Din Industries Limited.

9.3 The maximum outstanding amount receivable from related parties at the end of any month during the year was Rs. 19.512 Million (June 30, 2020: Rs. 1.572 Million).

9.4 The aging of trade debts from related parties as at reporting date is as under:

|                      | Note | 2021<br>Rupees    | 2020<br>Rupees   |
|----------------------|------|-------------------|------------------|
| Not past due         |      | 11,007,181        | -                |
| Past due 0 - 30 days |      | 8,504,608         | 1,572,426        |
| Above 30 days        |      | -                 | -                |
|                      |      | <b>19,511,789</b> | <b>1,572,426</b> |

**10 ADVANCES - Considered good**

|                                       |      |                    |                    |
|---------------------------------------|------|--------------------|--------------------|
| Unsecured                             |      |                    |                    |
| Advance to employees against wages    |      | 7,376,405          | 7,555,607          |
| Advance to employees against expenses |      | 3,626,501          | 1,382,407          |
| Advances to suppliers                 |      | 129,262,146        | 134,020,265        |
| Secured                               |      |                    |                    |
| Advance against letter of credit      | 10.1 | 2,404,978          | 2,924,966          |
|                                       |      | <b>142,670,030</b> | <b>145,883,245</b> |

10.1 These advances are secured against Import letter of credit.

10.2 These advances are non-interest bearing.

|                          | Note | 2021<br>Rupees | 2020<br>Rupees |
|--------------------------|------|----------------|----------------|
| <b>11 TRADE DEPOSITS</b> |      |                |                |
| Security deposits        |      |                |                |
| Ijarah Deposits          | 11.1 | 439,400        | -              |
| Others                   | 11.2 | 172,000        | 172,000        |
|                          |      | <b>611,400</b> | <b>172,000</b> |

11.1 These represents deposits against the vehicles under Ijarah agreement obtained from Habib Metropolitan Bank Limited - Islamic banking branch and hence carry no markup.

11.2 These deposits are non-interest bearing.

|                             | Note | 2021<br>Rupees    | 2020<br>Rupees    |
|-----------------------------|------|-------------------|-------------------|
| <b>12 OTHER RECEIVABLES</b> |      |                   |                   |
| Export rebate               | 12.1 | 718,220           | 371,068           |
| Cotton claims receivable    | 12.1 | 22,005,899        | 7,295,372         |
| Others                      |      | 51,276,333        | 4,692,767         |
|                             |      | <b>74,000,452</b> | <b>12,359,207</b> |

12.1 These are non-interest bearing receivable.

|  | Note | 2021<br>Rupees     | 2020<br>Rupees     |
|--|------|--------------------|--------------------|
| <b>13 TAX REFUND DUE FROM THE GOVERNMENT</b> |      |                    |                    |
| Income Tax                                   |      |                    |                    |
| Opening balance                              |      | 363,446,890        | 347,544,548        |
| Paid/ Adjusted during the year -Net          |      | 46,487,485         | 151,266,015        |
| Less: Provision for the year                 |      | (265,255,732)      | (135,363,673)      |
|  |      | <b>144,678,643</b> | <b>363,446,890</b> |
| Sales Tax                                    |      | 174,250,412        | 112,898,291        |
|  |      | <b>318,929,055</b> | <b>476,345,181</b> |

**14 CASH AND BANK BALANCES**

|                      |             |                    |                    |
|----------------------|-------------|--------------------|--------------------|
| Cash with banks      |             |                    |                    |
| In current accounts  | 14.1        | 120,663,815        | 305,183,687        |
| In dividend accounts | 14.2        | 4,076,037          | 4,131,336          |
| In savings account   | 14.3 & 14.4 | 40,307             | 39,055             |
|                      |             | <b>124,780,159</b> | <b>309,354,078</b> |

14.1 It includes balance with associated company (MCB Islamic Bank Limited) of Rs. 6,551 (June 30, 2020 : Rs. Nil).

14.2 It represents balance with associated company (MCB Bank Limited) of Rs. 928,761 (June 30, 2020 : Rs. 929,841).

14.3 It represents balance with associated company (MCB Bank Limited) of Rs. 23,453 (June 30, 2020 : Rs. 22,915).

14.4 It carries mark up at the rate of 5.48 to 7.10 (June 30, 2020 : 8.12 to 12.38) percent per annum. These balances are placed with banks under conventional banking arrangements.

|                                    | Note | 2021<br>Rupees       | 2020<br>Rupees       |
|------------------------------------|------|----------------------|----------------------|
| <b>TRADE AND OTHER PAYABLES</b>    |      |                      |                      |
| Creditors                          |      | 437,896,063          | 1,592,209,830        |
| Murabaha                           | 15.1 | 3,731,295,610        | 1,298,223,513        |
| Accrued liabilities                | 15.2 | 571,507,950          | 551,096,972          |
| Advances from customers            |      | -                    | 15,027,344           |
| Sales tax claim payable            | 15.3 | 14,759,965           | 14,759,965           |
| Workers' profit participation fund | 15.4 | 29,853,119           | 11,109,706           |
| Workers' welfare fund              |      | 56,491,947           | 16,960,995           |
| Withholding tax payable            |      | 5,304,934            | 1,322,848            |
| Other payables                     | 15.5 | 710,950              | 331,522              |
|                                    |      | <b>4,847,820,538</b> | <b>3,501,042,695</b> |

- 15.1** These facilities are secured against first pari passu hypothecation and floating charge over company's stocks, book debts and receivables. Mark up ranges from 7.45 to 8.94 (June 30, 2020: 7.24 to 14.74) percent per annum. These facilities are expiring on various dates from August 2021 to December 2021.
- 15.2** The company has filed appeal in the Lahore High Court, Lahore and honorable Lahore High Court granted stay order against tariff difference amounted to Rs 22,416,224 from July 2016 to May 2017 claimed by SNGPL. The decision of court is still pending.
- 15.2** The company has filed appeal in the Lahore High Court, Lahore and honorable Lahore High Court granted stay order against cost of supply amounted to Rs 30,252,113 (2020: Rs 30,252,113) from October 2017 to October 2018 claimed by SNGPL. The decision of court is still pending.
- 15.2** This include an amount of Rs. 207.92 million (2020: Rs. 187.08 million) payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. The case against GIDC was pending in various courts since 2012. In the start of last year, the government amended the GIDC law, requiring industrial consumers to pay half their outstanding dues while waiving the remainder through an ordinance, in order to settle the dispute. But the ordinance was withdrawn quickly amid a public outcry and a petition was filed in the apex court. The Supreme court of Pakistan, by declaring its judgement dated 13 August 2020 dismisses all appeals against GIDC and allows the government to recover the outstanding amount against GIDC till 31st July 2020 in two years but links future collections to the complete utilization of the cess on projects for which the levy was imposed. The apex court further stops the government to charge GIDC in remainder period of financial year 2021. Furthermore the liability is discounted in accordance with the guidance issued by Institute of Chartered Accountants of Pakistan (ICAP) during the year and the difference of present value and expected future outflow is adjusted from relevant expense.
- 15.2** The company has filed appeal in the Lahore High Court, Lahore and honorable Lahore High Court granted stay order against Cotton Cess amounted to Rs 46,216,084 (2020: Rs. 35,893,714). The decision of court is still pending. However, the company has recorded a provision in the financial statements as Liability.
- 15.2** The company has filed appeal in the Lahore High Court, Lahore and honorable Lahore High Court granted stay order against EOBI amounted to Rs 84,158,715 (2020: Rs. 59,105,549). The decision of court is still pending. However, the company has recorded a provision in the financial statements as Liability.
- 15.2** The company has filed appeal in the Lahore High Court, Lahore and honorable Lahore High Court granted stay order against Social Security amounted to Rs 39,312,694 (2020: Rs 26,220,157). The decision of court is still pending. However, the company has recorded a provision in the financial statements as Liability.
- 15.3** The company has filed appeal in High Court of Sindh, Karachi against the order of Custom / Excise and Sales Tax Appellate Tribunal, Karachi regarding penalty and additional tax. The decision of court is still pending. However, the company has recorded a provision in the financial statements as Liability.

|   | Note   | 2021<br>Rupees    | 2020<br>Rupees    |
|---|--------|-------------------|-------------------|
| <b>15.4 Workers' profit participation fund</b>  |        |                   |                   |
| Opening balance                                 |        | 11,109,706        | 22,619,047        |
| Interest on fund utilized in company's business | 15.4.1 | 824,298           | 1,457,596         |
|   |        | 11,934,004        | 24,076,643        |
| Paid during the year                            |        | (86,109,706)      | (22,619,047)      |
|   |        | (74,175,702)      | 1,457,596         |
| Allocation for the year                         |        | 104,028,821       | 9,652,110         |
| Closing balance                                 |        | <b>29,853,119</b> | <b>11,109,706</b> |

- 15.4.1** Interest on Workers' profit participation fund has been provided at the rate of 7.44 % (June 30, 2020 : 14.89 %) per annum.

- 15.5** This amount represents Rs. 710,950 (June 30, 2020 Rs. 331,522) payable to related party - Din Leather Private Limited against reimbursement of expenses.



|  | Note  | 2021<br>Rupees         | 2020<br>Rupees       |
|--|---|------------------------|----------------------|
| <b>16 ACCRUED MARK UP AND INTEREST</b>   |   |                        |                      |
| <b>Mark up / Interest accrued on secured loans</b>                                 |   |                        |                      |
| Long term financing  |   | 71,530,509             | 51,629,122           |
| Short term borrowings  |   | 85,115,376             | 75,572,334           |
|  |   | <b>156,645,885</b>     | <b>127,201,456</b>   |
| <b>17 SHORT TERM BORROWINGS - Secured</b>  |   |                        |                      |
| <i>Conventional</i>  |   |                        |                      |
| Running finance under markup arrangements  | 17.1  | 140,808,552            | 915,383,220          |
| <i>Islamic</i>   |   |                        |                      |
| Short term finance under Running Musharakah  | 17.2 & 17.3   | 357,661,791            | 1,059,129,890        |
|  |   | <b>498,470,343</b>     | <b>1,974,513,110</b> |
| <b>17.1</b>  | These facilities are available from various commercial banks for meeting working capital requirements. These are secured against first pari passu charge, joint floating/hypothecation over present and future stocks, book debts, movables & receivables. These carry markup ranging from 8.33 % to 8.77 % (June 30, 2020: 7.46 % to 15.65 %) per annum. These facilities are expiring on various dates from August 2021 to December 2021. |                        |                      |
| <b>17.2</b>  | The company has obtained short term running finance under running musharakah. These are secured against first pari passu charge and joint pari passu floating charge over movables, receivables, stocks and book debts of the company. The rate of profit ranges from 7.83 % to 9.52 % (June 30, 2020: from 7.23 % to 14.29 %). These facilities are expiring on various dates from August 2021 to December 2021.                           |                        |                      |
| <b>17.3</b>  | It represents balance with associated company (MCB Islamic Bank Limited) of Rs. 6,523,614 (June 30, 2020 : Rs. 278,751,582).  |                        |                      |
|  | Note  | 2021<br>Rupees         | 2020<br>Rupees       |
| <b>18 LONG TERM FINANCING - Secured</b>  |   |                        |                      |
| <b>From banking companies and financial institutions under markup arrangements</b> |   |                        |                      |
| <i>Conventional</i>  |   |                        |                      |
| Bank Alfalah Limited   | 18.1  | 470,366,650            | 478,598,650          |
| Allied Bank Ltd  | 18.2  | 527,012,250            | 535,183,800          |
| <i>Islamic</i>   |   |                        |                      |
| Bank Alfalah Limited   | 18.3  | 879,103,750            | 426,574,165          |
| Meezan Bank Ltd  | 18.4  | 1,466,359,140          | 1,426,914,295        |
| Habib Metropolitan Bank Ltd  | 18.5  | 2,105,439,319          | 563,807,625          |
| Faysal Bank Ltd  | 18.6  | 323,587,528            | 6,472,000            |
| MCB Islamic Bank Ltd   | 18.7  | 442,119,731            | 112,002,507          |
| BankIslami Pakistan Limited  | 18.8  | 188,878,270            | -                    |
| Deferred Income - Government Grant   | 18.9 & 18.10  | 701,145,670            | 13,442,716           |
|  |   | <b>7,104,012,308</b>   | <b>3,562,995,758</b> |
| Less: Current portion  |   | <b>(1,100,956,126)</b> | <b>(67,474,738)</b>  |
|  |   | <b>6,003,056,182</b>   | <b>3,495,521,020</b> |
| <b>18.1</b>  | These loans carry mark-up at the rate of 2.50% (2020: 2.50%) obtained in different tranches and are repayable in 20 semi-annual instalments. These loans are secured against exclusive hypothecation charge of Rs.952.346 million (2020: 952.346 million) over specific plant and machinery with 25 percent margin.   |                        |                      |
| <b>18.2</b>  | These loans carry mark-up at the rate of 2.50% (2020: 2.50%) obtained in different tranches and are repayable in 32 quarterly instalments. These loans are secured against exclusive hypothecation charge of Rs.792.802 million (2020: 792.802 million) over specific plant and machinery with 25 percent margin.   |                        |                      |
| <b>18.3</b>  | These loans carry mark-up ranging from 3.00% to 8.53% (2020: 3.00% to 14.73%) obtained in different tranches and are repayable in semi-annual instalments ranging from 8 to 18. These loans are secured against exclusive hypothecation charge of Rs.1,704.297 million (2020: Rs.825.777 million) over specific plant and machinery with 20 percent margin.   |                        |                      |
| <b>18.4</b>  | These loans carry mark-up ranging from 3.00% to 8.53% (2020: 3.00% to 14.73%) obtained in different tranches and are repayable in semi-annual and quarterly instalments ranging from 8 to 32. These loans are secured against exclusive hypothecation charge of Rs.2,232.295 million (2020: Rs.2,006.381 million) over specific plant and machinery with 20 percent margin.   |                        |                      |
| <b>18.5</b>  | These loans carry mark-up ranging from 0.75% to 8.59% (2020: 1.25% to 14.92%) obtained in different tranches and are repayable in quarterly instalments ranging from 08 to 32. These loans are secured against exclusive hypothecation charge of Rs.2,966.447 million (2020: Rs.651.444 million) over specific plant and machinery with 10 percent margin.  |                        |                      |

- 18.6 These loans carry mark-up ranging from 2.75% to 3.75% (2020: 3.75%) obtained in different tranches and are repayable in 32 quarterly instalments. These loans are secured against exclusive hypothecation charge of Rs.425 million (2020: Rs.8.629 million) over specific plant and machinery with 25 percent margin.
- 18.7 These loans carry mark-up ranging from 2.50% to 3.50% (2020: 3.50%) obtained in different tranches and are repayable in 32 quarterly instalments. These loans are secured against exclusive hypothecation charge of Rs.592.501 million (2020: Rs.121.056 million) over specific plant and machinery with 5 percent margin.
- 18.8 These loans carry mark-up at 2.25% (2020: nil) obtained in different tranches and are repayable in 32 quarterly instalments. These loans are secured against exclusive hypothecation charge of Rs.306.925 million (2020: nil) over specific plant and machinery with nil margin.
- 18.9 Included in the above, the Company has also obtained long term loans of Rs. 387.652 million for financing its salaries and wages under SBP Refinance Scheme for payment of wages and salaries, as fresh long term limit, which is secured against Hypothecation charge over specific machinery. The rate of markup on these loans ranges from 0.75% to 1.25% per annum. These loans are for two and half years and are repayable in eight equal quarterly instalments of Rs.48.456 million commencing from 31 March 2021. The facility available under the above arrangement amounted to Rs. 393 million of which the amount utilized as at 30 June 2021 was Rs. 387.652 million (2020: Rs. 118.288 million).

Due to the effects of pandemic, State Bank of Pakistan took various steps to support the economy. SBP introduced a refinance scheme for payment of salaries and wages at subsidized rate of borrowing.

The company has obtained the said borrowing from Habib Metropolitan Bank Limited ("HMB") at subsidized rate in six tranches from 07 May 2020 to 14 October 2021 at a concessional interest rate ranging from 0.75% to 1.25%, which is repayable by Dec 2022 in 8 quarterly instalments to HMB under the SBP scheme.

