



*35<sup>th</sup> Annual Report*  
2022

*Din*<sup>®</sup>

**Din Textile Mills Ltd.**

# INSIDE STORY



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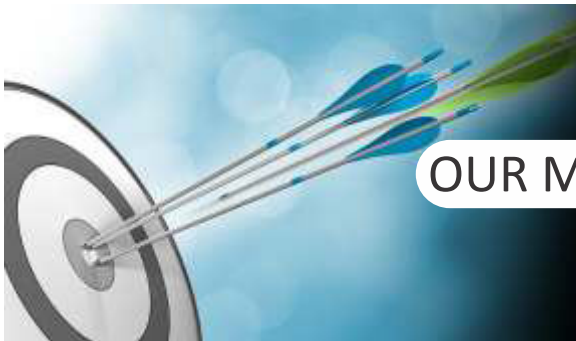




## OUR VISION

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

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



## OUR MISSION

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



## OUR AMBITION

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



## ORGANIZATIONAL CULTURE

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

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



# CORPORATE INFORMATION



## Board of Directors

Shaikh Muhammad Muneer	Chairman	Shaikh Muhammad Pervez	Director
Shaikh Muhammad Tanveer	Chief Executive	Shaikh Mohammad Naveed	Director
Mr. Faisal Jawed	Director	Mr. Farhad Shaikh Mohammad	Director
Mr. Ehtesham Maqbool Elahi	Director	Ali Farooq	Director
Ms. Mehvish Waliany	Director		

### Company Secretary

Mr. Muhammad Naveed Yar Khan

### Chief Operating Officer

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

### Chief Financial Officer

Mr. Kashif Javed

### Auditors

Naveed Zafar Ashfaq Jaffery & Co.,  
Chartered Accountants

### Legal Advisor

Mohsin Teyebaly & Co.

### Share Registrar

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

### Registered Office

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

### Website

www.dingroup.com

### Email:

textile@dingroup.com

S	Allied Bank Limited
I	Bank Alfalah Limited
L	Bank Al-Habib Limited
E	BankIslami Pakistan Limited
K	Dubai Islamic Bank Pakistan Limited
N	Habib Bank Limited
B	Habib Metropolitan Bank Limited
A	MCB Bank Limited
S	MCB Islamic Bank Limited
	Meezan Bank Limited
	National Bank of Pakistan
	Faysal Bank Limited
	Standard Chartered Bank (Pakistan) Limited

## Audit Committee

Mr. Ehtesham Maqbool Elahi	Chairperson
Shaikh Muhammad Pervez	Member
Mr. Faisal Jawed	Member

## Human Resource and Remuneration Committee

Mr. Ali Farooq	Chairperson
Mr. Faisal Jawed	Member
Mr. Farhad Shaikh Mohammad	Member

## Credit Rating

Long term rating A- (A Minus)  
Short term rating A2 (A Two)  
by Pakistan Credit Rating Agency (PACRA)

## Mills

Unit-I and II: Kot Akbar Khan, 70 Km Multan Road,  
Tehsil Pattoki, District Kasur, Punjab.  
Unit-III & Weaving: Revenue Estate, Bhai Kot, Tablighi Chowk,  
Raiwind Road, Tehsil and District Lahore – Punjab.  
Unit-IV: Dars Road, Off Raiwind Manga Road, Bachuki Majha Distt. Kasur.



# COMPANY PROFILE



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

Under the dynamic leadership of the Group and strong Human Resource, Din Textile Mills Ltd. was founded in 1988 and in a very short time become an icon for the value added Textile industry in Pakistan with four state-of-the-art Spinning units, one Weaving unit and one Dyeing unit located at Multan Road Pattoki and Raiwind having consolidated annual production capacity of yarn 43.59 Million kgs, fabric 86.01 Million square meters and dyeing of Fiber and Yarn 4.38 million Kgs.

With a consolidated annual turnover of Rs. 31.353 billion, today Din Textile Mills Ltd. employs over 3,500 employees. Din aims to create superior value for its customers and stakeholders without compromising on commitments to safety, environment, health and other social responsibilities for the communities in which the Company operates.

## OUR PRODUCT RANGE FROM:

Combed Compact Yarn

Core Spun Yarn

Dyed Yarn

Melange Yarn

Slub Lycra Yarn

Slub Yarn

Ply Yarn

Greige Fabric



organic yarn  
CU 813709  
Din Textile Mills Ltd.  
Pakistan



## BOARD OF DIRECTORS



### **Shaikh Muhammad Muneer** Chairman

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

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

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

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

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

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

## **Shaikh Muhammad Pervez**

### **Director**

Shaikh Muhammad Pervez is the Non-Executive Director of Din Textile Mills Limited (Unit of Din Group of Companies). After completion of his academic life, he joined his family business in 1975. He has played a vital role in the growth and success of the Group. He is actively engaged in many social and welfare projects which are running for the cause of humanity and are helping the needy and poor people.

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

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

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

## **Shaikh Muhammad Tanveer**

### **Chief Executive**

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

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

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

## **Shaikh Mohammad Naveed**

### **Director**

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



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

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

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

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

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

### **Mr. Faisal Jawed**

#### **Director**

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

He has vast experience in the field of marketing and having Good negotiation skills. Being a Director of Din Textile Mills Limited, he is involved in procurement of Material like cotton and other manmade fibers like lycra etc, Having good skills of operational and office management, he plays a strategic role in business's operations and management to improve the overall productivity and profitability of the Company.

He is actively participating in national and international business conferences organized by nationwide and international business organization.

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

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

#### **Director**

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

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

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

- Director               Din Leather (Pvt.) Limited.
- Director               Din Energy Limited.
- Director               Din Power Limited.

- Director/CEO     Din Corporation (Pvt.) Limited.
- Director/CEO     Din Developments (Pvt.) Limited.
- Director/CEO     Din Sphere (Pvt.) Limited.

## **Mr. Ehtesham Maqbool Elahi**

### **Independent Director**

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

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

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

## **Mr. Ali Farooq**

### **Independent Director**

Mr. Ali Farooq is an Independent Non-executive Director of our Company since March 2022. He holds a B.E. in Mechanical Engineering from Ghulam Ishaq Khan Institute of Engineering Sciences and Technology, Topi Swabi, Khyber Pakhtunkhwa.

Mr. Ali Farooq is an industrialist having experience of more than two decade having specialization in sales & marketing and have played a vital role in success of Interwood Mobel Pvt. Ltd., a furniture manufacturing, contracting, and retailing company.

#### **Honors and Awards:**

- \* Under his leadership, Interwood achieved several milestones including:
  - In April 2017- won the prestigious Pakistan Advertising Society (PAS) award in the office & furniture category;
  - In 2017, achieved the certification to be the first company in Pakistan to manufacture FSC (Forest Stewardship Council) certified furniture and fixtures;
  - In 2008 awarded as U.A.E Q-Mark: certified company in South Asia by BM-TRADA for fire-rated doors.
- \* Milestones achieved in Founder of Entrepreneurs' Organization, Karachi Chapter:
  - 2009 – Rock Star Award;
  - 2013 – Rock Star Award – One of The Best Chapter, selected out of a total of 122 Chapters Worldwide.
- \* Mr. Ali Farooq is also involved in philanthropy activities:
  - The Citizens Foundation: Associated with financing -Education of a school in Karachi for the last 10 Years;
  - AmanTech: Strategic Alliance with EO Karachi Chapter Since 2013. Also organized fund raisers for the purpose.

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

- Director Sales & Marketing - Interwood Mobel Pvt. Ltd.;
- Member Young Presidents' Organization – Karachi Chapter.

He acquired certificate under the Directors' Training Program, as required by Listed Companies (Code of Corporate Governance) Regulations, 2019, from Institute of Cost and Management Accountant of Pakistan (ICMA) in 2022.

**Ms. Mehvish Waliany**  
**Female Independent Director**

Ms. Mehvish Waliany, CFA is an Independent Non-executive Director of Din Textile Mills Limited. She holds an MBA with Finance majors from the Institute of Business Administration and is also a CFA Charter holder.

Ms. Waliany brings with her a wealth of experience in the financial services industry with a focus on infrastructure, impact investment, project finance and debt capital markets spanning almost two decades. She is currently leading ALKaram Studio as their Chief Operating Officer of ALKaram group's retail clothing business. In her previous assignment, she was working as Chief Investment Officer at InfraZamin Pakistan Limited looking after business origination, market and product development of the credit guarantees business and overseeing guarantee operations management. She has also served as the Executive Vice President and Head of Investment Banking Group of Bank Alfalah Limited where, she managed a Project Finance and Debt Capital Markets portfolio of USD 375 Million. She has also worked with investment and corporate banking outfits of UBL, Citibank and HSBC in various capacities. Her body of work includes spearheading 2002 IPPs project financing wave, renewable energy, roads and motorway infrastructure, water distribution, PPP collaboration. She was part of the founding team of the developer financing working group formed by SBP Governor to support Government of Pakistan's initiative for low-cost housing. She had recently been extensively involved in arranging capital market solutions for blue chip clients looking for alternative sources of funding.

She acquired certificate under the Directors' Training Program, as required by Listed Companies (Code of Corporate Governance) Regulations, 2019, from Pakistan Institute of Corporate Governance (PICG) in 2022.



# BOARD OF DIRECTORS COMMITTEE



## 1- AUDIT COMMITTEE

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

Audit Committee was reconstituted on March 25, 2022 after the election of Directors on March 12, 2022. Reconstituted Audit Committee of Din Textile Mills Limited comprises of the following:

### AUDIT COMMITTEE MEMBERS

S. No	NAME OF DIRECTORS		
1	Mr. Abdul Razzaq*	(Independent Non-executive Director )	Chairperson
2	Mr. Ehtesham Maqbool Elahi	(Independent Non-executive Director )	Chairperson
3	Shaikh Muhammad Pervez	(Non-executive Director )	Member
4	Mr. Faisal Jawed	(Non-executive Director )	Member
5	Mr. Muhammad Naveed Yar Khan		Secretary

### MEETINGS OF THE COMMITTEE

S. No.	Name of Director	Total No. of Meeting	Meeting Attend
1	Mr. Ehtesham Maqbool Elahi	1	1
2	Mr. Abdul Razzaq*	3	3
3	Shaikh Muhammad Pervez	4	3
4	Mr. Faisal Jawed	4	4

\* Mr. Abdul Razzaq resigned from the Chairmanship of the Committee as on 25-03-2022.

\*\* Meeting held during the period concerned Directors were on Committee.

## Terms of Reference

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

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

## Financial Reporting

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

## Internal Controls and Risk Management Systems

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

## Compliance

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

## External Audit

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

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

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

### **Reporting Procedure**

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

### **Other Matters**

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

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

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

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

The Human Resource and Remuneration Committee consists of one Executive and two Non-Executive Directors that assist the Board in devising and implementing Human Remuneration management policies. The Chairman of HR&R of Din Textile Mills Limited is also an Independent Director.

