ANNUAL REPORT

2021

D S INDUSTRIES LIMITED

CONTENTS

COMPANY INFORMATION

Board of Directors	Mr. Pervez Ahmed	Chief Executive
	Mrs. Rehana Pervez Ahmed	
	Mr. Ali Pervez Ahmed	
	Mr. Suleman Ahmed	
	Mrs. Rukhsana Khalid	
	Mr. M. Naeem Ilyas	
	Mr. Haider Ali	
Audit Committee	Mr. M. Naeem Ilyas	Chairman
	Mr. Haider Ali	
	Mrs. Rukhsana Khalid	
HR & Remuneration Committee	Mrs. Rehana Pervez Ahmed	Chairperson
	Mrs. Rukhsana Khalid	
	Mr. M. Naeem Ilyas	
Chief Financial Officer	Mr. Muhammad Naeem Akhtar	
Company Secretary	Mr. Salman Farooq	
Auditors	M/s Rahman Sarfaraz Rahim Iqbal Rafiq	
	Chartered Accountants	
Legal Advisor	Cornelius, Lane & Mufti	
	Advocates & Solicitors	
Banks	Al Baraka Bank (Pakistan) Limited	
	MCB Bank Limited	
	Silk Bank Limited	
	Meezan Bank Limited	
	Bank Al-Falah Limited	
	Bank Al-Habib Limited	
	Dubai Islamic Bank Limited	
Registered Office	20-K, Gulberg II, Lahore.	
Share Registrars	THK Associates (Pvt.) Limited	
	32-C, Jami Commercial, Street 2,	
	DHA Phase VII,	
	Karachi - 75500	
Mill	11-km Sheikhupura Faisalabad Road,	
	Sheikhupura	
Website	www.dsil.com.pk	

VISION

- To be a dynamic, profitable, growth oriented Company and to achieve excellence through commitment, integrity, honesty and team work

MISSION

- To increase consistently the value of the Company to its shareholders by building up the Company on sound financial footings with better productivity, excellence in quality and improved efficiency at lower operating costs without compromising on our principles of ethics, integrity and professional standards

- To achieve high returns on investments through continuous process of improvement for the benefit of shareholders

- To be a responsible employer and to develop and reward employees according to their ability and performance.

- Be a good corporate citizen

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty-first Annual General Meeting of the shareholders of the Company will be held from the Registered Office of the Company 20-K Gulberg II, Lahore on Thursday October 28, 2021 at 4:30 p.m. to transact the following business. Due to the need of required social distancing to avoid the spread of COVID-19 pandemic, shareholders are requested to attend the meeting through vide conference facility arranged by the Company as per the instructions given in the notes section.

1. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2021 together with Directors' and Auditors' reports thereon.

2. To appoint Auditors of the Company for the year ending June 30, 2022 and to fix their remuneration. The present Auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants, retire and being eligible offered themselves for the re-appointment.

Lahore
October 7, 2021

Salman Farooq
(Company Secretary)

Notes

I Due to prevailing COVID-19 pandemic, the AGM proceedings shell be held through Zoom application - a video link facility. Shareholders interested to participate in the meeting through Zoom are requested to email their Name, CNIC Number, Folio/CSD Number, Cell Number and Number of shares held in their name at ds@dsgpk.com up to October 27, 2021 by 5:00 p.m. Video link and login credentials will be shared to the interested shareholders

II The Share Transfer Books of the Company will remain closed from October 23, 2021 to October 28, 2021 (both days inclusive) to establish the right to attend annual general meeting.

III A member of the Company entitled to attend and vote may appoint another member as his/ her proxy to attend and vote instead of him /her.

IV Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.

DIRECTORS' REPORT

The Board of Directors of D.S.Industries Limited is pleased to present the Company's Forty-first Annual Report which includes the Audited Financial Statements of the Company together with the Directors' and Auditors' report thereon for the year ended June 30, 2021

Financial Results of the Company

The global economic recovery remains strong, helped by government and central bank support and by progress in vaccination. But although global GDP has now risen above its pre-pandemic level, the recovery remains uneven with countries emerging from the crisis facing different challenges. Renewed outbreaks of the virus are forcing some countries to restrict activities, resulting in bottlenecks and pressures on supply chains. A rapid increase in demand as economies reopen has pushed up prices in key commodities such as oil and metals. Food prices are also rising boosting prices especially in emerging markets. Tensions along supply chains caused by the pandemic have added to cost pressures. Policy makers need build on their good initial crisis management and ensure fiscal and monetary policies are focused on investing to sustain growth. The fortune of the textile industry is linked to a strong and stable recovery. Pakistan's economy also faces several challenges including growing domestic and external indebtedness, circular debt, losses at state owned enterprises, low tax base, high fiscal and current account deficits, and inflation. Meaningful reforms are required to stabilise the exchange rate, ensure supply of energy at regionally competitive rates, boost competitiveness, reduce cost of doing business, address the shortfalls in cotton production and improve private sector liquidity through tax reforms and release of long delayed refunds.

This year the Company has managed to improve its performance. During this year, the Company has achieved net revenue of Rs. 134 million as compared to Rs.117.7 million in the same period of last year with an overall increase of almost 14% mainly because of increase in sales volume. The gross profit margin increased to almost 4% in current financial year as compared to 2% in the same period of last year. Selling & distribution expenses in current year and in the last year remained the same i.e. almost 21% of the sales. On the other hand, administrative expenses which were 14% of sales have came down to 7.4% of sales. The bottom line was further supported by the decrease in finance costs mainly on account of the decrease in mark-up rate). However, GIDC arrears have also been provided in the finacial results of the Company for the year ended June 30, 2021 amounting to Rs. 11.343 million.

The Auditor has qualified its report regarding recognition of deferred tax assets. The Company has rightly recognized deferred tax asset as it expects profit in the future.

Dividend

In view of the adverse results in the current year and available accumulated losses, directors of your Company have proposed no divided for the year.

Book Closure

The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from October 23, 2021 to October 28, 2021 (both days inclusive). Transfer received by our Shares Registrar, M/s THK Associates (Pvt.) Limited - 32-C, Jami Commercial, Street 2, DHA Phase VII, Karachi at the close of business on October 22, 2021 will be considered to attend and vote at the meeting.

Pattern of Shareholding

Pattern of shareholding along with categories of shareholders of the Company as at June 30, 2021, are annexed with this report.

Trading in the Shares of the Company

None of the Directors, Chief Financial Officer, Company Secretary, their spouses and minor children have traded in the shares of the Company during the year ended June 30, 2021. Only the Chief Executive has purchased 400,000 shares of the Company during the year.

Operating and Financial Data

Operating and financial data with key ratios for the six years is annexed.

Number of Board Meetings Held

Five meetings of the Board of Directors were held during the year ended June 30, 2021 and the attendance of the directors is as follows.

Mr. Pervez Ahmed	Chief Executive	5 attendance
Mrs. Rehana Pervez Ahmed	Director	2 attendance
Mr. Ali Pervez Ahmed	Director	5 attendance
Mr. Suleman Ahmed	Director	5 attendance
Mr. Atta ur Rehman	Director	3 attendance
Mr. Naeem Ilyas	Director	2 attendance
Mr. Khawar Mehmud	Director	2 attendance
Mr. Mazhar Pervaiz Malik	Director	3 attendance
Mr. Haider Ali	Director	1 attendance
Mrs. Rukhsana Khalid	Director	4 attendance

Statement of Ethics & 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 everybody associated or dealing with the Company.

Auditors

The Auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants retire and being eligible offer themselves for reappointment. The Audit Committee recommends the reappointment of Messrs Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants as auditors of the Company for the financial year ending June 30, 2022.

Audit Committee

The Audit Committee of the Company is in place and comprises the following members as required under the Code of Corporate Governance.

Mr. M. Naeem Ilyas	Chairman
Mr. Haider Ali	Member
Mrs. Rukhsana Khalid	Member

Meetings of the Audit Committee were held during the year ended June 30, 2021 as required by the Code of Corporate Governance for review of quarterly & annual accounts and other related matters. The meeting was also attended by the Chief Financial Officer, head of Internal Audit and External Auditors as and when it was required.

Code of Corporate Governance

Statement in Compliance to the Code of Corporate Governance

The Board of Directors and the Company remain committed to the principles of good corporate management practices. The Board and management are cognizant of their responsibilities and monitor the performance of the Company to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information. The Board is pleased to advise that the Company has complied, in all material respects, with the best practices contained in the Listed Companies (Code of Corporate Governance) Regulations 2019 as fully explained in the attached Statement of Compliance and there is no material departure from the best practices. Further, the following statements are being made:

1 Proper books of accounts of the Company have been maintained.

2 The financial statements prepared by the management of the Company present its state of affairs fairly, the result of its operations, cash flows and change in equity.

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

4 International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.

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

6 The Company suffered net loss of Rs. 9.7 million during the year and has accumulated losses of Rs. 809 million as at the balance sheet date. The current liabilities of the Company exceeds its current assets by Rs. 170.7 million. These factors may cast doubt about the entity's ability to continue as going concern. However, the management is making continuous efforts to support the Company.

7 There has been no material departure from the best practices of corporate governance as defined in the listing regulations.

8 Financial highlights for the last six years are annexed.

Acknowledgement

The Board of Directors would like to place on record their appreciation to the valued shareholders, bankers, the Securities & Exchange Commission of Pakistan and to the management of the Pakistan Stock Exchange Limited for their valuable support, assistance and guidance. The Board also express its appreciation to the staff and workers of the Company for their services, loyalty and efforts being continuously rendered

For & on behalf of the Board

Lahore
October 7, 2021

Suleman Ahmed
Director

Ali Pervez Ahmed
Director

FINANCIAL HIGHLIGHTS

Profit and Loss Accounts	2021	2020	2019	2018	2017	2016
	Rupees	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**
Sales	133,969,658	117,732,604	581,734,778	717,846,175	823,969,981	635,025,614
Cost of sales	(128,717,193)	(115,417,102)	(612,634,156)	(733,450,702)	(879,568,859)	(694,770,844)
Gross Profit/(Loss)	5,252,465	2,315,502	(30,899,378)	(15,604,527)	(55,598,878)	(59,745,230)
Operating expenses						
- Selling & Distribution cost	(27,504,948)	(24,632,791)	(2,441,729)	(1,852,272)	(2,474,395)	(2,282,947)
- Administrative & General expenses	(9,850,977)	(16,418,310)	(34,702,708)	(29,132,885)	(27,806,108)	(21,356,090)
- Other expenses	(11,474,238)	(296,654)	(114,649,676)	(6,066,603)	(16,796,430)	(1,871,722)
	(48,830,163)	(41,347,755)	(151,794,113)	(37,051,760)	(47,076,933)	(25,510,759)
	(43,577,698)	(39,032,253)	(182,693,491)	(52,656,287)	(102,675,811)	(85,255,989)
Other Income	14,533,463	26,657,954	94,521,203	14,195,755	171,623,638	81,029,382
Operating (Loss) / Profit	(29,044,235)	(12,374,299)	(88,172,288)	(38,460,532)	68,947,827	(4,226,607)
Finance cost	(11,450,615)	(16,474,364)	(17,441,039)	(9,677,409)	(3,933,821)	(1,458,056)
Notional Interest	2,621,099	4,101,969	(15,543,107)	15,543,107	-	(26,638,748)
Share of (Loss) / profit of associated undertaking	6,389,774	(1,799,806)	(13,390,093)	(11,242,787)	16,100,595	(815,389)
(Loss)/Profit before Taxation	(31,483,977)	(26,546,500)	(134,546,527)	(43,837,621)	81,114,601	(33,138,800)
Taxation	21,804,737	(6,936,307)	53,015,364	(31,945,213)	(4,022,587)	49,668,989
(Loss) after Taxation	(9,679,240)	(33,482,807)	(81,531,163)	(75,782,834)	77,092,014	16,530,189
Dividend	0	0	0	0	0	0
Bonus	0	0	0	0	0	0
Balance Sheet						
Share Capital	836,856,310	836,856,310	836,856,310	836,856,310	836,856,310	600,000,000
Long term finances	96,775,762	103,975,762	-	82,745,085	-	-
Property, plant and equipment	331,969,244	343,661,165	371,830,271	478,921,989	510,776,302	544,306,154
Current assets	18,498,504	20,624,720	36,944,240	104,292,967	71,518,695	88,456,586
Current liabilities	189,189,399	166,447,339	292,148,868	372,843,664	409,169,716	607,147,446
Key Financial Ratios						
Gross profit/(loss) ratio (%)	3.92	1.97	(5.31)	(2.17)	(6.75)	(9.41)
Operating (loss)/profit ratio (%)	(21.68)	(10.51)	(15.16)	(5.36)	8.37	(0.67)
Net (loss)/profit ratio (%)	(7.22)	(28.44)	(14.02)	(10.56)	9.36	2.60
(Loss)/earning per share	(0.12)	(0.40)	(0.97)	(0.91)	1.13	0.28

Statement of Compliance With Listed Companies (Code of Corporate Governance) Regulations, 2019 For The Year Ended June 30, 2021

Name of Company: **D S INDUSTRIES LIMITED**

Year ending: **June 30, 2021**

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

1. The total number of directors are seven as per the following:
   Male : Five
   Female : Two

2. The composition of the Board is as follows:

   Name of Director and Category

   Independent Directors
   - Mr. M Naeem Ilyas
   - Mr. Haider Ali

   Other Non-Executive Directors
   - Mrs. Rehana Pervez Ahmed
   - Mrs. Rukhsana Khalid

   Executive Directors
   - Mr. Pervez Ahmed
   - Mr. Ali Pervez Ahmed
   - Mr. Suleman Ahmed

3. The Directors have confirmed that none of them is serving as a director on more than Seven listed companies, including this Company;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of the particulars of the significant policies along with their dates of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and these Regulations;

9. Directors are well conversant with the Listing Regulations and legal requirements and as such are fully aware of their duties and responsibilities. However none of directors of the Company have obtained any certification in any Directors Training Program;

   However all the Executive Directors, Mr. Pervez Ahmed, Mr. Ali Pervez Ahmed and Mr.Suleman Ahmed are exempt due to 14 years of education and 15 years of experience on the board of a listed company.