During the year, the Company also entered into long-term loan agreements with Habib Metropolitan Bank Limited - Islamic, MCB Islamic Bank Limited, Bank Alfalah - Islamic, Faysal Bank Limited - Islamic, Bank Islami Pakistan and Meezan Bank under the Islamic Temporary Economic Refinance Facility (ITERF) by the State Bank of Pakistan. The loans are repayable in quarterly instalments over a period of ten years which include a grace period of two years secured by way of hypothecation charge over specific plant & machinery of the Company. These facilities carry mark-up ranging from 2.0% to 3.0% which is payable in arrears.

|   | Note | 2021<br>Rupees | 2020<br>Rupees |
|---|------|----------------|----------------|
| <b>18.10 Movement of Deferred Income - Government Grant</b>                                 |      |                |                |
| Opening balance   |      | 13,442,716     | -              |
| Grant recognized during the year  |      | 764,671,590    | 14,573,107     |
| Grant amortized during the year   |      | (76,968,636)   | (1,130,391)    |
| Closing balance   |      | 701,145,670    | 13,442,716     |
| Transferred to current portion  |      | (120,418,654)  | (7,720,912)    |
| Non-current portion of government grant   |      | 580,727,016    | 5,721,804      |
| <b>19 STAFF RETIREMENT BENEFITS - GRATUITY</b>  |      |                |                |
| <b>19.1 Movement in the net liability recognized in the Statement of Financial Position</b> |      |                |                |
| Opening net liability   |      | 139,872,106    | 116,765,377    |
| Expense for the year  | 19.2 | 77,520,890     | 68,298,835     |
| Remeasurements recognised   |      | (4,662,369)    | (4,653,375)    |
|   |      | 212,730,627    | 180,410,837    |
| Benefits paid during the year   |      | (47,301,827)   | (40,538,731)   |
| Closing net liability   |      | 165,428,800    | 139,872,106    |
| <b>19.2 Expense recognised in the Statement of Profit or Loss</b>                           |      |                |                |
| Current service cost  |      | 67,642,089     | 55,866,516     |
| Interest cost   |      | 9,878,801      | 12,432,319     |
|   |      | 77,520,890     | 68,298,835     |
| <b>19.3 Total measurements chargeable in Other comprehensive income</b>                     |      |                |                |
| Actuarial losses from changes in demographic assumptions                                    |      | -              | -              |
| Actuarial (gains) from changes in financial assumptions                                     |      | 85,629         | (264,589)      |
| Experience adjustment   |      | (4,747,998)    | (4,388,786)    |
|   |      | (4,662,369)    | (4,653,375)    |
| <b>19.4 Movement in the present value of defined benefit obligation</b>                     |      |                |                |
| Present value of defined benefit obligation   |      | 139,872,106    | 116,765,377    |
| Current service cost  |      | 67,642,089     | 55,866,516     |
| Interest cost   |      | 9,878,801      | 12,432,319     |
| Actuarial gain  |      | (4,662,369)    | (4,653,375)    |
| Benefits paid   |      | (47,301,827)   | (40,538,731)   |
|   |      | 165,428,800    | 139,872,106    |

## 19.5 Historical information

|   | 2021        | 2020        | 2019        | 2018        | 2017        |
|---|-------------|-------------|-------------|-------------|-------------|
| Present value of defined benefit obligation | 165,428,800 | 139,872,106 | 116,765,377 | 100,815,513 | 110,828,405 |
| Experience adjustments on plan liabilities  | (4,662,369) | (4,653,375) | 262,483     | 2,632,043   | (2,018,858) |

## 19.6 General description

The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charges are made using the actuarial technique of Projected Unit Credit Method.

|   | 2021             | 2020             |
|---|------------------|------------------|
| <b>19.7 Principal actuarial assumption</b>                                |                  |                  |
| Following are a few important actuarial assumption used in the valuation; |                  |                  |
| <i>Financial assumptions</i>  |                  |                  |
| Discount rate used to Charge Interest Cost in Statement of Profit or Loss | 8.50%            | 14.25%           |
| Discount rate used for year end obligation                                | 10.00%           | 8.50%            |
| Expected rate of increase in future salary                                | 8.00%            | 6.50%            |
| <i>Demographic assumptions</i>  |                  |                  |
| Mortality rates   | SLIC 2001 - 2005 | SLIC 2001 - 2005 |
| Withdrawal rates  | Age based        | Age based        |
| Retirement assumption   | Age 60 years     | Age 60 years     |

## 19.8 Sensitivity analysis of actuarial assumption

The calculation of defined benefit obligation is sensitive to assumptions given above. The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in respective assumptions by 100 basis point.

|  | Increase in assumption | Decrease in assumption |
|--|------------------------|------------------------|
| Discount rate                                | 2,973,294              | 3,113,645              |
| Expected rate of increase in future salaries | 3,142,892              | 3,054,730              |

19.9 Expected gratuity expense for the year ending June 30, 2022 works out to Rs. 93,448,254.

|  | Number of years |
|--|-----------------|
| <b>19.10 Weighted average duration of the defined benefit obligation</b> | 2 years         |
|  | 2 years         |
|  | 2021            |
|  | Rupees          |
|  | 2020            |
|  | Rupees          |

## 20 DEFERRED TAXATION

The deferred taxation liability / (asset) comprises of following temporary differences

Taxable temporary differences (deferred tax liabilities)

Accelerated tax depreciation allowance

389,946,394

275,164,394

Deductible temporary differences (deferred tax assets)

Staff retirement benefits - gratuity

(34,641,376)

(29,257,279)

Provision for doubtful debts

-

(418,343)

Unused tax credits - unabsorbed depreciation

(209,172,322)

(209,172,322)

146,132,696

36,316,450

20.1 In view of applicability of presumptive tax regime, deferred tax liability has been worked out after taking effect of income covered under presumptive tax regime.

## 21 CONTINGENCIES AND COMMITMENTS

21.1 The Company has issued post dated cheques amounting to Rs. 122.406 million (June 30, 2020 : Rs. 114.604 million) in favor of Collector of Customs in lieu of custom levies against various statutory notifications. The indemnity bonds furnished by the company are likely to be released after the fulfillment of term of related SROs.

|   | 2021<br>Rupees | 2020<br>Rupees |
|---|----------------|----------------|
| <b>21.2 Contingencies</b>                                 |                |                |
| Bank guarantees issued in the ordinary course of business | 484,284,871    | 299,891,620    |
| <b>21.3 Commitments</b>                                   |                |                |
| Letters of credit for capital expenditure                 | 937,384,961    | 2,152,331,027  |
| Letters of credit for raw material                        | 2,762,077,050  | 2,483,055,850  |
| Letters of credit for stores and spares                   | 27,388,436     | 4,902,055      |



## 22 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

| 2021<br>Number of shares | 2020<br>Number of shares |  | 2021<br>Rupees | 2020<br>Rupees |
|--------------------------|--------------------------|--|----------------|----------------|
| 36,798,155               | 36,798,155               | Ordinary shares of Rs. 10 each allotted for consideration paid in cash                   | 367,981,550    | 367,981,550    |
| 1,962,334                | 1,962,334                | Ordinary shares of Rs. 10 each allotted for consideration of amalgamation of power plant | 19,623,340     | 19,623,340     |
| 13,706,260               | 13,706,260               | Ordinary shares of Rs. 10 each allotted as fully paid bonus shares                       | 137,062,600    | 137,062,600    |
| 52,466,749               | 52,466,749               |  | 524,667,490    | 524,667,490    |

22.1 Associated company, Din Corporation (Pvt.) Limited, held 6,469,187 (June 30, 2020 : 6,469,187) ordinary shares of the company.

22.2 Associated company, Din Industries Management (Pvt.) Limited, held 5,679,742 (June 30, 2020 : 5,679,742) ordinary shares of the company.

22.3 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

22.4 The company issued Nil right shares during the year(2020: 23,318,555 right shares in proportion of 80 shares for every 100 ordinary shares at a premium of Rs.32 per share).

|                       | 2021<br>Rupees | 2020<br>Rupees |
|-----------------------|----------------|----------------|
| 23 RESERVES           |                |                |
| Capital               |                |                |
| Share premium         | 746,193,760    | 746,193,760    |
| Revenue               |                |                |
| General               | 400,000,000    | 400,000,000    |
| Unappropriated profit | 3,005,626,063  | 1,439,019,025  |
|                       | 4,151,819,823  | 2,585,212,785  |

## 24 SALES - NET

|                          |      |                 |                 |
|--------------------------|------|-----------------|-----------------|
| Export                   |      |                 |                 |
| Yarn - Direct export     | 24.1 | 3,078,730,365   | 957,527,303     |
| Yarn - Indirect export   |      | 2,359,357,500   | 2,290,585,191   |
| Fabric - Direct export   | 24.1 | 48,791,927      | -               |
| Fabric - Indirect export |      | 102,777,300     | -               |
| Waste and others         |      | 96,019,960      | 257,467,640     |
| Rate and duty draw back  |      | 600,525         | 128,177         |
| Total export sales       |      | 5,686,277,577   | 3,505,708,311   |
| Local                    |      |                 |                 |
| Yarn                     |      | 10,200,168,584  | 8,826,059,396   |
| Fabric                   |      | 1,296,353,535   | -               |
| Raw Material             |      | 145,078,440     | 7,976,348       |
| Waste and others         |      | 471,239,922     | 237,879,770     |
| Total local sales        |      | 12,112,840,481  | 9,071,915,514   |
|                          |      | 17,799,118,058  | 12,577,623,825  |
| Sales Tax                |      | 2,299,875,020   | 1,875,663,893   |
|                          |      | 20,098,993,078  | 14,453,287,718  |
| Commission and claims    |      | (157,683,446)   | (94,792,580)    |
| Sales Tax                |      | (2,299,875,020) | (1,875,663,893) |
|                          |      | 17,641,434,612  | 12,482,831,245  |

24.1 This includes net exchange loss/(gain) amounting to Rs. 14,894,179 (June 30, 2020 : Rs. (4,299,807)).

|   | Note   | 2021<br>Rupees        | 2020<br>Rupees        |
|---|--------|-----------------------|-----------------------|
| <b>25 COST OF SALES</b>   |        |                       |                       |
| Cost of goods manufactured  | 25.1   | 14,375,749,533        | 11,540,201,983        |
| Finished goods  |        |                       |                       |
| Opening stock   |        | 833,035,777           | 482,455,580           |
| Closing stock   |        | (680,297,864)         | (833,035,777)         |
|   |        | <u>14,528,487,446</u> | <u>11,189,621,786</u> |
| <b>25.1 Cost of goods manufactured</b>  |        |                       |                       |
| Raw material consumed   | 25.1.1 | 10,726,469,220        | 8,597,132,723         |
| Cost of raw material sold   |        | 141,553,290           | 7,958,160             |
| Packing material consumed   |        | 200,772,043           | 155,821,842           |
| Stores and spares consumed  |        | 326,255,432           | 220,531,360           |
| Salaries, wages and other benefits  | 25.1.2 | 1,094,664,844         | 858,211,345           |
| Fuel and power  |        | 1,278,279,916         | 1,061,300,210         |
| Insurance   |        | 24,114,502            | 29,188,202            |
| Repairs and maintenance   |        | 36,574,780            | 26,202,815            |
| Depreciation  | 5.1.1  | 655,104,862           | 500,314,382           |
| Ijarah rentals  | 34     | 682,599               | 3,987,658             |
| Vehicle running and maintenance   |        | 4,979,039             | 6,088,016             |
| Fee and subscriptions   |        | 6,846,525             | 3,922,258             |
| Books and periodicals   |        | 8,970                 | 65,460                |
| Postage and telephone   |        | 1,101,967             | 634,232               |
| Travelling and conveyance   |        | 4,450,593             | 7,947,694             |
| Legal and professional  |        | 3,875,540             | 3,006,431             |
| Rent, rates and taxes   |        | 11,770,986            | 10,761,043            |
| Other overheads   |        | 21,538,353            | 15,972,794            |
|   |        | <u>14,539,043,461</u> | <u>11,509,046,625</u> |
| Work in process   |        |                       |                       |
| Opening stock   |        | 132,622,559           | 163,777,917           |
| Closing stock   |        | (295,916,487)         | (132,622,559)         |
|   |        | <u>(163,293,928)</u>  | <u>31,155,358</u>     |
|   |        | <u>14,375,749,533</u> | <u>11,540,201,983</u> |
| <b>25.1.1 Raw material consumed</b>   |        |                       |                       |
| Opening stock   |        | 1,801,904,694         | 2,792,521,183         |
| Purchases   |        | 11,417,265,675        | 7,380,830,293         |
|   |        | <u>13,219,170,369</u> | <u>10,173,351,476</u> |
| Closing stock   |        | (2,636,900,101)       | (1,801,904,694)       |
| Dyeing charges  |        | 10,582,270,268        | 8,371,446,782         |
| Cost of raw material sold   |        | 285,752,242           | 233,644,101           |
|   |        | <u>(141,553,290)</u>  | <u>(7,958,160)</u>    |
|   |        | <u>10,726,469,220</u> | <u>8,597,132,723</u>  |
| <b>25.1.2 Salaries, wages &amp; other benefits</b>  |        |                       |                       |
| includes Rs. 67,491,047 (June 30, 2020 : Rs. 62,052,290) in respect of staff retirement benefits. |        |                       |                       |
|   |        | <u>1,094,664,844</u>  | <u>858,211,345</u>    |
| <b>26 DISTRIBUTION COST</b>   |        |                       |                       |
| Ocean freight   |        | 52,640,974            | 14,437,411            |
| Air freight   |        | 314,732               | 94,375                |
| Local freight   |        | 32,408,500            | 28,179,500            |
| Clearing and forwarding   |        | 8,969,643             | 4,972,786             |
| Export development surcharge  |        | 5,597,114             | 2,681,368             |
| Others  |        | 6,991,759             | 845,819               |
| Travelling expense  |        | -                     | 3,208,419             |
|   |        | <u>106,922,722</u>    | <u>54,419,678</u>     |

|                                    | Note  | 2021<br>Rupees     | 2020<br>Rupees     |
|------------------------------------|-------|--------------------|--------------------|
| <b>27 ADMINISTRATIVE EXPENSES</b>  |       |                    |                    |
| Directors' remuneration            | 33    | 38,929,992         | 40,976,660         |
| Staff salaries and other benefits  | 27.1  | 185,986,227        | 107,823,268        |
| Travelling and conveyance          |       | 1,997,000          | 2,980,044          |
| Vehicle running and maintenance    |       | 5,955,745          | 3,366,989          |
| Rent, rates and taxes              |       | 76,000             | 76,000             |
| Electricity, gas and water         |       | 5,892,529          | 3,975,229          |
| Printing and stationery            |       | 2,787,209          | 2,677,839          |
| Fees, subscription and periodicals |       | 8,523,457          | 11,912,570         |
| Legal and professional             |       | 3,138,000          | 3,205,022          |
| Repairs and maintenance            |       | 13,164,589         | 6,764,046          |
| Postage and telephone              |       | 4,795,949          | 4,191,483          |
| Entertainment                      |       | 4,100,919          | 2,956,846          |
| Advertisement                      |       | 67,100             | 241,825            |
| Depreciation                       | 5.1.1 | 6,590,945          | 4,741,396          |
| Ijarah rentals                     | 34    | 1,211,717          | 2,436,584          |
| Others                             |       | 11,252,466         | 5,021,072          |
|                                    |       | <u>294,469,844</u> | <u>203,346,873</u> |

27.1 Staff salaries and other benefits includes Rs. 10,029,843 (June 30, 2020 : Rs. 6,246,545) in respect of staff retirement benefits.

|   | Note | 2021<br>Rupees     | 2020<br>Rupees    |
|---|------|--------------------|-------------------|
| <b>28 OTHER OPERATING EXPENSES</b>              |      |                    |                   |
| Workers' profit participation fund              | 15.4 | 104,028,821        | 9,652,110         |
| Workers' welfare fund                           |      | 39,530,952         | 3,667,802         |
| Loss on sale of property, plant and equipment   | 5.4  | 5,411,656          | -                 |
| Donation  | 28.1 | 500,000            | 4,000,000         |
| Provision for doubtful debts                    |      | -                  | 2,000,000         |
| Auditors' remuneration                          | 28.2 | 1,411,000          | 1,411,000         |
| Loss on translation of foreign currency account |      | 160,437            | 29,185,936        |
|   |      | <u>151,042,866</u> | <u>49,916,848</u> |

28.1 The Donation of Rs. Nil (2020: Rs. 3,000,000) is given to LIHS through All Pakistan Mills Association.

28.1 The Donation of Rs. 500,000 (2020: Rs. 1,000,000) is paid to Zubaida Machiyara Trust.

28.1 None of the directors or their spouses had any interest in done fund.

|   | Note | 2021<br>Rupees     | 2020<br>Rupees     |
|---|------|--------------------|--------------------|
| <b>28.2 Auditors' remuneration</b>                |      |                    |                    |
| Audit fee   |      | 1,211,000          | 1,211,000          |
| Half yearly review fee                            |      | 100,000            | 100,000            |
| Tax services                                      |      | 100,000            | 100,000            |
|   |      | <u>1,411,000</u>   | <u>1,411,000</u>   |
| <b>29 FINANCE COST</b>                            |      |                    |                    |
| Mark up / interest on                             |      |                    |                    |
| Long term financing                               |      | 290,227,492        | 191,429,871        |
| Short term borrowings                             |      | 358,200,309        | 567,612,462        |
| Workers' profit participation fund                | 15.4 | 824,298            | 1,457,596          |
| Bank charges and commission                       |      | 51,476,257         | 54,253,057         |
|   |      | <u>700,728,356</u> | <u>814,752,986</u> |
| <b>30 OTHER INCOME</b>                            |      |                    |                    |
| <i>From financial assets</i>                      |      |                    |                    |
| Profit on savings account                         |      | 7,311              | 9,561              |
| Gain on sale of equity instruments                |      | 257,322            | -                  |
| Government Grant                                  |      | 76,968,636         | 1,130,391          |
| <i>From other than financial assets</i>           | 5.4  | -                  | 5,809,267          |
| Gain on disposal of property, plant and equipment |      | <u>77,233,269</u>  | <u>6,949,219</u>   |



|                                  | 2021<br>Rupees     | 2020<br>Rupees     |
|----------------------------------|--------------------|--------------------|
| <b>31 TAXATION</b>               |                    |                    |
| Provision /reversal for taxation |                    |                    |
| Current Taxation:                |                    |                    |
| Current                          | 346,057,310        | 169,848,241        |
| Prior                            | (80,801,578)       | (34,484,568)       |
| Deferred taxation                |                    |                    |
| Current year                     | 108,839,929        | 5,723,067          |
|                                  | <b>374,095,661</b> | <b>141,086,740</b> |

31.1 Tax expense for the year is calculated under section 169 as proportion of export sales and under section 113 as minimum tax for the year, therefore the assessment of the company will be finalized under final tax regime.