HR&R was reconstituted on March 25, 2022 after the election of directors on March 12, 2022. Reconstituted HR&R Committee of Din Textile Mills Limited comprises of the following:



S. No	NAME OF DIRECTORS		
1	Mr. Abdul Razzaq*	(Independent Non-executive Director )	Chairperson
2	Mr. Ali Farooq	(Independent Non-executive Director )	Chairperson
3	Mr. Faisal Jawed	(Non-executive Director )	Member
4	Mr. Farhad Shaikh Mohammad	(Executive Director )	Member
5	Mr. Amir Riaz Quershi		Secretary

#### MEETINGS OF THE COMMITTEE

S. No.	Name of Director	Total No. of Meeting	Date	Meeting Attend
1	Mr. Abdul Razzaq	1	21-12-2021	1
2	Mr. Faisal Jawed	1	21-12-2021	1
3	Mr. Farhad Shaikh Mohammad	1	21-12-2021	1

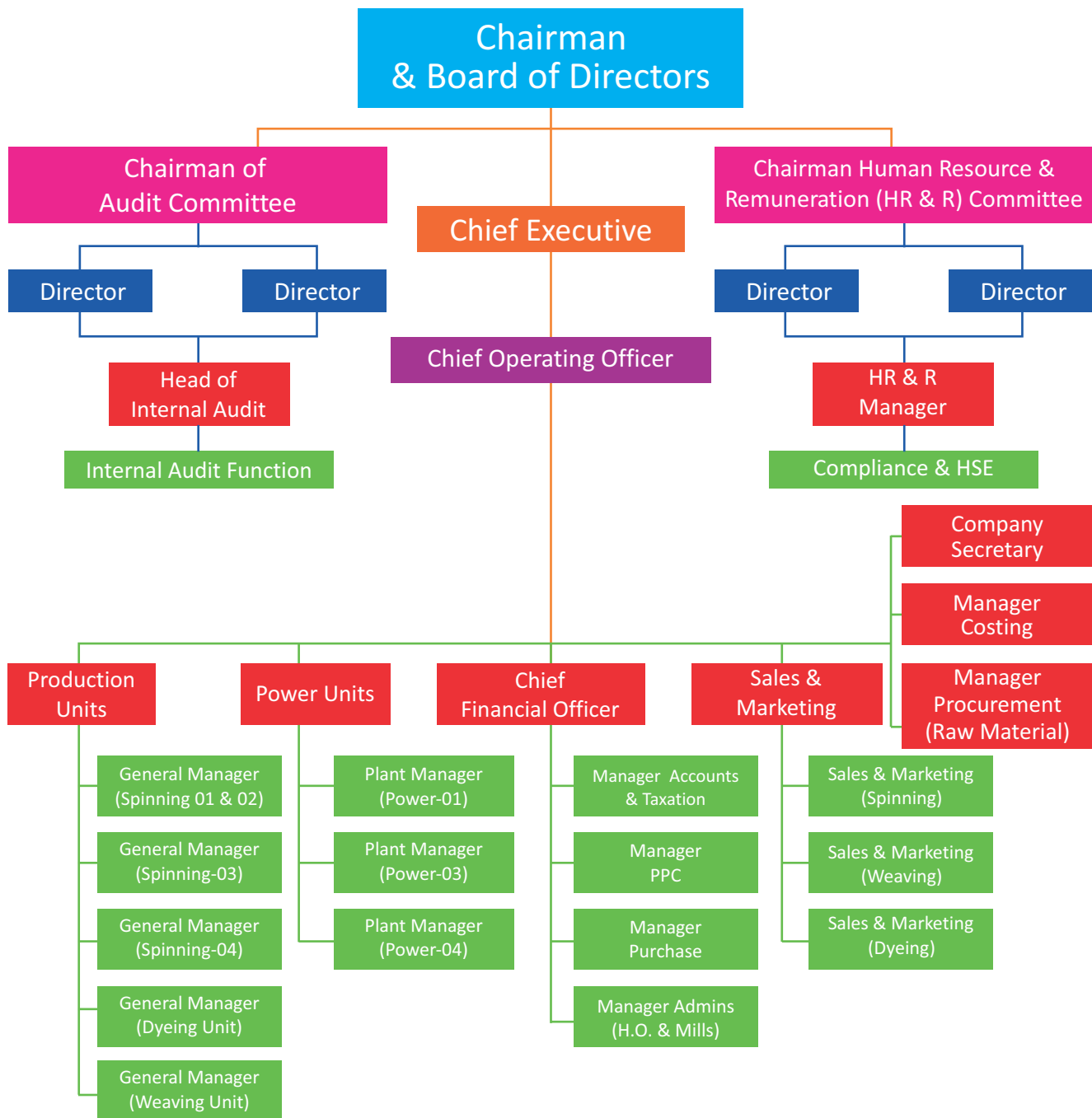
\* Mr. Abdul Razzaq resigned from the Chairmanship of the Committee as on 25-03-2022.

\*\* Meeting held during the period concerned Directors were on Committee.

## Terms of Reference

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

- › Devise a procedure for the approval of HR-related policies of the Company;
- › Review from time to time as appropriate these Terms of Reference and the effectiveness of the Committee and recommend to the Committee and recommend to the Board any necessary changes.



## ORGANIZATION STRUCTURE

Shaikh Muhammad Muneer	(Chairman)
Shaikh Muhammad Pervez	(Director)
Shaikh Muhammad Tanveer	(Chief Executive)
Shaikh Mohammad Naveed	(Director)
Mr. Faisal Jawed	(Director)
Mr. Farhad Shaikh Mohammad	(Director)
Mr. Ehtesham Maqbool Elahi	(Director)
Mr. Ali Farooq	(Director)
Ms. Mehwish Waliyane	(Director)
Mr. Shaukat Hussain Ch.	(Chief Operating Officer)



## OUR CORE VALUES



## DEDICATION TO CORE VALUES

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



### **Respect and Trust**

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



### **Clear Communication**

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



### **Result Orientation Through Systems**

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



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

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



### **Corporate Culture**

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



### **Customer Orientation and Satisfaction**

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



### **Responsiveness with Excellence**

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



### **Integrity and Honesty**

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



### **Quality**

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

# CODE OF ETHICS



## STATEMENT OF ETHICS AND BUSINESS PRACTICES For the year ended June 30, 2022

### Policy Statement

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

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

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

### Scope

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

### Principles:

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

##### ➤ Share ownership

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

##### ➤ Equal Opportunities

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

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

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

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

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

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

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

### ➤ **Compliance With Laws**

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

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

### ➤ **Security of Information**

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

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

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

### ➤ **Bribes**

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

### ➤ **Political Donations**

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

### ➤ **Conflicts of interest**

Individuals of Din Textile must avoid situations in which their personal or financial interests conflicts with those of the Din Textile while dealing with the Customers, Suppliers, Contractors, Competitors, Partners or

any individual doing or seeking business from Din Textile. The individuals of Din Textile should act in favor of the group and personal preferences should not be a prior concern. Every Din's individual is welcomed for a sound advice whenever they find themselves facing a potential conflict of interest.

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

### ➤ **Corporate Reporting and Internal Controls**

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

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

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

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

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

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

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

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

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

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

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

Din Textile always communicates its business policies, achievements and prospects with honesty and in accordance with applicable guidelines and regulations. We always strive to create excellent long term value to reward investment. We will always maintain the highest standards of business practices and will be transparent in all our dealings as before.



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

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

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

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

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

### **Implementation of this Statement**

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

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

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

## EVENTS CALENDAR 2021-22



**SEPTEMBER 30, 2021**

Board of Directors meeting for Annual Accounts for the year ended 30-06-2021.

**OCTOBER 20, 2021**

Board of Directors meeting for the first quarter accounts September 30, 2021.

**OCTOBER 28, 2021**

The 34th Annual General Meeting at Beach Luxury Hotel, Karachi.

**DECEMBER 10, 2021**

Board of Directors Meeting for appointment of Chief Operating Officer and Chief Financial Officer.

**DECEMBER 31, 2021**

Board of Directors Meeting for appointment of new Company Secretary.

**FEBRUARY 04, 2022**

Board of Directors Meeting for fixation of number of directors for next Election of Directors.

**FEBRUARY 16, 2022**

Board of Directors meeting for Half Yearly Accounts 31-12-2021.

**MARCH 12, 2022**

Extra Ordinary General Meeting for Election of Directors.

**MARCH 25, 2022**

Board of Directors Meeting for re-constitution of Audit and HR&R Committee.

**APRIL 20, 2022**

Board of Directors meeting for the third quarter ended March 31, 2022.

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of the Company will be held on Friday the 28<sup>th</sup> October 2022 at 12:00 p.m. at Coronet - 1 & 2, Regent Plaza Hotel, Main Shahra-e-Faisal, Karachi-75510.

## Ordinary Business

1. To confirm the minutes of the Extra Ordinary General Meeting of the Company held on 12<sup>th</sup> March 2022.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2022 together with Directors' and Auditor's Report thereon.
3. To appoint Auditors and fix their remuneration.
4. To transact any other business with the permission of the chair.

BY ORDER OF THE BOARD

MUHAMMAD NAVEED YAR KHAN

COMPANY SECRETARY

Karachi: September 30, 2022

## Notes:

1. The share transfer books of the Company will remain closed from October 22, to October 28, 2022 (both days inclusive)
2. A Member entitled to attend, speak and vote at the Annual General Meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. A proxy form in order to be effective must be received by the Company not less than 48 hours before the time of the meeting.
3. Members whose shares are deposited with Central Depository Company of Pakistan Limited are requested to bring their valid Computerized National Identity Cards along with the Participants I.D number and their account number in Central Depository Company of Pakistan Limited to facilitate identification at the time of Annual General Meeting. In case of proxy an attested copy of proxy's Identity Card, Account & Participants I.D. number be enclosed. In case of corporate entity, the Board of Directors, resolution / Power of attorney with specimen signature of the nominee shall be produced at the time of the meeting (unless it has been provided earlier).
4. According to Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018 all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, international Bank Account Number (IBAN), etc. to our Share Registrar at their below address immediately to avoid any non-compliance of law or any inconvenience in future:

CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74000. Tel. Toll Free: 0800-23275, Email: [info@cdcsrsl.com](mailto:info@cdcsrsl.com) website: [www.cdcsrsl.com](http://www.cdcsrsl.com)

5. In accordance with SRO 470(I) 2016 dated 31<sup>st</sup> May 2016. SECP has allowed the Companies to circulate the annual audited accounts to its members through CD / DVD / USB instead of transmitting the hard

copies at their registered addresses. The Company has obtained shareholders' approval in its 30<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> October, 2017. Accordingly, the Annual Report of Din Textile Mills Limited for the year which ended on 30<sup>th</sup> June, 2022 is being dispatched to the shareholders through CD. However, if an shareholders, in addition, desires to get the hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven working days of receipt of such request.

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

## MESSAGE FROM CHAIRMAN



During the year under review, the starting of financial year was very prosperous and glowing in the overall market of textile within the Pakistan. The companies which managed to allocate resources adequately and properly keeping in view the behavior of local and international market reap good profits and gains from the circumstances after lifting of COVID 19 restrictions from local and international markets. But as a result of these circumstances inflation hit worst all over the world that brought rise in cost of raw material and overall cost of production. The situation in Pakistan got severe for textile sector from 3<sup>rd</sup> quarter of financial year in the shape of energy crisis unavailability of RLNG / natural gas, rise in fuel cost, decline in value of Pak Rupee etc. and kept worsening day by day till the day. Further the political situation of country multiplies these factors and the current situation for businesses all over the Pakistan is affected severely due to all this and suffering a lot. As contrary to start of the year, the circumstances at closure of financial year were entirely opposite from beginning and brought businesses to a stage where survival is more relevant factor to consider rather than expansion and progress.

We at Din Textile Mills Limited always committed to manage the situation and act accordingly for benefit and wealth creation of all the stakeholders. We obtained good gains and profits from market by catching opportunities and invested the same into business for further wealth creation and obtaining more competitive advantage into the market. Our approach proved fruitful and we managed to run business in efficient way during crucial periods of financial year under review. We passed on the impacts for the well-being and growth of employees and other business partners of the organization as well which raises confidence over the company.

We believe that we can create a better and bigger tomorrow by acting proactively by forecasting the markets and circumstances, taking accountability of our actions and responding to the needs of stakeholders and business partners as we are doing successfully till the day.

Although the current situation of the world as a whole is not favorable for the businesses overall but we always try to see the better picture of tomorrow. We believe that these circumstances are temporary and markets will resume soon in the coming days and political situation in Pakistan will become better. As per our progressive vision, we are planning for expansion of business and brining new products under the umbrella of Din Textile in the shape of Rotor spinning yarn and stitching made-up in the coming days soon.