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and two directors duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:-

    Audit Committee

    - Mr. M. Naeem Ilyas (Chairman)
    - Mr. Haider Ali
    - Mrs. Rukhsana Khalid

    HR and Remuneration Committee

    - Mrs. Rehana Pervez Ahmed (Chairperson)
    - Mrs. Rukhsana Khalid
    - Mr. M. Naeem Ilyas

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance;

14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:

    Audit Committee - Quarterly
    Human Resource and Remuneration Committee - Yearly

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (Spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with, except as explained at Sr. 19 and 20

19. The Company, currently have three executive directors out of total seven directors on the Board, to work in more effective manner and with proper division of responsibilities.

20. The Company currently has two elected independent directors out of total seven directors on the Board. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent director.

Lahore.
October 7, 2021

Suleman Ahmed
Director

Ali Pervez Ahmed
Director

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of D.S. INDUSTRIES LIMITED
Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ['the Regulations'] prepared by the Board of Directors of D.S. INDUSTRIES LIMITED ['the Company'] for the year ended 30 June 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. 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 30 June 2021.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Engagement Partner: ZUBAIR IRFAN MALIK

Lahore: OCTOBER 07, 2021

INDEPENDENT AUDITOR'S REPORT
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of D.S. INDUSTRIES LIMITED ['the Company'], which comprise the statement of financial position as at 30 June 2021, 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, except for the effects of matter described in 'Basis for Qualified Opinion' paragraph, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

The Company has recognized deferred tax asset amounting to Rs. 90.203 million on unused tax losses. The Company has history of losses and taxable profits are not expected to be available in future against which these unused tax losses could be utilized. Had the deferred tax asset not been recognized, deferred tax liability as at 30 June 2021 and loss after taxation for the year then ended would have been higher by Rs. 90.203 million. The financial statements do not disclose this fact.

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 qualified opinion.

Material Uncertainty relating to Going Concern

We draw attention to note 2.2 to the financial statements which refers to the fact that the Company has incurred loss after taxation of Rs. 9.679 million. As at 30 June 2021, the Company has accumulated losses of Rs. 809.148 million as at the reporting date and its current liabilities exceed its current assets by Rs. 170.691 million. These factors indicate existence of a material uncertainty that raises doubts about the Company's ability to continue as a going concern and that the Company may not be able discharge its liabilities and realize its assets in normal course of business. However, these financial statements have been prepared on going concern basis for reasons explained in note 2.2. Our opinion is not qualified in respect of this matter.

Key Audit Matters

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

Key audit matter	How our audit addressed the matter
1. Valuation of stock in trade Stock in trade amounts to Rs 10 million as at the reporting date. The valuation of stock in trade at cost has different components, which includes judgment in relation to the allocation of labour and overheads which are incurred in bringing the stock to its present location and condition. Judgment has also been applied by management in determining the Net Realizable Value ['NRV'] of stock in trade. The estimates and judgments applied by management are influenced by the amount of direct costs incurred historically, expectations of repeat orders to utilize the stock in trade, sales contract in hand and historically realized sales prices. The significance of the balance coupled with the judgment involved has resulted in the valuation of stock in trade being identified as a key audit matter. The disclosures in relation to stock in trade are included in note 23 to the annexed financial statements.	To address the valuation of stock in trade, we assessed historical costs recorded in the stock in trade valuation; testing on a sample basis with purchase invoices. We tested the reasonability of assumptions applied by the management in allocating direct labour and direct overhead costs to stock in trade. We also assessed management's determination of the net realizable value of stock in trade by performing tests on the sales prices secured by the Company for similar or comparable items of stock in trade.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these financial statements.

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) except for the possible effects of matters explained in 'Basis of Qualified Opinion' section of our report:

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

ii. 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;

b) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

c) 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 ZUBAIR IRFAN MALIK.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Engagement Partner: ZUBAIR IRFAN MALIK
Lahore: OCTOBER 07, 2021

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	6	**1,000,000,000**	1,000,000,000
Issued share capital	7	**836,856,310**	836,856,310
Discount on issue of shares	8	**(82,899,709)**	(82,899,709)
Revaluation reserve	9	**228,435,379**	235,315,776
Retained earnings		**(809,147,793)**	(806,269,317)
TOTAL EQUITY		**173,244,187**	183,003,060
NON-CURRENT LIABILITIES			
Long term finances	10	**96,775,762**	103,975,762
Deferred interest	11	**16,391,492**	8,116,146
Long term payables	12	**672,978**	-
Employees retirement benefits	13	**2,519,877**	1,435,225
		116,360,109	113,527,133
CURRENT LIABILITIES			
Trade and other payables	14	**113,314,409**	96,533,222
Unclaimed dividend		**337,563**	337,563
Accrued interest	15	**-**	-
Short term borrowings	16	**61,165,447**	61,810,565
Current portion of non-current liabilities	17	**14,371,980**	6,000,000
Provision for taxation	34	**-**	1,765,989
		189,189,399	166,447,339
TOTAL LIABILITIES		**305,549,508**	279,974,472
CONTINGENCIES AND COMMITMENTS	18		
TOTAL EQUITY AND LIABILITIES		**478,793,695**	462,977,532

The annexed notes from 1 to 52 form an integral part of these financial statements.

These financial statements have been signed by two Directors under section 232 of the Companies Act, 2017, as the Chief Executive is not available for the time being.

DIRECTOR | **CHIEF FINANCIAL OFFICER** | **DIRECTOR**

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	30-Jun-21	30-Jun-20
		Rupees	*Rupees*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	19	**331,969,244**	*343,661,165*
Long term investments	20	**76,666,869**	*70,279,379*
Deferred taxation	21	**32,586,684**	*8,739,874*
Long term deposits	22	**19,072,394**	*19,672,394*
		460,295,191	*442,352,812*
CURRENT ASSETS			
Stores and spares		**878,864**	*922,439*
Stock in trade	23	**10,343,837**	*13,092,866*
Trade receivables	24	**-**	*-*
Advances and other receivables	25	**2,507,684**	*2,178,478*
Advance income tax/income tax refundable		**3,966,312**	*3,697,131*
Bank balances	26	**801,807**	*733,806*
		18,498,504	*20,624,720*
TOTAL ASSETS		**478,793,695**	*462,977,532*

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DIRECTOR **CHIEF FINANCIAL OFFICER** **DIRECTOR**

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Revenue from contracts with customers - *net*	27	**133,969,658**	117,732,604
Cost of sales	28	**(128,717,193)**	(115,417,102)
Gross profit		**5,252,465**	2,315,502
Selling and distribution expenses	29	**(27,107,182)**	(24,632,791)
Administrative expenses	30	**(9,850,977)**	(16,418,310)
Other expenses	31	**(11,872,004)**	(296,654)
		(48,830,163)	(41,347,755)
		(43,577,698)	(39,032,253)
Other income	32	**14,533,463**	26,657,954
Operating loss		**(29,044,235)**	(12,374,299)
Finance cost	33	**(11,450,615)**	(16,474,364)
Notional interest	11.1	**2,621,099**	4,101,969
Share of profit/(loss) of associates	20	**6,389,774**	(1,799,806)
Loss before taxation		**(31,483,977)**	(26,546,500)
Provision for taxation	34	**21,804,738**	(6,936,307)
Loss after taxation		**(9,679,239)**	(33,482,807)
Loss per share - *basic and diluted*	35	**(0.12)**	(0.40)

The annexed notes from 1 to 52 form an integral part of these financial statements.

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DIRECTOR **CHIEF FINANCIAL OFFICER** **DIRECTOR**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit obligation	13.4	**(112,161)**	45,453
Other comprehensive (loss)/income before taxation		**(112,161)**	45,453
Taxation			
Remeasurements of defined benefit obligation	21	**32,527**	(13,181)
Other comprehensive (loss)/income after taxation		**(79,634)**	32,272
Loss after taxation		**(9,679,239)**	(33,482,807)
Total comprehensive loss		**(9,758,873)**	(33,450,535)

The annexed notes from 1 to 52 form an integral part of these financial statements.

These financial statements have been signed by two Directors under section 232 of the Companies Act, 2017, as the Chief Executive is not available for the time being.

DIRECTOR **CHIEF FINANCIAL OFFICER** **DIRECTOR**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

		Share capital	Capital reserves		Revenue reserve	
	Note	Issued share capital	Discount on issue of shares	Revaluation reserve	Retained earnings	Total equity
		Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2019		*836,856,310*	*(82,899,709)*	*248,821,289*	*(786,324,295)*	*216,453,595*
Comprehensive income						
Loss after taxation		-	-	-	*(33,482,807)*	*(33,482,807)*
Other comprehensive income		-	-	-	*32,272*	*32,272*
Total comprehensive loss		-	-	-	*(33,450,535)*	*(33,450,535)*
Revaluation surplus realised on disposal	*9*	-	-	*(6,262,990)*	*6,262,990*	-
Incremental depreciation	*9*	-	-	*(7,242,523)*	*7,242,523*	-
Transactions with owners		-	-	-	-	-
Balance as at 30 June 2020		*836,856,310*	*(82,899,709)*	*235,315,776*	*(806,269,317)*	*183,003,060*
Balance as at 01 July 2020		**836,856,310**	**(82,899,709)**	**235,315,776**	**(806,269,317)**	**183,003,060**
Comprehensive income						
Loss after taxation		-	-	-	**(9,679,239)**	**(9,679,239)**
Other comprehensive loss		-	-	-	**(79,634)**	**(79,634)**
Total comprehensive loss		-	-	-	**(9,758,873)**	**(9,758,873)**
Incremental depreciation	*9*	-	-	**(6,880,397)**	**6,880,397**	-
Transactions with owners		-	-	-	-	-
Balance as at 30 June 2021		**836,856,310**	**(82,899,709)**	**228,435,379**	**(809,147,793)**	**173,244,187**

The annexed notes from 1 to 52 form an integral part of these financial statements.

These financial statements have been signed by two Directors under section 232 of the Companies Act, 2017, as the Chief Executive is not available for the time being.

DIRECTOR **CHIEF FINANCIAL OFFICER** **DIRECTOR**

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	36	**9,179,141**	*23,203,214*
Payments for:			
Employees retirement benefits		**(661,087)**	*(5,179,966)*
Finance cost		**(554,170)**	*(12,570,336)*
Income tax		**(4,044,715)**	*(6,841,314)*
Net cash generated from/(used in) operating activities		**3,919,169**	*(1,388,402)*
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(1,803,550)**	*(14,387,304)*
Proceeds from disposal of property, plant and equipment		**2,497,500**	*30,458,108*
Long term deposits		**600,000**	*(600,000)*
Net cash generated from investing activities		**1,293,950**	*15,470,804*
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term finances		**(4,500,000)**	-
Net decrease in short term borrowings		**(645,118)**	*(15,153,613)*
Net cash used in financing activities		**(5,145,118)**	*(15,153,613)*
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**68,001**	*(1,071,211)*
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**733,806**	*1,805,017*
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	37	**801,807**	*733,806*

The annexed notes from 1 to 52 form an integral part of these financial statements.

These financial statements have been signed by two Directors under section 232 of the Companies Act, 2017, as the Chief Executive is not available for the time being.

DIRECTOR **CHIEF FINANCIAL OFFICER** **DIRECTOR**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND OPERATIONS

D.S. Industries Limited ['the Company'] is incorporated in Pakistan as a Private Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017) and was subsequently converted into a Public Limited Company. The Company is listed on Pakistan Stock Exchange Limited. The Company engaged in stitching of ready to wear garments. The registered office of the Company is situated at 20-K, Gulberg II, Lahore. The old yarn manufacturing facility is located at 11 KM, Sheikhupura Faisalabad Road, Sheikhupura, in the Province of Punjab.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Going concern assumption

The Company has incurred loss after taxation of Rs. 9.679 million. As at 30 June 2021, the Company has accumulated losses of Rs. 809.148 million as at the reporting date and its current liabilities exceed its current assets by Rs. 170.691 million. The Company sold substantially all plant and machinery related to spun yarn bussiness. These factors indicate existence of material uncertainty that raises doubts about the Company's ability to continue as a going concern and that the Company may not be able to discharge its liabilities and realize its assets in the normal course of business. However, these financial statements have been prepared on going concern basis based on the following:

(a) *The Company has continued financial support of its related parties in the form of interest free loans. During the year, related parties provided financial support amounting to Rs. 24.539 million in the form of interest free loans. (see note*

(b) *The Company has remodelled its textile product portfolio switched from loss making yarn to profitable ready to wear*

(c) *The providers of debt finance has restructured short term borrowings where by the entire short term borrowings has been converted into long term finance payable over a period of five years. Further interest on short term borrowing and long term finance has been deferred and is payable after the full settlement of long term finance in July 2025.*

The management is confident that through above factors, the Company will turnaround into a profitable company, subject to impact, if any, of uncontrollable circumstances including power crises and market conditions.