31.2 Relationship between income tax expense and accounting profit

|                                    |                    |                    |
|------------------------------------|--------------------|--------------------|
| Profit before taxation             | 1,937,016,647      | 177,722,293        |
| Tax at the applicable rate of 29%  | 561,734,828        | 51,539,465         |
| Prior year tax effect              | (80,801,578)       | (34,484,568)       |
| Deferred tax                       | 108,839,929        | 5,723,067          |
| Effect of income tax at lower rate | (215,677,517)      | 118,308,776        |
|                                    | <b>374,095,661</b> | <b>141,086,740</b> |

**32 EARNINGS PER SHARE**

Basic earning per share

|  |         |                      |                   |
|--|---------|----------------------|-------------------|
| Profit for the year  | Rupees  | <b>1,562,920,986</b> | <b>36,635,553</b> |
| Weighted average number of ordinary shares outstanding during the year | Numbers | <b>52,466,749</b>    | <b>42,825,242</b> |
| Earning per share - basic and diluted                                  | Rupees  | <b>29.79</b>         | <b>0.86</b>       |

32.1 There were no convertible dilutive potential ordinary shares in issue as at June 30, 2021 and June 30, 2020

**33 REMUNERATION TO DIRECTORS AND EXECUTIVES**

|                         | 2021              |                   |                    | 2020              |                   |                   |
|-------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|
|                         | Chief Executive   | Directors         | Executives         | Chief Executive   | Directors         | Executives        |
|                         | Rupees            |                   |                    | Rupees            |                   |                   |
| Managerial remuneration | 13,200,000        | 21,999,996        | 117,568,447        | 13,200,000        | 23,833,330        | 66,449,799        |
| Medical allowance       | 1,320,000         | 2,199,996         | 11,191,523         | 1,320,000         | 2,383,330         | 6,644,977         |
| Bonus                   | -                 | -                 | 3,974,274          | -                 | -                 | 2,789,339         |
| Gratuity                | -                 | -                 | 5,978,946          | -                 | -                 | 4,753,926         |
| Director Meeting Fee    | -                 | 210,000           | -                  | -                 | 240,000           | -                 |
|                         | <b>14,520,000</b> | <b>24,409,992</b> | <b>138,713,190</b> | <b>14,520,000</b> | <b>26,456,660</b> | <b>80,638,041</b> |
| Number of persons       | <b>1</b>          | <b>2</b>          | <b>34</b>          | <b>1</b>          | <b>2</b>          | <b>23</b>         |

33.1 The Chairman of the Company has waived off his remuneration.

33.2 The Company also bears the travelling expenses of the directors relating to travel for official purposes.

33.3 Meeting fee of Rupees 210,000 (2020: Rupees 240,000) was paid to the non-executive directors for attending meetings.

|   | 2021<br>Rupees    | 2020<br>Rupees   |
|---|-------------------|------------------|
| <b>34 IJARAH</b>                                  |                   |                  |
| Total future Ijarah payment                       |                   |                  |
| Upto one year                                     | 6,064,626         | 956,206          |
| Later than one year but not later than five years | 4,713,840         | 8,379,239        |
|   | <b>10,778,466</b> | <b>9,335,445</b> |

34.1 The total Ijarah rentals due under the Ijarah agreements aggregate Rs. 10.778 million (June 30, 2020 : Rs. 9.335 million) and are payable in equal monthly installments under various Ijarah agreements, latest by 2024. If any Ijarah is terminated, the Mustajir (lessee) is required to pay the purchase price specified in the Ijarah agreements. The cost of repairs and insurance are borne by the Mustajir (lessee). The Ijarah is partially secured by a deposit of Rs. 1.61 million (June 30, 2020 : Rs. 1.388 million) and demand promissory note. The company intend to exercise the option of purchasing the assets under the Ijarah at residual value upon completion of Ijarah term. The number of maximum / minimum monthly Ijarah rentals payable are 31 and 9 respectively.

### 35 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company has exposures to the following risks from its use of financial instruments:

- 35.1 Credit risk
- 35.2 Liquidity risk
- 35.3 Market risk

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

#### 35.1 Credit risk

##### 35.1.1 Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, trade deposits, other receivables and cash and bank balances. Out of total financial assets of Rs. 3,507.51 million (June 30, 2020 : Rs. 2,577.25 million), financial assets which are subject to credit risk aggregate to Rs. 3,382.73 million (June 30, 2020 : Rs. 2,267.89 million). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows.

|                        | 2021<br>Rupees       | 2020<br>Rupees       |
|------------------------|----------------------|----------------------|
| Long term deposits     | 17,530,051           | 17,746,951           |
| Trade debts            | 3,291,302,048        | 2,237,985,003        |
| Trade Deposits         | 611,400              | 172,000              |
| Other receivables      | 73,282,232           | 11,988,139           |
| Cash and bank balances | 124,780,159          | 309,354,078          |
|                        | <u>3,507,505,890</u> | <u>2,577,246,171</u> |

35.1.2 The maximum exposure to credit risk for trade debts at the Statement of Financial Position date by geographical region is as follows:

|          | 2021<br>Rupees       | 2020<br>Rupees       |
|----------|----------------------|----------------------|
| Domestic | 1,994,415,701        | 1,895,238,329        |
| Export   | 1,296,886,347        | 342,746,674          |
|          | <u>3,291,302,048</u> | <u>2,237,985,003</u> |

The majority of exports of the company are made in Portugal, France, China, Italy, Bangladesh and Ethiopia.

35.1.3 The maximum exposure to credit risk for trade debts at the statement of financial position date by type of customer is as follows.

|          | 2021<br>Rupees       | 2020<br>Rupees       |
|----------|----------------------|----------------------|
| Yarn     | 2,786,895,176        | 2,166,009,207        |
| Fabric   | 360,942,585          | -                    |
| Services | 116,275,202          | 51,711,446           |
| Waste    | 27,189,085           | 20,264,350           |
|          | <u>3,291,302,048</u> | <u>2,237,985,003</u> |

35.1.4 The aging of trade debtors at the Statement of Financial Position is as follows.

|                           | Gross debtors        |                      |
|---------------------------|----------------------|----------------------|
|                           | 2021                 | 2020                 |
|                           | Rupees               |                      |
| Not past due              | 2,065,979,885        | 918,950,004          |
| Past due 0 - 30 days      | 707,489,541          | 654,730,910          |
| Past due 31 - 90 days     | 459,454,439          | 433,821,469          |
| Past due 90 days - 1 year | 58,378,183           | 230,482,620          |
| More than one year        | -                    | -                    |
|                           | <u>3,291,302,048</u> | <u>2,237,985,003</u> |

35.1.5 Following are the credit ratings of banks within which balances are held and credit lines are available.

|   | Rating agency | Ratings    |           | 2021               | 2020               |
|---|---------------|------------|-----------|--------------------|--------------------|
|   |               | Short term | Long term | Rupees             | Rupees             |
| Allied Bank Ltd.                        | PACRA         | A1+        | AAA       | 85,179,860         | 913,156            |
| Bank Al-Habib Ltd.                      | PACRA         | A1+        | AAA       | 224,314            | 265,664            |
| BankIslami Pakistan Ltd                 | PACRA         | A1         | A+        | 14,000,924         | 10,000             |
| Dubai Islamic Bank Pakistan Ltd.        | VIS           | A1+        | AA        | 230,198            | 300,813,918        |
| Faysal Bank Limited                     | PACRA         | A1+        | AA        | -                  | 277,335            |
| Habib Bank Ltd.                         | VIS           | A1+        | AAA       | 3,529              | 6,002              |
| Habib Metropolitan Bank Ltd.            | PACRA         | A1+        | AA+       | 21,773,316         | 3,895,614          |
| MCB Bank Ltd.                           | PACRA         | A1+        | AAA       | 952,215            | 952,756            |
| MCB Islamic Bank Ltd.                   | PACRA         | A1+        | A         | 6,551              | -                  |
| Meezan Bank Ltd.                        | VIS           | A1+        | AAA       | 2,254,258          | 2,168,542          |
| National Bank of Pakistan               | PACRA         | A1+        | AAA       | 128,534            | 50,304             |
| Standard Chartered Bank (Pakistan) Ltd. | PACRA         | A1+        | AAA       | 26,460             | 787                |
|   |               |            |           | <u>124,780,159</u> | <u>309,354,078</u> |

### 35.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

| 2021                                   |                        |                |                  |                   |                      |               |
|--|------------------------|----------------|------------------|-------------------|----------------------|---------------|
| Carrying Amount                        | Contractual Cash flows | upto one year  | one to two years | two to five years | More than five years |               |
| Rupees                                 |                        |                |                  |                   |                      |               |
| Non - derivative Financial liabilities |                        |                |                  |                   |                      |               |
| Long term financing                    | 7,104,012,308          | 8,067,296,786  | 1,252,405,189    | 1,426,275,014     | 2,627,674,763        | 2,760,941,821 |
| Trade and other payables               | 4,803,207,454          | 4,803,207,454  | 4,803,207,454    | -                 | -                    | -             |
| Accrued mark up and interest           | 156,645,885            | 156,645,885    | 156,645,885      | -                 | -                    | -             |
| Short term borrowings                  | 498,470,343            | 539,843,381    | 539,843,381      | -                 | -                    | -             |
|  | 12,562,335,990         | 13,566,993,506 | 6,752,101,909    | 1,426,275,014     | 2,627,674,763        | 2,760,941,821 |
| 2020                                   |                        |                |                  |                   |                      |               |
| Carrying Amount                        | Contractual Cash flows | upto one year  | one to two years | two to five years | More than five years |               |
| Rupees                                 |                        |                |                  |                   |                      |               |
| Non - derivative Financial liabilities |                        |                |                  |                   |                      |               |
| Long term financing                    | 3,562,995,758          | 4,284,867,190  | 251,286,101      | 791,423,404       | 1,741,926,591        | 1,500,231,094 |
| Trade and other payables               | 3,460,145,680          | 3,460,145,680  | 3,460,145,680    | -                 | -                    | -             |
| Accrued mark up and interest           | 127,201,456            | 127,201,456    | 127,201,456      | -                 | -                    | -             |
| Short term borrowings                  | 1,974,513,110          | 2,138,397,698  | 2,138,397,698    | -                 | -                    | -             |
|  | 9,124,856,004          | 10,010,612,024 | 5,977,030,935    | 791,423,404       | 1,741,926,591        | 1,500,231,094 |

35.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at June 30. The rates of mark up have been disclosed in relevant notes to these financial statements.

### 35.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

#### 35.3.1 Currency risk

##### Exposure to currency risk

The company is exposed to currency risk on trade debts, cash with banks, borrowing and import of raw material and stores that are denominated in a currency other than the respective functional currency of the company, primarily in US Dollar and Euro. The currencies in which these transactions primarily are denominated is US Dollar and Euro. The company's exposure to foreign currency risk is as follows:

|                      | US Dollar | Euro    | Total in Foreign Currencies | Rupees        |
|----------------------|-----------|---------|-----------------------------|---------------|
| Trade debts 2021     | 8,035,599 | 152,399 | 8,187,997                   | 1,296,886,347 |
| Cash with banks 2021 | 14,290    | -       | 14,290                      | 2,254,948     |
| Trade debts 2020     | 2,037,127 | -       | 2,037,127                   | 342,746,674   |
| Cash with banks 2020 | 12,893    | -       | 12,893                      | 2,169,232     |

The following significant exchange rates applied during the year:

|                    | Average Rates |        | Reporting Date Rates |        |
|--------------------|---------------|--------|----------------------|--------|
|                    | 2021          | 2020   | 2021                 | 2020   |
| US Dollar to Rupee | 163.03        | 166.13 | 157.80               | 168.25 |
| Euro to Rupee      | 188.92        | -      | 188.12               | -      |

##### Sensitivity analysis

5% strengthening of Pak Rupee against the following currencies at June 30, would have increased / (decreased) equity and statement of profit or loss by the amount shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. 5% weakening of Pak Rupee against the above currencies at periods ends would have had the equal but opposites effect on the above currencies to the amount shown below, on the basis that all other variables remain constant.



|           | 2021<br>Rupees | 2020<br>Rupees |
|-----------|----------------|----------------|
| US Dollar | (63,400,873)   | (17,137,334)   |
| Euro      | (1,433,464)    | -              |

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the company.

### 35.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arises from short and long term borrowings from bank and term deposits and deposits in PLS saving accounts with banks. At reporting date the interest rate profile of the company's interest bearing financial instrument is as follows.

|                                  | 2021<br>Rupees | 2020<br>Rupees |
|----------------------------------|----------------|----------------|
| <b>Fixed rate instruments</b>    |                |                |
| Financial Liabilities            | 4,857,416,846  | 2,882,815,208  |
| <b>Variable rate instruments</b> |                |                |
| Financial assets                 | 40,307         | 39,055         |
| Financial liabilities            | 6,476,361,415  | 3,952,917,173  |

#### Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore, a change in interest rates at reporting date would not affect statement of profit or loss.

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

A change of 100 basis points in interest rates at reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for June 30, 2020:

|  | Profit & Loss       |                     | Equity              |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 100 bps<br>increase | 100 bps<br>decrease | 100 bps<br>increase | 100 bps<br>decrease |
|  | Rupees              |                     |                     |                     |
| Cash flow sensitivity - variable rate instruments 2021 | (64,763,614)        | 64,763,614          | -                   | -                   |
| Cash flow sensitivity - variable rate instruments 2020 | (39,529,172)        | 39,529,172          | -                   | -                   |

### 35.4 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

|   | 2021<br>Rupees | 2020<br>Rupees |
|---|----------------|----------------|
| <b>35.5 Off Statement of Financial Position Items</b> |                |                |
| Bank guarantees issued in ordinary course of business | 484,284,871    | 299,891,620    |
| Letters of credit for capital expenditure             | 937,384,961    | 2,152,331,027  |
| Letters of credit for raw material                    | 2,762,077,050  | 2,483,055,850  |
| Letters of credit for stores and spares               | 27,388,436     | 4,902,055      |

### 35.6 The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

### 35.7 Reconciliation of movements of liabilities to cash flows arising from financing activities

|   | Short term borrowings for cash management purpose | Other short term borrowings including related accrued markup | Long term borrowings including related accrued markup | Total          |
|---|---|--|---|----------------|
| Balance as at July 01, 2020             | 915,383,220                                       | 2,357,353,403  | 3,614,624,880   | 6,887,361,503  |
| Changes from financing cash flows       |   |  |   |                |
| Repayment of loan                       | -   | -  | (178,659,907)   | (178,659,907)  |
| Proceeds from long term loan            | -   | -  | 3,719,676,457   | 3,719,676,457  |
| Receipt / (repayment)-net               | (755,963,997)                                     | 1,703,450,285  | -   | 947,486,288    |
| Total changes from financing activities | (755,963,997)                                     | 1,703,450,285  | 3,541,016,550   | 4,488,502,838  |
| Other changes-Interest cost             |   |  |   |                |
| Interest expense                        | 52,875,075  | 305,325,234  | 290,227,492   | 648,427,801    |
| Interest Paid                           | (71,485,746)                                      | (277,171,521)  | (270,326,105)   | (618,983,372)  |
| Total loan related other changes        | (18,610,671)                                      | 28,153,713   | 19,901,387  | 29,444,429     |
| Balance as at June 30, 2021             | 140,808,552                                       | 4,088,957,401  | 7,175,542,817   | 11,405,308,770 |

### 36 OPERATING SEGMENTS

Management has determined the operating segments based on the information that is presented to the Board of Directors of the Company for allocation of resources and assessment of performance. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker ('CODM'). Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit.

Based on internal management reporting structure and products produced and sold, the Company is organized into the following operating segments :

#### a) Spinning:

This segment relates to the production and sale of yarn.

#### b) Weaving:

This segment relates to the production and sale of greige fabric.

#### c) Other Operating Segments:

Other than yarn spinning & weaving, entity is also engage in providing fiber and yarn dyeing service to both inter-segment and external customers and generation of power for inter-segment sale only. However these segment does not meet the threshold specified by International Financial Reporting Standards "Operating Segments" (IFRS-08) for determination of reportable segments.

### 36.1 SEGMENT INFORMATION

|  | Spinning     |              | Weaving   |      | Other Segments |             | Elimination of intersegment transaction |             | Total Company |              |
|--|--------------|--------------|-----------|------|----------------|-------------|---|-------------|---------------|--------------|
|  | 2021         | 2020         | 2021      | 2020 | 2021           | 2020        | 2021                                    | 2020        | 2021          | 2020         |
| *All figures in thousand Rupees*                       |              |              |           |      |                |             |   |             |               |              |
| Sales  |              |              |           |      |                |             |   |             |               |              |
| External Sales   | 16,025,399   | 12,095,680   | 1,161,965 | -    | 454,071        | 386,951     | -                                       | -           | 17,641,435    | 12,482,631   |
| Intersegment   | 833,331      | 27,253       | -         | -    | 1,917,346      | 1,347,231   | (2,750,677)                             | (1,374,484) | -             | -            |
| Net Turnover   | 16,858,730   | 12,123,133   | 1,161,965 | -    | 2,371,417      | 1,734,182   | (2,750,677)                             | (1,374,484) | 17,641,435    | 12,482,631   |
| Cost of Sales  | (14,231,572) | (10,843,955) | (991,501) | -    | (2,056,091)    | (1,720,151) | 2,750,677                               | 1,374,484   | (14,528,487)  | (11,189,622) |
| Gross Profit   | 2,627,158    | 1,279,178    | 170,464   | -    | 315,326        | 14,031      | -                                       | -           | 3,112,948     | 1,293,209    |
| Distribution cost                                      | (104,186)    | (51,914)     | (1,755)   | -    | (982)          | (2,505)     | -                                       | -           | (106,923)     | (54,419)     |
| Administrative expenses                                | (194,858)    | (141,971)    | (19,861)  | -    | (79,751)       | (61,375)    | -                                       | -           | (294,470)     | (203,346)    |
|  | (299,044)    | (193,885)    | (21,616)  | -    | (80,733)       | (63,880)    | -                                       | -           | (401,393)     | (257,765)    |
| Profit / (loss) before taxation & unallocated expenses | 2,328,114    | 1,085,293    | 148,848   | -    | 234,593        | (49,849)    | -                                       | -           | 2,711,555     | 1,035,444    |
| Other operating expenses                               |              |              |           |      |                |             |   |             | (151,043)     | (49,517)     |
| Finance cost   |              |              |           |      |                |             |   |             | (700,728)     | (814,753)    |
| Other income   |              |              |           |      |                |             |   |             | 77,233        | 6,949        |
| Taxation   |              |              |           |      |                |             |   |             | (374,095)     | (141,087)    |
| Profit / (loss) after taxation                         |              |              |           |      |                |             |   |             | 1,562,922     | 36,636       |
| Depreciation on operating fixed assets                 | 447,660      | 425,210      | 110,644   | -    | 103,392        | 79,846      | -                                       | -           | 661,696       | 505,056      |