# CHAIRMAN'S REVIEW



It gives me great pride to welcome you to the 35th Annual General Meeting of Din Textile Mills Ltd. and to present the Annual Report and Audited Financial Statements for the year ended 30th June 2022. I, acknowledge the efforts of all stakeholders and management of Company and congratulate to all shareholders and stakeholders for exceptional financial results of the Company during the year. Board of Directors expect that Company will move forward towards bright future in coming years as well by managing and responding new challenges for Textile sector.

## **Economic Environment**

Global market showed tremendous business and growth subsequent to recovery of market after lifting of COVID-19 restrictions. Things continued to settle towards normal as were witnessed from last financial year, due to which business activity remained at good level during the start of the year. But, during February 2022, the attack of Russia on Ukraine, turned the world economy altogether. The world economy is paying a "hefty price" for the war in Ukraine encompassing weaker growth, stronger inflation and potentially long-lasting damage to supply chains. Global growth predictions are slashed to 3% from 4.5% while inflation projections are doubled from anticipated. Parallel with global market, Pakistan economy was also towards overall growth from start of this financial year and giving high returns to businesses and investors. But Pakistan's economy hit with multiple times intensively from start of calendar year 2022 due to global market circumstances as mentioned above as well as political instability in Pakistan. During start of 3rd quarter of current financial year, no confidence motion was passed against the prime minister of Pakistan which had a serious impact on the overall business and economy of Pakistan. Increase in inflation specifically the prices of fuel and Power resulted in damaging business growth and hit badly on the pocket of common man which in turn resulted in decrease in demands and fall of business level overall.

## **Textile Outlook**

Pakistan has exported textile products worth \$19.33 billion during the fiscal year 2021 - 2022 making a record high on annual basis. There is an increase of 25.53% when compared with \$15.4 billion in the preceding fiscal year, according to data released by Pakistan Bureau of Statistics. But, due to interruptions caused to textile sector regarding disruptions in supply of Gas and Electricity and political instability during 3rd and 4th quarters of financial year, above figures should have been much higher than actually observed had these interruptions not hit the textile industry.

Despite the challenges, revival of textile market is anticipated during the upcoming year due to factors such as increase in demand in European countries during winter season due to Govt imposed power policy, increase in trends of customers for online apparel shopping with ease and acceptance by customer for increase in prices of garments and apparels which they currently are not willing to accept etc.

## **Business Performance**

This year was astounding one for the textile sector as a whole in Pakistan. Unlike with preceding year the sectors

other than textile Spinning (Weaving, Dyeing & Stitching) also reported well during this year. During the Year, Din Textile reported record revenue of Rs. 31.353 billion (Rs. 17.641 billion in 2021) with a phenomenal increase of 78%. Gross margins are also good from last year despite of increase in cost of raw materials and cost of production. This is due to good governance and rigorous efforts of DIN's management. Increase in finance costs, however was not a favorable element and raised the cost unexpectedly.

## **The Board**

Din Textile is honored with prestigious Board of Directors which is obvious strength of Company. Board sets the Direction of Company, layout the future plans and follow these with enthusiasm. As required by Listed Companies (Code of Corporate Governance) Regulation, 2019, structures and criteria has been developed and applied for evaluation of the performance of Board and Committees of the Board for facilitating management in achievement of its vision and mission. Goals have been set in the light of strategic vision for growth and Board is vigorously watching and following up for the achievement of goals.

As per guidelines and standards of Listed Companies (Code of Corporate Governance) Regulation, 2019, the Board is comprised of a mix of Executive, Non Executive, Independent & Female Directors, so the Board as a whole possess core competencies and requisite knowledge and skills to lead the Company effectively and efficiently.

I am pleased to report that the performance of Board remained satisfactory as per standards set by Board in line with best corporate practices. The Board meeting held on monthly basis to review performance appraisals and setting up directions for actions deemed reasonable as a result of this review. During the year, Board successfully achieved targets for achievement of growth of Company by performing following functions and actions:

- Reviewed and endorsed corporate strategy along with business plans, Balanced Score Card, Key Performance Indicators (KPI's) and operational budgets.
- Establishment of succession plan within the organization to set it's track to long term future targets achievement.
- Evaluating results of each business unit separately and responding accordingly.
- Strengthening and reviewing the activities of Audit Committee to ensure effective internal control system in place.
- Ensuring through Human Resource and Remuneration Committee, that HR policies, HR staffing, compensation and benefits are market driven and as per best corporate practices to properly align people goals to organization goals.
- Developing a culture of health, safety and compliance along with corporate social responsibility in every function of organization.
- Improvement in Information technology (IT) design and infrastructure to ensure appropriateness and transparency of financial reporting and financial statements.

## **Acknowledgement**

Being Chairman of the Board of Directors and on behalf of the Board, we express our gratitude to customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We

place on record our appreciation of the commitment and contribution made by the employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, cooperation and support.

On behalf of the Board

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

# DIRECTOR'S REPORT



The Directors are pleased to present the 2022 Annual Report together with the audited Financial Statements of the Company for the year ended June 30, 2022.

## Overview

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

## Financial Results

	Year ended June 30	
	2022	2021
	.....Rupees in '000'.....	
Profit & Loss Appropriations		
Un-appropriated Profit brought forward	3,005,626	1,439,019
Total comprehensive Income for the year	3,436,776	1,566,607
Un-appropriated Profit carried forward	<b>6,442,402</b>	<b>3,005,626</b>
Earnings per share - basic and diluted	<b>65.63</b>	<b>29.79</b>

## Chairman's Review

The Directors of the Company endorse the contents of the Chairman's Review which covers review of business operations, outlook and investment plans for strategic growth including plans to cater working capital challenges .

## Operational Performance

	Year ended June 30		
	2022	2021	Increase
	.....Rupees in '000'.....		
Total Sales	31,352,709	17,641,435	77.72
Local Sales	24,298,310	14,574,975	66.71
Export Sales	7,347,567	3,224,143	127.89
Commission & Claims	(293,168)	(157,683)	85.92
Gross Profit	5,970,356	3,112,947	91.79

## Salient Feature of the Accounting Results

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

	Year ended June 30	
	2022 .....Rupees in '000'.....	2021
Sales	31,352,709	17,641,435
Cost of Sales	(25,382,353)	(14,528,487)
Gross profit	5,970,356	3,112,947
Distribution cost	(306,503)	(106,923)
Administrative expenses	(364,526)	(294,470)
Other operating expenses	(303,608)	(151,043)
Finance cost	(1,388,924)	(700,728)
	(2,363,561)	(1,253,164)
Other Operating Income	126,473	77,233
Profit before Taxation	<b>3,733,268</b>	<b>1,937,017</b>

## Dividend

Due to high rise in prices of raw materials and increase in cost of production due to high inflation and as part of its diversification and expansion plans, the Company has followed a financial strategy in which it used internally generated cash flows to finance working capital as well as future expansion projects, Directors have not proposed any dividend for the year ended June 30, 2022 (2021: Nil).

## Financial Management

### Cash Flow Management

During the year an amount of Rs. 6,330.52 million was generated from Company's operating activities before taking the effect of changes of working capital, this is mainly due to achievement of potential existed in textile sector market and effective cost control measures, in spite of continuous increase in direct costs e.g. Raw material, fuel & power and salaries & wages. Due to high rise in raw material costs, Rs. 8,298.90 million was used in working capital by increasing in stock in trade, trade receivables, stores, spare parts, loose tools and other receivables. At the end of the year 2022 the liquid fund position comprising of cash and cash equivalents amounts to Rs. (3,187.27) Million.

The Company has an effective Cash Flow Management system in place whereby cash inflows and out flows are projected on regular basis and rigorously monitored. Working Capital requirements are planned to be financed through internal cash generation and short term borrowings from external resources where necessary. Due to very high increase in working capital, Company has to obtain substantial borrowings from external resources as compared to previous years.

Despite of the challenges mentioned above, the Board is satisfied that there are no short or long term financial constraints including the accessibility to credit limits and Company has a strong Statement of Financial Position as at June 30, 2022 with current Ratio 1.29 : 1.00.

## Financial Risks

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



## **Credit Risk**

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

## **Liquidity Risk**

Prudent liquidity risk management ensures availability of the sufficient funds for meeting contractual commitments. The Company's fund management strategy aims at managing liquidity risk through internal cash generation and committed credit lines with financial institutions. Keeping in view high working capital requirements, Company is in negotiations and discussions with financial institutions for increasing credit limits of Company.

## **Interest Rate Risk**

Majority of the interest rate exposure arises from short and long term borrowing from banks and term deposits and deposits in PLS saving accounts with banks.

## **Foreign Exchange Risk**

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currencies. The Company is exposed to short term USD/PKR parity on its receivables against export sales and payabel against imports of raw material and Plant and Machinery. The Company follows a policy of mitigating this risk by netting off receivables and payables by managing timing of payments.

## **Production facilities**

Performance of our production facilities was excellent with unprecedented levels of output during first three quarters of financial year, however in fourth quarter, shutdowns, stoppages and production declines hit the production facilities due interuptions is supply of Gas and Electricity. Our team striving its best to operate production facilities at optimum level by arranging alternate sources of energy. The Company is determined to continue its focus on maximum capacity utilization for profitability and to maintain its position as the leading Textile Manufacturer of the Country.

## **Related Parties**

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

## **Corporate Governance**

The Company is committed to standards of corporate governance to ensure business integrity and upholding the confidence of all the stake holders. The Board of Directors is accountable to the share holders for good corporate governance. The management of the Company is continuing to comply with the provision of best practices set out in the Code of Corporate Governance particularly with regards to independence of non executive Director. The Company remains committed to conduct its business in line with the listing regulations of Pakistan Stock Exchange, which clearly defines the rules and responsibilities of the Board of Directors and the management.

Vision and Mission statements, Core Values and Code of Conduct have been prepared and approved by the Board. Significant policies as required under the Code of Corporate Governance have been framed and are under review of the Board.

During the year the Board was actively involved in performing their duties including those required to be performed under various laws and the Memorandum and Article of Association of the Company with the ultimate object of safeguarding the interest of the share holders, enhancing the profitability of the Company, increasing shareholders' wealth and promoting market confidence.

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

The Directors are pleased to state that:-

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

#### **Material Changes**

There have been no material changes since June 30, 2022 other than mentioned in the audited financial statements of the Company for the year ended June 30, 2022 which would affect its financial position at the date.

#### **Composition of Board**

Board of Directors as at June 30, 2022 consists of:

##### **Total number of directors**

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

##### **Composition**

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

## Election and Meetings of Board of Directors

The Extra Ordinary General Meeting was held at March 12, 2022 for the election of Directors. The following directors have been re-elected, newly elected and retired at this meeting.

During the year under review eleven meeting of the Board of Directors were held from July 2021 to June 2022.

Attendances of the board members are as follows:

NAME OF DIRECTORS			NO. OF MEETINGS ATTENDED
1	Shaikh Muhammad Muneer	(Non-Executive Director )	10
2	Shaikh Muhammad Pervez	(Non-Executive Director )	10
3	Shaikh Muhammad Tanveer	(Executive Director )	10
4	Shaikh Mohammad Naveed	(Executive Director )	11
5	Mr. Faisal Jawed	(Non-Executive Director )	10
6	Mr. Farhad Shaikh Mohammad	(Executive Director )	11
7	Mr. Ehtesham Maqbool Elahi	(Independent / Non-Executive Director )	3
8	Mr. Ali Farooq	(Independent / Non-Executive Director )	1
9	Ms. Mehvish Waliany	(Female Independent / Non-Executive Director )	1
10	Mr. Abdul Razzaq *	(Independent / Non-Executive Director )	3
11	Ms. Romisa Raffay *	(Independent / Non-Executive Director )	3

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

\* Directors retired during the year.

The Board of Directors of the Company place their sincere thanks to Mr.Abdul Razzaq & Ms. Romisa Raffay, the retiring directors, for the valuable services during the association with the Company.