2.3 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	*Amortized cost*
Financial assets	*Fair value/amortized cost*
Land, building, plant and machinery	*Revalued amount*
Employee retirement benefits	*Present value*

2.4 Critical accounting judgements and key sources of estimation uncertainty

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

2.4.1 Critical accounting judgements

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

(a) Business model assessment (see note 5.5.2)

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the

(b) Significant increase in credit risk (see note 41.1.1)

As explained in note 41.1.1, expected credit losses ['ECL'] are measured, based on the Company's risk grading framework, as an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative

2.4.2 Key sources of estimation uncertainty

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

(a) Calculation of impairment allowance for expected credit losses on financial assets (see note 5.2.1)

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

(b) Obligation under defined benefit plan (see note 5.4.2)

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

(c) Taxation (see note 5.15)

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

(d) Net realizable values of stock in trade (see note 5.3)

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

2.5 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these financial statements have been rounded to the nearest Rupees unless specified otherwise.

2.6 Date of authorization for issue

These financial statements were authorized for issue on 07 Octo ber 2021 by the Board of Directors of the Company.

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

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

3.1 Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASC framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new

3.2 Definition of a Business (Amendments to IFRS 3 - Business Combinations)

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- *clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;*
- *narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;*
- *add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;*
- *remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and*
- *add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.*

3.3 Definition of Material (Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

3.4 Interest Rate Benchmark Reform (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures)

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate

3.5 Covid-19 - Related Rent Concessions (Amendment to IFRS 16 - Leases)

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

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

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

	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance contracts (2017)	*01 January 2023*
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	*Deferred Indefinitely*
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).	*01 January 2023*
Reference to the Conceptual Framework (Amendments to IFRS 3 - Business	*01 January 2022*
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment).	*01 January 2022*
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets).	*01 January 2022*
Annual Improvements to IFRS Standards 2018–2020.	*01 January 2022*
Amendments to IFRS 17	*01 January 2023*
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures, IFRS 4 - Insurance Contracts, IFRS	*01 January 2021*
Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality	*01 January 2023*
Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	*01 January 2023*
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16 - Leases)	*01 April 2021*
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)	*01 January 2023*

Other than afore mentioned standards, interpretations and amendments, IABS has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ['SECP']:

IFRS 1 - First Time Adoption of International Financial Reporting Standards
IFRS 14 - Regulatory Deferral Accounts

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's financial

5 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

Land, buildings, plant and machinery and electric installations held for use in the production or supply of goods or services or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses, except for freehold land, which is not depreciated. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land, buildings, plant and machinery and electric installations is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land, buildings and plant and machinery is recognized as an expense in profit or loss to the extent that it exceeds the

All other items or property, plant and equipment (furniture and fixtures, office and other equipments and vehicles) are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the cost of material, labour and appropriate overheads directly relating to the construction, erection and installation of the asset and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other assets of the same class, commences when the assets are ready for their

Depreciation is recognized in profit or loss, using rates specified in note 19, so as to write off the cost or revalued amounts of assets (other than freehold land and assets under construction) over their useful lives, using the reducing balance method, with the exception of computer hardware and allied items, which are depreciated using straight line method over their useful lives, and right-of-use assets, for which the lease does not transfer ownership of the underlying asset to the Company at the end of lease term, which are depreciated over the shorter of lease term and useful lives of

Depreciation on an item of property, plant and equipment commences from the month in which the item is ready for intended use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Incremental depreciation being the difference between depreciation based on the revalued amounts recognized in profit or loss and depreciation based on the historical cost, net of tax, is reclassified from the revaluation reserve to retained earnings. On the subsequent disposal or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of such items is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in

5.2 Stores and spares

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

5.3 Stock in trade

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

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

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

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

5.4 Employee benefits

5.4.1 Short-term employee benefits

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

5.4.2 Post-employment benefits

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

5.5 Financial instruments

5.5.1 Recognition

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

5.5.2 Classification

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

(a) Financial assets at amortized cost

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

(b) Financial assets at fair value through profit or loss

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Company makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition

(c) Financial liabilities at amortized cost

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

5.5.3 Measurement

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

5.5.4 Derecognition

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

5.5.5 Off-setting

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

5.5.6 Regular way purchases or sales of financial assets

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

5.6 Ordinary share capital

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

5.7 Loans and borrowings

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

5.8 Investment in associates

Investments in associates are accounted for using the equity method of accounting. Under the equity method, an investment in an associate is recognized initially in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate, dividends received and impairment losses, if any. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on

5.9 Trade and other payables

5.9.1 Financial liabilities

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

5.9.2 Non-financial liabilities

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

5.10 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is

5.11 Trade and other Receivables

5.11.1 Financial assets

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

5.11.2 Non-financial assets

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

5.12 Contracts with Customers

5.12.1 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue from a contract with customer when the Company satisfies an obligation specified in that contract. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Stitching ready to wear garments	*Payments from customers against sale of goods is typically due at the end of credit period ranging from 30 days to 120 days, except for garments which are sold for cash on delivery. There are no customer loyalty programs or warranty provisions. However, some contracts allow for return of goods if those do not meet the requirements or specifications provided*	*Revenue is recognised at a point in time when the goods are dispatched to the customers.*

5.12.2 Contract assets

Contract assets represent work performed upto the reporting date which has not been invoiced to customers because the related performance obligations remain partially unsatisfied as at the reporting date.

5.12.3 Contract liabilities

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

5.13 Comprehensive income

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

5.14 Borrowing costs

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

5.15 Income tax

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

5.15.1 Current taxation

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

5.15.2 Deferred taxation

Deferred tax is accounted for using the' balance sheet approach' providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by The Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at

5.16 Earnings per share ['EPS']

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

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

5.17 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at banks. Interest income on cash and cash equivalents is recognized using effective interest method.

5.18 Segment reporting

Segment reporting is based on the operating segments that are reported in the manner consistent with internal reporting of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Company is a single operating segment based on internal reporting to the

5.19 Foreign currency transactions and balances

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

5.20 Impairment

5.2.1 Financial assets

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

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

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

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

5.2.2 Non-financial assets

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

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

5.21 Dividend distribution to ordinary shareholders

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

6 AUTHORIZED SHARE CAPITAL

30-Jun-21	30-Jun-20		30-Jun-21	30-Jun-20
No. of shares	No. of shares		Rupees	Rupees
10,000,000	10,000,000	Ordinary shares of Rs. 10 each	100,000,000	100,000,000
10,000,000	10,000,000		100,000,000	100,000,000

7 ISSUED SHARE CAPITAL

30-Jun-21	30-Jun-20		30-Jun-21	30-Jun-20
No. of shares	No. of shares		Rupees	Rupees
		Ordinary shares of Rs. 10 each		
53,685,631	53,685,631	shares issued for cash	536,856,310	536,856,310
30,000,000	30,000,000	shares issued as fully paid bonus shares	300,000,000	300,000,000
83,685,631	83,685,631		836,856,310	836,856,310

8 DISCOUNT ON ISSUE OF SHARES

This represents discount on issue of ordinary shares under section 84 and 86(1) of the repealed Companies Ordinance,

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
9 REVALUATION RESERVE			
As at beginning of the year		235,315,776	248,821,289
Incremental depreciation transferred to accumulated profits			
Incremental depreciation for the year		(9,690,700)	(10,200,737)
Deferred taxation		2,810,303	2,958,214
		(6,880,397)	(7,242,523)
Surplus realised on disposal			
Surplus on the assets disposed off		-	(8,821,113)
Deferred taxation		-	2,558,123
		-	(6,262,990)
As at end of the year		228,435,379	235,315,776

10 LONG TERM FINANCES

These represent long term finances utilized under interest arrangements from banking companies

	Note	30-Jun-21	30-Jun-20
Term Finances ['TF']			
TF - I	10.1	105,475,762	109,975,762
		105,475,762	109,975,762
Current maturity presented under current liabilities	17	(8,700,000)	(6,000,000)
		96,775,762	103,975,762

10.1 *TF - I has been obtained from Silk Bank Limited on conversion of short term borrowings amounting to Rs 109.976 million. The finance is secured by charge over present and future current assets and operating fixed assets of the Company and personal guarantees of the Company's Directors. The finance carries interest at the rate of Silkbank's cost of Funds (8.24%) payable in twelve equal monthly installments, after the full settlement of principal, with the first installment due in July 2025. The principle is repayable in sixty stepped-up monthly installments with the first installment*

10.2 *For mortgages and charges on assets as security for liabilities, refer to note 44 to the financial statements.*

11 DEFERRED INTEREST

This represents accrued interest on short term borrowings and TF - I. As per restructuring arrangement, this accrued interest will be paid in twelve equal monthly installments after full settlement of principal amount of TF - I with the first installment due in July 2025. Deferred interest has been carried at amortised cost which has been determined using a

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
As at beginning of the year		12,218,115	-
Transferred from accrued interest	15	10,896,445	12,218,115
		23,114,560	12,218,115
Unamortized notional interest	11.1	(6,723,068)	(4,101,969)
As at end of the year		16,391,492	8,116,146

11.1 Unamortized notional interest

	Note	30-Jun-21	30-Jun-20
As at beginning of the year		4,101,969	-
Recognized during the year		3,289,871	4,101,969
Amortization for the year		(668,772)	-
As at end of the year		6,723,068	4,101,969

12 LONG TERM PAYABLES

This represents Gas Infrastructure Development Cess ['GIDC'] levied by Sui Northern Gas Pipelines Limited ['SNGPL'] and Sui Southern Gas Pipelines Limited ['SSGCL']. The Company and others had filed suits but The Supreme Court of Pakistan ['SCP'] decided the case against the petitioners dismissing all petitions. According to SCP decision, GIDC upto July 2020 would be recovered from consumers in equal monthly installments with the first installment due in September 2020. It is classified as 'financial liabilities at amortized cost' under IFRS 9 which is measured at amortized cost

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Face value		6,617,310	-
Unamortized notional interest	12.1	(272,352)	-
		6,344,958	-
Current portion presented under current liabilities		(5,671,980)	-
		672,978	-

12.1 Unamortized notional interest

	Note	30-Jun-21	30-Jun-20
As at beginning of the year		-	-
Recognized during the year		538,694	-
Amortization for the year		(266,342)	-
As at end of the year		272,352	-

13 EMPLOYEES RETIREMENT BENEFITS

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

		Note	30-Jun-21	30-Jun-20
			Rupees	Rupees
13.1	**Movement in present value of defined benefit obligation**			
	As at beginning of the year		**1,435,225**	5,246,306
	Charged to profit or loss for the year	13.2	**1,633,578**	1,414,338
	Benefits paid during the year		**(661,087)**	(5,179,966)
	Remeasurements recognized in other comprehensive income	13.4	**112,161**	(45,453)
	As at end of the year		**2,519,877**	1,435,225
13.2	**Charge to profit or loss**			
	Current service cost		**1,539,680**	1,082,298
	Interest cost		**93,898**	332,040
			1,633,578	1,414,338
13.3	**The charge to profit or loss has been allocated as follows**			
	Cost of sales	28.2	**1,633,578**	1,191,447
	Administrative expenses	30.1	**-**	222,891
			1,633,578	1,414,338
13.4	**Remeasurements recognized in other comprehensive income**			
	Actuarial loss/(gain) arising from changes in:			
	Experience adjustments		**112,161**	(45,453)
			112,161	(45,453)

13.5 Principal actuarial assumptions

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

	30-Jun-21	30-Jun-20
Discount rate	**10.00%**	8.50%
Expected rates of increase in salary	**9.00%**	7.50%

13.6 Average duration of the defined benefit obligation

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

13.7 Expected charge to profit or loss for the next financial year

The expected charge to profit or loss for the year ending 30 June 2022 amounts to Rs. 2.08 million.