### 36.2 Reconciliation of segment assets and liabilities with total assets and liabilities:

|  | Spinning   |            | Weaving   |         | Other Segments |           | Total Company |            |
|--|------------|------------|-----------|---------|----------------|-----------|---------------|------------|
|  | 2021       | 2020       | 2021      | 2020    | 2021           | 2020      | 2021          | 2020       |
| "All figures in thousand Rupees"                         |            |            |           |         |                |           |               |            |
| Segment Assets   | 11,426,558 | 10,194,346 | 4,059,222 | 195,268 | 1,618,135      | 1,227,048 | 17,103,915    | 11,616,662 |
| Unallocated Assets                                       |            |            |           |         |                |           | 503,679       | 841,073    |
| Total Assets as per Statement of financial position      |            |            |           |         |                |           | 17,607,595    | 12,457,735 |
| Segment Liabilities                                      | 7,517,196  | 5,477,540  | 2,978,764 | 126,407 | 1,013,163      | 703,585   | 11,509,123    | 6,307,533  |
| Unallocated Liabilities                                  |            |            |           |         |                |           | 1,421,984     | 3,040,322  |
| Total liabilities as per Statement of financial position |            |            |           |         |                |           | 12,931,107    | 9,347,854  |

### 37 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total Borrowings divided by total capital employed. Borrowings represent long term financing, others and short term borrowing. Total capital employed includes total equity as shown in the Statement of Financial Position plus borrowing.

|                        |            | 2021           | 2020          |
|------------------------|------------|----------------|---------------|
| Borrowings             | Rupees     | 7,602,482,651  | 5,537,508,868 |
| Total equity           | Rupees     | 4,676,487,313  | 3,109,880,275 |
| Total capital employed | Rupees     | 12,278,969,964 | 8,647,389,143 |
| Gearing ratio          | Percentage | 61.91          | 64.04         |

### 38 PLANT CAPACITY AND PRODUCTION

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

|  |  | 2021       | 2020       |
|--|--|------------|------------|
| <b>Spinning</b>  |  |            |            |
| Total number of spindles installed                             |  | 123,072    | 120,096    |
| Total number of spindles worked                                |  | 118,906    | 100,795    |
| Number of shifts per day                                       |  | 3          | 3          |
| Installed capacity converted into 20/1 count (Kgs.)            |  | 43,593,947 | 41,106,935 |
| Actual production converted into 20/1 count (Kgs.)             |  | 40,083,743 | 35,601,574 |
| <b>Weaving</b>   |  |            |            |
| Total number of looms installed                                |  | 144        | -          |
| Total number of looms worked                                   |  | 144        | -          |
| Number of shifts per day                                       |  | 3          | -          |
| Installed capacity after conversion into 50 picks-Square meter |  | 86,014,053 | -          |
| Actual production after conversion into 50 picks-Square meter  |  | 26,862,335 | -          |

38.1 Actual production of yarn is lower than capacity due to the manufacturing of specialized Mélange yarn and periodic repair and maintenance & production of fabric is lower than capacity is due to commencing of commercial production of weaving facility in the mid of third quarter.

### 39 MEASUREMENT OF FAIR VALUES

A number of the company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the



valuation techniques as follows:

Level 1: quoted prices (Unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quote prices included in Level 1 that are observables for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurements is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### 40 RELATED PARTIES

40.1 The following are the related parties with whom the Company had entered into transaction or have arrangement / agreement in place during the year:

| S No. | Name of Related Party                 | Relationship       | No. of Shares | Percentage of Shareholding |
|-------|---------------------------------------|--------------------|---------------|----------------------------|
| 1     | MCB Bank Limited                      | Associated company | -             | Nil                        |
| 2     | MCB Islamic Bank Limited              | Associated company | -             | Nil                        |
| 3     | Din Farm Products (Pvt.) Ltd.         | Associated company | -             | Nil                        |
| 4     | Din Leather (Pvt.) Ltd.               | Associated company | -             | Nil                        |
| 5     | Din Industries Ltd.                   | Associated company | -             | Nil                        |
| 6     | Din Corporate (Pvt.) Ltd.             | Associated company | 6,469,187     | 12.33%                     |
| 7     | Din Industries Management (Pvt.) Ltd. | Associated company | 5,679,742     | 10.83%                     |
| 8     | Shaikh Muhammad Tanveer               | Director           | 1,914,056     | 3.65%                      |
| 9     | Shaikh Mohammad Naveed                | Director           | 4,930,858     | 9.40%                      |
| 10    | Farhad Shaikh Mohammad                | Director           | 1,223,479     | 2.33%                      |

#### 40.2 TRANSACTIONS WITH RELATED PARTIES

|   |                          | 2021<br>Rupees | 2020<br>Rupees |
|---|--------------------------|----------------|----------------|
| Transactions with related parties               | Relationship             |                |                |
| MCB Bank Limited                                | Associated company       |                |                |
| Deposits  |                          | 538            | 5,273          |
| Withdrawals                                     |                          | 1,080          | 15,205         |
| MCB Islamic Bank Limited                        | Associated company       |                |                |
| Deposits  |                          | 1,145,852,028  | 1,666,005,500  |
| Withdrawals                                     |                          | 1,291,614,077  | 1,707,064,795  |
| Din Farm Products (Pvt.) Ltd.                   | Associated company       |                |                |
| Purchase of fixed asset                         |                          | -              | 22,240,000     |
| Din Leather (Pvt.) Ltd.                         | Associated company       |                |                |
| Reimbursement of expenses                       |                          | 6,511,078      | 6,247,503      |
| Purchase of fixed asset                         |                          | 8,721,034      | 3,938,487      |
| Din Industries Ltd.                             | Associated company       |                |                |
| Sale of Yarn                                    |                          | -              | 14,449,500     |
| Sale of fabric                                  |                          | 22,810,862     | -              |
| Reimbursement of expenses                       |                          | -              | 326,822        |
| Salaries and other short term employee benefits | Key management personnel | 171,664,236    | 116,860,775    |
| Staff retirement benefits                       | Key management personnel | 5,978,946      | 4,753,926      |
| Balances Outstanding at the year end            | Relationship             |                |                |
| MCB Bank Limited                                | Associated company       | 952,214        | 952,756        |
| MCB Islamic Bank Limited                        | Associated company       | 536,516,138    | 390,754,089    |
| Din Leather (Pvt.) Ltd.                         | Associated company       | 710,950        | 331,522        |
| Din Industries Ltd.                             | Associated company       | 19,511,789     | 1,572,426      |

The company has related party relationship with its associated undertakings, its directors and executives officers. Transactions with related parties essentially entail sale and purchase of goods and / or services from the aforementioned concerns. All transactions are carried out on commercial basis.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The company considers all members of their management team, including the chief executive officer and directors to be its key management personnel.

There are no transactions with key management personnel other than under their terms of employments / entitlements. Balance outstanding from related parties are unsecured and repayable on demand or as contracted. Amounts due to related parties are shown in the relevant notes to the financial statements. Remuneration of directors and executives are disclosed in respective notes.

#### 41 INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

|                    |                                       |      |                             |                         |                             |                         |
|--------------------|---------------------------------------|------|-----------------------------|-------------------------|-----------------------------|-------------------------|
| 41.1               | Description                           | Note | 2021                        |                         | 2020                        |                         |
|                    |                                       |      | Carried under               |                         | Carried under               |                         |
|                    |                                       |      | Non-Shariah<br>arrangements | Shariah<br>arrangements | Non-Shariah<br>arrangements | Shariah<br>arrangements |
|                    |                                       |      |                             |                         |                             |                         |
| Assets             |                                       |      |                             |                         |                             |                         |
| Loans and advances |                                       |      |                             |                         |                             |                         |
|                    | Advance to employees against wages    | 10   | -                           | 7,376,405               | -                           | 7,555,607               |
|                    | Advance to employees against expenses | 10   | -                           | 3,626,501               | -                           | 1,382,407               |
|                    | Advances to supplier                  | 10   | -                           | 129,262,146             | -                           | 134,020,265             |
|                    | Advance against letter of credit      | 10   | -                           | 2,404,978               | -                           | 2,924,966               |
| Deposits           |                                       |      |                             |                         |                             |                         |
|                    | Long term deposits                    | 6    | -                           | 17,530,051              | -                           | 17,746,951              |
|                    | Trade deposits                        | 11   | -                           | 611,400                 | -                           | 172,000                 |
|                    | Bank balances                         | 14   | 40,307                      | 124,739,852             | 39,055                      | 309,315,023             |
| Liabilities        |                                       |      |                             |                         |                             |                         |
| Loan and advances  |                                       |      |                             |                         |                             |                         |
|                    | Long term financing                   | 18   | 997,378,900                 | 6,106,633,408           | 1,013,782,450               | 2,549,213,308           |
|                    | Short term borrowings - Secured       | 17   | 140,808,552                 | 357,661,791             | 915,383,220                 | 1,059,129,890           |
|                    | Murabaha                              | 15.1 | -                           | 3,731,295,610           | -                           | 1,298,223,513           |
|                    | Advances from customers               | 15   | -                           | -                       | -                           | 15,027,344              |
|                    | Contract liabilities                  |      | -                           | 6,739,305               | -                           | -                       |
|                    | Payable to associated companies       | 15.5 | -                           | 710,950                 | -                           | 331,522                 |
| Income             |                                       |      |                             |                         |                             |                         |
|                    | Profit on savings account             | 30   | 7,311                       | -                       | 9,561                       |                         |

|   | Note | 2021 Rupees | 2020 Rupees |
|---|------|-------------|-------------|
| <b>41.2 Sources of other income</b>               |      |             |             |
| Profit on savings account                         | 30   | 7,311       | 9,561       |
| Gain on disposal of property, plant and equipment | 30   | -           | 5,809,267   |

|   |           |            |            |
|---|-----------|------------|------------|
| <b>41.3 Exchange loss</b>                       |           |            |            |
| Loss on translation of foreign currency account | 24.1 & 28 | 15,054,616 | 24,886,129 |

#### 41.4 Relationship with banks

| Name                                    | Relationship with            |                          |
|---|------------------------------|--------------------------|
|   | Non Islamic window operation | Islamic window operation |
| Allied Bank Ltd.                        | ✓                            | x                        |
| Bank Al-Habib Ltd.                      | ✓                            | ✓                        |
| Bank Alfalah Ltd.                       | ✓                            | ✓                        |
| BankIslami Pakistan Ltd.                | x                            | ✓                        |
| Dubai Islamic Bank Pakistan Ltd.        | x                            | ✓                        |
| Faysal Bank Ltd.                        | x                            | ✓                        |
| Habib Metropolitan Bank Ltd.            | x                            | ✓                        |
| Habib Bank Ltd.                         | ✓                            | ✓                        |
| MCB Bank Ltd.                           | ✓                            | x                        |
| MCB Islamic Bank Ltd.                   | x                            | ✓                        |
| Meezan Bank Ltd.                        | x                            | ✓                        |
| National Bank Of Pakistan.              | ✓                            | x                        |
| Standard Chartered Bank (Pakistan) Ltd. | ✓                            | x                        |

## 42

Total number of employees as at year end  
Average number of employees during the year

Total number of factory employees as at year end  
Average number of factory employees during the year

## 43

Comparative information has been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

## 44

These financial statements have been authorized for issue on 30th September 2021 by the Board of Directors of the Company.

SHAIKH MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAIKH MOHAMMAD  
Director

SHAUKAT HUSSAIN CHAUDHARY  
Chief Financial Officer



Notes

## AGM

On Thursday, 28th October 2021 at 11:00 a.m.

At Beach Luxury Hotel, Tulip Hall, M. T. Khan Road, Karachi.

کمپنی کے حصص میں اس کے ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کے زوج اور نابالغ بچوں کی طرف سے کوئی تجارت نہیں کی گئی۔  
اظہار تشکر

بورڈ آف ڈائریکٹرز ہمیشہ انتظامیہ کی رہنمائی اور مدد کا ذریعہ ہے اور پیش آنے والے چیلنجوں سے واقف ہیں اور آپ کی کمپنی کے لئے یقینی ترقی، منافع پیدا کرنے اور اپنی کمپنی کے لئے قدر پیدا کرنے کا پختہ ارادہ رکھتا ہے اور ہم یقین رکھتے ہیں کہ وہ آئندہ سالوں میں اسی لگن کو جاری رکھیں گے۔ ہم خوشی سے اس بات کو تسلیم کرتے ہیں کہ ملازمین کے ساتھ تعلقات پورے سال میں ہموار اور ہم آہنگ رہے۔ انتظامیہ کمپنی کی ترقی اور خوشحالی کے لئے تمام ملازمین کی مسلسل لگن، عزم اور سخت محنت کو تسلیم اور دل سے تعریف کرتی ہے، جن کے بغیر یہ کارکردگی ممکن نہیں ہو سکتی تھی۔

آخر پر بورڈ آف ڈائریکٹرز ان مشکل حالات میں تمام ہرکتوں کے لئے اللہ تعالیٰ کا شکر ادا کرتا ہے اور کمپنی میں ان کی مسلسل حمایت کے لئے تمام بینکوں، گاہکوں، ڈیلرز اور اسٹیک ہولڈرز کا بھی شکر گزار ہے۔

منجانب بورڈ آف ڈائریکٹرز

شیخ محمد تنویر

چیف ایگزیکٹو

فرہاد شیخ محمد

ڈائریکٹر

سوفٹ مہارت جیسے کہ تخلیقی سوچ، مسئلہ کو حل کرنا، ٹیم مینجمنٹ، فیصلہ سازی، تنازعات کا حل، جذباتی ذہانت، قیادت اور عوام کا انتظام وغیرہ۔

اخلاقیات اور کاروباری طریقوں کا بیان۔

بورڈ نے اخلاقیات اور کاروباری طریقوں کا بیان تیار اور تقسیم کیا جس پر کمپنی سے کسی بھی سلسلے میں منسلک ہر ایک ڈائریکٹر اور کمپنی کے ملازم نے دستخط اور ضابطہ کے معیارات کو سمجھنے کا پیشگی اعتراف کیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان

30 جون 2021 کو ختم ہونے والے سال کے لئے متعلقہ مندرجہ قوانین میں پاکستان اسٹاک ایکسچینج کی طرف سے قائم کردہ کوڈ آف کارپوریٹ گورننس کی ضروریات پر عمل کیا گیا ہے۔ اس اثر کا ایک بیان رپورٹ کے ساتھ منسلک ہے۔

ویب پر موجودگی

کمپنی کی تمام سہ ماہیوں کے مالی گوشوارے بشمول سالانہ رپورٹ سرمایہ کاروں اور حصص داران کی معلومات کیلئے کمپنی کی ویب سائٹ [www.dingroup.com](http://www.dingroup.com) پر دستیاب ہیں۔

بورڈ کی تشخیص

کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کے مطابق، بورڈ نے بورڈ کی کارکردگی کی سالانہ تشخیص کے لئے ایک میکانزم اختیار کیا ہے۔ بورڈ کی کارکردگی کا اندازہ بنیادی طور پر ایک تشخیص ہے کہ بورڈ نے مندرجہ ذیل پیرامیٹرز پر کیسے کارکردگی کا مظاہرہ کیا ہے:

﴿ بورڈ کی تشکیل اور معیار

﴿ بورڈ کے افعال

﴿ کمپنی کی مالی کارکردگی

﴿ قانونی ذمہ داریاں

﴿ کارپوریٹ گورننس

﴿ خطرے کے انتظامات

﴿ انسانی وسائل کے انتظامات

﴿ تحقیق اور ترقی

﴿ کاروبار کی توسیع

محاسب

30 جون 2021 کو ختم ہونے والی مالی سال کے لئے کمپنی کا قانونی آڈٹ مکمل ہو چکا ہے اور آڈیٹر نے کمپنی کے مالی حسابات پر اپنی آڈٹ رپورٹ اور کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان جاری کیا ہے۔ محاسب میسرز نوید ظفر اشفاق جعفری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے اور انہوں نے بطور آڈیٹر رہنے کی خواہش ظاہر کی ہے۔ انہوں نے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس پاکستان (آئی سی اے پی) اور اسکی منظور کردہ انٹرنیشنل فیڈریشن آف انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (آئی ایف اے سی) کے ضابطہ اخلاق پر گائیڈ لائن کی تعمیل کے ذریعے توثیق شدہ تسلی بخش ریٹنگ حاصل کی ہے۔ بورڈ نے 30 جون 2022 کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹر ان کی دوبارہ تقرری کی تجویز دی ہے کہ کوڈ آف کارپوریٹ گورننس کے مطابق ذمہ دار پائرن کو دوبارہ موقع دیا جائے گا۔ بورڈ کی آڈٹ کمیٹی نے بھی ان کی دوبارہ تقرری کی تجویز دی جس کی بورڈ نے توثیق کی ہے۔

حصص داری

30 جون 2021 کو نمونہ حصص داری معہ کوڈ آف کارپوریٹ گورننس کے تحت درکار انکشافات منسلک ہیں۔



## کاروبار کی نوعیت میں تبدیلی

اللہ تعالیٰ کے فضل سے، یارن مینوفیکچرنگ کے علاوہ، کمپنی نے رپورٹنگ مدت کی تیسری سہ ماہی کے اختتام تک گریگ فیکرک ویولنگ سہولت کی تجارتی پیداوار کو کامیابی سے شروع کرتے ہوئے اپنے کاروبار کو وسعت دی ہے۔ زیرِ جائزہ سال کے دوران مزید کوئی اہم تبدیلیاں وقوع پذیر نہیں ہوئی ہیں۔