## Committee of Board of Directors

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

### Audit Committee

Mr. Ehtesham Maqbool Elahi	Chairperson
Shaikh Muhammad Pervez	Member
Mr. Faisal Jawed	Member

### Human Resource and Remuneration Committee

Mr. Ali Farooq	Chairperson
Mr. Faisal Jawed	Member
Mr. Farhad Shaikh Mohammad	Member

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

## Changes in Nature of Business

No significant changes have been occurred during the financial year concerning the nature of business of the Company.

## Repayments of Debts / Loans

The Company has an effective cash flow strategy in place whereby inflows and outflows are projected and

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

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

## **Directors' Remuneration**

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

Remuneration package of Chief Executive and other directors is disclosed in note 34 to the financial statements.

## **Adequacy of Internal Audit Function**

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

## **Orientation Course**

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

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

The Board has prepared and circulated the Statement of Ethics and Business Practices signed by every Director and employee of the Company as a token of acknowledgement of his / her understanding of the standards of

conduct in relation to any body associated of dealing with the Company.

## Statement of Compliance with the Code of Corporate Governance

The requirement of the Code of Corporate Governance set out by the Pakistan Stock Exchange in the Listing Regulations relevant for the year ended June 30, 2022 have been complied with. A statement to this effect is annexed with the report.

## Web Presence

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

## Board Evaluation

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

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

## Auditors

Statutory Audit for the Company for the financial year ended June 30, 2022 has been concluded and the auditors have issued their Audit Report on the Company's Financial Statements and the Statement of Compliance with Code of Corporate Governance. The Auditors Messrs.' Naveed Zafar Ashfaq Jaffery & Company, Chartered Accountants, Karachi, shall retire at the conclusion of annual general meeting and they have indicated their willingness to continue as Auditors. They have confirmed achieving satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the Guideline on the Code of Ethics of the International Federation of Accountants (IFAC) as adopted by ICAP. The Board proposed their reappointment as auditor for the financial year ended June 30, 2023. The engagement partner will be rotated in line with the requirement of Code of Corporate Governance. The Board's Audit Committee has also recommended their re-appointment which has been endorsed by the Board.

## Pattern of Shareholding

The pattern of shareholding as at June 30, 2022 along with disclosures as required under Code of Corporate Governance, is annexed.

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



## Acknowledgment

The Board of Directors is always a source of guidance and support for the management and are well aware of the challenges that lie ahead and is determined to ensure growth, generate profits and create value for your Company and we are confident that they will continue to show the same dedication in the years ahead. We are pleased to acknowledge that the relation with employees remained cordial and harmonious throughout the year. The management recognizes and record its sincere appreciation to all employees for their continued dedication, commitment and hard work for the growth and prosperity of the Company, with out which, this performance would not have been possible.

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

On behalf of the Board

SHAIKH MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAIKH MOHAMMAD  
Director

## KEY HIGHLIGHTS FOR THE YEAR



Sales Revenue	Rupees in '000'
2022	31,352,709
2021	17,641,435



Profit After Tax	Rupees in '000'
2022	3,443,296
2021	1,562,921



Total Assets	Rupees in '000'
2022	28,110,695
2021	17,607,595



Capital Expenditure	Rupees in '000'
2022	1,798,928
2021	4,059,785



Earning Per Share	Rupees
2022	65.63
2021	29.79



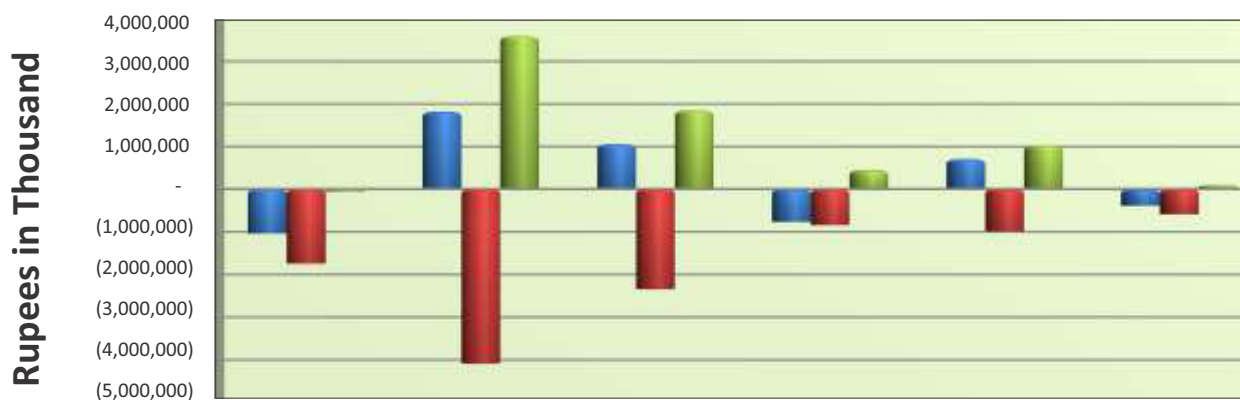
Donations	Rupees in '000'
2022	1,510
2021	500

## SUMMARY STATEMENT OF CASH FLOWS



	Year ended June 30,					
	2022	2021	2020	2019	2018	2017
	Rupees in '000'					
<b>Cash Flows from / (Used in)</b>						
Operating activities	(1,029,873)	1,791,677	1,038,174	(762,702)	690,836	(387,956)
Investing activities	(1,727,977)	(4,041,225)	(2,320,203)	(838,292)	(982,739)	(586,003)
Financing activities	(55,734)	3,541,017	1,820,810	439,114	1,005,605	88,206
<b>Net Cash Flows</b>	<b>(2,813,584)</b>	<b>1,291,469</b>	<b>538,781</b>	<b>(1,161,880)</b>	<b>713,702</b>	<b>(885,753)</b>
Opening Cash and Cash Equivalents	(373,690)	(1,665,159)	(2,203,940)	(1,042,060)	(1,755,762)	(870,009)
Closing Cash and Cash Equivalents	(3,187,274)	(373,690)	(1,665,159)	(2,203,940)	(1,042,060)	(1,755,762)

### SUMMARY OF STATEMENT OF CASH FLOWS



	2022	2021	2020	2019	2018	2017
Operating activities	(1,029,873)	1,791,677	1,038,174	(762,702)	690,836	(387,956)
Investing activities	(1,727,977)	(4,041,225)	(2,320,203)	(838,292)	(982,739)	(586,003)
Financing activities	(55,734)	3,541,017	1,820,810	439,114	1,005,605	88,206

# Six Years at a Glance

		YEAR ENDED JUNE 30					
		2022	2021	2020	2019	2018	2017
Operating Results:							
Sales-net	(Rs 000)	31,352,709	17,641,435	12,482,831	11,560,482	9,479,190	7,421,792
Cost of Sales	(Rs 000)	25,382,353	14,528,487	11,189,622	10,243,242	8,671,900	6,944,651
Gross Profit	(Rs 000)	5,970,356	3,112,947	1,293,209	1,317,240	807,289	477,141
Operating Profit	(Rs 000)	4,995,719	2,560,512	985,526	1,048,797	583,922	281,708
Profit Before Tax	(Rs 000)	3,733,268	1,937,017	177,722	418,541	231,337	1,488
Profit / (Loss) for the year	(Rs 000)	3,443,296	1,562,921	36,636	362,448	144,888	(63,297)
Dividends	(Rs 000)	-	-	-	72,870	-	-
Earning before interest, taxes, depreciation & amortization(EBITDA)	(Rs 000)	6,057,019	3,299,441	1,497,531	1,423,040	915,966	560,048
Per Share Results and Returns:							
Earning / (Loss) per share	(Rupees)	65.63	29.79	0.86	10.46	4.97	(2.82)
Cash Dividend per Share	(Rupees)	-	-	-	2.50	-	-
Dividend yield ratio	(%)	-	-	-	3.08	-	-
Dividend payout ratio	(%)	-	-	-	20.11	-	-
Market Price Per Share at the end of the year (PSX 100 Index)	(Rupees)	121.00	90.00	41.98	81.25	94.77	113.05
Price Earning Ratio	(Times)	1.84	3.02	49.07	7.77	19.07	(40.05)
Financial Position:							
Reserves	(Rs 000)	7,588,596	4,151,820	2,585,213	1,871,574	1,576,594	1,433,752
Current Assets	(Rs 000)	18,111,343	8,406,965	6,630,783	6,531,953	5,393,380	4,410,750
Current Liabilities	(Rs 000)	14,044,675	6,616,490	5,676,145	5,980,228	5,023,205	4,681,202
Net Current Assets / (Liabilities)	(Rs 000)	4,066,668	1,790,475	954,638	551,725	370,175	(270,452)
Property Plant & Equipment	(Rs 000)	9,963,074	9,183,100	5,809,205	3,987,276	3,542,913	2,895,905
Total assets	(Rs 000)	28,110,695	17,607,595	12,457,735	10,536,976	8,951,539	7,322,125
Long Term Debt	(Rs 000)	7,048,278	7,104,012	3,562,996	2,721,565	2,282,450	1,276,846
Shareholders' equity	(Rs 000)	8,113,264	4,676,487	3,109,880	2,163,056	1,800,811	1,657,968
Capital Employed	(Rs 000)	14,066,020	10,991,105	6,781,590	4,556,748	3,928,334	2,640,923
Share Capital	(Rs 000)	524,667	524,667	524,667	291,482	224,217	224,217
Break up value per share	(Rupees)	154.64	89.13	59.27	74.21	80.32	73.94
Financial Ratio:							
Current ratio	(Times)	1.29	1.27	1.17	1.09	1.07	0.94
Debt to Total Assets	(%)	37.11	43.18	44.45	46.98	37.55	42.12
Return on equity	(%)	42.44	33.42	1.18	16.76	8.05	(3.82)
Return on capital employed	(%)	24.48	14.22	0.54	7.95	3.69	(2.40)
Quick Acid test ratio	(Times)	0.52	0.60	0.56	0.43	0.39	0.31
Earnings before interest, taxes depreciation & amortization margin (EBITDA)	(%)	19.32	18.70	12.00	12.31	9.66	7.55
Dividend cover ratio	(%)	-	-	-	4.97	-	-
Bonus Share issued	(Rs 000)	-	-	-	-	67,265	-
Debt to Equity Ratio	(%)	86.87	151.91	114.57	125.82	126.75	77.01
Profitability Ratios:							
Gross Profit Ratio	(%)	19.04	17.65	10.36	11.39	8.52	6.43
Net Profit / (Loss) Margin	(%)	11.91	10.98	1.42	3.62	2.44	0.02
Interest Coverage	(Times)	3.69	3.76	1.22	1.66	1.66	1.01
No. of days in Receivable	(Days)	56.38	68.06	65.38	48.38	47.39	34.85
No. of days in Payable	(Days)	8.96	12.90	71.10	12.35	13.68	10.51
No. of Days in Inventory	(Days)	109.42	99.33	120.52	130.92	133.66	90.46
Cash Operating Cycle	(Days)	156.84	154.48	114.80	166.95	167.36	114.80
Debtors turnover ratio	(Times)	6.47	5.36	5.58	7.54	7.70	10.47
Creditor Turnover ratio	(Times)	49.14	12.21	8.70	30.94	31.19	37.24
Inventory turnover	(Times)	3.34	3.67	3.03	2.79	2.73	3.10
Fixed Assets Turnover	(Times)	3.15	1.92	2.15	2.90	2.68	2.56
Total Assets Turnover	(Times)	1.12	1.00	1.00	1.10	1.06	1.01
Other Data:							
Depreciation & Amortization	(Rs 000)	934,827	661,696	505,056	373,747	331,926	276,549
Capital Expenditure	(Rs 000)	1,798,928	4,059,785	2,362,286	852,075	992,290	592,707