13.8 Sensitivity analysis

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

	30-Jun-21		30-Jun-20	
	Change in actuarial assumption	**Defined benefit obligation**	*Change in actuarial assumption*	*Defined benefit obligation*
		Rupees		*Rupees*
Discount rate	*+ 1%*	*2,304,052*	*+ 1%*	*1,260,796*
	- 1%	*2,755,979*	*- 1%*	*1,648,702*
Expected rate of increase in salary	*+ 1%*	*2,755,919*	*+ 1%*	*1,648,702*
	- 1%	*2,304,024*	*- 1%*	*1,257,841*

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

13.9 Risk factors

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

Interest risk: *The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on government bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the*

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

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

		Note	30-Jun-21	30-Jun-20
			Rupees	*Rupees*
14	**TRADE AND OTHER PAYABLES**			
	Trade creditors		**37,515,838**	*23,369,600*
	Accrued liabilities		**14,954,367**	*14,550,090*
	Advances from customers		**48,090,010**	*48,599,394*
	Security deposits		**-**	*1,500,000*
	Workers' Profit Participation Fund	*14.1*	**-**	*-*
	Workers' Welfare Fund	*14.2*	**40,191**	*-*
	Sales tax payable		**7,955,319**	*3,360,992*
	Tax deducted at source		**4,758,684**	*5,153,146*
			113,314,409	*96,533,222*
14.1	**Workers' Profit Participation Fund**			
	As at beginning of the year		**-**	*256,428*
	Paid during the year		**-**	*(256,428)*
	As at end of the year		**-**	*-*
14.2	**Workers' Welfare Fund**			
	As at beginning of the year		**-**	*-*
	Recognized during the year		**40,191**	*-*
	As at end of the year		**40,191**	*-*
15	**ACCRUED INTEREST**			
	As at beginning of the year		**-**	*8,314,087*
	Recognized during the year	*33*	**10,896,445**	*16,369,395*
	Transferred to deferred interest	*11*	**(10,896,445)**	*(12,218,115)*
	Paid during the year		**-**	*(12,465,367)*
	As at end of the year		**-**	*-*

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees

16 SHORT TERM BORROWINGS

These represent temporary loans obtained from related parties and are unsecured and interest free. Details are as

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
As at beginning of the year		**61,810,565**	*76,945,084*
Obtained during the year		**24,539,411**	*14,455,535*
Repaid during the year		**(25,184,529)**	*(29,590,054)*
As at end of the year		**61,165,447**	*61,810,565*

17 CURRENT PORTION OF NON-CURRENT LIABILITIES

Long term finances	10	**8,700,000**	*6,000,000*
Long term payables	12	**5,671,980**	-
		14,371,980	*6,000,000*

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There are no known contingencies as at the reporting date.

18.2 Commitments

18.2.1 Commitments under short term leases:

(a) **Rented stitching unit**

The Company has rented stitching unit under short term leases arrangements. Lease agreement covers a period of eleven months and is renewable/extendable on mutual consent. Lease rentals are payable monthly in advance. Commitments for payments in future periods under the lease agreement are as follows:

	30-Jun-21	30-Jun-20
	Rupees	Rupees
- payments not later than one year	**-**	*1,925,000*
- payments later than one year	**-**	-
	-	*1,925,000*

(b) **Rented office premises**

The company has rented office under short term leases arrangements. Lease agreement covers a period of eleven months and is renewable/extendable on mutual consent. Lease rentals are payable monthly in advance. Commitments for payments in future periods under the lease agreement are as follows:

	30-Jun-21	30-Jun-20
	Rupees	Rupees
- payments not later than one year	**-**	*500,000*
- payments later than one year	**-**	-
	-	*500,000*

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees

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

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
Cost of sales	28	**12,056,822**	12,661,729
Administrative expenses	30	**1,015,555**	741,895
		13,072,377	13,403,624

19.5 *Most recent valuation of land, building, plant and machinary was carried out by an independent valuer Messrs Excel Services and Engineering (Private) Limited as on 30 June 2019. For basis of valuation and other fair value measurement disclosures, refer to note 43.*

Had there been no revaluation, the cost, accumulated depreciation and net book value of revalued items would have

	30-Jun-21		
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees
Freehold land	**5,382,168**	**-**	**5,382,168**
Buildings	**129,490,940**	**98,808,413**	**30,682,527**
Plant and machinery	**6,729,404**	**554,528**	**6,174,876**
Electric installation	**2,921,000**	**445,453**	**2,475,547**

	30-Jun-20		
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees
Freehold land	5,382,168	-	5,382,168
Buildings	129,490,940	97,193,543	32,297,397
Plant and machinery	6,729,404	229,534	6,499,870
Electric installation	2,921,000	170,392	2,750,608

19.6 *As per most recent valuation, forced sale values of freehold land and buildings are as follows:*

	Rupees
Freehold land	**87,626,500**
Buildings	**202,310,200**
	289,936,700

The existing plant and machinery and electric installations was purchased after the most recent revaluation. Accordingly, the forced sale values of plant and machinery and electric installations has not been disclosed.

20 LONG TERM INVESTMENTS

These represent investments in ordinary shares of related parties. The details are as follows:

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
Pervez Ahmed Consultancy Services Limited - *Quoted*			
61,550 (2020: 61,550) ordinary shares of Rs. 10 each Relationship: associate Ownership Interest: 0.03% (2020: 0.03%) Market value: Rs. 1.63 (2020: Rs. 0.73) per share	20.1	**-**	-
Pervez Ahmed Capital (Private) Limited - *Unquoted*			
7,727,000 (2020: 7,727,000) ordinary shares of Rs. 10 each Relationship: associate Ownership Interest: 44.88% (2020: 44.88%)	20.2	**76,666,869**	70,279,379
		76,666,869	70,279,379

19 PROPERTY, PLANT AND EQUIPMENT

30-Jun-21

	COST / REVALUED AMOUNTS					DEPRECIATION						Net book
	As at 01-Jul-20	Additions	Revaluation	Disposals	As at 30-Jun-21	Rate	As at 01-Jul-20	For the year	Revaluation	Adjustment	As at 30-Jun-21	value as at 30-Jun-21
	Rupees	*Rupees*	*Rupees*	*Rupees*	*Rupees*	%	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*Rupees*
Freehold land	**103,090,000**	**-**	**-**	**-**	**103,090,000**	-	**-**	**-**	**-**	**-**	**-**	**103,090,000**
Buildings												
Factory	**352,686,976**	**-**	**-**	**-**	**352,686,976**	**5**	**154,429,576**	**9,912,870**	**-**	**-**	**164,342,446**	**188,344,530**
Colony/office block	**49,550,446**	**-**	**-**	**-**	**49,550,446**	**5**	**21,696,446**	**1,392,700**	**-**	**-**	**23,089,146**	**26,461,300**
Plant and machinery	**6,729,404**	**-**	**-**	**-**	**6,729,404**	**5**	**229,534**	**324,994**	**-**	**-**	**554,528**	**6,174,876**
Electric installations	**2,921,000**	**-**	**-**	**-**	**2,921,000**	**10**	**170,392**	**275,061**	**-**	**-**	**445,453**	**2,475,547**
Furniture and fixtures	**1,221,800**	**-**	**-**	**-**	**1,221,800**	**10**	**226,518**	**99,528**	**-**	**-**	**326,046**	**895,754**
Office and other equipment	**1,434,555**	**-**	**-**	**-**	**1,434,555**	**10**	**917,868**	**51,669**	**-**	**-**	**969,537**	**465,018**
Vehicles	**7,997,110**	**1,803,550**	**-**	**(2,483,700)**	**7,316,960**	**20**	**4,299,792**	**1,015,555**	**-**	**(2,060,606)**	**3,254,741**	**4,062,219**
	525,631,291	**1,803,550**	**-**	**(2,483,700)**	**524,951,141**		**181,970,126**	**13,072,377**	**-**	**(2,060,606)**	**192,981,897**	**331,969,244**

30-June-20

	COST / REVALUED AMOUNTS					*DEPRECIATION*						*Net book*
	As at 01-Jul-19	*Additions*	*Revaluation*	*Disposals*	*As at 30-Jun-20*	*Rate*	*As at 01-Jul-19*	*For the year*	*Revaluation*	*Adjustment*	*As at 30-Jun-20*	*value as at 30-Jun-20*
	Rupees	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*%*	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*Rupees*
Freehold land	*103,090,000*	*-*	*-*	*-*	*103,090,000*	*-*	*-*	*-*	*-*	*-*	*-*	*103,090,000*
Buildings												
Factory	*352,686,976*	*-*	*-*	*-*	*352,686,976*	*5*	*##########*	*10,434,600*	*-*	*-*	*154,429,576*	*198,257,400*
Colony/office block	*49,550,446*	*-*	*-*	*-*	*49,550,446*	*5*	*20,230,446*	*1,466,000*	*-*	*-*	*21,696,446*	*27,854,000*
Plant and machinery	*20,273,338*	*6,729,404*	*-*	*(20,273,338)*	*6,729,404*	*5*	*6,667,338*	*278,987*	*-*	*(6,716,791)*	*229,534*	*6,499,870*
Electric installations	*25,349,817*	*2,921,000*	*-*	*(25,349,817)*	*2,921,000*	*10*	*10,349,817*	*371,409*	*-*	*#########*	*170,392*	*2,750,608*
Furniture and fixtures	*206,900*	*1,014,900*	*-*	*-*	*1,221,800*	*10*	*162,917*	*63,601*	*-*	*-*	*226,518*	*995,282*
Office and other equipment	*1,212,555*	*222,000*	*-*	*-*	*1,434,555*	*10*	*870,736*	*47,132*	*-*	*-*	*917,868*	*516,687*
Vehicles	*8,803,685*	*3,500,000*	*-*	*(4,306,575)*	*7,997,110*	*20*	*7,067,216*	*741,895*	*-*	*(3,509,319)*	*4,299,792*	*3,697,318*
	561,173,717	*#########*	*-*	*(49,929,730)*	*525,631,291*		*##########*	*13,403,624*	*-*	*#########*	*181,970,126*	*343,661,165*

19.1 *Free hold land of the Company is located at District Sheikhupura with a total area of 79 Kanals 6 Marla (2020: 79 Kanals 6 Marla).*

19.2 *The Company, during the previous period, has revised its estimate of use full life of Buildings. The revision has resulted in reduction in depreciation rates. Had there been no change the depreciation charge for the year ended 30 June 2020 would have been higher by Rs. 11.9 million.*

19.3 Disposal of property, plant and equipment

					30-Jun-21		
Particulars	**Cost**	**Accumulated depreciation**	**Net book value**	**Disposal proceeds**	**Gain/(loss) on disposal**	**Mode of disposal**	**Particulars of buyer**
	Rupees	***Rupees***	***Rupees***	***Rupees***	***Rupees***		
Vehicles							
Honda Civic	**1,518,700**	**1,444,951**	**73,749**	**1,400,000**	**1,326,251**	**Negotiation**	**Haris Aslam, Lahore.**
Suzuki Vitz	**465,000**	**441,599**	**23,401**	**747,500**	**724,099**	**Negotiation**	**Javed Ahmed, Lahore.**
SUzuki Cultus	**500,000**	**174,056**	**325,944**	**350,000**	**24,056**	**Negotiation**	**Tariq Shah, Lahore.**
	2,483,700	**2,060,606**	**423,094**	**2,497,500**	**2,074,406**		
	2,483,700	**2,060,606**	**423,094**	**2,497,500**	**2,074,406**		

					30-Jun-20		
Particulars	*Cost*	*Accumulated depreciation*	*Net book value*	*Disposal proceeds*	*Gain/(loss) on disposal*	*Mode of disposal*	*Particulars of buyer*
	Rupees	*Rupees*	*Rupees*	*Rupees*	*Rupees*		
Plant and machinery							
Jenbacher	*5,960,080*	*1,960,080*	*4,000,000*	*5,500,000*	*1,500,000*	*Negotiation*	*Faisal Saeed Processing Mills, Faisalabad.*
Air conditioning	*4,842,632*	*1,606,174*	*3,236,458*	*500,000*	*(2,736,458)*	*Negotiation*	*Zaman Textile Mills, Karachi.*
Caterpillar	*4,470,088*	*1,495,088*	*2,975,000*	*2,564,103*	*(410,897)*	*Negotiation*	*Nawaz Steel Mills, Gujranwala.*
5-Ring frames	*3,725,073*	*1,225,073*	*2,500,000*	*2,564,102*	*64,102*	*Negotiation*	*Bahoo Cotton Corporation Jaranwala.*
Air filters	*875,465*	*297,737*	*577,728*	*1,347,840*	*770,112*	*Negotiation*	*Babri Cotton Mills, Kohat.*
Air filters	*400,000*	*132,639*	*267,361*	*700,000*	*432,639*	*Negotiation*	*Zaman Textile Mills, Karachi.*
	20,273,338	*6,716,791*	*13,556,547*	*13,176,045*	*(380,502)*		
Electric installation							
Electric cable	*17,898,000*	*7,788,950*	*10,109,050*	*9,896,335*	*(212,715)*	*Negotiation*	*Rehmani Metal Traders, Gujranwala.*
Electric cable	*828,000*	*346,167*	*481,833*	*412,378*	*(69,455)*	*Negotiation*	*Rehmani Metal Traders, Gujranwala.*
Electric panels	*4,623,600*	*1,570,112*	*3,053,488*	*2,300,000*	*(753,488)*	*Negotiation*	*Ayesha Spinning Mills Limited, Lahore.*
Electric cable	*2,000,217*	*845,605*	*1,154,612*	*1,500,000*	*345,388*	*Negotiation*	*M Tech Technology, Lahore.*
	25,349,817	*10,550,834*	*14,798,983*	*14,108,713*	*(690,270)*		
Vehicles							
Suzuki Liana	*1,146,875*	*957,624*	*189,251*	*794,350*	*605,099*	*Negotiation*	*Zia-Ur-Rehman, Lahore.*
Toyota Corolla	*1,932,100*	*1,595,952*	*336,148*	*1,400,000*	*1,063,852*	*Negotiation*	*M. Imran ur Rehman, Lahore.*
Toyota Corolla	*1,149,000*	*880,260*	*268,740*	*975,000*	*706,260*	*Negotiation*	*Sharjeel Ahmed, Lahore.*
Honda CG 125	*78,600*	*75,483*	*3,117*	*4,000*	*883*	*Negotiation*	*Rizwan Shabbir, Lahore.*
	4,306,575	*3,509,319*	*797,256*	*3,173,350*	*2,376,094*		
	49,929,730	*20,776,944*	*29,152,786*	*30,458,108*	*1,305,322*		