### ڈیبٹ / قرضوں کی واپس ادائیگیاں

کمپنی نے ایک موثر نقدی بہاء حکمت عملی تیار کی ہے جس کے تحت مستقل بنیادوں پر آمد اور خرچ کا تخمینہ اور نگرانی کی جاتی ہے۔ اس جامع حکمت عملی نے کمپنی کو ہمیشہ اپنے مالی عزائم ہم آہنگی سے مکمل کرنے کا اختیار دیا ہے اور امید کرتی ہے کہ آنے والے ہر چیلنج کا مقابلہ کیا جائے گا۔ مذکورہ بالا کی تعمیل میں، انتظامیہ نے قرضوں کی لاگت کو معقول بنانے کے لئے مستقل کوششیں کی ہیں، جو فنڈز کے ذرائع اور مالی اعانت کے موثر انتظامات کے متوازن پورٹ فولیو کا انتظام کر کے کیا جاتا ہے۔

کمپنی بروقت اپنی ذمہ داریوں کو پورا کرتی ہے، اور اس کے مطابق، اس سال سمیت قرضوں کی ادائیگی کے حوالہ سے کسی ڈیفالٹ کی کوئی ہسٹری نہیں ہے۔

### ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز، ڈائریکٹرز کی ایکسٹرنل خدمات کے لئے ڈائریکٹرز کا معاوضہ مقرر کرنے کا مجاز ہے۔ اس سلسلہ میں، بورڈ آف ڈائریکٹرز نے کمپنی کے نان ایگزیکٹو اور ڈائریکٹرز کے لئے ایک جامع ریمینڈیشن پالیسی تیار کی ہے۔

چیف ایگزیکٹو اور دیگر ڈائریکٹرز کے ریمینڈیشن پیکیج کا مالی گوشواروں کے نوٹ 33 میں انکشاف کیا گیا ہے۔

## موزوں داخلی آڈٹ فنکشن

دین ٹیکسٹائل میں ایک آزاد داخلی آڈٹ فنکشن ہے۔ اندرونی آڈٹ فنکشن کمپنی کے کارپوریٹ گورننس سٹرکچر کا لازمی اور موثر حصہ ہے جو انتظامیہ کو کافی یقین دہانی کراتا ہے کہ اندرونی کنٹرول اور چیک اور توازن نظام مناسب طریقے سے کام کر رہا ہے، بہتر اور لاگت موثر کنٹرول کے اطلاق کے لئے مواقع کی شناخت، موجودہ نظام اور عمل اور متبادل طریقہ کار میں خامیوں اور کنٹرول سسٹم کو مضبوط بنانے کے لئے ضروری اصلاحاتی اقدامات کی ضرورت ہے۔

آڈٹ کمیٹی نے بورڈ کو پیش اور ان کی اشاعت سے پہلے، سہ ماہی، ششماہی اور سالانہ حسابات کا جائزہ لیا، سی ایف او، اندرونی آڈٹ کے سربراہ اور بیرونی آڈیٹروں کے نمائندہ نے اجلاس میں شرکت کی جہاں اکاؤنٹس اور آڈٹ سے متعلق معاملات پر تبادلہ خیال کیا گیا۔ آڈٹ کمیٹی نے داخلی آڈٹ کے نتائج کا بھی جائزہ لیا اور کارپوریٹ گورننس کے ضابطہ کے تحت درکار اندرونی آڈٹ اور بیرونی آڈٹ کے ساتھ الگ الگ اجلاس منعقد کیا۔ آڈٹ کمیٹی نے بیرونی آڈٹ کے ساتھ ان کے خط منجمنٹ پر بھی تبادلہ خیال کیا۔ متعلقہ پارٹیوں کے ساتھ لین دین کو بورڈ کے منظوری سے قبل آڈٹ کمیٹی کے سامنے بھی رکھا گیا تھا۔

### آگاہی کورس

ہر ترقی پذیر کاروباری ماحول کے ساتھ واقفیت اور جدید ترین انتظامی طریقوں کے ساتھ فرنٹ ریز کی صلاحیتوں کو بڑھانا ہمیشہ نئی حکمت عملیوں، آئیڈیاز، ایکشن پلان کی تکمیل اور نفاذ کو تیز کرتا ہے۔ کمپنی کی انتظامیہ نے فیصلہ کیا ہے کہ پیشہ ور منجمنٹ ٹرینرز کے ذریعے اندرون خانہ منجمنٹ اور مینٹیشن ٹریننگ پروگرام ترتیب دیا جائے تاکہ اعلیٰ اور درمیانہ درجے کی انتظامیہ کو ہمیشہ بدلتے ہوئے بہترین کاروباری طریقوں سے آشنا کیا جاسکے۔ اس پروگرام کا بنیادی مقصد نہ صرف ہمارے فرنٹ ریز کو صنعت کے بڑھتے ہوئے معیارات سے آراستہ کیا جائے بلکہ انہیں زیادہ مسابقتی اور صنعت کے معیارات کو تبدیل کرنے میں بھی سب سے برتر رکھا جائے۔ مزید برآں وہ ملازمین جو تربیت کے مواقعوں کے ذریعے حوصلہ افزائی اور چیلنج قبول کرتے ہیں وہ زیادہ مطمئن اور تنظیموں کے مشن، ویژن اور مقاصد کے حصول کے لیے زیادہ جارحانہ کردار ادا کرتے ہیں لہذا یہ پروگرام بھی اسی مقصد کے لیے بنایا گیا ہے۔ ہمارے مضبوط ٹریننگ اور ڈویلپمنٹ پروگرام میں دونوں تکنیکی تربیتوں کا امتزاج ہے جیسے کہ پروڈکشن فلور پر ٹائم منجمنٹ، دستیاب وسائل کا بہترین استعمال، پیداوار کو بہتر بنانا اور خرابی کو کم کرنا، توانائی کی کارکردگی وغیرہ اور

## بورڈ آف ڈائریکٹرز کے اجلاس اور انتخاب

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے جولائی 2020 سے جون 2021 تک سات (7) اجلاس منعقد ہوئے۔  
بورڈ کے ارکان کی حاضری مندرجہ ذیل ہے:

| نام ڈائریکٹرز          | عہدہ                         | حاضری کی تعداد |
|------------------------|------------------------------|----------------|
| شیخ محمد منیر          | (نان ایگزیکٹو ڈائریکٹر)      | 6              |
| شیخ محمد رویہ          | (نان ایگزیکٹو ڈائریکٹر)      | 7              |
| شیخ محمد تنویر         | (ایگزیکٹو ڈائریکٹر)          | 6              |
| شیخ محمد نوٹ           | (ایگزیکٹو ڈائریکٹر)          | 7              |
| جناب فیصل جاوید        | (نان ایگزیکٹو ڈائریکٹر)      | 7              |
| جناب فرہاد شیخ محمد    | (ایگزیکٹو ڈائریکٹر)          | 7              |
| جناب عبدالرزاق         | (آزاد نان ایگزیکٹو ڈائریکٹر) | 7              |
| جناب احتشام مقبول الہی | (آزاد نان ایگزیکٹو ڈائریکٹر) | 7              |
| محترمہ رومہہ رافع      | (آزاد نان ایگزیکٹو ڈائریکٹر) | 7              |

ارکان جو اجلاس میں شرکت نہیں کر سکے کو عدم شرکت کی چھٹی دی گئی۔

## بورڈ آف ڈائریکٹرز کی کمیٹیاں

آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمنریشن کمیٹیوں کی تفصیل درج ذیل ہے:-  
آڈٹ کمیٹی

جناب عبدالرزاق چیئر پرسن

شیخ محمد پرویز رکن

جناب فیصل جاوید رکن

ہیومن ریسورس اینڈ ریمنریشن کمیٹی

جناب عبدالرزاق چیئر پرسن

فیصل جاوید رکن

جناب فرہاد شیخ محمد رکن

ڈائریکٹرز کی آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمنریشن کمیٹی کی حاضری "بورڈ آف ڈائریکٹرز کمیٹیوں" میں دی گئی ہے۔

سال کے دوران بورڈ فعال طور پر اپنے فرائض کو انجام دینے میں مصروف رہا، بشمول جن کی حصص داران کے منافع کو محفوظ بنانے، کمپنی کے منافع کو بڑھانے، حصص دار کی دولت میں اضافہ اور مارکیٹ کے اعتماد کو فروغ دینے کے مجموعی مقصد کے ساتھ مختلف قوانین اور میمورنڈم اینڈ آرٹیکل آف ایسوسی ایشن آف کمپنی کے تحت ادا کرنے کی ضرورت ہوتی ہے۔

ڈائریکٹرز بخوشی بیان کرتے ہیں کہ:-

کوڈ آف کارپوریٹ گورننس کے تحت انکشافات  
کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

a- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو متصفانہ طور پر پکینیز ایکٹ 2017 کے مطابق ظاہر کیا گیا ہے۔

b- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔

c- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشندانہ فیصلوں پر مبنی ہیں۔

d- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔

e- داخلی کنٹرول کا اندرونی آڈٹ اور اس طرح کے دیگر طریقہ کار کے ذریعے مسلسل جائزہ لیا جا رہا ہے۔ جائزہ کا عمل جاری رہے گا اور کنٹرول میں کسی کمزوری کو ختم کیا جائے گا۔

f- کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔

g- فہرستی قوانین میں تفصیلی، کارپوریٹ گورننس کے بہترین عملوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

h- گزشتہ چھ سال کا کلیدی آپریشننگ اور مالیاتی ڈیٹا منسلک ہے۔

i- ٹیکس، ڈیویڈنڈ، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں، اگر کوئی ہوں، جو بقیہ ہوں، کا مالی حسابات میں واضح انکشاف کیا گیا ہے؛

j- اہم فیصلوں اور مستقبل کے امکانات کی وضاحت چیئرمین کے جائزہ میں کی گئی ہے۔

مادی تبدیلیاں

30 جون 2021 تک کوئی مادی تبدیلیاں وقوع پذیر نہیں ہوئی ہیں سوائے جن کا ذکر 30 جون 2021 مختتمہ سال کے لئے کمپنی کے نظر ثانی شدہ مالی

گوشواروں میں کیا گیا ہے۔

بورڈ کی تشکیل

30 جون 2021 کو بورڈ آف ڈائریکٹرز مشتمل ہے:

ڈائریکٹرز کی کل تعداد

08 مرد ڈائریکٹرز

01 خاتون ڈائریکٹرز

بورڈ کی تشکیل مندرجہ ذیل ہے:

03 آزاد ڈائریکٹرز

03 دیگر نان ایگزیکٹو ڈائریکٹرز

03 ایگزیکٹو ڈائریکٹرز



## خطرے کی تخفیف

چلتے کاروبار میں انفرادی خطرات اور غیر یقینی صورتحال براہ راست کاروبار کی کامیابی کو متاثر کرتی ہے۔ دین ٹیکسٹائل ملز لمیٹڈ کی انتظامیہ نے ممکنہ خطرات کی نشاندہی کی ہے۔ مستقبل کو مد نظر رکھنے کی ہماری پالیسی کے ایک حصہ کے طور پر اہم خطرات کی نشاندہی کی جاتی ہے جو ہمارے کاروبار پر اثر انداز ہو سکتے ہیں۔ یہ عمل خطرے کے عناصر کو کم سے کم کرنے کی حکمت عملی پر توجہ مرکوز کرنے میں انتظامیہ کی مدد کرتا ہے۔

## قرض کا خطرہ

کمپنی کے تمام مالی اثاثے زیر دست نقد رقم کے علاوہ کریڈٹ خطرے کے تابع ہیں۔ کمپنی کا خیال ہے کہ یہ کریڈٹ رسک کی اہم حدود سے متعلق نہیں ہے۔ اس خطرہ سے گزشتہ تجربے، بیلز، حجم، مالی پوزیشن پر غور، پچھلے ٹریک ریکارڈ اور وصولیوں، خاص طور پر ٹیکسٹائل سیکٹر اور عام طور پر صنعت کے اقتصادی حالات کی بنیاد پر کریڈٹ کی حدیں مقرر کر کے اپنے صارفین کو محفوظ کیا جاتا ہے۔ کمپنی کا خیال ہے کہ مشکوک قرضوں کے حصول سے گریز کیا جائے۔

## لیکویڈیٹی کا خطرہ

متوقع لیکویڈیٹی رسک منجمنٹ معاہدے سے متعلق وعدوں کی ضروریات کو پورا کرنے کے لئے کافی فنڈ کی دستیابی کو یقینی بناتی ہے۔ کمپنی کی فنڈ منجمنٹ حکمت عملی کا مقصد داخلی نقد پیداوار اور مالیاتی اداروں کے ساتھ طے شدہ کریڈٹ لائنز کے ذریعے لیکویڈیٹی خطرہ کو کم سے کم کرنا ہے۔

## سود کی شرح کا خطرہ

اکثر شرح سود کا خطرہ بینکوں سے لئے گئے مختصر اور طویل مدتی قرضوں اور بینکوں میں ٹرم ڈیپازٹ اور پی ایل ایس سیویگ اکاؤنٹس میں ڈیپازٹس سے پیدا ہوتا ہے۔ لہذا، رپورٹنگ تاریخ تک شرح سود میں تبدیلی منافع یا نقصان کی نشیمنٹ کو متاثر نہیں کرے گی۔

## غیر ملکی زرمبادلہ کا خطرہ

غیر ملکی کرنسی کا خطرہ بنیادی طور پر وصولیوں اور ادائیگیوں کا غیر ملکی کرنسیوں میں لین دین کی وجہ سے پیدا ہوتا ہے۔ کمپنی بنیادی طور پر خام مال اور پلانٹ اور مشینری کی درآمد پر مختصر مدتی USD / PKR برابری پر قابو پاتی ہے۔

## پیداواری سہولیات

ہماری پیداواری سہولیات کی کارکردگی پیداواری بے مثال سطحوں کے ساتھ بہترین تھی۔ ہماری ٹیم ہم آہنگی کوششوں سے ضیاع کو ختم کرنے اور متعدد مواقع پر بندش سے بچنے کے ذریعے صلاحیتوں کو بہتر بنانا جاری رکھتی ہے۔ کمپنی پائیدار منافع اور ملک کی قیادتی ٹیکسٹائل مینوفیکچرر کی اپنی حیثیت کو برقرار رکھنے کے لئے زیادہ سے زیادہ صلاحیت کے استعمال پر توجہ مرکوز رکھنے کا پختہ ارادہ رکھتی ہے۔

## متعلقہ پارٹیاں

بورڈ آف ڈائریکٹرز نے کمپنی اور اس کی متعلقہ پارٹیوں کے درمیان لین دین / معاہدہ کے لئے قابل رسائی بنیاد پر پالیسی منظور کی ہے اور متعلقہ نرخوں کو نسبتاً بے قابو قیمت کے طریقوں کے مطابق مقرر کیا ہے۔

کمپنی نے پاکستان اسٹاک ایکسچینج کے مندرج قواعد میں شامل منتقلی قیمت کے بہترین طریقوں پر مکمل طور پر عمل کیا ہے۔

## کارپوریٹ گورننس

کمپنی کاروباری سالمیت کو یقینی بنانے اور تمام اسٹیک ہولڈرز کے اعتماد کو برقرار رکھنے کے لئے کارپوریٹ گورننس کے معیارات پر عمل کرتی ہے۔ بورڈ آف ڈائریکٹرز اچھے کارپوریٹ گورننس کے لئے شیئر ہولڈرز کو جواب دہ ہیں۔ کمپنی کی انتظامیہ خاص طور پر ایگزیکٹو ڈائریکٹر کی آزادی کے حوالے سے کارپوریٹ گورننس کے کوڈ میں متعین بہترین طریقوں کی پرویز پر عمل کرتی ہے۔ کمپنی کاروباری سرگرمیوں کی انجام دہی کے لئے پاکستان اسٹاک ایکسچینج کے مندرج قواعد کی پاسداری کو برقرار رکھتی ہے، جس میں واضح طور پر بورڈ آف ڈائریکٹرز اور انتظامیہ کے قواعد و ضوابط کی وضاحت کی گئی ہے۔ وٹن اور مشن بیان، بنیادی اقدار، اور طرز عمل کو بورڈ کی طرف سے تیار اور منظور کیا گیا ہے۔ کوڈ آف کارپوریٹ گورننس کے تحت ضروری پالیسیوں کو تیار کیا گیا ہے اور بورڈ کے زیرِ جائزہ ہیں۔

## اکاؤنٹنگ نتائج کی اہم خصوصیات

زیر جائزہ سال کی آمدنی کا گزشتہ سال سے موازنہ حسب ذیل کے مطابق کیا جاسکتا ہے:

| 30 جون 2020 تک<br>روپے '000' | 30 جون 2021 تک<br>روپے '000' |                      |
|------------------------------|------------------------------|----------------------|
| 12,482,831                   | 17,641,435                   | فروخت                |
| (11,189,622)                 | (14,528,487)                 | قیمت فروخت           |
| 1,293,209                    | 3,112,947                    | مجموعی منافع         |
| (54,420)                     | (106,923)                    | تقسیم کے اخراجات     |
| (203,347)                    | (294,470)                    | انتظامی اخراجات      |
| (49,917)                     | (151,043)                    | دیگر آپریٹنگ اخراجات |
| (814,753)                    | (700,728)                    | مالی لاگت            |
| (1,122,436)                  | (1,253,164)                  |                      |
| 6,949                        | 77,233                       | دیگر آپریٹنگ آمدنی   |
| 177,722                      | 1,937,017                    | نیکس سے پہلے منافع   |

### منافع منقسمہ

تنوع اور توسیعی منصوبوں کے حصہ کے طور پر، کمپنی نے ایک مالی حکمت عملی پر عملدرآمد کیا ہے جس میں کیپٹل انٹینسٹ منصوبوں کی فنانس کے لئے داخلی پیدا ہونے والا نقدی بہاؤ استعمال کی گیا ہے۔ بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لئے کوئی منافع تقسیم نہ کرنے کی تجویز دی ہے (Nil:2020)۔