# STATEMENT OF VALUE ADDED

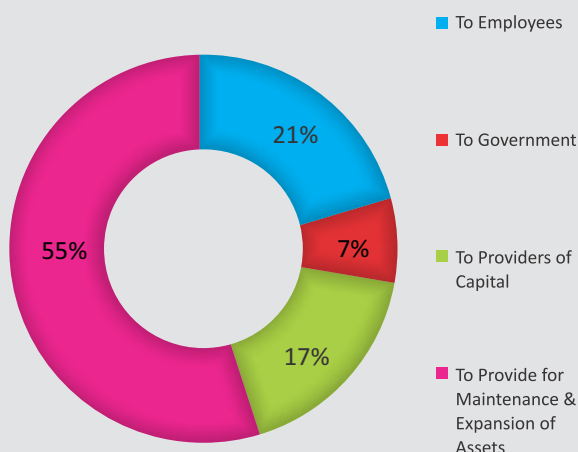
## WEALTH GENERATED

	2022		2021	
<b>Gross Sales Revenue</b>	31,645,876,872		17,799,118,058	
<b>Other Receipts</b>	126,472,842		77,233,269	
Less:				
<b>Material &amp; services</b>				
Material & Factory cost	23,059,330,818		12,778,717,740	
Administrative & other	123,669,990		70,445,773	
Distribution	306,503,114		106,922,722	
Broker's Commissions	293,167,847		157,683,446	
<b>Value Add</b>	<b>7,989,677,945</b>	100	<b>4,762,581,646</b>	100

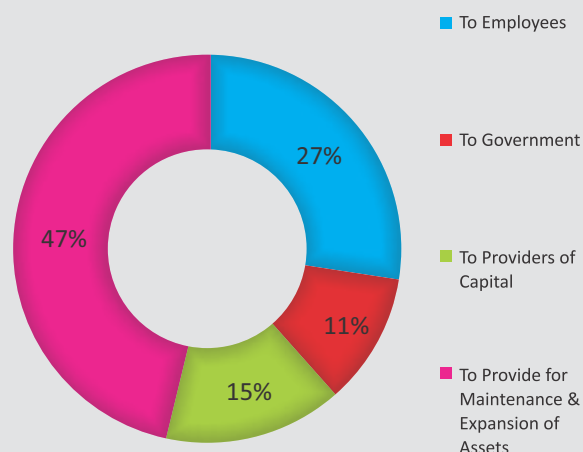
## WEALTH DISTRIBUTED

		%age		%age
<b>To Employees</b>				
Salaries & benefits	1,663,201,574	20.82	1,314,918,694	27.61
<b>To Government</b>				
Tax	289,491,312	3.62	375,071,978	7.88
Worker Profit Participation fund	200,497,724	2.51	104,028,821	2.18
Worker Welfare Fund	76,189,135	0.95	39,530,952	0.83
<b>To Providers of Capital</b>				
Dividend to Share Holders	-	-	-	-
Bonus to Share Holders	-	-	-	-
Mark up/Interest on Borrowed Fund	1,388,924,178	17.38	700,728,356	14.71
<b>To Provide for Maintenance &amp; Expansion of Assets</b>	934,597,760	11.70	661,695,807	13.89
Depreciation	3,436,776,262	43.02	1,566,607,038	32.89
Profit Retained				
	<b>7,989,677,945</b>		<b>4,762,581,646</b>	

### Distribution of wealth 2022



### Distribution of wealth 2021



## HORIZONTAL ANALYSIS

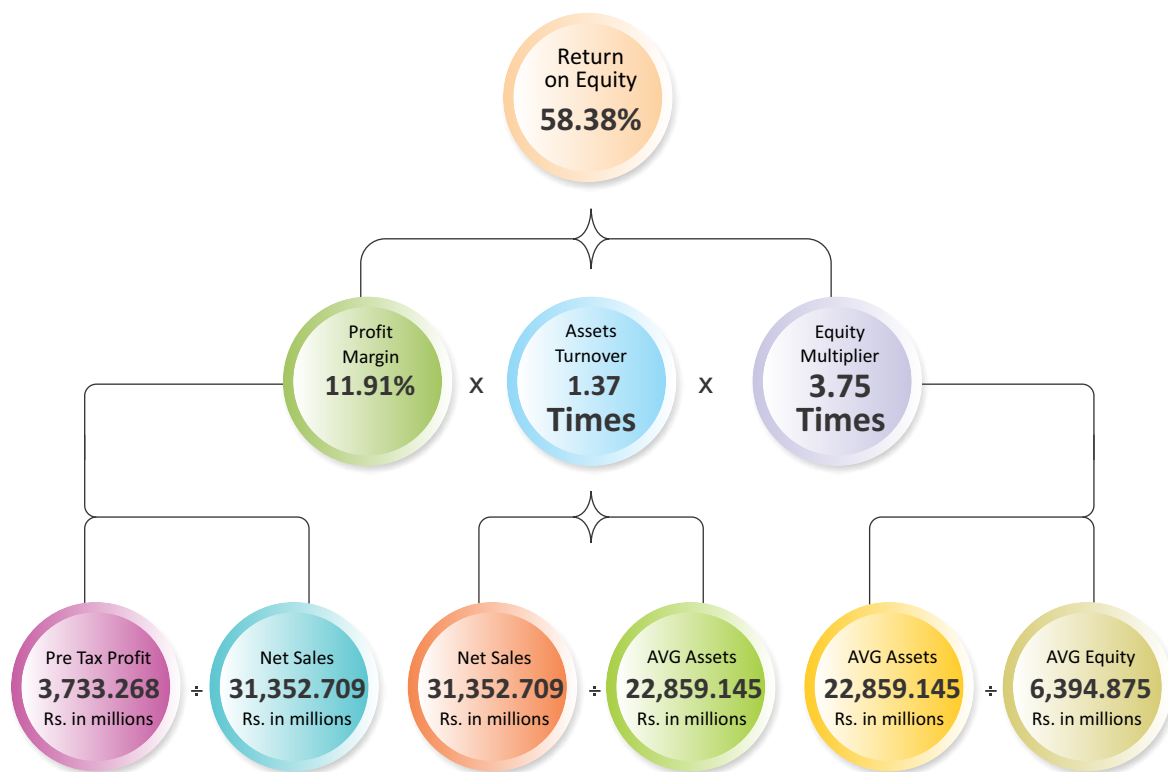
	2022	Variance vs Last Year Increase/ (Decrease) %	2021	Variance vs Last Year Increase/ (Decrease) %	2020	Variance vs Last Year Increase/ (Decrease) %	2019	Variance vs Last Year Increase/ (Decrease) %	2018
..... (Rupees in million).....									
<b>Operating Results</b>									
Sales - net	31,353	77.72	17,641	41.33	12,483	7.98	11,560	21.96	9,479
Cost of sales	(25,382)	74.71	(14,528)	29.84	(11,190)	9.24	(10,243)	18.12	(8,672)
<b>Gross profit</b>	<b>5,970</b>	<b>91.79</b>	<b>3,113</b>	<b>140.71</b>	<b>1,293</b>	<b>(1.82)</b>	<b>1,317</b>	<b>63.17</b>	<b>807</b>
Distribution cost	307	186.66	107	96.48	54	15.56	47	(10.37)	53
Administrative expenses	365	23.79	294	44.81	203	25.53	162	9.49	148
Other operating expenses	304	101.01	151	202.59	50	(15.91)	59	159.45	23
Finance cost	1,389	98.21	701	(13.99)	815	29.17	631	78.83	353
Other operating income /(loss)	126	63.75	77	1,011.39	7	1301.07	0	321.67	0
<b>Profit / (loss) before taxation</b>	<b>3,733</b>	<b>93</b>	<b>1,937</b>	<b>989.91</b>	<b>178</b>	<b>(57.54)</b>	<b>419</b>	<b>80.92</b>	<b>231</b>
Provision for taxation	(290)	(22.49)	(374)	165.15	(141)	151.52	(56)	(35.11)	(86)
<b>Profit / (loss) for the year</b>	<b>3,443</b>	<b>120.31</b>	<b>1,563</b>	<b>4166.13</b>	<b>37</b>	<b>(89.89)</b>	<b>362</b>	<b>(150.16)</b>	<b>145</b>
<b>Statement of Financial Position</b>									
<b>NON CURRENT ASSETS</b>									
Property, plant and equipment	9,963	8.49	9,183	58.08	5,809	45.69	3,987	12.54	3,543
Long term deposits	23	29.76	18	(1.22)	18	0.00	18	16.40	15
Intangible assets	14	100.00	-	0.00	-	0.00	-	0.00	-
<b>Total non current assets</b>	<b>9,999</b>	<b>8.68</b>	<b>9,201</b>	<b>57.90</b>	<b>5,827</b>	<b>45.49</b>	<b>4,005</b>	<b>12.56</b>	<b>3,558</b>
<b>CURRENT ASSETS</b>									
Stores, spare parts and loose tools	575	74.31	330	2.70	321	(32.03)	473	65.96	285
Stock in trade	10,186	146.83	4,127	31.87	3,129	(9.72)	3,466	10.93	3,124
Trade debts	4,843	47.23	3,289	47.11	2,236	45.93	1,532	24.50	1,231
Advances	222	55.37	143	(2.20)	146	(57.54)	344	502.77	57
Trade deposits	1	102.58	1	255.47	0	(84.98)	1	189.63	0
Other receivables	412	456.71	74	498.75	12	11.98	11	(73.02)	41
Tax refunds due from the Government	1,677	425.78	319	(33.05)	476	(30.02)	681	10.12	618
Cash and bank balances	196	56.84	125	(59.66)	309	1172.25	24	(33.97)	37
<b>Total current assets</b>	<b>18,111</b>	<b>115.43</b>	<b>8,407</b>	<b>26.79</b>	<b>6,631</b>	<b>1.51</b>	<b>6,532</b>	<b>21.11</b>	<b>5,393</b>
<b>Total assets</b>	<b>28,111</b>	<b>59.65</b>	<b>17,608</b>	<b>41.34</b>	<b>12,458</b>	<b>18.23</b>	<b>10,537</b>	<b>17.71</b>	<b>8,952</b>
<b>CURRENT LIABILITIES</b>									
Trade and other payables	8,927	84.15	4,848	38.47	3,501	13.62	3,081	(12.19)	3,509
Contract Liabilities	6	(5.05)	7	0.00	-	0.00	-	0.00	
Unclaimed dividend	6	(4.61)	6	(0.94)	6	13.68	5	2.08	5
Accrued mark up and interest	395	152.30	157	23.15	127	(33.42)	191	103.73	94
Short term borrowings	3,383	578.67	498	(74.75)	1,975	(11.39)	2,228	106.53	1,079
Current portion of									
Long term financing	1,327	20.55	1,101	1531.66	67	(85.77)	474	41.14	336
<b>Total Current Liabilities</b>	<b>14,045</b>	<b>112.27</b>	<b>6,616</b>	<b>16.57</b>	<b>5,676</b>	<b>(5.08)</b>	<b>5,980</b>	<b>19.05</b>	<b>5,023</b>
<b>WORKING CAPITAL</b>	<b>4,067</b>	<b>127.13</b>	<b>1,790</b>	<b>87.56</b>	<b>955</b>	<b>73.03</b>	<b>552</b>	<b>49.04</b>	<b>370</b>
<b>TOTAL CAPITAL EMPLOYED</b>	<b>14,066</b>	<b>27.98</b>	<b>10,991</b>	<b>62.07</b>	<b>6,782</b>	<b>48.83</b>	<b>4,557</b>	<b>16.00</b>	<b>3,928</b>
<b>NON CURRENT LIABILITIES</b>									
Long term financing	5,721	(4.70)	6,003	71.74	3,496	55.54	2,247	15.46	1,946
<b>Deferred liabilities</b>									
Staff retirement benefits - gratuity	232	40.07	165	18.27	140	19.79	117	15.82	101
Deferred taxation	-	(100.00)	146	302.39	36	22.61	30	(63.10)	80
<b>Total Non Current Liabilities</b>	<b>5,953</b>	<b>(5.73)</b>	<b>6,315</b>	<b>71.98</b>	<b>3,672</b>	<b>53.39</b>	<b>2,394</b>	<b>12.51</b>	<b>2,128</b>
<b>Net Worth</b>	<b>8,113</b>	<b>73.49</b>	<b>4,676</b>	<b>50.38</b>	<b>3,110</b>	<b>43.77</b>	<b>2,163</b>	<b>20.12</b>	<b>1,801</b>
<b>Net Worth Represented by:</b>									
Issued, subscribed and paid up capital	525	0.00	525	0.00	525	80.00	291	30.00	224
Reserves	7,589	82.78	4,152	60.60	2,585	38.13	1,872	18.71	1,577
	8,113	73.49	4,676	50.38	3,110	43.77	2,163	20.12	1,801
<b>Total Equity and Liabilities</b>	<b>28,111</b>	<b>59.65</b>	<b>17,608</b>	<b>41.34</b>	<b>12,458</b>	<b>18.23</b>	<b>10,537</b>	<b>17.71</b>	<b>8,952</b>