20.1 *Pervez Ahmed Consultancy Services Limited ['PACSL'] was incorporated in Pakistan on 08 June 2005 as a Single Member Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and was later converted to Public Limited Company and listed on Pakistan Stock Exchanges Limited. The Company was primarily a brokerage house engaged in the shares brokerage and trading, consultancy services and underwriting. However, the Company has amended its memorandum of association to change its principal activity to act as consultants and advisors to individual, corporations, financial institutions, Government bodies and departments, Companies, corporations and other entities. The registered office of the Company is situated at 20-K Gulberg II, Lahore.*

The investment has been accounted for by using equity method. Particulars of investment are as follows:

	30-Jun-21	*30-Jun-20*
Percentage of ownership interest	**0.03**	*0.03*

	30-Jun-21	*30-Jun-20*
	Rupees	*Rupees*
Cost of investment	**3,412,243**	*3,412,243*
Share of post acquisition losses	**(1,541,187)**	*(1,543,471)*
Share of post acquisition changes in equity	**(160,258)**	*(160,258)*
Accumulated impairment	**(1,710,798)**	*(1,708,514)*
	-	*-*

20.1.1 Extracts of financial statements of Pervez Ahmed Consultancy Services Limited

The assets and liabilities of Pervez Ahmed Consultancy Services Limited as at the reporting date and related revenue and profit for the year then ended based on the audited financial statements are as follows:

	30-Jun-21	*30-Jun-20*
	Rupees	*Rupees*
Non current assets	**87,983,328**	*80,454,956*
Current assets	**10,389,573**	*9,476,397*
Non current liabilities	**-**	*-*
Current liabilities	**650,887,487**	*649,367,654*
Profit/(loss) for the year	**6,921,716**	*(2,104,694)*
Share of profit/(loss)	**2,284**	*(694)*

20.2 *This represents investment in ordinary shares of Pervez Ahmed Capital (Private) Limited ['PACPL'], an associate. PACPL is incorporated in Pakistan as a Private Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the Company is to carry on the business of stock brokerage, underwriting and investments. The registered office of the Company is situated at 1-A/565, Block – 3, Gulshan Iqbal,*

The investment has been accounted for by using equity method. Particulars of investment are as follows:

	30-Jun-21	*30-Jun-20*
Percentage of ownership interest	**44.88**	*44.88*

	30-Jun-21	*30-Jun-20*
	Rupees	*Rupees*
Cost of investment	**85,000,000**	*85,000,000*
Share of post acquisition losses	**(8,333,131)**	*(14,720,621)*
	76,666,869	*70,279,379*

20.2.1 Extracts of financial statements of Pervez Ahmed Capital (Private) Limited

The assets and liabilities of Pervez Ahmed Capital (Private) Limited as at the reporting date and related revenue and profit for the year then ended based on the audited financial statements are as follows:

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Non current assets		32,361,881	17,433,235
Current assets		138,620,483	139,309,925
Non current liabilities		-	-
Current liabilities		153,260	146,661
Profit/(loss) for the year		14,232,605	(4,008,782)
Share of profit/(loss)		6,387,490	(1,799,112)

21 DEFERRED TAXATION

	Note	30-Jun-21	30-Jun-20
Deferred tax asset on deductible temporary differences	21.1	91,482,790	71,858,752
Deferred tax liability on taxable temporary differences	21.1	(58,896,106)	(63,118,878)
Net deferred tax asset		32,586,684	8,739,874

21.1 Recognized deferred liabilities and tax assets

Deferred tax liabilities and assets are attributable to the following:

	30-Jun-21			
	As at 01-Jul-20	Recognized in profit or loss	Recognized in OCI	As at 30-Jun-21
	Rupees	Rupees	Rupees	Rupees
Deferred tax assets				
Employees retirement benefits	416,215	282,022	32,527	730,764
Provisions	548,622	864	-	549,486
Unused tax losses and credits	70,893,915	19,308,625	-	90,202,540
	71,858,752	19,591,511	32,527	91,482,790
Deferred tax liabilities				
Operating fixed assets	(63,118,878)	4,222,772	-	(58,896,106)
	8,739,874	23,814,283	32,527	32,586,684

	30-Jun-20			
	As at 01-Jul-19	Recognized in profit or loss	Recognized in OCI	As at 30-Jun-20
	Rupees	Rupees	Rupees	Rupees
Deferred tax assets				
Employees retirement benefits	1,521,429	(1,092,033)	(13,181)	416,215
Provisions	3,009,389	(2,460,767)	-	548,622
Unused tax losses and credits	78,410,569	(7,516,654)	-	70,893,915
	82,941,387	(11,069,454)	(13,181)	71,858,752
Deferred tax liabilities				
Operating fixed assets	(69,018,014)	5,899,136	-	(63,118,878)
	13,923,373	(5,170,318)	(13,181)	8,739,874

21.2 *Deferred tax has been calculated at 29% (2020: 29%) of the temporary differences as at the reporting date based on tax rates notified by the Government of Pakistan for future tax years.*

22 LONG TERM DEPOSITS

These have been deposited with various utility companies and regulatory authorities. These are classified as 'financial assets at amortized cost' under IFRS 9 which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to

		Note	30-Jun-21	30-Jun-20
			Rupees	Rupees
23	**STOCK IN TRADE**			
	Raw material		**4,138,957**	*5,742,286*
	Work in process		**2,255,600**	*3,213,800*
	Finished goods		**3,839,730**	*3,906,400*
	Waste		**109,550**	*230,380*
			10,343,837	*13,092,866*

23.1 *Entire stock in trade, with exception of stock of waste, is carried at cost being lower than net realizable value.*

23.2 *Details of stock pledged as security are referred to in note 44 to the financial statements.*

		Note	30-Jun-21	30-Jun-20
			Rupees	Rupees
24	**TRADE RECEIVABLES**			
	Gross amount due		**183,980**	*183,980*
	Impairment allowance for expected credit losses	24.1	**(183,980)**	*(183,980)*
			-	-
24.1	**Impairment allowance for expected credit losses**			
	As at beginning of the year		**183,980**	*8,668,690*
	Recognized during the year	31	**-**	-
	Reversed during the year	32	**-**	*(8,484,710)*
	As at end of the year		**183,980**	*183,980*
25	**ADVANCES AND OTHER RECEIVABLES**			
	Advances to employees	25.1	**2,507,684**	*2,178,478*
			2,507,684	*2,178,478*

25.1 *These represent advances to employees for expenses on behalf of the Company and those against salaries in accordance with the Company policy.*

		Note	30-Jun-21	30-Jun-20
			Rupees	Rupees
26	**BANK BALANCES**			
	Current accounts - local currency		**765,457**	*662,145*
	Deposit/saving accounts - local currency	26.1	**36,350**	*71,661*
			801,807	*733,806*

26.1 *Effective interest rate in respect of saving and deposit accounts ranges from 2.25% to 2.8% (2020: 3.25% to 4.75%) per annum.*

		30-Jun-21	30-Jun-20
		Rupees	Rupees
27	**REVENUE FROM CONTRACTS WITH CUSTOMERS - NET**		
	Garments	**152,648,600**	*140,592,466*
	Waste	**116,790**	*144,125*
		152,765,390	*140,736,591*
	Discount	**(227,309)**	*(3,402,393)*
	Sales tax	**(18,568,423)**	*(19,601,594)*
		133,969,658	*117,732,604*

		Note	30-Jun-21	30-Jun-20
			Rupees	Rupees
28	**COST OF SALES**			
	Raw material consumed	28.1	57,658,639	43,775,546
	Stores and spares consumed		5,696,978	5,848,743
	Salaries, wages and benefits	28.2	41,327,675	44,722,187
	Power and fuel		3,483,676	4,038,654
	Rent, rates and taxes		4,925,000	3,700,000
	Traveling and conveyance		1,265,741	1,404,701
	Repair and maintenance		576,762	944,395
	Insurance		57,317	171,463
	Entertainment		265,563	684,187
	Depreciation	19.4	12,056,822	12,661,729
	Others		257,320	60,044
	Manufacturing cost		127,571,493	118,011,649
	Work in process			
	As at beginning of the year		3,213,800	2,790,100
	As at end of the year		(2,255,600)	(3,213,800)
			958,200	(423,700)
	Cost of goods manufactured		128,529,693	117,587,949
	Finished goods			
	As at beginning of the year		3,906,400	1,965,933
	As at end of the year		(3,839,730)	(3,906,400)
			66,670	(1,940,467)
	Waste			
	As at beginning of the year		230,380	-
	As at end of the year		(109,550)	(230,380)
			120,830	(230,380)
			128,717,193	115,417,102

		30-Jun-21	30-Jun-20
28.1	**Raw material consumed**		
	As at beginning of the year	5,742,286	4,560,150
	Purchased during the year	56,055,310	44,957,682
	As at end of the year	(4,138,957)	(5,742,286)
		57,658,639	43,775,546

28.2 *These include charge in respect of employees retirement benefits amounting to Rs. 1,633,578 (2020: Rs. 1,191,447).*

		30-Jun-21	30-Jun-20
		Rupees	Rupees
29	**SELLING AND DISTRIBUTION EXPENSES**		
	Salaries and benefits	-	-
	Commission	3,936,950	3,454,027
	Advertising and sales promotion	16,435,148	16,298,950
	Freight and forwarding	6,735,084	4,879,814
		27,107,182	24,632,791

		Note	30-Jun-21	30-Jun-20
			Rupees	Rupees
30	**ADMINISTRATIVE EXPENSES**			
	Directors' remuneration		**4,750,000**	*2,850,000*
	Salaries and benefits	*30.1*	**-**	*5,384,587*
	Communication		**734,944**	*986,380*
	Traveling and conveyance		**200**	*228,817*
	Printing and stationery		**179,704**	*340,661*
	Repair and maintenance		**-**	*664,701*
	Vehicles running and maintenance		**-**	*592,345*
	Rent, rates and taxes		**244,392**	*564,115*
	Entertainment		**-**	*495,179*
	Insurance		**-**	*49,485*
	Legal and professional		**630,000**	*412,924*
	Utilities		**872,774**	*1,652,854*
	Fee and subscription		**1,038,408**	*1,047,872*
	Auditor's remuneration	*30.2*	**365,000**	*365,000*
	Depreciation	*19.4*	**1,015,555**	*741,896*
	Others		**20,000**	*41,494*
			9,850,977	*16,418,310*

30.1 *These include charge in respect of employees retirement benefits amounting to Rs. nil (2020: Rs. 222,891).*

		Note	30-Jun-21	30-Jun-20
			Rupees	Rupees
30.2	**Auditor's remuneration**			
	Annual statutory audit		**300,000**	*300,000*
	Limited scope review		**50,000**	*50,000*
	Out of pocket expenses		**15,000**	*15,000*
			365,000	*365,000*
31	**OTHER EXPENSES**			
	Gas infrastructure development cess arrears		**11,071,608**	-
	Fines and penalties		**760,205**	-
	Workers Welfare Fund	*14.2*	**40,191**	-
	Donations	*31.1*	**-**	*296,654*
			11,872,004	*296,654*

31.1 *None of the directors or their spouses had any interest in the donees.*

		Note	30-Jun-21	30-Jun-20
			Rupees	Rupees
32	**OTHER INCOME**			
	Gain on financial instruments			
	Return on bank deposits		**12,516**	*55,460*
	Reversal of impairment allowance for expected credit losses	*24.1*	**-**	*8,484,710*
	Reversal of impairment of long term investment	*20.1*	**(2,284)**	*694*
			10,232	*8,540,864*
	Other income			
	Gain on disposal of property, plant and equipment	*19.3*	**2,074,406**	*1,305,322*
	Rental income		**12,448,825**	*16,811,768*
			14,523,231	*18,117,090*
			14,533,463	*26,657,954*

		Note	30-Jun-21	30-Jun-20
			Rupees	Rupees
33	**FINANCE COST**			
	Interest on short term borrowings	15	**10,896,445**	*16,369,395*
	Bank charges and commission		**554,170**	*104,969*
			11,450,615	*16,474,364*
34	**PROVISION FOR TAXATION**			
	Current taxation			
	for current year	34.1	**2,009,545**	*1,765,989*
	Deferred taxation	21.1		
	attributable to origination and reversal of temporary differences		**(23,814,283)**	*5,170,318*
	attributable to changes in tax rates		**-**	*-*
			(23,814,283)	*5,170,318*
			(21,804,738)	*6,936,307*

34.1 *Provision for taxation has been made under section 113 (2020: section 113) of the Income Tax Ordinance, 2001 ['the Ordinance']. There is no relationship between tax expense and accounting profit. Accordingly, no numerical*

34.2 *Assessments for the tax years up to 2020 have either been finalized or are deemed assessments in terms of section 120(1) of the Ordinance, as per returns filed by the Company.*

		Unit	30-Jun-21	30-Jun-20
35	**LOSS PER SHARE - BASIC AND DILUTED**			
	Loss attributable to ordinary shareholders	Rupees	**(9,679,239)**	*(33,482,807)*
	Weighted average number of ordinary shares outstanding during the year	No. of shares	**83,685,631**	*83,685,631*
	Earnings/(loss) per share - basic and diluted	Rupees	**(0.12)**	*(0.40)*

There is no anti-dilutive effect on the basic loss per share of the Company.