### مالی انتظامات

#### نقد رقم کے انتظامات

سال کے دوران ورکنگ کیپٹل تبدیلیوں کے اثرات سے قبل کمپنی کی آپریٹنگ سرگرمیوں سے 3,448.96 ملین روپے کی رقم پیدا کی گئی، یہ بنیادی طور پر بالواسطہ اخراجات مثلاً کم از کم اجرتوں اور ایندھن اور بجلی کی قیمت میں مسلسل اضافہ کے باوجود، مؤثر قیمت کنٹرول اقدامات کی وجہ سے ہے، (2,117.73) ملین روپے تجارتی قرضوں اور دیگر قابل وصولیوں میں اضافہ کے ذریعے ورکنگ کیپٹل میں استعمال کئے گئے۔ سال 2021 کے اختتام پر لیکویڈ فنڈ پوزیشن نقدی اور نقدی کے مساوی رقوم (373.69) ملین روپے پر مشتمل ہے۔

کمپنی کے پاس مؤثر نقد رقم کے بہاؤ کا مینجمنٹ سسٹم ہے جس میں نقد رقم کی جہاں ضرورت ہو باقاعدہ بنیاد پر پیش اور سخت نگرانی کی جاتی ہے۔ ورکنگ کیپٹل کی ضروریات داخلی نقد پیداوار جہاں ضرورت ہو خارجی ذرائع سے مختصر مدتی قرضوں کی ضروریات پوری کرنے کی منصوبہ بندی کی جاتی ہے۔

بورڈ مطمئن ہے کہ 30 جون 2021 کو موجودہ تناسب 1.00:1.27 کے ساتھ کریڈٹ اور پائیدار مالی حیثیت کے بیان تک رسائی سمیت کوئی مختصر یا طویل مدتی مالی رکاوٹیں نہیں ہیں۔

## مجلس نظاماء کی رپورٹ

### محترم حصص یافتگان

"مجلس نظاماء 30 جون 2021ء کو ختم ہونے والے سال کے لئے کمپنی کے نظر ثانی شدہ مالی حسابات بعد سالانہ رپورٹ 2020 پیش کرتے ہوئے خوشی محسوس کر رہی ہے"

### جائزہ

کمپنی کا اصل کاروبار یارن بنانا اور فروخت کرنا ہے۔ مینوفیکچرنگ یونٹ صوبہ پنجاب میں چٹوکی اور رائے ونڈ میں واقع ہیں۔ کمپنی کا کاروبار خام مال کی قیمتوں میں اضافہ اور زر مبادلہ کی شرح میں اتار چڑھاؤ سے بہت زیادہ منسوب ہے، جو اس کی کارکردگی کو متاثر کر سکتے ہیں۔

### مالیاتی نتائج

| 30 جون 2020 تک ختم سال<br>روپے '000 | 30 جون 2021 تک ختم سال<br>روپے '000 |   |
|-------------------------------------|-------------------------------------|---|
| 1,471,573                           | 1,439,019                           | منافع و نقصان تصرفات  |
| 40,316                              | 1,566,607                           | غیر تصرفاتی منافع جو آگے لائے   |
| (72,870)                            |                                     | سال کے لئے کل مجموعی آمدنی  |
| 1,439,019                           | 3,005,626                           | 30 جون 2020 تک ختم سال کے لئے مجوزہ ڈیویڈنڈ بشرح 25 فیصد یعنی 2.50 روپے فی شیئر |
| 0.86                                | 29.79                               | غیر تصرفاتی منافع جو آگے جائے گا  |
|                                     |                                     | آمدن فی شیئر - بنیادی اور معدل  |

### چیزیں مین کا جائزہ

کمپنی کے ڈائریکٹرز چیزیں مین کے جائزہ جو کاروبار اور آپریشنز، مستقبل کا نقطہ نظر اور منظر ہنگ ترقی کے لئے سرمایہ کاری کے منصوبوں کا احاطہ کرتا ہے، کے مندرجات کی تائید کرتے ہیں۔

### آپریشنل کارکردگی

| اضافہ / (کمی) فیصد | 30 جون 2020 تک ختم سال<br>روپے '000 | 30 جون 2021 تک ختم سال<br>روپے '000 |                |
|--------------------|-------------------------------------|-------------------------------------|----------------|
| 41.33              | 12,482,831                          | 17,641,435                          | کل فروخت       |
| 33.52              | 9,071,916                           | 12,112,840                          | مقامی فروخت    |
| 62.20              | 3,505,708                           | 5,686,278                           | برآمد فروخت    |
| 66.34              | (94,793)                            | (157,683)                           | کمیشن اور ٹیکس |
| 140.71             | 1,293,209                           | 3,112,947                           | مجموعی منافع   |



اور ملازمین کو اس کے نفاذ کی طرف مزید راغب کرنے کے لیے مناسب حوصلہ افزائی فراہم کی جائے۔ ہم اپنے ملازمین کے مجموعی ورک لائف توازن کو برقرار رکھنے کی کوشش کرتے ہیں، جس کے نتیجے میں، ان کی پیداواری صلاحیت میں اضافہ ہوا ہے اور ان کی مجموعی ملازمت میں مدد ملی ہے۔

کارپوریٹ سماجی ذمہ داری (سی ایس آر)

دین کی CSR پالیسی کی اس کے اسٹیک ہولڈروں کی زندگی کو مثبت طور پر چھونے کے لئے اہم ہونے کی وجہ سے حوصلہ افزائی کی جاتی ہے۔ دریں اثناء ہم کمیونٹی جہاں ہم رہتے ہیں کی مدد کرنے کو ہمہ وقت تیار رہتے ہیں اور مختلف سوشل اور سماجی سرگرمیوں کے ذریعے کام کرتے ہیں۔ اس سمت میں، ہماری مرکز توجہ کے اہم شعبوں میں صحت کی دیکھ بھال، تعلیم اور کھیل شامل ہیں۔ گزشتہ تین عشروں کے دوران دین ٹیکسٹائل کا فلسفہ اخلاقی اور ذمہ دارانہ طریقے سے کاروبار چلانا، جس ملک میں یہ کاروبار کرتی ہے اس کی ترقی میں مدد کرنا رہا ہے۔ کمپنی سماجی اقدامات اٹھاتی ہے جس سے یہ خیال کیا جاتا ہے کہ اس کی شراکت اس کمیونٹی کی زندگی کو بہتر بنائے گی۔

دین کارپوریٹ فلسفہ، توانائی کی بچت، ماحولیاتی تحفظ کے اقدامات، سماجی سرمایہ کاری، صارفین کی حفاظت کے اقدامات، خصوصی افراد کو ملازمت، صنعتی تعلقات، پیشہ ورانہ تحفظ اور صحت، کاروباری اخلاقیات، انٹنی کرپشن کے اقدامات اور قومی خزانہ میں حصہ لینے کے ذریعے فعال کارپوریٹ شہری کا کردار ادا کرتی ہے۔

### مستقبل کا نقطہ نظر

ہم سمجھتے ہیں کہ چین اور دیگر علاقائی ایشیائی ممالک سے باہر آرڈرز کی مسلسل تبدیلی کی وجہ سے ملکی اور عالمی سطح پر یارن اور فیکرک کی طلب مضبوط ہے۔ ریاستہائے متحدہ نے ٹیکسٹائل مصنوعات جو کہ Xinjian صوبہ کی کاٹن سے تیار کی گئی ہے پر پابندی عائد کی ہے، یہ پاکستان کے برآمد کنندگان کے لیے ایک موقع ہے کہ وہ بولیس منڈیوں کو ٹیپ کریں۔ ٹیکسٹائل کے شعبے میں زیادہ کچھٹائی نے دیکھا کہ یہ مضبوط آرڈر ملنے کا اشارہ ہے، جبکہ برآمدات کی مسابقت کو حالیہ روپے کی قدر میں کمی، حکومت کی طرف سے خام مال پر درآمدی ٹیرف اور بجلی کی سبسڈی کی مسلسل معقولیت سے بھی مدد ملی ہے۔ رواں میزن 2021-22 کے لیے پاکستان کاٹن کی فصل کی 8 ملین جاکٹوں کی پیش گوئی کی گئی ہے اور روپی کی درآمد سے شارٹ فال کا احاطہ کیا جائے گا ڈالر کے مقابلے میں روپے کی قدر میں کمی کی وجہ سے خام مال کی قیمتیں زیادہ ہیں۔ آپ کی کمپنی کی انتظامیہ صورتحال کا پیشگی اندازہ لگاتی ہے اور اس کا فعال جواب دیتی ہے۔ خام مال کی زیادہ قیمت کی وجہ سے منافع کے مارجن میں کمی آسکتی ہے جو نئی درآمدی منڈیوں کو ٹیپ کر کے واپس لی جائے گی۔

موجودہ سال کے مقابلہ میں ٹیکسٹائل اسپننگ / ویونگ شعبے کے لئے ملک کا معاشی منظر نامہ اور مارکیٹ کی صورتحال مستقبل قریب کے لئے بہتر دکھائی دے رہی ہے۔ ٹیکسٹائل کے شعبے کی بحالی کے لئے حکومت کو توانائی کی لاگت، یارن کی درآمد سے متعلق مسئلے کو مختلف اسکیموں کے تحت حل کرنے کی ضرورت ہے اور کپاس کی ڈیوٹی فری درآمد کی اجازت دی جائے کیونکہ مقامی کپاس مقامی کپھت کے لئے ناکافی اور اعلیٰ معیار کے فائن کاؤنٹ یارن کی تیاری کے لئے موزوں نہیں ہے۔

### اظہار تشکر

بورڈ آف ڈائریکٹر کے چیئرمین کی حیثیت سے بورڈ کی طرف سے، ہم گاہکوں، ویٹرز، ڈیلروں، سرمایہ کاروں، کاروباری شراکت داروں اور بینکاروں سے سال بھر مسلسل تعاون کا شکریہ ادا کرتے ہیں۔ ہم ہر سطح پر ملازمین کی طرف سے کیے گئے عزم اور شراکت کو سراہتے ہیں۔ چیلنجوں سے نمٹنے کے لیے ہماری ٹیم ان کی محنت، یکجہتی، تعاون اور حمایت سے ممکن ہوئی۔

منجانب بورڈ

ایس ایم منیر چیئرمین بورڈ آف ڈائریکٹر

روپے (2019-20 میں 2,362.286 ملین روپے) خرچ کئے۔ ٹیم کی کامیابیوں پر زور اور انفرادی کامیابیوں پر فخر کیا جاتا ہے جس پر ہماری مجموعی کامیابی انحصار کرتی ہے۔

### انفارمیشن ٹیکنالوجی

ہم اپنے آئی ٹی انفراسٹرکچر کو اپ گریڈ کرنے اور بڑھانے کے طریقہ پر عملدرآمد کرتے ہیں اور زیادہ سے زیادہ عمل کو خود کار بنانے کی طرف بڑھ رہے ہیں۔ اس کے علاوہ، ہم نے اپنے آخری صارفین کی روزانہ کی سرگرمیوں کا بہت قریب سے مطالعہ کرنے اور اس سلسلے میں مختلف کاموں کو خود کار طریقے سے بنانے کے لئے مواقع تلاش کرنے پر توجہ مرکوز کی ہے، کاروباری صارفین کے ساتھ مذاکرات کے ایک سلسلہ کے ذریعے کاروباری عمل کا تجزیہ اور ERP سسٹم میں خامیوں کی رپورٹنگ میں بہت اہم کوششیں کی ہیں۔ دین ٹیکنالوجی میں ہم نے کمپنی کے ذرائع کے بہتر استعمال اور بہترین ERP سلوشنز پر مبنی بروقت فیصلوں کے لئے SAP نافذ کیا ہے۔

### صحت، حفاظت اور ماحول

ہم دین ٹیکنالوجی کو ایک ایسی تنظیم بنانے کے لیے پرعزم ہیں جو اپنے ملازمین کی صحت، حفاظت اور مجموعی طور پر بہتری کو انتہائی ترجیح دیتی ہے۔ ہماری ماحولیات، صحت اور حفاظت (EHS) پالیسی، مقاصد، معیارات اور کام کرنے کے طریقہ کار دین ٹیکنالوجی کے کام کو ایک انتہائی محفوظ اور صحت مندرجہ بنانے کے لیے تشکیل دیئے گئے ہیں۔ ایک باضابطہ مادی تشخیص کے عمل کے ذریعے، ہم نے کاروباری سطح پر پائیداری کے مادی مسائل کی نشاندہی کی ہے اور ہر کاروبار کے لیے ایک ٹائم باؤنڈ روڈ میپ تیار کیا ہے تاکہ ہماری مجموعی کارکردگی کو آگے بڑھایا جاسکے جسے مستقبل میں عوامی انکشافات کا حصہ بنایا جائے گا۔ ہم اپنی تمام مینوفیکچرنگ سہولیات میں محفوظ اور اخلاقی کام کا ماحول بنانے پر بھی توجہ مرکوز کر رہے ہیں۔ ہم "زیرو ہارم" کے حصول کے لیے کام کر رہے ہیں اور اپنے تمام آپریشنز میں پائیداری کے وژن کے تحت زخموں سے پاک ماحول حاصل کرنے کا ہدف مقرر کیا ہے۔ "زیرو ہارم" کے ہمارے مقصد سے مراد دین ٹیکنالوجی میں کام کرنے والے تمام لوگوں کے لیے "زیرو ایکسیڈنٹ اور زیرو انسیڈنٹ" ہے۔ ہم نے طویل عرصے سے اپنے ملازمین کی مجموعی فلاح و بہبود کی حمایت کرتے ہیں تاکہ ان کے کام کی زندگی کے توازن کو بہتر بنایا جاسکے اور ان کی پیداواری صلاحیت کو بڑھایا جاسکے۔

### HR مینجمنٹ اور ملازمین کے تعلقات

ہم دین ٹیکنالوجی میں، اپنے ملازمین کو اپنی تنظیم کا بنیادی حصہ خیال کرتے ہیں اور کارکردگی کو بہتر بنانے کے لیے ان کی فلاح و بہبود اور خوشی کے انڈیکس کو بہتر بنانے میں نمایاں سرمایہ کاری کی گئی ہے۔ ہم اپنے ملازمین کو کام کا مستحکم ماحول فراہم کرنے کے لیے پرعزم ہیں جس میں سیکھنے اور ترقی کے یکساں مواقع شامل ہیں۔ ہم نے حفاظت، قابلیت کی سطح کو بڑھانے اور اپنی افرادی قوت کی مجموعی بہبود سے متعلق مختلف پہلوؤں کو بھی یقینی بنایا ہے۔ ہماری ہیومن ریسورس ٹیم کو ذمہ داری سونپی گئی ہے کہ وہ ہمارے ملازمین کو کارپوریٹ اقدار، پالیسیوں اور طریقوں کے قیام، انتظام اور موثر طریقے سے بات چیت کرے اور ان کے ساتھ وقار اور مساوات سے پیش آئے۔ ملازمین کو ان کے کام کے کردار کے مختلف پہلوؤں سے متعلق ان کی تعمیل کے تقاضوں کو پورا کرنے کی ضرورت پر باقاعدگی سے اپ ڈیٹ کیا جاتا ہے۔

ہم سمجھتے ہیں کہ ہمارے ملازمین ہمارے کاروبار کی کامیابی میں نمایاں کردار ادا کرتے ہیں اور ہم ان کی ان کوششوں کو دل سے تسلیم کرتے ہیں جو ہماری مسلسل کامیابی میں معاون ہیں۔ ایک ملازم پر مبنی تنظیم کے طور پر، ہم ان کے سیکھنے اور ترقی کو بڑھانے، ٹیلنٹ کے مناسب انتظام اور جانشینی کی منصوبہ بندی کو یقینی بنانے پر توجہ دیتے ہیں۔ ہم یہ اعلان کرتے ہوئے فخر محسوس کرتے ہیں کہ ہم مساوی مواقع آج ہیں، اور شمولیت اور باختیار بنانے کا ہمارا فلسفہ اس بات کا اعادہ کرتا ہے کہ ہمارے لوگوں کو اپنی صلاحیتوں کو ظاہر کرنے، جدید حل نکالنے، خطرات مول لینے اور ایسے فیصلے کرنے کے کافی مواقع فراہم کیے گئے ہیں جو انہیں سیکھنے، اس مسابقتی دنیا میں نمودار ترقی کرنے کے قابل بناتے ہیں۔ ہماری کوشش ہے کہ اس بات کو یقینی بنایا جائے کہ ہمارے ملازمین کو ہمارے پائیدار ایجنڈے کی سمجھ اور علم ہو



مقابلے بالترتیب 0.17%، 0.04% کا اضافہ ہوا، موجودہ سال میں یہ 0.61 فیصد اور 1.67 فیصد ہے جبکہ سال 2019-20 میں یہ بالترتیب فروخت کا 0.44% اور 1.63% تھا۔ آپریشن کی توسیع اور افراط زر کے اقتصادی حالات کے باوجود آپ کی کمپنی کی انتظامیہ ورکنگ کیپٹل مالی لاگت کے بہترین طریقوں اور ذہانت استعمال کرنے کی پیروی کرتی ہے۔ مالی لاگت گزشتہ سال کے مقابلے 2.55% تک کم ہوئی جو سال 2020-21 میں فروخت کی 3.97% اور سال 2019-20 میں فروخت کی 6.53% فیصد تھی۔ شرح سود (پالیسی ریٹ) پورے سال میں کسی تبدیلی کے بغیر 7% کی سطح پر برقرار رہی، جس نے موجودہ صورت حال میں انڈسٹری کی مدد کی۔ دیگر آپرینٹنگ لاگت میں 0.46 فیصد اضافہ ہوا، جو بنیادی طور پر درکار پرافٹ پارٹیشن فنڈ اور ورکرز ویلفیئر فنڈ اور پرانے پلانٹ اور آلات کی فروخت پر خسارہ کے باعث ہے۔