## VERTICAL ANALYSIS

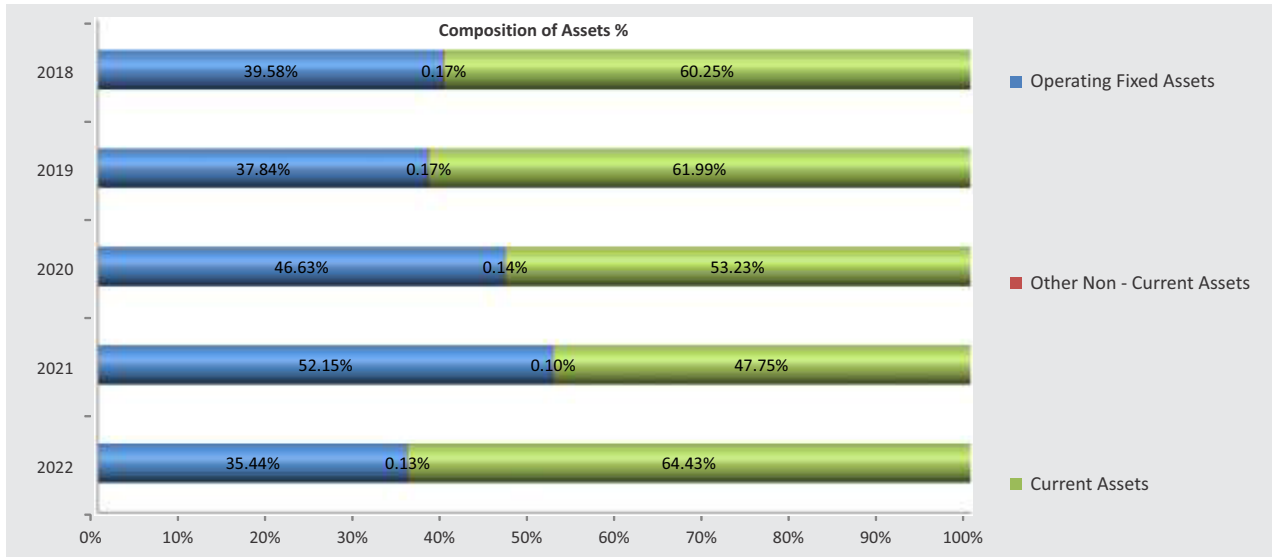
	2022	%	2021	%	2020	%	2019	%
	(Rupees in million)							
Operating Results								
Sales - net	31,353	100.00	17,641	100.00	12,483	100.00	11,560	100.00
Cost of sales	(25,382)	(80.96)	(14,528)	(82.35)	(11,190)	(89.64)	(10,243)	(88.61)
Gross profit	5,970	19.04	3,113	17.65	1,293	10.36	1,317	11.39
Distribution cost	307	0.98	107	0.61	54	0.44	47	0.41
Administrative expenses	365	1.16	294	1.67	203	1.63	162	1.40
Other operating expenses	304	0.97	151	0.86	50	0.40	59	0.51
Finance cost	1,389	4.43	701	3.97	815	6.53	631	5.46
Other operating income	126	0.40	77	0.44	7	0.06	0	0.00
Profit before taxation	3,733	11.91	1,937	10.98	178	1.42	419	3.62
Provision for taxation	(290)	(0.92)	(374)	(2.12)	(141)	(1.13)	(56)	(0.49)
Profit / (Loss) for the year	3,443	10.98	1,563	8.86	37	0.29	362	3.14
Statement of Financial Position								
NON CURRENT ASSETS								
Property, plant and equipment	9,963	35.44	9,183	52.15	5,809	46.63	3,987	37.84
Long term deposits	23	0.08	18	0.10	18	0.14	18	0.17
Deferred Taxation Assets	14	0.05	-	0.00	-	0.00	-	0.00
Total non current assets	9,999	35.57	9,201	52.25	5,827	46.77	4,005	38.01
CURRENT ASSETS								
Stores, spare parts and loose tools	575	2.05	330	1.87	321	2.58	473	4.49
Stock in trade	10,186	36.23	4,127	23.44	3,129	25.12	3,466	32.90
Trade debts	4,843	17.23	3,289	18.68	2,236	17.95	1,532	14.54
Advances	222	0.79	143	0.81	146	1.17	344	3.26
Trade deposits	1	0.00	1	0.00	0	0.00	1	0.01
Other receivables	412	1.47	74	0.42	12	0.10	11	0.10
Tax refunds due from Government	1,677	5.97	319	1.81	476	3.82	681	6.46
Cash and bank balances	196	0.70	125	0.71	309	2.48	24	0.23
Total current assets	18,111	64.43	8,407	47.75	6,631	53.23	6,532	61.99
Total assets	28,111	100.00	17,608	100.00	12,458	100.00	10,537	100.00
CURRENT LIABILITIES								
Trade and other payables	8,927	31.76	4,848	27.53	3,501	28.10	3,081	29.24
Contract Liabilities	6	0.02	7	0.04	-	0.00	-	0.00
Unclaimed dividend	6	0.02	6	0.03	6	0.05	5	0.05
Accrued mark up and interest	395	1.41	157	0.89	127	1.02	191	1.81
Short term borrowings	3,383	12.03	498	2.83	1,975	15.85	2,228	21.15
Current portion of								
Long term financing	1,327	4.72	1,101	6.25	67	0.54	474	4.50
Total current Liabilities	14,045	49.96	6,616	37.58	5,676	45.56	5,980	56.75
WORKING CAPITAL	4,067	14.47	1,790	10.17	955	7.66	552	5.24
TOTAL CAPITAL EMPLOYED	14,066	50.04	10,991	62.42	6,782	54.44	4,557	43.25
NON CURRENT LIABILITIES								
Long term financing	5,721	20.35	6,003	34.09	3,496	28.06	2,247	21.33
Deferred liabilities								
Staff retirement benefits - gratuity	232	0.82	165	0.94	140	1.12	117	1.11
Deferred taxation	-	0.00	146	0.83	36	0.29	30	0.28
Total Non Current Liabilities	5,953	21.18	6,315	35.03	3,672	29.18	2,394	22.44
Net Worth	8,113	28.86	4,676	27.39	3,110	25.25	2,163	20.81
Net Worth Represented by:								
Issued, subscribed and paid up capital	525	1.87	525	2.98	525	4.21	291	2.77
Reserves	7,589	27.00	4,152	23.58	2,585	20.75	1,872	17.76
	8,113	28.86	4,676	26.56	3,110	24.96	2,163	20.53
Total Equity and Liabilities	28,111	100.00	17,608	100.00	12,458	100.00	10,537	100.00

# DuPont Analysis

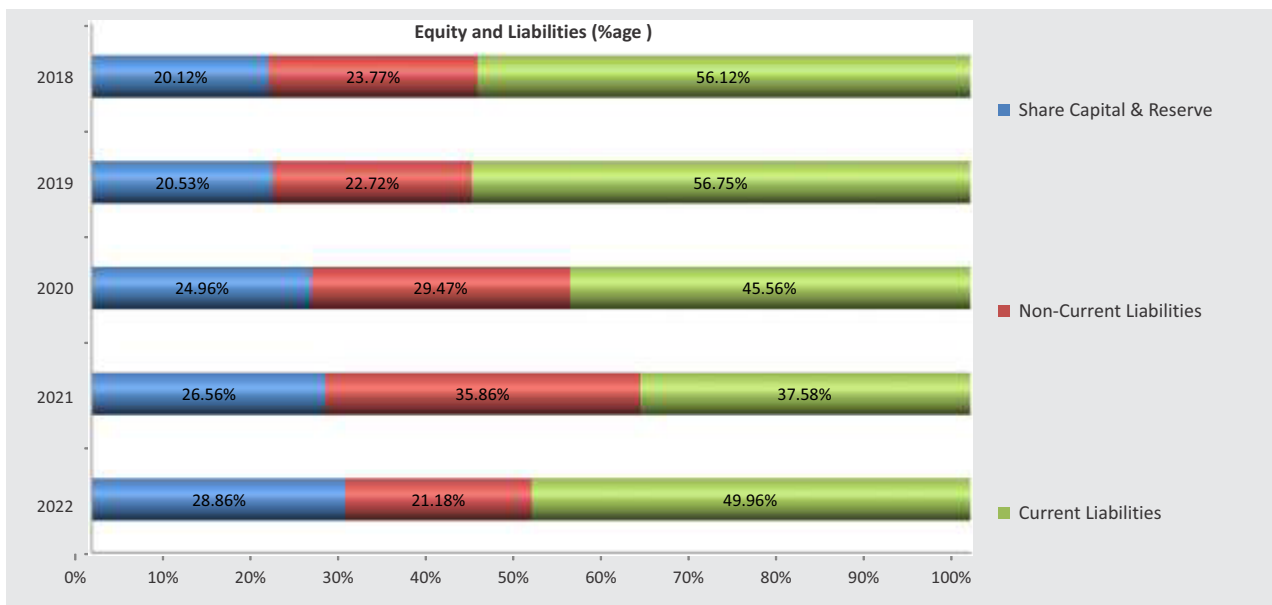


Year	Return on Equity (ROE) <b>D=A*B*C</b>	Profit Margin = Pre tax Profit / Net Sales <b>A</b>	Assets Turnover = Net Sales / AVG. Assets <b>B</b>	Equity Multiplier = Avg. Assets / Avg. Equity <b>C</b>
2022	58.38%	11.91%	1.37	3.57
2021	49.75%	10.98%	1.17	3.86
2020	6.74%	1.42%	1.09	4.36
2019	21.12%	3.62%	1.19	4.92
2018	13.38%	2.44%	1.16	4.71
2017	0.09%	0.02%	1.15	3.80