		Note	30-Jun-21	30-Jun-20
			Rupees	Rupees
36	**CASH GENERATED FROM OPERATIONS**			
	Loss before taxation		**(31,483,977)**	*(26,546,500)*
	Adjustments for non-cash and other items			
	Finance cost		**11,450,615**	*16,474,364*
	Notional interest		**(2,621,099)**	*(4,101,969)*
	Reversal of impairment allowance for expected credit losses		**-**	*(8,484,710)*
	Gain on disposal of property, plant and equipment		**(2,074,406)**	*(1,305,322)*
	Reversal of impairment of long term investment		**2,284**	*(694)*
	Share of (profit)/loss of associates		**(6,389,774)**	*1,799,806*
	Provision for employees retirement benefits		**1,633,578**	*1,414,338*
	Depreciation		**13,072,377**	*13,403,624*
			15,073,575	*19,199,437*
	Cash used in operations before working capital changes		**(16,410,402)**	*(7,347,063)*

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Changes in working capital			
Stores and spares		43,575	993,317
Stock in trade		2,749,029	(3,776,683)
Trade receivables		-	21,427,104
Advances and other receivables		(329,206)	4,708,910
Trade and other payables		16,781,187	7,197,629
Long term payables		6,344,958	-
		25,589,543	30,550,277
Cash generated from operations		9,179,141	23,203,214

37 CASH AND CASH EQUIVALENTS

	Note	30-Jun-21	30-Jun-20
Bank balances	26	801,807	733,806
		801,807	733,806

38 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding in the
Pervez Ahmed	Key management personnel	Chief executive officer	10.025%
Rehana Pervez Ahmed	Spouse of director	Spouse of director	14.353%
Suleman Ahmed	Key management personnel	Director	0.075%
Hassan Ibrahim	Key management personnel	Director	0.035%
Ali Pervez Ahmed	Key management personnel	Director	4.315%
Pervez Ahmed Capital (Private) Limited	Associated company	Common directorship	0.00%
Origins	Sole proprietorship	Close family member of director	0.00%
Infinite Buying Services	Associated company	Common directorship	0.00%
D.S. Textiles Limited	Associated company	Common directorship	3.470%
Mausummery Lawn	Sole proprietorship	Close family member of director	0.00%

Transactions with sponsors are limited to provision of interest free loans to the Company and issuance of ordinary shares and those with key management personnel are limited to payment of short term employee benefits only. The Company in the normal course of business carries out various transactions with associates and associated undertakings and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction, with the exception of borrowings,

Details of transactions and balances with related parties is as follows:

38.1 Transactions with related parties

Nature of relationship	Nature of transactions	30-Jun-21 Rupees	30-Jun-20 Rupees
Associated companies and undertakings	Sales	10,168,465	9,720,749
	Short term borrowings (repaid)/obtained - net	6,473,965	633,444
Sponsors	Short term borrowings (repaid)/obtained - net	(7,119,083)	(15,767,963)
Key management personnel	Short-term employee benefits	4,750,000	2,850,000

		30-Jun-21	30-Jun-20
		Rupees	*Rupees*

38.2 Balances with related parties

Nature of relationship	Nature of balance		
Associated companies and undertakings	*Short term borrowings*	**40,956,909**	*34,482,944*
Key management personnel	*Short-term employee benefits payable*	**-**	*5,534,712*
Sponsors	*Short term borrowings*	**20,208,538**	*27,327,621*

39 CONTRACTS WITH CUSTOMERS

39.1 Contract balances

The information about receivables and contract liabilities from contracts with customers is as follows:

Nature of balance	Presented in financial statements as	*Note*	30-Jun-21	30-Jun-20
			Rupees	*Rupees*
Receivables	*Trade receivables*	*24*	**183,980**	*183,980*
Contract liabilities	*Advances from customers*	*14*	**48,090,010**	*48,599,394*
			48,273,990	*48,783,374*

39.2 Changes in contract liabilities

Significant changes in contract liabilities are as follows:

	30-Jun-21	30-Jun-20
	Rupees	*Rupees*
As at beginning of the year	**48,599,394**	*57,991,610*
Revenue recognized against contract liability as at beginning of the year	**(1,661,791)**	*(11,054,007)*
Net increase due to cash received in excess of revenue recognized	**1,152,407**	*1,661,791*
As at end of the year	**48,090,010**	*48,599,394*

39.3 Impairment losses

The Company during the year has recognized Rs. nil (2020: Rs. nil) as impairment allowance for expected credit losses on receivables (trade receivables) arising from the Company's contracts with customers. Further, impairment allowance amounting to Rs. nil (2020: Rs. 8,484,710) was reversed during the year on actual recovery. See note 24.1.

40 FINANCIAL INSTRUMENTS

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

	Note	30-Jun-21	30-Jun-20
		Rupees	*Rupees*
40.1 Financial assets			
Financial assets at amortized cost			
Long term deposits	*22*	**19,072,394**	*19,672,394*
Trade receivables	*24*	**183,980**	*183,980*
Advances to employees	*25*	**2,507,684**	*2,178,478*
Bank balances	*26*	**801,807**	*733,806*
		22,565,865	*22,768,658*

		Note	30-Jun-21	30-Jun-20
40.2	**Financial liabilities**		***Rupees***	*Rupees*
	Financial liabilities at amortized cost			
	Long term finances	*10*	**105,475,762**	*109,975,762*
	Deferred interest	*11*	**16,391,492**	*8,116,146*
	Long term payables	*12*	**6,344,958**	*-*
	Trade creditors	*14*	**37,515,838**	*23,369,600*
	Accrued liabilities	*14*	**14,954,367**	*14,550,090*
	Unclaimed dividend		**337,563**	*337,563*
	Accrued interest	*15*	**-**	*-*
	Short term borrowings	*16*	**61,165,447**	*61,810,565*
			242,185,427	*218,159,726*

41 FINANCIAL RISK EXPOSURE AND MANAGEMENT

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

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

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

41.1 Credit risk

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

41.1.1 Credit risk management practices

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

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

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

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

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

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

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

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

Category	**Description**	**Basis for recognizing ECL**
Performing	*The counterparty has low credit risk*	*Trade receivables: Lifetime ECL* *Other assets: 12-month ECL*
Doubtful	*Credit risk has increased significantly since initial recognition*	*Lifetime ECL*
In default	*There is evidence indicating the assets is credit-impaired*	*Lifetime ECL*
Write-off	*There is no realistic prospect of recovery*	*Amount is written-off*

41.1.2 Exposure to credit risk

Credit risk principally arises from debt instruments held by the Company as at the reporting date. The maximum exposure to credit risk as at the reporting date is as follows:

	Note	**30-Jun-21**	*30-Jun-20*
		Rupees	*Rupees*
Financial assets at amortized cost			
Long term deposits	*22*	**19,072,394**	*19,672,394*
Trade receivables	*24*	**183,980**	*183,980*
Advances to employees	*25*	**2,507,684**	*2,178,478*
Bank balances	*26*	**801,807**	*733,806*
		22,565,865	*22,768,658*

41.1.3 Credit quality and impairment

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

	Note	**External rating**	**Internal risk grading**	**12-month or life-time ECL**	**Gross carrying amount**	**Loss allowance**
					Rupees	***Rupees***
Long term deposits	#	*N/A*	*Performing*	*12-month ECL*	**19,072,394**	**-**
Trade receivables	#	*N/A*	*Performing*	*Lifetime ECL*	**183,980**	**183,980**
Advances to employees	#	*N/A*	*Performing*	*12-month ECL*	**2,507,684**	**-**
Bank balances	#	*A3 - A1+*	*N/A*	*12-month ECL*	**801,807**	**-**
					22,565,865	**183,980**

(a) Long term deposits

Long term deposits comprise security deposits placed with various utility companies and regulatory authorities. These deposits are substantially perpetual in nature. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(b) Trade receivables

For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on trade receivables by using internal credit risk gradings. As at the reporting date, all trade receivables are considered 'performing', except for which impairment allowance has been made, as there is no significant increase in credit risk in respect of these receivables since initial recognition. The ageing analysis of trade receivables as at the reporting date is as follows:

	30-Jun-21	*30-Jun-20*
	Rupees	*Rupees*
Neither past due nor impaired	**-**	*-*
Past due by upto 30 days	**-**	*-*
Past due by 31 days to 180 days	**-**	*-*
Past due by 181 days or more	**183,980**	*183,980*
	183,980	*183,980*

(c) Advances to employees

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

(d) Bank balances

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

41.1.4 Concentrations of credit risk

There are no significant concentrations of credit risk, except for trade receivables. The Company's nil (2020: nil) significant customers account for Rs. nil (2020: Rs. nil) of trade receivables as at the reporting date, apart from which, exposure to any single customer does not exceed 10% (2020: 10%) of trade receivables as at the reporting date. These significant customers have long standing business relationships with the Company and have a good payment record and accordingly non-performance by these customers is not expected.

41.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets.

41.1.6 Changes in impairment allowance for expected credit losses

The changes in impairment allowance for expected credit losses have been presented in note 24.1.

41.2 Liquidity risk

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

41.2.1 Liquidity risk management

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

41.2.2 Exposure to liquidity risk

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

	30-Jun-21				
	Carrying amount	**Contractual cash flows**	**One year or less**	**One to three years**	**More than three years**
	Rupees	***Rupees***	***Rupees***	***Rupees***	***Rupees***
Long term finances	**105,475,762**	**143,524,593**	**8,700,000**	**42,132,694**	**92,691,899**
Deferred interest	**16,391,492**	**-**	**-**	**-**	**16,391,492**
Trade creditors	**37,515,838**	**37,515,838**	**37,515,838**	**-**	**-**
Accrued liabilities	**14,954,367**	**14,954,367**	**14,954,367**	**-**	**-**
Unclaimed dividend	**337,563**	**337,563**	**337,563**	**-**	**-**
Short term borrowings	**61,165,447**	**61,165,447**	**61,165,447**	**-**	**-**
	235,840,469	**257,497,808**	**122,673,215**	**42,132,694**	**109,083,391**

	30-Jun-20				
	Carrying amount	*Contractual cash flows*	*One year or less*	*One to three years*	*More than three years*
	Rupees	*Rupees*	*Rupees*	*Rupees*	*Rupees*
Long term finances	*##########*	*146,793,281*	*6,000,000*	*16,800,000*	*123,993,281*
Deferred interest	*8,116,146*	*-*	*-*	*-*	*8,116,146*
Trade creditors	*23,369,600*	*23,369,600*	*23,369,600*	*-*	*-*
Accrued liabilities	*14,550,090*	*14,550,090*	*14,550,090*	*-*	*-*
Unclaimed dividend	*337,563*	*337,563*	*337,563*	*-*	*-*
Short term borrowings	*61,810,565*	*61,810,565*	*61,810,565*	*-*	*-*
	##########	*246,861,099*	*106,067,818*	*16,800,000*	*132,109,427*

41.3 Market risk

41.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency. The Company is not exposed to currency risk.

41.3.2 Interest rate risk

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

(a) Interest/profit rate risk management

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

(b) Interest bearing financial instruments

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

	30-Jun-21	*30-Jun-20*
	Rupees	*Rupees*
Fixed rate instruments		
Financial assets	**36,350**	*71,661*
Financial liabilities	**-**	*-*
Variable rate instruments		
Financial assets	**-**	*-*
Financial liabilities	**105,475,762**	*109,975,762*

(c) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for its fixed rate instruments at fair value

(d) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year and equity as at the reporting date by Rs. 0.77 million (2020: Rs. 0.7 million). A decrease of 100 basis points would have had an equal but opposite effect on profit and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

41.3.3 Other price risk

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

42 CAPITAL MANAGEMENT

The objectives of the Company, while managing capital are to ensure that it continues to meet the going concern assumption, enhance shareholders' wealth and meet stakeholders' expectations. The Company's objective is to ensure its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising option of issuing right shares or, where possible, repurchasing shares, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating dividend payout. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances, including current maturity. Total capital employed includes equity, as shown in the statement of financial position and debt.