ورکنگ کیپٹل میں تبدیلیوں، آمدنی ٹیکس کی ادائیگی، مالیاتی اخراجات، ڈبلیو پی پی ایف اور عملے کے ریٹائرمنٹ کے فوائد کے بعد آپریشن سے کمپنی کا موجودہ سال کا نقد بہاؤ 1,791.677 روپے کا نقد ان فلو آپریشنز کو کنٹرول اور اچھے انتظامات کے لئے کمپنی کی منجمنٹ کی کوششوں کو ظاہر کرتا ہے۔ آپ کی کمپنی نے سکیل کی معیشت حاصل کرنے کے لئے مسلسل BMR پالیسی کو جاری رکھتے ہوئے موجودہ سال میں 4,041.225 ملین روپے اور سال 2019-20 میں 2,320.203 ملین روپے خرچ کیے۔ سرمایہ کاری سرگرمیاں 4,041.225 ملین روپے اور خالص فنانس کی سرگرمیاں 3,541.016 ملین روپے کی ایڈجسٹمنٹ کے بعد، سال کے دوران کمپنی کا خالص نقد ان فلو 1,291.469 ملین روپے، سال کے اختتام پر نقد اور نقد کے مساوی گزشتہ سال کے مختصر مدتی قرض 1,974.513 ملین روپے کے مقابلے موجودہ سال میں 498.470 ملین روپے مختصر مدتی قرض کی رقم ظاہر کرتی ہے۔

سال 2020-21 کے لئے کمپنی کے مالیاتی نتائج کو مد نظر رکھتے ہوئے، ہم اپنی مالیاتی کارکردگی کو فروغ دینے پر توجہ مرکوز کرنے کی اپنی پوری کوششیں کر رہے ہیں جو ہمیں طویل عرصے تک ترقی کو برقرار رکھنے اور مستقبل میں ہمارے اسٹیک ہولڈرز کے لئے صنعت کی آمدنی کو فروغ دینے میں معاون ہے۔

### ڈیویڈنڈ اور تصرفات

تنوع اور توسیعی منصوبوں کے حصہ کے طور پر، کمپنی نے ایک مالی حکمت عملی پر عملدرآمد کیا ہے جس میں کیپٹل انٹینسٹی منصوبوں کی فنانس کے لئے داخلی پیدا ہونے والا نقدی بہاؤ استعمال کی گیا ہے۔ بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لئے کوئی منافع تقسیم نہ کرنے کی تجویز دی ہے (Nil:2019-20)۔

### قومی خزانہ میں حصہ

دین ٹیکسٹائل ٹیکسز اور دیگر لیویز کی مد میں قومی خزانہ میں حصہ شامل کرتی ہے، زیر جائزہ سال کے دوران آپ کی کمپنی نے مالی لاگت کے طور پر 593.491 ملین روپے (2019-20 میں 876.010 ملین روپے) ادا کیے ہیں، ملک کے غیر ملکی ذخائر میں \$ 20.44 ملین امریکی ڈالر (2019-20 میں \$ 7.634 ملین) براہ راست برآمدات کے طور پر، اور ٹیکس کی ادائیگی کی مد میں حکومت کو 46.487 ملین روپے (2019-20 میں 151.266 ملین روپے) ادا کئے ہیں۔

### تحقیق و ترقی

دین ٹیکسٹائل میں، ہم نے حالیہ برسوں میں بدلتے ہوئے جس عمل کا مشاہدہ کیا اس کے جواب میں اپنے نقطہ نظر میں ہم آہنگ رہے ہیں۔ تاہم، ہم نے اپنی تحقیق اور ترقی کی صلاحیتوں کو بڑھا کر، ابھرتی ہوئی پالیسیوں اور انرجی لینڈ اسکیپ کی تکنیک کا نرمی سے جواب دے کر، انتہائی قابل عمل سلوشنز پر اور جدید ٹیکنالوجیز اور انسانی وسائل میں سرمایہ کاری کر کے اپنے آپ کو تیزی سے ڈھال لیا ہے۔ ہم سمجھتے ہیں کہ جدید ٹیکنالوجی پائیداری کے حصول، کاروبار میں جدت لانے اور ہمارے اسٹیک ہولڈرز کے لئے طویل مدتی قدر بڑھانے میں اہم کردار ادا کرتی ہے۔ ہم سمجھتے ہیں کہ جدت ٹیم کو برقرار رکھنے کا حل ہے۔ بی ایم آر میں ہماری مرکز اور مسلسل سرمایہ کاری جو کہ سال کے دوران جدید ٹیکنالوجی کو اپ ڈیٹ کرتی ہے ہماری کمپنی نے 144 لومز کا ایک نیا ویلنگ یونٹ قائم کیا اور موجودہ اسپننگ یونٹس میں توسیع اور بی ایم آر پر ہم نے کمپنی کو مارکیٹ کی بدلتی ضروریات کے مطابق دوبارہ ترتیب دینے کے لئے کیپٹل اخراجات پر خالص 4,059.785 ملین



ٹیکسٹائل اسپننگ سیکٹر میں ٹیکنیکل اپ گریڈیشن کو مد نظر رکھتے ہوئے زیادہ موثر اور کم خرچ پیداواری سہولیات جو موجودہ یارن مارکیٹ میں ہمیں زیادہ تقابلی بناتی ہیں کے حصول کے لئے ٹیکسٹائل اسپننگ سیکٹر میں ٹیکنیکی اپ گریڈیشن کو مد نظر رکھتے ہوئے، ہماری کمپنی مسلسل کمپنی کے تمام یونٹوں میں بی ایم آر کر رہی ہے۔ بجلی کی فراہمی پر مشتمل نہ ہونے کے باوجود، وبائی صورتحال کی وجہ سے ملک میں سخت لاک ڈاؤن کے دوران پیداواری کاموں کی عارضی بندش/مزوروں کی کمی کی وجہ سے سالانہ پیداوار کے اہداف بنیادی طور پر پورے نہ ہو سکے۔

گزشتہ سال 2019-2020 میں مارکیٹ صورت حال کو مد نظر رکھتے ہوئے آپ کی کمپنی کی انتظامیہ نے 144 لومز کی صلاحیت کے ساتھ ویونگ یونٹ قائم کرنے کا فیصلہ کیا۔ سبک بنیادی تقریب سے 1 سال کی ریکارڈ مدت کے ساتھ فروری 2021 میں ہم نے کمرشل پیداوار کا آغاز کیا، 5 ماہ کی بنیاد پر پیداواری صلاحیت میں ہم نے بتدریج پیداوار کے اشارات اپ کی وجہ سے 31.23 فیصد کا استعمال کیا۔ جون 2021 میں تمام 144 لومز مکمل طور پر پروڈکشن میں آگئیں۔ ہماری انتظامیہ کو یقین ہے کہ ہم جدید ویونگ پروڈیکٹ رکھنے کی وجہ سے دیگر حریفوں سے زیادہ موثر طور پر ویونگ سیکٹر میں کارکردگی ظاہر کریں گے اور یہ اسٹیک ہولڈرز کی دولت بڑھانے میں اہم شراکت ہوگی۔

### مالیاتی جائزہ

جاری COVID-19 عالمی وبائی بیماری کے باعث پیدا ہونے والے انتہائی مشکل ماحول کے تحت کام کرتے ہوئے، دین ٹیکسٹائل نے مالی سال کا آغاز کیا جو کہ پہلے سہ ماہی میں بھی ٹوٹ پڑی اور آخر کار اس سال کا اختتام قابل ذکر کارکردگی کے ساتھ ہوا۔ دین ٹیکسٹائل نے 2019-20 میں 12.483 بلین روپے فروخت کے مقابلے میں خالص فروخت 17.641 بلین روپے درج کی۔ موجودہ غیر یقینی معاشی صورتحال اور غیر مسابقتی کاروباری ماحول کے باوجود آپ کی کمپنی نے سب سے زیادہ ٹیکس سے پہلے منافع 1.937 بلین روپے درج کیا جبکہ سال 2019-20 میں کمپنی نے ٹیکس سے پہلے منافع 177.722 بلین روپے کمایا تھا۔ زیر جائزہ مدت کے دوران منافع کے اہم عوامل میں دونوں مارکیٹوں بین الاقوامی اور مقامی میں سوت کی سازگار قیمتیں، مارکیٹ کی ضرورت اور منافع کے مطابق مصنوعات کی تنوع کے ساتھ پیداواری سہولیات کا بہترین استعمال ہیں۔ اگرچہ 2020/21 کمپنی کے لیے سازگار کے طور پر ختم ہوا، کوویڈ 19 انفیکشن کی بعد کی لہروں کے ساتھ سپلائی چین میں رکاوٹیں دیکھی گئیں، جس نے بہت سے منفی معاشی اور سماجی نتائج کو جنم دیا۔

ہم اعلیٰ مالی نتائج کے ساتھ کم قیمت کی معیاری مصنوعات کی تبدیلی کے ذریعے اپنی پراڈکٹ میں کو بڑھانے کیلئے پُر عزم ہیں۔ ہم کاروباری انتظام کے 4M نظریہ (انسان، مواد، مشینری اور طریقوں) کو نافذ کر رہے ہیں اور مسابقتی کاروباری ماحول میں بہت بہتر کارکردگی کا مظاہرہ کرتے ہیں۔ ہم نے لاگت کی بچت اور کنٹرول، خاص طور پر بڑھتے ہوئے ان پٹ اخراجات کے منفی اثرات کو دور کرنے کے اقدامات کیے ہیں۔ فروخت کی لاگت فروخت کے مقابلے 7.29 فیصد تک کم ہوگئی۔ یہ 14.53 بلین روپے ہے جو سال 2020-21 میں فروخت کی 82.35 فیصد ہے جبکہ سال 2019-20 میں یہ 11.19 بلین روپے تھی جو کہ فروخت کی 89.64 فیصد تھی۔ قیمت فروخت میں کمی بنیادی طور پر کوالٹی پر سمجھوتہ کئے بغیر روپیہ کی قیمت میں کمی اور بلوں اور دیگر اخراجات میں مسلسل اضافہ کے رجحان کے باوجود انتظامیہ کی لاگت بچانے والی پالیسیوں کی وجہ سے قابو میں رہی ہے۔ انتظامیہ انونیٹری مینجمنٹ پر موثر کنٹرول رکھتی ہے، خام مال کی قیمتوں میں اضافہ کے باوجود، خام مال کی کھپت صرف 8.07 فیصد کم ہوئی جو موجودہ سال میں خالص فروخت کی 60.80 فیصد ہے، جبکہ سال 2019-20 میں یہ خالص فروخت کی 68.87 فیصد تھی۔ فروخت کے مقابلے بجلی کی قیمت بھی 1.260 فیصد تک کم ہوئی جو موجودہ سال میں فروخت کی 7.25 فیصد ہے جبکہ یہ سال 2019-20 میں 8.5 فیصد تھی۔ فروخت پر خالص منافع مارجن میں اضافہ رواں سال کی پہلی سہ ماہی میں یارن کی طلب میں بتدریج اضافہ اور یارن کی قیمتوں میں اضافہ اور پھر مقامی اور بین الاقوامی مارکیٹ میں پوری مدت کے دوران قیمتیں مستحکم رہنے کی وجہ سے ہوا ہے۔

دین ٹیکسٹائل کی انتظامیہ نے موجودہ اقتصادی اور مارکیٹ حالات کے مد نظر کاروبار کے تمام شعبوں میں بہترین مذاکرات کی مہارت کا استعمال کرتے ہوئے، قیمت شعور ثقافت کو فروغ دینے کیلئے کافی کوششیں اور حوصلہ افزائی کے اقدامات کئے ہیں، تقسیم کے اخراجات، انتظامی اخراجات میں فروخت فیصد کے

## مارکیٹنگ سرگرمیاں

پاکستان میں نیکسٹل انڈسٹری نے رواں مالی سال کے دوران 22.94 فیصد کا اضافہ کیا، جس سے 15.4 ملین ڈالر مالیت کے ویلیو ایڈڈ نیکسٹل برآمد کیے گئے۔ حکومت نے اس نمو کو آسان بنانے کے لیے متعدد اقدامات کیے اور اس کامیابی کو مستقبل کے لیے بھی مستقل مزاجی کے وعدے کے ساتھ پورا کیا جانا چاہیے۔ برآمدات میں اس اضافے کا تجربہ کرنے کی ایک وجہ وبائی بیماری تھی۔ کوویڈ 19 نے برآمد پر مبنی صنعتوں کو وائرس کی منتقلی کو محدود کرنے کے لیے بند کرنے پر مجبور کیا۔ اس کے مطابق، بین الاقوامی آرڈر منسوخ کر دیے گئے اور پیداوار کم ترین سطح پر چلی گئی۔ اب جب کہ پابندیوں میں نرمی کی جارہی ہے، صنعت کے اندر بڑی پیش رفت اور ترقی ناگزیر ہوگئی۔ اس کے بعد، کئی ایسے اقدامات بھی ہیں جو حکومت نے خود کیے۔ اس نے خام مال کی برآمدات کو محدود کر دیا تاکہ مقامی طلب کو پہلے پورا کیا جاسکے۔ مزید برآں، طلب اور رسد کے درمیان فرق کو ختم کرنے کے لیے، اس نے خام مال کی ڈیوٹی فری درآمد کی اجازت دی۔ اس نے صنعت کو بااختیار بنایا تاکہ برآمدات بڑھانے کے دباؤ کے ساتھ ساتھ خود کی معیشت کو برقرار رکھ سکے اور آمدنی پیدا کرنے کی اجازت دی۔

زیر جائزہ سال کے دوران، کمپنی کی مجموعی فروخت میں قیمت کے لحاظ سے 41.51 فیصد کا اضافہ ہوا، اس کی بنیادی وجہ 2,976 اسپنڈلز کے اضافے کی بدولت پیداواری صلاحیت میں اضافہ اور پیداواری نقصانات کو کم کرتے ہوئے پیداواری عمل کی سخت نگرانی ہے، جبکہ بین الاقوامی مارکیٹوں اور مقامی مارکیٹوں میں بھی یارن کی بہتر قیمتوں کی وجہ سے برآمدی فروخت میں 62.20 فیصد کا اضافہ ہوا، مقامی فروخت میں پچھلے سال کے مقابلے میں 33.52 فیصد اضافہ ہوا ہے۔ مجموعی مقامی اور برآمدی فروخت کا امتزاج رواں سال کے دوران بالترتیب 68.05 فیصد اور 31.95 فیصد ہے جبکہ سال 2020 میں یہ 72.13 فیصد اور 27.87 فیصد تھا۔ COVID-19 اثرات اور غیر یقینی عالمی اقتصادی حالات کے باوجود، آپ کی کمپنی کی انتظامیہ نے حالات پر فعال رد عمل دکھایا اور لاگت پر سخت کنٹرول اور اسٹاک کے بہتر انتظام کے ذریعے مجموعی مارجن 7.29 فیصد (2021: 17.65 فیصد، 2020: 10.36 فیصد) زیادہ ہوا ہے۔

## آپریشنل جائزہ

پاکستان میں کپاس کی پیداوار گزشتہ سال کی اسی مدت کے مقابلے میں رواں مالی سال 2020-21 میں 34 فیصد کم ہو کر 5.57 ملین گانٹھیں (155 کلوگرام فی گانٹھ) رہ گئی ہے۔ یہ پیداوار پورے سال کی پیداوار کے مطابق جاری سال میں چار دہائیوں کا کم ترین تخمینہ ہے۔ 15 نومبر کو، متعلقہ حکام نے 155 کلوگرام کی 4.03 ملین گانٹھوں (480 پونڈ کی 2.9 ملین گانٹھوں کے برابر) کی پہنچ ظاہر کی، جو پچھلے سال کی اسی مدت سے 41 فیصد کم ہے۔ پاکستان میں کپاس کی پیداوار "کاشت کئے گئے رقبے میں 10 فیصد کمی، مون سون کی بھاری بارشوں سے فصلوں کو پہنچنے والے نقصانات اور کیڑوں کے شدید حملے" کی وجہ سے کئی سالوں کی کم ترین سطح پر کم ہونے کی توقع ہے۔ مقامی رسد میں کمی کو برآمدات کے ذریعے پورا کیا جائے گا، کپاس کی درآمد کی پیش گوئی 480 پونڈ کی 4.9 ملین گانٹھیں ریکارڈ کی گئی ہے، جو کہ سال کے دوران 4.7 ملین گانٹھوں کی مقامی پیداوار سے قدرے زیادہ ہے۔

مقامی سطح پر کپاس کا موجودہ سیزن 2020-21 کا آغاز پچھلے سال کی خام کپاس کی قیمتوں کے مقابلے معمولی زیادہ قیمتوں (2020-21: Rs. 9,000) پر ہوا ہے۔ پورے سال کے دوران کپاس کی قیمتوں میں بڑھنے کا رجحان رہا اور جون اور جولائی 2021 میں 13,900 روپے کی اعلیٰ سطح تک پہنچ گئیں، پچھلے سال اوسط قیمتیں -/9,300 روپے فی من 40 کلوگرام کے مقابلے رواں سال اوسط قیمتیں -/11,400 روپے فی من رہی جو پچھلے سال کی قیمتوں سے 22.58 فیصد زیادہ ہے۔

دنیا کے مختلف ممالک میں کوویڈ 19 کے متعدد مسلسل حملوں اور لاک ڈاؤن کی غیر یقینی صورت حال نے عالمی سطح پر نیکسٹل کی صنعت کو بری طرح متاثر کیا ہے، ان حقائق کے باوجود ہماری انتظامی ٹیم مارکیٹوں کے رویہ پر گہری نظر رکھے ہوئے ہے اور کسی بھی غیر متوقع صورتحال کا مقابلہ کرنے کے لئے حکمت عملی کے ساتھ تیار ہے۔ سال کے دوران ہماری کمپنی نے 40.083 ملین کلو دھاگہ تیار کیا جبکہ گزشتہ سال کے دوران 35.601 ملین کلوگرام تیار کیا تھا، اس طرح اس سال کے دوران اوسطاً صلاحیت 91.95 فیصد رہی جبکہ گزشتہ سال کے دوران 86.60 فیصد تھی۔ سال کے دوران 123,072 اسپنڈلز میں سے 118,906 آپریشنل رہے ہیں جس میں نصب صلاحیت کا 96.61 فیصد استعمال ہوا جبکہ گزشتہ سال نصب صلاحیت کا 83.93 فیصد استعمال ہونے کے باعث 120,096 اسپنڈلز میں سے