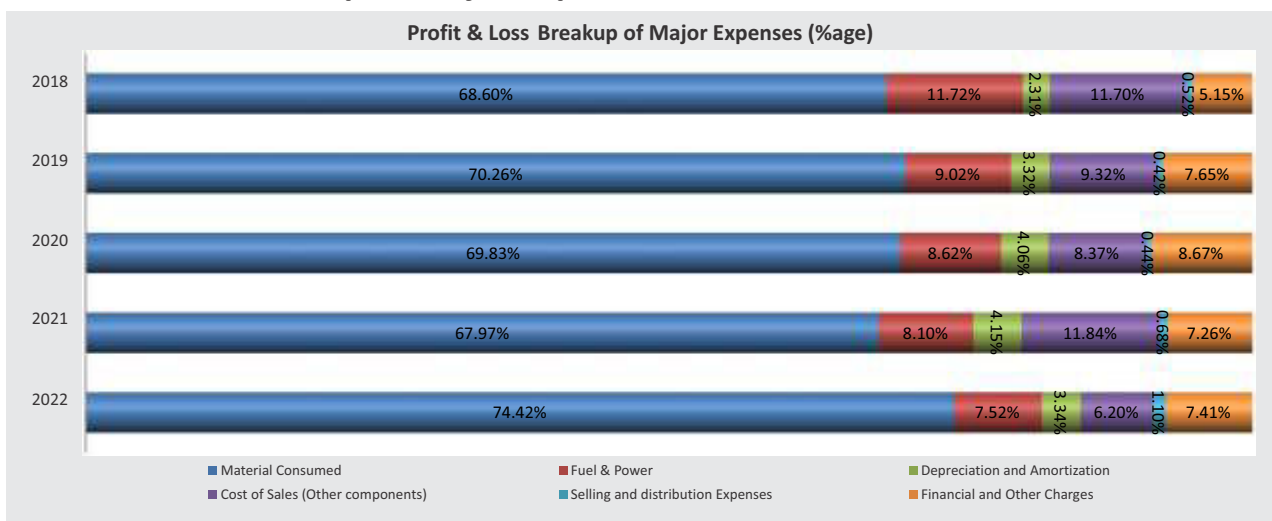
## Composition of Assets



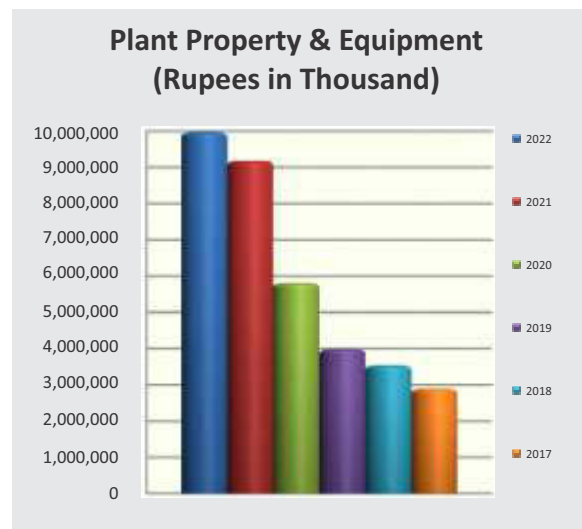
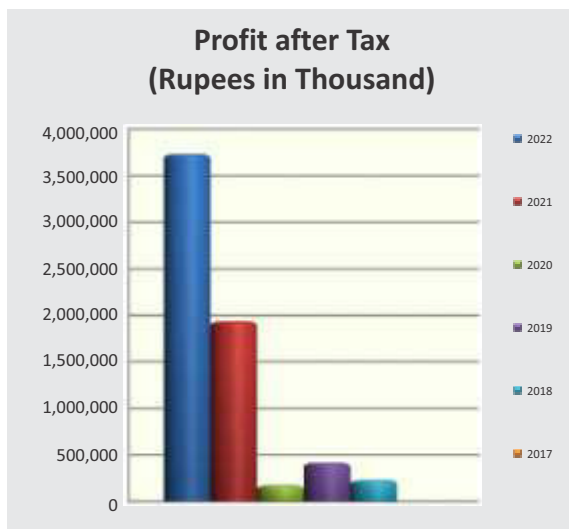
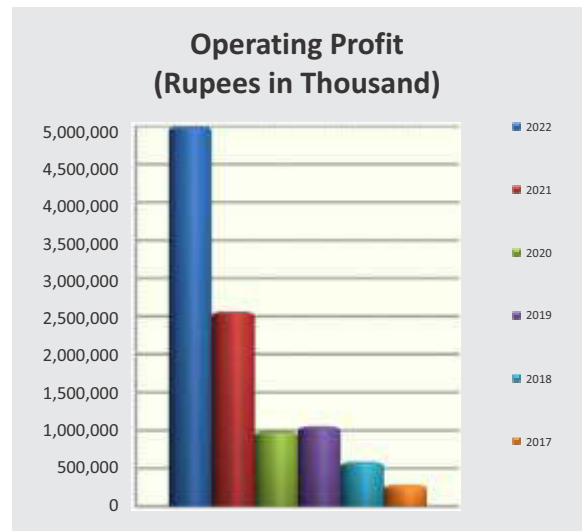
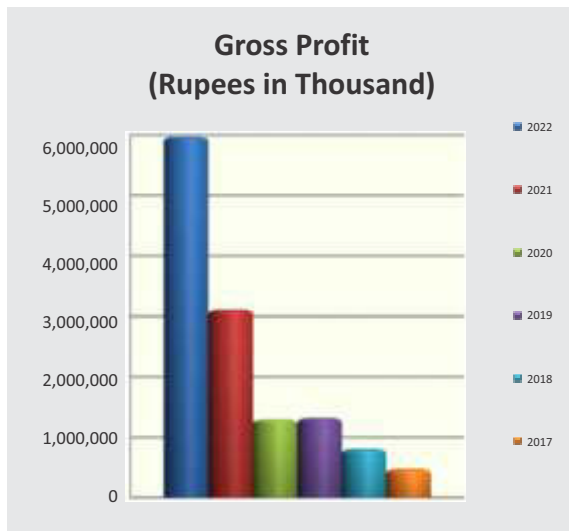
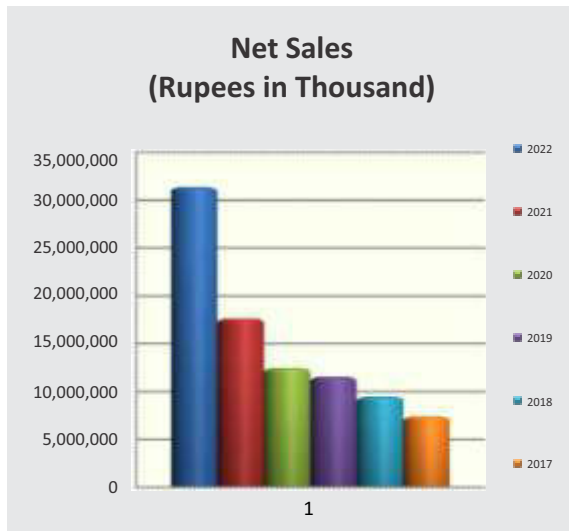
## Equity & Liabilities



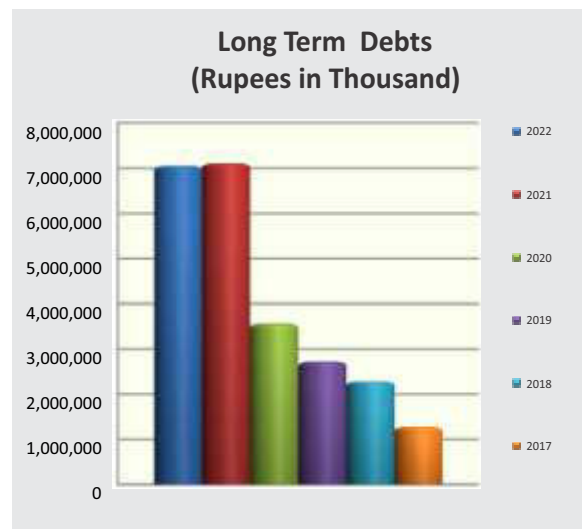
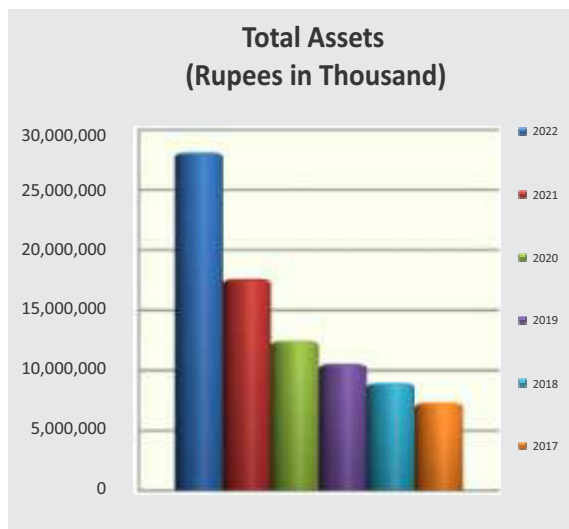
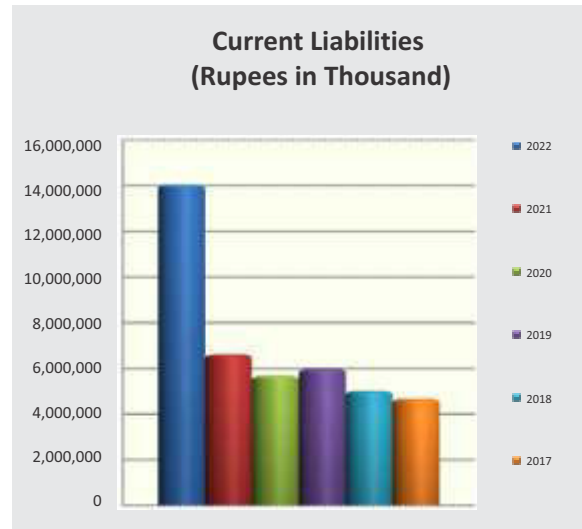
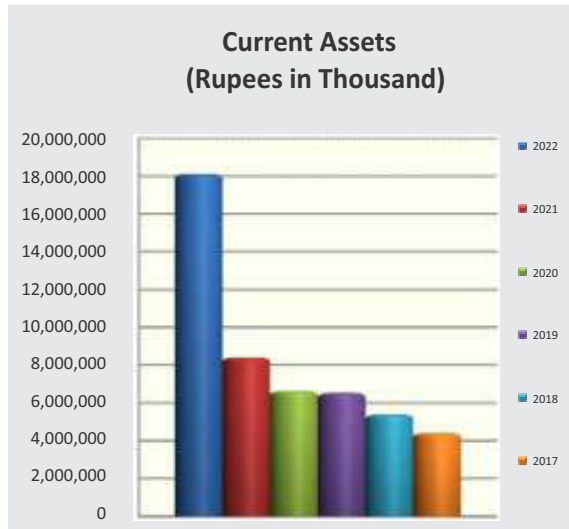
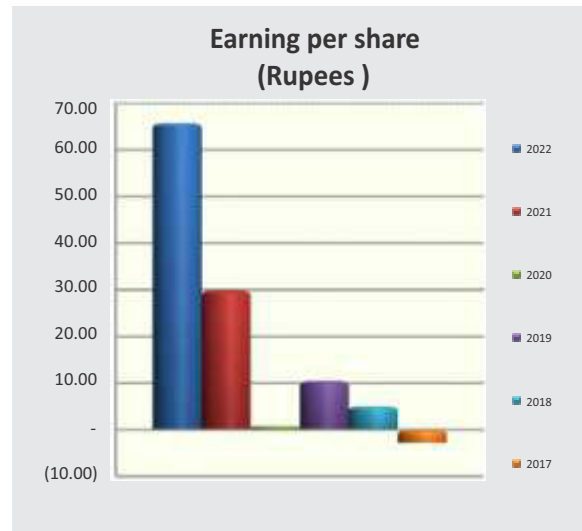
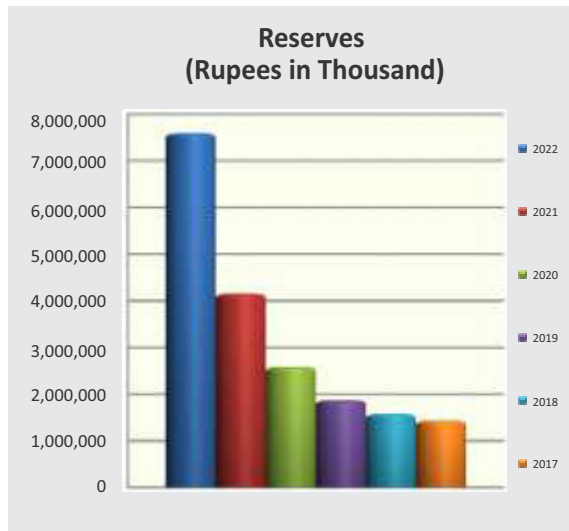
## Profit & Loss - Breakup of Major Expenses