	Unit	**30-Jun-21**	*30-Jun-20*
Total debt	*Rupees*	**105,475,762**	*109,975,762*
Total equity	*Rupees*	**173,244,187**	*183,003,060*
		278,719,949	*292,978,822*
Gearing	*% age*	**37.84%**	*37.54%*

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

43 FAIR VALUE MEASUREMENTS

43.1 Financial Instruments

43.1.1 Financial instruments measured at fair value

The Company measures some of its financial assets at fair value. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements and has the following

Level 1 — *Quoted prices (unadjusted) in active markets for identical assets or liabilities.*

Level 2 — *Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).*

Level 3 — *Inputs for the asset or liability that are not based on observable market data (that is, unobservable*

The fair value hierarchy of assets measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

a) Recurring fair value measurements

There are no recurring fair value measurements as at the reporting date.

b) Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

43.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

43.3 Assets and liabilities other than financial instruments.

43.3.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

	Level 1	Level 2	Level 3	**30-Jun-21**	30-Jun-20
				Rupees	*Rupees*
Freehold land	-	*103,090,000*	-	**103,090,000**	*103,090,000*
Buildings	-	*214,805,830*	-	**214,805,830**	*226,111,400*
Plant and machinery	-	*6,174,876*	-	**6,174,876**	*6,499,870*
Electric installations	-	*2,475,547*	-	**2,475,547**	*2,750,608*

For fair value measurements categorised into Level 2 the following information is relevant:

	Valuation technique	Significant inputs	Sensitivity
Freehold land	*Market comparable approach that reflects recent transaction prices for similar properties*	*Estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.*	*A 5% increase in estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition would result in a significant increase in fair value of buildings by Rs. 5.155 million*
Buildings	*Cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique*	*Estimated construction costs and other ancillary expenditure.*	*A 5% increase in estimated construction and other ancillary expenditure would results in a significant increase in fair value of buildings by Rs. 10.74 million (2020: Rs. 11.306 million).*
Plant and machinery	*Cost approach that reflects the cost to the market participants to acquire assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique*	*Estimated purchase price, including import duties and non-refundable purchase taxes and other costs directly attributable to the acquisition or construction, erection and installation.*	*A 5% increase in estimated purchase price, including import duties and non-refundable purchase taxes and other directly attributable costs would results in a significant increase in fair value of plant and machinery by Rs. 0.309 million*
Electric installation	*Cost approach that reflects the cost to the market participants to acquire assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the year.*	*Estimated purchase price, including import duties and non-refundable purchase taxes and other costs directly attributable to the acquisition or construction, erection and installation.*	*A 5% increase in estimated purchase price, including import duties and non-refundable purchase taxes and other directly attributable costs would results in a significant increase in fair value of electric installation by Rs. 123,777 (2020: Rs. 137,530).*

Reconciliation of fair value measurements categorized in Level 2 is presented in note 19.

There were no transfers between fair value hierarchies during the year.

43.3.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

		30-Jun-21	30-Jun-20
		Rupees	*Rupees*

44 RESTRICTION ON TITLE AND ASSETS PLEDGED/MORTGAGED AS SECURITY

Mortgages and charges

	30-Jun-21 Rupees	30-Jun-20 Rupees
Charge over current assets	**318,000,000**	*318,000,000*
Charge over operating fixed assets	**840,000,000**	*840,000,000*

45 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	30-Jun-21		
	Chief Executive	**Directors**	**Executives**
	Rupees	**Rupees**	**Rupees**
Managerial remuneration	**-**	**4,750,000**	**-**
Allowances and perquisites	**-**	**-**	**-**
Post employment benefits	**-**	**-**	**-**
	-	**4,750,000**	**-**
Number of persons	**-**	**2**	**-**

	30-Jun-20		
	Chief Executive	*Directors*	*Executives*
	Rupees	*Rupees*	*Rupees*
Managerial remuneration	-	*2,850,000*	-
Allowances and perquisites	-	-	-
Post employment benefits	-	-	-
	-	*2,850,000*	-
Number of persons	*1*	*1*	-

46 SEGMENT INFORMATION

46.1 *The Company is a single reportable segment.*

46.2 *All non-current assets of the Company are situated in Pakistan.*

46.3 *All sales of the Company have originated from Pakistan.*

46.4 Information about major customers

	30-Jun-21	*30-Jun-20*
	Rupees	*Rupees*
Revenue derived from Call Courier	**142,174,675**	*122,518,086*

47 SHARES IN THE COMPANY HELD BY RELATED PARTIES

Ordinary shares in the Company held by related parties, other than chief executive and directors, are as follows:

	30-Jun-21	*30-Jun-20*
	No. of shares	*No. of shares*
D.S. Textiles Limited	**2,904,221**	*2,904,221*
D.S. Apparel (Private) Limited	**6,000**	*6,000*
Ali Pervez Capital (Private) Limited	**18**	*18*
	2,910,239	*2,910,239*

48 PLANT CAPACITY AND ACTUAL PRODUCTION

The plant capacity is indeterminable due to multiple products involving varying processes of manufacturing and run length of order lots.

49 NUMBER OF EMPLOYEES

	30-Jun-21	*30-Jun-20*
Total number of employees	**51**	*57*
Average number of employees	**57**	*62*

50 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period which may require adjustment of and/or disclosure in these financial statements

51 RECOVERABLE AMOUNTS AND IMPAIRMENT

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

52 GENERAL

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

52.2 *These financial statements have been signed by two Directors under section 232 of the Companies Act, 2017, as the Chief Executive is not available for the time being.*

DIRECTOR **CHIEF FINANCIAL OFFICER** **DIRECTOR**

D S Industries Limited
Pattern of Shareholding
As At June 30, 2021

Number of Shareholders	Shareholding From	Shareholding To	Total Number of Shares Held	%age
188	1	100	6,892	0.008
247	101	500	110,047	0.132
298	501	1,000	292,276	0.349
586	1,001	5,000	1,833,372	2.191
219	5,001	10,000	1,877,664	2.244
80	10,001	15,000	1,029,863	1.231
63	15,001	20,000	1,168,173	1.396
69	20,001	25,000	1,641,816	1.962
33	25,001	30,000	952,500	1.138
21	30,001	35,000	692,485	0.827
23	35,001	40,000	893,003	1.067
19	40,001	45,000	817,000	0.976
34	45,001	50,000	1,685,718	2.014
10	50,001	55,000	526,635	0.629
16	55,001	60,000	937,500	1.120
4	60,001	65,000	249,471	0.298
6	65,001	70,000	412,000	0.492
8	70,001	75,000	591,500	0.707
3	75,001	80,000	236,000	0.282
8	80,001	85,000	656,701	0.785
3	85,001	90,000	262,736	0.314
3	90,001	95,000	281,000	0.336
19	95,001	100,000	1,893,000	2.262
3	100,001	105,000	309,000	0.369
3	105,001	110,000	323,000	0.386
3	110,001	115,000	337,000	0.403
4	115,001	120,000	470,000	0.562
3	120,001	125,000	372,000	0.445
2	125,001	130,000	259,500	0.310
4	130,001	135,000	534,000	0.638
1	135,001	140,000	137,500	0.164
2	140,001	145,000	284,000	0.339
5	145,001	150,000	750,000	0.896
4	155,001	160,000	636,500	0.761
3	165,001	170,000	503,000	0.601
3	170,001	175,000	521,500	0.623
1	175,001	180,000	180,000	0.215
3	180,001	185,000	551,000	0.658
2	185,001	190,000	379,000	0.453
1	190,001	195,000	191,000	0.228
3	195,001	200,000	600,000	0.717
1	200,001	205,000	203,500	0.243
3	205,001	210,000	625,000	0.747
1	215,001	220,000	217,500	0.260
3	220,001	225,000	669,000	0.799
1	230,001	235,000	233,500	0.279
2	235,001	240,000	478,500	0.572
4	245,001	250,000	998,000	1.193
1	255,001	260,000	258,000	0.308
2	265,001	270,000	533,000	0.637
3	295,001	300,000	897,000	1.072
2	315,001	320,000	638,000	0.762
1	320,001	325,000	323,000	0.386
1	335,001	340,000	339,882	0.406
1	340,001	345,000	344,000	0.411
1	345,001	350,000	350,000	0.418
1	365,001	370,000	370,000	0.442
1	380,001	385,000	382,000	0.456
2	395,001	400,000	800,000	0.956
1	415,001	420,000	417,000	0.498
1	440,001	445,000	444,000	0.531
1	585,001	590,000	585,500	0.700
1	590,001	595,000	590,500	0.706
1	595,001	600,000	600,000	0.717
2	605,001	610,000	1,216,500	1.454
1	615,001	620,000	619,500	0.740
1	645,001	650,000	650,000	0.777
2	650,001	655,000	1,308,000	1.563
1	655,001	660,000	658,000	0.786
1	700,001	705,000	703,500	0.841
1	705,001	710,000	707,800	0.846
1	850,001	855,000	851,000	1.017
1	880,001	885,000	884,500	1.057
2	995,001	1,000,000	2,000,000	2.390
1	1,035,001	1,040,000	1,037,001	1.239
1	1,085,001	1,090,000	1,086,500	1.298
1	1,145,001	1,150,000	1,150,000	1.374
1	1,370,001	1,375,000	1,373,000	1.641
1	1,495,001	1,500,000	1,500,000	1.792
1	1,520,001	1,525,000	1,521,500	1.818
1	1,725,001	1,730,000	1,727,500	2.064
1	1,810,001	1,815,000	1,812,000	2.165
1	2,030,001	2,035,000	2,034,721	2.431
1	3,610,001	3,615,000	3,610,667	4.315
1	8,130,001	8,135,000	8,131,183	9.716
1	11,420,001	11,425,000	11,420,525	13.647
2071			**83,685,631**	**100.000**

D S Industries Limited
Categories of Shareholders
As At June 30, 2021

Categories	Number	Shares Held	Percentage
Associated Companies & Related Parties			
D.S.Textiles Limited	1	2,904,221	3.470
D.S.Apparel (Private) Limited	1	6,000	0.007
Ali Pervez Capital (Private) Limited	1	18	0.000
Chief Executive & Directors			
Mr. Pervez Ahmed - Chief Executive	1	8,789,183	10.503
Mrs. Rehana Pervez Ahmed	1	12,011,025	14.353
Mr. Ali Pervez Ahmed	1	3,610,667	4.315
Mr. Suleman Ahmed	1	62,666	0.075
Mrs Rukhsana Khalid	1	10,000	0.012
Mr. M. Naeem Ilyas	1	1,000	0.001
Mr. Haider Ali	1	1,000	0.001
Banks, DFI and NBFI	4	71,749	0.086
Insurance Companies	1	31,985	0.038
Mutual Funds	1	339,882	0.406
General Public (Local)	1,962	51,055,258	61.008
General Public (Foreign)	72	1,768,425	2.113
Joint Stock Companies	19	2,938,502	3.511
Others	2	84,050	0.100
Total	**2071**	**83,685,631**	**100.000**

Detail of Shareholding of 5% and above.	Shares Held	Percentage
Mr. Pervez Ahmed - Chief Executive	8,789,183	10.503
Mrs. Rehana Pervez Ahmed - Director	12,011,025	14.353

During the year, the Chief Executive has purchased 400,000 shares of the Company

چیئرمین کا جائزہ

مجھے 30 جون 2021 کو ختم ہونے والے سال کے لیے ڈی ایس انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کے چیئرمین کی حیثیت سے سالانہ جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے۔

اس مقصد کے لیے مقرر کردہ معیار کی بنیاد پر بورڈ کی مجموعی کارکردگی تسلی بخش رہی ہے۔ بورڈ کی کارکردگی کا جائزہ لینے اور کمپنی کے مقاصد کو حاصل کرنے کے لیے تشخیصی معیار کے لازمی عناصر درج ذیل ہیں۔

1۔ قانون سازی کے نظام کی تعمیل جس میں کمپنی چلتی ہے، جس میں کمپنیز ایکٹ، 2017، پاکستان اسٹاک ایکسچینج لمیٹڈ کے لسٹنگ ریگولیشنز، میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن آف کمپنی شامل ہیں۔

2۔ اسٹریٹجک منصوبہ بندی کے عمل میں فعال شرکت، انٹرپرائز رسک مینجمنٹ سسٹم، پالیسی ڈویلپمنٹ، مالیاتی ڈھانچہ، مانیٹرنگ اور منظوری۔

3۔ چیف ایگزیکٹو سمیت ایگزیکٹو ڈائریکٹرز اور دیگر اہم عہدوں پر بھرتی، تشخیص، معاوضہ اور معاونت۔

4۔ موزوں ٹیکنیکل علم اور تجربہ رکھنے والے ارکان کے ساتھ بورڈ کمیٹیوں کی مناسب تشکیل۔

5۔ کمپنی میں اندرونی کنٹرول کا مناسب نظام قائم کرنا اور خود تشخیصی طریقہ کار یا/ اور اندرونی آڈٹ سرگرمیوں کے ذریعے اس کی باقاعدہ تشخیص

6۔ بورڈ اور کمیٹیوں کے اجلاسوں میں مطلوبہ کورم کی موجودگی کو یقینی بنانا۔

میں اس موقع پر اپنے ملازمین کی انتھک کوششوں کو سراہتا ہوں اور تمام سٹیک ہولڈرز بشمول ہمارے قابل قدر صارفین، بینکوں، سپلائرز اور ٹھیکیداروں کے مسلسل تعاون اور مدد کے لیے ان کا شکریہ ادا کرتا ہوں۔

چیئرمین

لاہور،

تاریخ: 7 اکتوبر 2021ء

مجلسِ نظماء کی رپورٹ

ڈی ایس انڈسٹریز لمیٹڈ کی مجلسِ نظماء 30 جون 2021ء کو ختم ہونے والے مالی سال کے لئے کمپنی کی اکتالیسویں سالانہ رپورٹ بشمول کمپنی کے نظرثانی شدہ حسابات معہ ان پر آڈیٹر کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