## چیسر مین کا جائزہ

بطور چیسر مین، وین ٹیکنیکل ملز لمیٹڈ کے 34 ویں سالانہ اجلاس عام میں آپ کو خوش آمدید کہتا ہوں اور، میں 30 جون 2021 کو ختم ہونے والے سال کے لئے 34 ویں سالانہ رپورٹ اور نظر ثانی شدہ مالی حسابات پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔ بہت ہی مشکل سال کے باوجود، وین ٹیکنیکل ٹیم نے رکاوٹوں پر قابو پانے کے لئے انتھک کام کیا اور مالی سال کا اختتام ایک مضبوط نوٹ پر ہوا۔

### اقتصادی ماحول

"حالیہ مہینوں میں عالمی سرگرمی مضبوط ہوئی ہے، مختصر مدتی بین الاقوامی معاشی نقطہ نظر، خاص طور پر پاکستان کے اہم برآمدی شعبوں میں اب بھی COVID-19 وبائی بیماری پر بہت زیادہ انحصار کرتا ہے۔ روزگار مارکیٹ کی بہتری اور خوردہ اخراجات میں اضافہ کے درمیان امریکی معیشت کی بحالی نازک رفتار کو برقرار رکھتی نظر آتی ہے۔ حکومت نے وبائی بیماری کو کافی مہارت سے سنبھالا جس کا دنیا بھر میں اعتراف کیا گیا ہے۔ اس کے علاوہ، حکومت نے مشکل اوقات میں کاروبار اور معیشت کو مدد فراہم کرنے کے لیے معاشی محاذ پر تیز اور بروقت اقدامات کیے۔ لہذا نئے مالی سال کے آغاز پر، معاشی بحالی کے آثار نمایاں ہونے لگے ہیں جیسا کہ اقتصادی متغیرات کے اعداد و شمار سے ظاہر ہوتا ہے۔ سب سے تیز نمو ٹیکنالوجی آلات میں درج کی گئی، جس نے چار سالوں میں تیز ترین رفتار اور دوسری تیز ترین توسیع درج کی۔ فنلینڈ سے متعلقہ شعبوں نے مضبوط کارکردگی کا مظاہرہ کیا۔ مشینری اور آلات نے بھی مضبوط نمو درج کی۔ خاص طور پر ٹرانسپورٹیشن نے جولائی 2020 کے بعد پہلی بار مارچ میں اعلیٰ سرگرمی درج کی۔ تقریباً سال بھر میں پالیسی شرح 7 فیصد کی سطح پر برقرار رہی ہے جس نے بڑے پیمانے کی صنعتوں کی نمو کو سہولت فراہم کی ہے۔

پاکستان کی معیشت نے معاشی بحالی کے نمایاں آثار ظاہر کئے ہیں جس سے معاشی محرکات تیزی سے بحال ہو رہی ہیں۔ حکومت نے نمونہ پر مبنی اقدامات کیے ہیں اور مثبت اصلاحی رفتار پر عمل پیرا ہے گی جس سے پاکستان کی معیشت کی مسابقت کو بڑھانے میں مدد ملے گی اور زیادہ مضبوط، جامع اور پائیدار بحالی کی مضبوط بنیاد رکھی جائے گی۔ پاکستان کے بڑے اقتصادی اشاروں میں حالیہ پیش رفتیں مثبت ہیں۔ کسی بڑے غیر متوقع منفی شاکس کی عدم موجودگی میں معیشت متوازن اور پائیدار ترقی کی راہ پر گامزن ہے۔ چیلنج یہ ہے کہ اس پائیدار ترقی کے راستے کو ایک اعلیٰ سطح تک پہنچایا جائے۔ اس کے لیے پاکستان کی پیداواری صلاحیت کو بڑھانا اور اس بات کو یقینی بنانا ضروری ہے کہ اس اضافی پیداوار کا کافی حصہ برآمد کیا جائے، اس کے علاوہ مقامی صارفین کی ضروریات کو بھی پورا کیا جائے۔ پیداواری صلاحیت اور اس کی کارکردگی کو بڑھانا ممکنہ اور مستقبل کی آمدنی کے بڑے تناسب کو کھپت کے بجائے سرمایہ کاری کی طرف مبذول کیے بغیر ممکن نہیں ہے۔

### ٹیکنیکل کے مستقبل کا نقطہ نظر

مجموعی طور پر ٹیکنیکل کی برآمدات میں گزشتہ سال کے اسی مہینے کے مقابلے میں مارچ 2021 کے دوران 30.6 فیصد کا اضافہ ہوا۔ ٹیکنیکل سیکٹر کی یہ غیر معمولی کارکردگی جزوی طور پر حکومت کی معاون پالیسیوں کی وجہ سے ہو سکتی ہے جس میں علاقائی مسابقتی توانائی کے زخموں کا متعارف کروانا، صنعتی خام مال پر ڈیوٹی اور ٹیکسز کا خاتمہ، شرح سود کم کرنا اور برآمد کنندگان کو زیر التواء رقم کی ادائیگی شامل ہے۔ COVID-19 وبائی بیماری کی وجہ سے ہندوستان اور بنگلہ دیش جیسی علاقائی ٹیکنیکل مارکیٹوں کی بندش نے بھی عالمی توجہ پاکستان کی طرف مبذول کرائی ہے۔ ٹیکنیکل مصنوعات جو پاکستان برآمد کرتا ہے وہ، خام کپاس سے لے کر ریڈی میڈ گارمنٹس تک متنوع ہیں۔ تاہم، حالیہ اضافہ کے علاوہ، مجموعی طور پر ٹیکنیکل کی برآمدات میں کمی آئی ہے۔

مشینری میں بڑی سرمایہ کاری، معیاری خام مال کی دستیابی، بہتر مہارت کا سیٹ، اور مصنوعات کی ترقی اس شعبے کی برآمدی صلاحیت کو سمجھنے کے لیے ضروری ہے۔ تاہم، مسلسل اور متوقع پالیسیوں، اور بجلی کی مسلسل فراہمی کی عدم موجودگی میں ان راستوں میں کامیابی ممکن نہیں ہے۔ یہ خاص طور پر ٹیکنیکل مصنوعات میں شدید مقابلہ کی وجہ سے ٹریو ہے جو ہمارے علاقے میں مشاہدہ کیا گیا ہے۔ دوسری طرف کپاس پریسلز ٹیکس میں 7 فیصد (10 فیصد سے 17 فیصد) کا اضافہ نے اسپننگ سیکٹر کے لیے لیکویڈیٹی اور پورے سال کے لیے معیاری کپاس کی خریداری کرنے کے لئے زیادہ قرضہ پر فنانس لاگت کی وجہ سے کاروبار کرنے کی لاگت کا مسئلہ بھی پیدا کیا ہے۔



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سی ڈی کے ذریعے حصص داران کو ترسیل کی جا رہی ہیں۔ اگر کوئی حصص داران سالانہ آڈٹ شدہ مالی گوشواروں کی بارڈر کاپی بھی حاصل کرنا چاہتے ہوں، تو یہ درخواست کی وصولی کے ساتھ دنوں کے اندر بغیر لاگت فراہم کی جائے گی۔

- ۶۔ حصص داران کی سہولت کیلئے ”معیاری درخواست فارم“ برائے سالانہ آڈٹ شدہ مالی حسابات کمپنی کی ویب سائٹ پر دستیاب ہے۔
- ۷۔ ہم کمپنی کے شیئر ہولڈرز سے درخواست کرتے ہیں کہ ہوٹل تک رسائی حاصل کرنے کے لیے آپ کا نادرا/آفیشل رجسٹریشن منظور شدہ حفاظتی ٹیکہ جات سرٹیفکیٹ ساتھ رکھیں۔ آپ کا امیڈنا ریزیشن سرٹیفکیٹ QR کوڈ بھی قابل قبول ہوگا، جب تک کہ اسے متعلقہ ہوٹل سٹاف اسکین اور تصدیق کر سکے۔ شیئر ہولڈرز کو مقامی حکومت کے ایس او پیز کے مطابق ہوٹل میں داخل ہوتے وقت ویکسینیشن کا ثبوت دکھانا ہوگا۔

# دین ٹیکسٹائل ملز لمیٹڈ

## اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنی کا 34 واں سالانہ اجلاس عام بروز جمعرات 28 اکتوبر 2021ء کو 11:00 a.m. بجے ٹیولپ ہال Beach Luxury Hotel (پہلی منزل پر)، ایم ٹی خان روڈ، کراچی میں منعقد ہوگا۔

### عام امور

- ۱۔ کمپنی کے سالانہ اجلاس عام منعقد 28 اکتوبر 2020ء کی کاروائی کی توثیق۔
- ۲۔ سال تخمینہ 30 جون 2021ء کی بابت کمپنی کے آڈٹ شدہ حسابات بھراہ ان پریڈازریکٹران و آڈیٹران کی رپورٹ کی وصولی، غور و خوض اور ان کی قبولیت۔
- ۳۔ آڈیٹران کا تقرر اور ان کا مشاہرہ مقرر کرنا۔
- ۴۔ صاحب صدر کی اجازت سے کسی دیگر امر پر کاروائی۔

حسب الحکم بورڈ

اسلام احمد

کمپنی سیکرٹری

کراچی

مورخہ 30 ستمبر 2021ء

### نوٹ:

- ۱۔ کمپنی کی شیئرز ٹرانسفر بکس 22 اکتوبر تا 28 اکتوبر 2021ء (بشمول دونوں ایام) بند رہیں گی۔
- ۲۔ سالانہ اجلاس عام میں بولنے، شرکت اور ووٹ دینے کا اہل ممبر اپنی بجائے کسی دوسرے ممبر کو شرکت اور ووٹ دینے کے لئے اپنا پراکسی مقرر کر سکتا/سکتی ہے۔ پراکسی تاکہ موثر ہو سکے، کمپنی کو اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانی چاہیے۔
- ۳۔ ممبران جن کے شیئرز سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کے پاس داخل کرائے ہیں، اپنے زیر عمل کمپیوٹرائزڈ قومی شناختی کارڈ ہمراہ پارٹنیشن ID نمبر اور سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ میں اپنے اکاؤنٹ نمبر سالانہ اجلاس عام کے وقت شناخت کو آسان بنانے کیلئے ساتھ لائیں۔ پراکسی کی صورت میں پراکسی کے شناختی کارڈ، اکاؤنٹ اور پارٹنیشن ID نمبر کی تصدیق شدہ نقل منسلک کی جائے۔ کارپوریٹ انٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز، قرارداد/مختار نامہ بمعہ نامزد کے نمونہ دستخط اجلاس کے وقت پیش کیے جائیں گے۔ (تاوقتیکہ یہ پہلے مہیا نہ کئے گئے ہوں)
- ۴۔ حصہ داروں کو مشورہ دیا جاتا ہے کہ اپنے زیر عمل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی تصدیق شدہ نقل پیش بھجوائیں کیونکہ ڈیوڈنڈ واریئنٹس پراس کا نمبر بروئے CBR's ایس آر او 641 (i) 2005 مورخہ 27-06-2005، SECP's نوٹس مورخہ 02-04-2010 جاری کردہ باب 05 SRO286/(1)20 مورخہ 31-03-2005 اور SECP's ایس آر او نوٹیفیکیشن مورخہ 18-08-2011 کی رو سے پرنٹ ہونا مینڈیٹری ہے اور اگر ان کے پتوں میں کوئی تبدیلی ہو، ہمارے شیئر رجسٹرار میسرز سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ، CDC ہاؤس، 99-B، بلاک B، مین شاہراہ فیصل، کراچی کو فی الفور مطلع فرمادیں۔

- ۵۔ SRO 470(I)2016 مورخہ 31 مئی 2016 کے مطابق SECP نے کمپنیوں کو سالانہ آڈٹ شدہ اکاؤنٹس اپنے ارکان کے رجسٹرڈ پتوں پر ہارڈ کاپیوں میں ترسیل کی بجائے سی ڈی/ڈی وی ڈی/یو ایس بی کے ذریعے ترسیل کرنے کی اجازت دی ہے۔ کمپنی نے 28 اکتوبر 2017 کو منعقدہ 30 ویں سالانہ اجلاس عام میں حصہ داران کی منظوری حاصل کر لی ہے۔ بمطابق 30 جون 2021 کو ختم ہونے والے سال کیلئے دین ٹیکسٹائل ملز کی سالانہ رپورٹس



















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## جہاں رہیے، آگاہ رہیے

SECP کی جانب سے پیش ہے "جمع پونجی" ایک ایسا ویب پورٹل جو آپ کو سرمایہ کاری سے متعلق مرقم کی معلومات فراہم کرتا ہے، تاکہ آپ ایک اچھی سرمایہ کاری کا فیصلہ کر سکیں۔ جمع پونجی سیوچل فنڈز، پنشن فنڈز، اسلامک فنانسنگ، کیپٹل مارکیٹ، لیڈنگ کمپنیز اور انوسٹمنٹ بینک وغیرہ میں سرمایہ کاری سے متعلق آپ کے سوالات کے جوابات فراہم کرتا ہے اور ساتھ ہی آن لائن ٹولز کے ذریعے کھیل ہی کھیل میں منافع بخش سرمایہ کاری کے سلسلے میں آپ کو رہنمائی بھی فراہم کرتا ہے۔

مفت آن لائن ٹولز:

- سکیم میٹر
- ماک ٹریڈنگ
- رسک پروفائلر
- نالج سینٹر
- کیلکولیٹر
- نیوز لیٹر سبسکرپشن

کھیل ہی کھیل  
میں سیکھیں  
سرمایہ کاری کا ہنر



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan.

# DIN TEXTILE MILLS LIMITED

## PROXY FORM

Folio No. \_\_\_\_\_ CDC Participant ID No. \_\_\_\_\_ A/c. No. \_\_\_\_\_

I / we \_\_\_\_\_

Of \_\_\_\_\_ being

a member(s) of **DIN TEXTILE MILLS LIMITED** holder of \_\_\_\_\_

Ordinary Shares hereby appoint Mr. / Mrs. / Miss. \_\_\_\_\_ of \_\_\_\_\_

Share Register Folio/CDC ID & Account No. \_\_\_\_\_ or

Mr. / Mrs. / Miss. \_\_\_\_\_ of \_\_\_\_\_

Share Register Folio/CDC ID & Account No. \_\_\_\_\_

is also a member of **DIN TEXTILE MILLS LIMITED**, as my proxy vote for me on my / our behalf

At the Thirty fourth Annual General Meeting of the Company to be held on October 28, 2021 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Witness:

1. Signature: \_\_\_\_\_

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

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

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



To be signed by the above named shareholder

2. Signature: \_\_\_\_\_

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

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

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

### NOTICE:

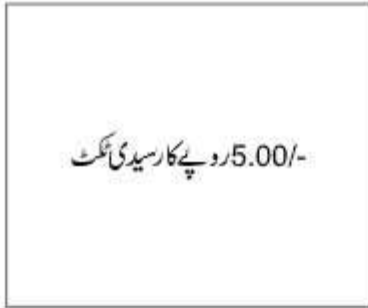
1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. The proxy-holder shall produce his/her original CNIC at the time of the meeting.
5. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.



## دین ٹیکسٹائل ملز لمیٹڈ پراکسی فارم (مختار نامہ)

فولیو نمبر \_\_\_\_\_ سی ڈی سی پارٹیشن آئی ڈی نمبر \_\_\_\_\_ اکاؤنٹ نمبر \_\_\_\_\_  
میں / ہم \_\_\_\_\_  
ساکن \_\_\_\_\_  
بحیثیت رکن دین ٹیکسٹائل ملز لمیٹڈ حامل \_\_\_\_\_ عموماً شیئر ذریعہ بذمہ / محترم \_\_\_\_\_  
ساکن \_\_\_\_\_  
شیئر رجسٹر فولیو / سی ڈی سی ID اور اکاؤنٹ نمبر \_\_\_\_\_  
یا اسکی غیر موجودگی میں محترم / محترمہ \_\_\_\_\_ ساکن \_\_\_\_\_  
شیئر رجسٹر فولیو / سی ڈی سی ID اور اکاؤنٹ نمبر \_\_\_\_\_ جو دین ٹیکسٹائل ملز لمیٹڈ کا رکن بھی ہے،  
کو اپنے / ہمارے ایما پر 28 اکتوبر 2021ء کو منعقد ہونے والے کمپنی کے 34 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی  
بھی التواء کی صورت میں اپنا / ہمارا بطور مختار (پراکسی) مقرر کرنا ہوں / کرتے ہیں۔  
آج بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ 2021ء کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

### گواہان



بالا نامی شیئر ہولڈر کا دستخط شدہ ہونا چاہئے

1- دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
کمپیوٹر ایزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_  
2- دستخط: \_\_\_\_\_  
نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
کمپیوٹر ایزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_

### اہم نوٹ:

- 1- پراکسی فارم، باقاعدہ مکمل اور دستخط شدہ، کمپنی کے رجسٹرڈ دفتر میں اجلاس منعقد ہونے کے وقت سے کم از کم 48 (اڑتالیس) گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں لازماً وصول ہونا چاہئے۔
- 2- پراکسی فارم دو افراد کی طرف سے گواہی شدہ ہونا چاہئے جن کے نام، پتے اور CNIC نمبرز فارم پر درج ہوں گے۔
- 3- تقریر کنندہ اور پراکسی ہولڈر کے CNIC کی مصدقہ نقول، پراکسی فارم کے ہمراہ جمع کرانا ہوں گی۔
- 4- پراکسی ہولڈر اجلاس کے وقت اپنا اصل CNIC مہیا کرے گا۔
- 5- بصورت کارپوریٹ اسٹیٹس، بورڈ کی قرارداد / مختار نامہ مع نمونہ دستخط پراکسی فارم کے ہمراہ جمع کرانا ہوگا۔

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