کمپنی کے مالیاتی نتائج

حکومت کی مدد اور مرکزی بینک کے تعاون اور ویکسینیشن میں پیش رفت سے عالمی معاشی بحالی مضبوط رہی ہے۔ لیکن اگرچہ عالمی جی ڈی پی اب وبائی بیماری سے پہلے کی سطح سے اوپر جا چکا ہے، جو ممالک مختلف چیلنجوں کا سامنا کر رہے ہیں وہاں بحالی مختلف رہی۔ وائرس کے دوبارہ پھیلنے سے کچھ ممالک سرگرمیوں کو محدود کرنے پر مجبور ہو رہے ہیں، جس کے نتیجے میں رکاوٹیں اور سپلائی چین پر دباؤ پڑ رہا ہے۔ معیشتوں کے دوبارہ کھلنے کے ساتھ ہی طلب میں تیزی سے اضافے نے تیل اور دھات جیسی اہم اشیاء کی قیمتوں میں اضافہ کر دیا ہے۔ اشیائے خورد و نوش کی قیمتیں بھی خاص طور پر ایمرجنگ مارکیٹوں میں بڑھ رہی ہیں۔ وبائی بیماری کی وجہ سے سپلائی چین میں کشیدگی نے لاگت کے دباؤ میں اضافہ کیا ہے۔ پالیسی سازوں کو چاہیے کہ وہ ابتدائی بحرانوں کے اپنے اچھے انتظامات کی تعمیر کریں اور یہ یقینی بنائیں کہ مالی اور مالیاتی پالیسیاں نمو کو برقرار رکھنے کے لیے سرمایہ کاری پر مرکوز ہیں۔ ٹیکسٹائل انڈسٹری کی قسمت مضبوط اور مستحکم بحالی سے منسلک ہے۔ پاکستان کی معیشت کو کئی چیلنجز کا بھی سامنا ہے جن میں مقامی اور بیرونی مقروضیت، سرکلر ڈیبٹ، سرکاری اداروں میں نقصانات، کم ٹیکس بیس، زیادہ مالیاتی اور کرنٹ اکاؤنٹ خسارہ اور افراط زر شامل ہیں۔ زرمبادلہ کی شرح کو مستحکم کرنے، علاقائی مسابقتی شرحوں پر توانائی کی فراہمی کو یقینی بنانے، مسابقت کو بڑھانے، کاروبار کرنے کی لاگت کو کم کرنے، کپاس کی پیداوار میں کمی کو دور کرنے اور ٹیکس اصلاحات کے ذریعے نجی شعبے کی لیکویڈیٹی کو بہتر بنانے اور طویل مدت سے تاخیری فنڈز کی واگزاری کے لئے اہم اصلاحات کی ضرورت ہے۔

اس سال کمپنی اپنی کارکردگی کو بہتر بنانے میں کامیاب رہی ہے۔ اس سال کے دوران، کمپنی نے 134 ملین روپے کی خالص آمدنی کمائی جبکہ پچھلے سال کی اسی مدت میں 117.7 ملین روپے تھی جو کہ مجموعی طور پر تقریباً 14 فیصد زیادہ ہوئی جس کی بنیادی وجہ فروخت کے حجم میں اضافہ ہے۔ موجودہ مالی سال میں مجموعی منافع کا مارجن بڑھ کر تقریباً 4 فیصد ہو گیا جبکہ پچھلے سال کی اسی مدت میں 2 فیصد تھا۔ موجودہ سال اور پچھلے سال فروخت اور تقسیم کے اخراجات یکساں رہے یعنی تقریباً فروخت کا 21 فیصد۔ دوسری طرف، انتظامی اخراجات جو فروخت کا 14 فیصد تھے کم ہو کر فروخت کے 7.4 فیصد پر آ گئے ہیں۔ بنیادی طور پر مارک اپ کی شرح میں کمی کی وجہ سے مالیاتی اخراجات میں کمی سے زیریں خط کو مزید مدد ملی۔ تاہم، 30 جون 2021 کو ختم ہونے والے سال کے لیے کمپنی کے مالی نتائج میں جی آئی ڈی سی بقایاجات 11.343 ملین روپے بھی فراہم کیے گئے ہیں۔

منافع منقسمہ

موجودہ سال میں منفی نتائج اور دستیاب مجموعی نقصانات کے مدِنظر، آپ کی کمپنی کے ڈائریکٹرز نے سال کے لئے کسی منافع منقسمہ کی تجویز نہیں دی ہے۔

کتابوں کی بندش

کمپنی کی حصص منتقلی کتابیں 23 اکتوبر 2021ء تا 28 اکتوبر 2021ء (بشمول دونوں ایام) بند رہیں گی اور اس دوران رجسٹریشن کے لئے حصص کی کوئی منتقلی قابل قبول نہیں ہوگی۔ 22 اکتوبر 2021ء کو کاروبار کے اختتام تک ہمارے شیئر رجسٹرار، میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 32-C، جامی کمرشل، سٹریٹ 2، ڈی ایچ اے فیز VII، کراچی کو موصول ہونے والی منتقلیاں اجلاس میں شرکت اور حقِ رائے دہی کے لئے قابل قبول ہونگی۔

نمونہ حصص داری

30 جون 2021ء کے مطابق نمونہ حصص داری کا بیان معہ کمپنی کے حصص یافتگان کی کیٹگریز اس رپورٹ کے ہمراہ منسلک ہیں۔

کمپنی کے حصص کی تجارت

30 جون 2021 کو ختم ہونے والے سال کے دوران کمپنی کے حصص میں کسی ڈائریکٹر، چیف فنانشل آفیسر، کمپنی سیکٹری، ان کے شریک حیات اور نابالغ بچوں نے تجارت نہیں کی ہے۔ سال کے دوران صرف چیف ایگزایکٹو نے کمپنی کے 400,000 شیئرز خریدے ہیں۔

آپریٹنگ اور مالیاتی اعداد و شمار

گزشتہ چھ سالوں کے لئے آپریٹنگ اور مالیاتی اعداد و شمار معہ کلیدی تناسب منسلک ہیں۔

بورڈ کے منعقدہ اجلاسوں کی تعداد

30 جون 2021ء کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

نام	عہدہ	تعداد حاضری
جناب پرویز احمد	چیف ایگزیکٹو	5
محترمہ ریحانہ پرویز احمد	ڈائریکٹر	2
جناب علی پرویز احمد	ڈائریکٹر	5
جناب سلیمان احمد	ڈائریکٹر	5
جناب عطاء الرحمٰن	ڈائریکٹر	3
جناب نعیم الیاس	ڈائریکٹر	2
جناب خاور محمود	ڈائریکٹر	2
جناب مظہر پرویز ملک	ڈائریکٹر	3
جناب حیدر علی	ڈائریکٹر	1
محترمہ رخسانہ خالد	ڈائریکٹر	4

اخلاقیات اور کاروباری طریقوں کا بیان

بورڈ نے کمپنی کے ساتھ منسلکہ یا کاروبار کرنے والے ہر ایک شخص سے متعلقہ ضابطہ اخلاق کے معیارات کو پیشگی سمجھنے کے اعتراف کے طور پر کمپنی کے ہر ایک ڈائریکٹر اور ملازم کی طرف سے دستخط شدہ اخلاقیات اور کاروباری طریقوں کا بیان تیار اور جاری کیا ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس ریٹائر ہوگئے ہیں اور دوبارہ تقرری کے لئے اپنے آپ کو پیش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی نے 30 جون 2022ء کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو دوبارہ مقرر کرنے کی سفارش کی ہے۔

آڈٹ کمیٹی

کارپوریٹ گورننس کے ضابطہءاخلاق کی تعمیل میں آڈٹ کمیٹی تشکیل دی گئی ہے اور مندرجہ ذیل اراکین پر مشتمل ہے:

نام	عہدہ
جناب ایم نعیم الیاس	چیئرمین
جناب حیدر علی	رکن
محترمہ رخسانہ خالد	رکن

سہ ماہی اور سالانہ حسابات کے جائزہ اور دیگر متعلقہ معاملات کے لئے کارپوریٹ گورننس کے ضابطہءاخلاق کے تحت درکار 30 جون 2021ء کو ختم ہونے والے سال کے دوران آڈٹ کمیٹی کے اجلاس منعقد ہوئے۔ اجلاس میں چیف فنانشل آفیسر، داخلی آڈٹ کے سربراہ اور جب ضرورت پیش آئی بیرونی آڈیٹرز نے بھی شرکت کی۔

کارپوریٹ گورننس کا ضابطہءاخلاق

کارپوریٹ گورننس کے ضابطہءاخلاق کی تعمیل میں بیان

بورڈ آف ڈائریکٹرز اور کمپنی کارپوریٹ مینجمنٹ کے اچھے طریقوں کے اصولوں پر کاربند ہیں۔ بورڈ اور انتظامیہ اپنی ذمہ داریوں سے آگاہ ہیں اور مالی اور غیر مالی معلومات کی درستگی، جامعیت اور شفافیت کو بڑھانے کے لئے کمپنی کی کارکردگی کی نگرانی کرتے ہیں۔ بورڈ بخوشی تصدیق کرتے ہیں کہ کمپنی نے ہر مادی معاملات میں، لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں شامل بہترین طریقوں جن کی تعمیل کے ساتھ منسلک بیان میں مکمل طور پر وضاحت کی گئی ہے کے مطابق تعمیل کی ہے اور بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔ مزید، درج ذیل بیان کرتے ہیں کہ:

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

2۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔

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

4۔ مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف کیا گیا ہے۔

5۔ اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

6۔ سال کے دوران کمپنی نے 9.7 ملین روپے کا خالص نقصان برداشت کیا اور بیلنس شیٹ کی تاریخ تک 809 ملین روپے کا مجموعی نقصان اُٹھایا ہے۔ کمپنی کی موجودہ واجب ادائیگیاں اسکے موجودہ اثاثوں سے 170.7 ملین روپے تک تجاوز کرگئی ہیں۔ یہ عناصر کمپنی کے رواں دواں رہنے کی اہلیت کے بارے میں شق پیدا کرسکتے ہیں۔ تاہم، انتظامیہ کمپنی کی مدد کے لئے مسلسل کوششیں کررہی ہے۔

7۔ فہرستی ضابطوں میں تفصیلی کارپوریٹ گورننس کے بہترین طریقوں میں سے کسی خاطر خواہ شق سے مادی انحراف نہیں ہورہا ہے۔

8۔ گزشتہ چھ سالوں کی مالیاتی جھلکیاں منسلک ہیں۔

اظہارِ تشکّر

مجلسِ نظماء بھرپور حمایت، مدد اور رہنمائی کے لئے اپنے قابل قدر حصص یافتگان، بینکوں، سیکورٹیز اینڈ ایکسچینج کمیشن اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کی شکرگزار ہے۔ بورڈ کمپنی کے عملے اور کارکنوں کی خدمات، وفاداری اور مسلسل فراہم کی جانے والی کوششوں کو بھی سراہتا ہے۔

منجانب بورڈ

تاریخ: 7 اکتوبر 2021ء

علی پرویز احمد
ڈائریکٹر

سلیمان احمد
ڈائریکٹر

CHAIRMANS' REVIEW

I am pleased to present annual review as Chairman of the Board of Directors of D S Industries Limited for the year ended June 30, 2021

I am pleased to report that the overall performance of the Board has remained satisfactory on the basis of criteria set for the purpose. Following are the integral components of evaluation criteria to judge the performance of the Board and to achieve the Companys' objectives;

1 Compliance with the legislative system in which Company operates, including Companies Act, 2017, Listing Regulations of Pakistan Stock Exchange Limited, the Memorandum and Articles of Association of the Company.

2 Active participation in strategic planning process, enterprise risk management system, policy development, financial structure, monitoring and approval.

3 Hiring, evaluating, compensating and supporting the Executive Directors and other key positions including Chief Executive

4 Appropriate constitution of Board Committees with members possessing adequate technical knowledge and experience

5 Establishing adequate system of internal controls in the Company and its regular assessment through self-assessment mechanism or/and internal audit activities

6 Ensuring presence of required quorum in Board and Committees' meetings

I would like to take this opportunity to express my appreciation for the untiring efforts of our employees and express gratitude to all the stakeholders including our valued customers, banks, suppliers and contractors for their continued cooperation and support

Lahore
October 7, 2021

Chairman

FORM OF PROXY
Annual General Meeting

The Company Secretary
D S Industries Limited
20-K, Gulberg II,
Lahore.

Dear Sir,

I/We -------------------------------------- of (full address) -- being a member(s) of D S Industries Limited holding -------------------- Ordinary Shares as per Registered Folio No. / CDC A/c No ------------------------------ hereby appoint Mr./ Mrs./ Miss ---of (full address) -- or failing him / her Mr./ Mrs./ Miss ---of (full address) -- ---being member of the Company as my/our Proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on October 28, 2020

Signed this -- day of ---2020

Witnesses:

Signature	____________	____________	Fifty Rupees Revenue Stamp
Name	____________	____________	
Address	____________	____________	
CNIC No	____________	____________	

Signature should be agreed with the Specimen Signatures with the Company

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of him/her.

2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his constituted attorney or if such appointer is a corporation or company under the common seal of such corporation or company.

3. The proxy shall produce his original CNIC or original passport at the time of the Meeting.

The Proxy Form, duly completed, must be deposited with the Company Secretary of D S Industries Limited, 20 – K Gulberg II Lahore not less than 48 hours before the time for holding the meeting.

Registered Office: 20-K Gulberg II, Lahore.

Ph: (042) 3575 9621, 3575 9464, 3571 4810

Fax: (042) 3571 0312