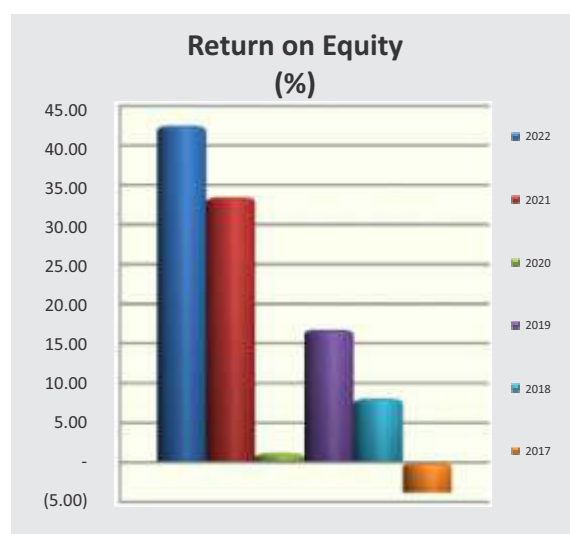
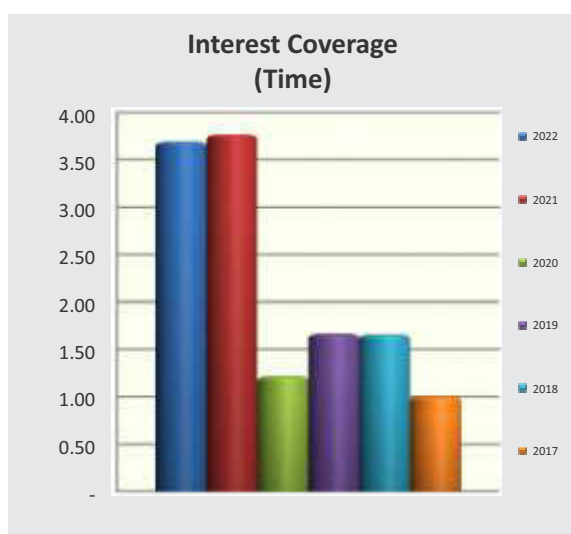
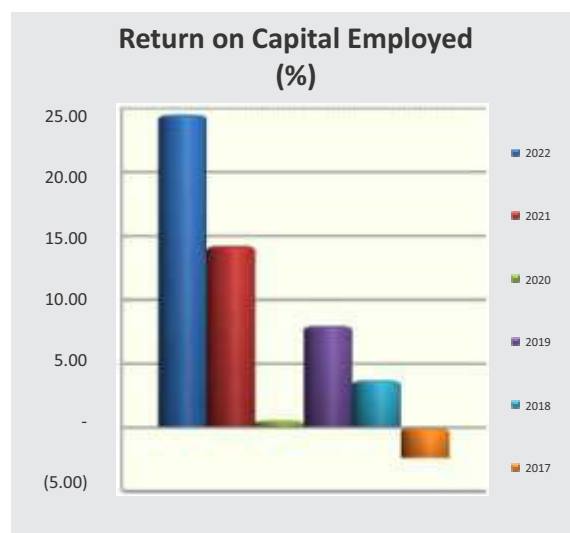
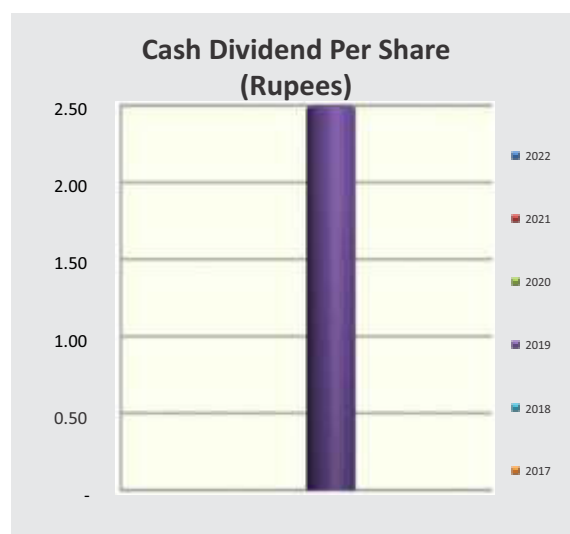
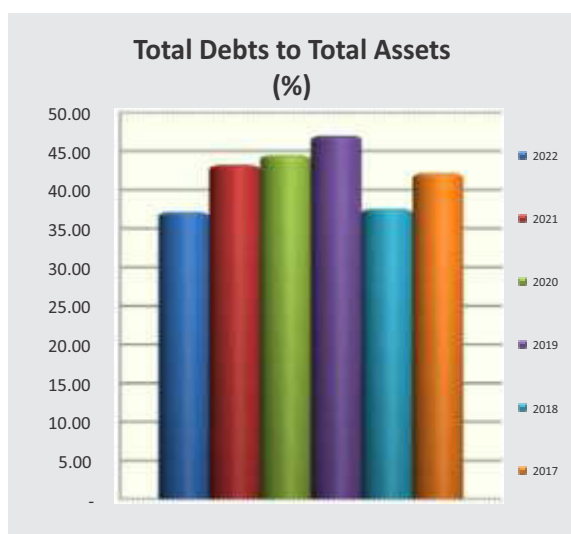
# GRAPHICAL ANALYSIS OF SIX YEARS AT A GLANCE



## GRAPHICAL ANALYSIS OF SIX YEARS AT A GLANCE

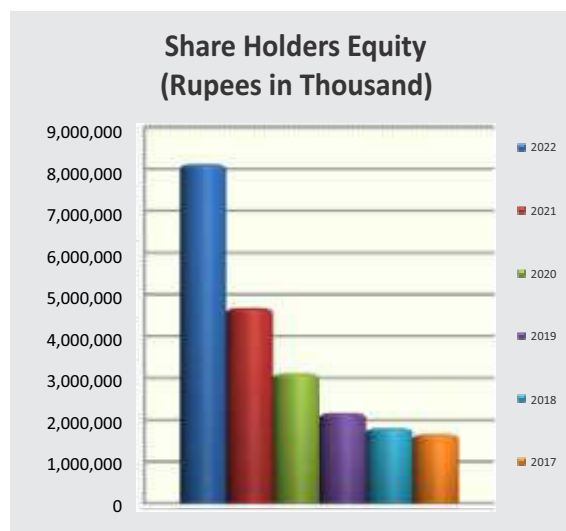
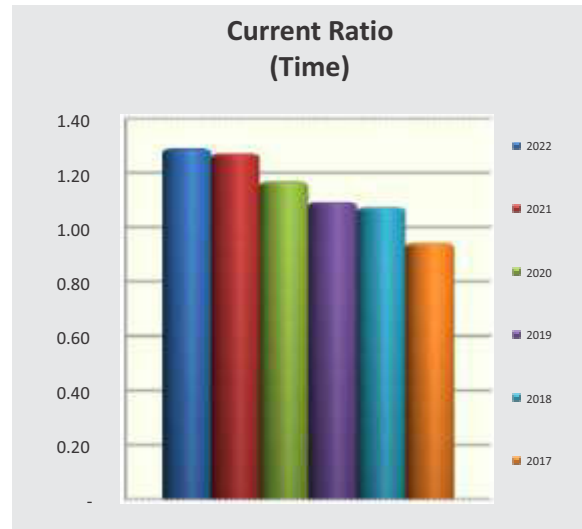
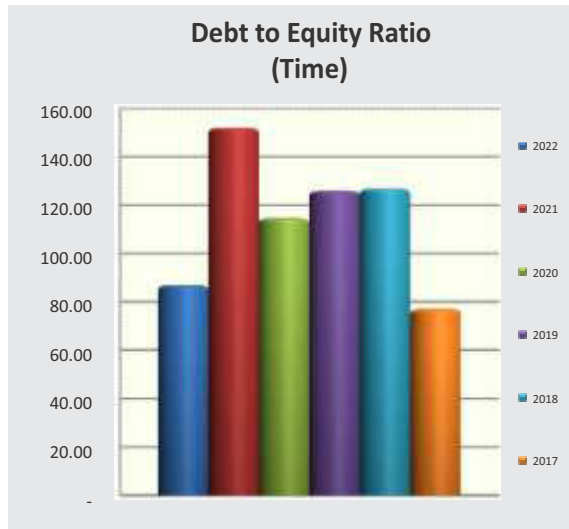
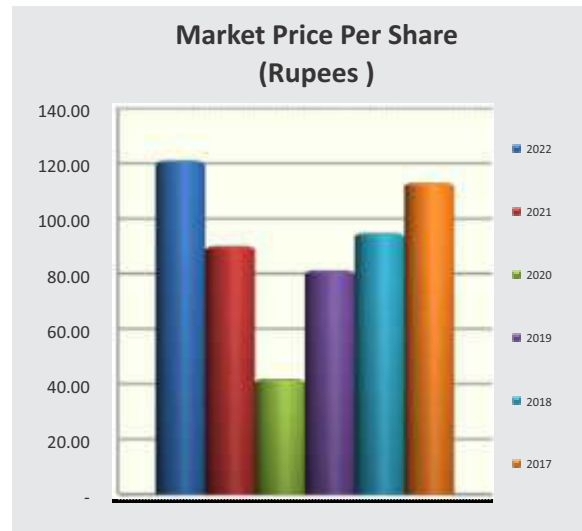
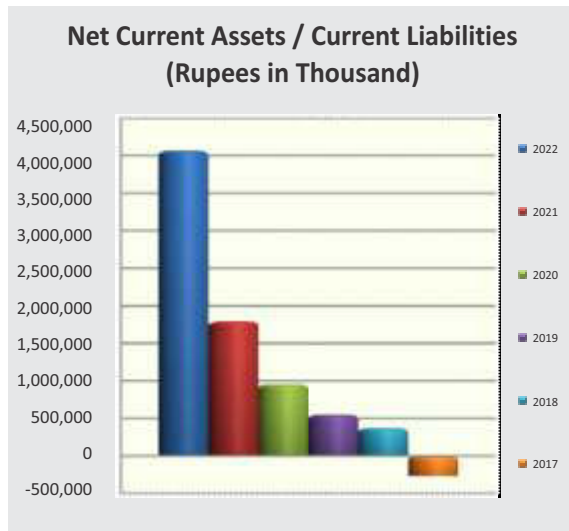


## GRAPHICAL ANALYSIS OF SIX YEARS AT A GLANCE





## GRAPHICAL ANALYSIS OF SIX YEARS AT A GLANCE



## DETAIL OF PATTERN OF SHAREHOLDING

As at June 30, 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
SHAIKH MUHAMMAD MUNEER	1	2,388	0.00
SHAIKH MUHAMMAD PERVEZ	1	7,376,842	14.06
SHAIKH MUHAMMAD TANVEER	1	1,914,056	3.65
SHAIKH MOHAMMAD NAVEED	1	4,930,858	9.40
FAISAL JAWED	1	3,814,095	7.27
FARHAD SHAIKH MOHAMMAD	1	1,223,479	2.33
EHTESHAM MAQBOOL ELAHI	1	899	0.00
MR. ALI FAROOQ	1	100	0.00
MS. MEHVISH WALIANY	1	100	0.00
GHAZALA PERVEZ	1	3,986,260	7.60
<b>Associated Companies, undertakings and related parties</b>	2	12,148,929	23.16
<b>NIT &amp; ICP</b>	2	803,863	1.53
<b>Banks Development Financial Institutions, Non Banking Financial Institutions.</b>	4	15,744	0.03
<b>Insurance Companies</b>	2	1,112	0.00
<b>Modarabas and Mutual Funds</b>	3	113,584	0.22
<b>General Public</b>			
a. Local	805	15,807,147	30.13
b. Foreign	-	-	-
<b>Foreign Companies</b>	-	-	-
<b>Others</b>	17	327,293	0.62
<b>Totals</b>	<b>845</b>	<b>52,466,749</b>	<b>100.00</b>

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

## Pattern of Shareholding As at June 30, 2022

NO. OF SHARE HOLDERS	SHAREHOLDING SLAB			TOTAL SHARES HELD
242	1	to	100	4,146
204	101	to	500	48,407
263	501	to	1000	236,927
94	1001	to	5000	210,345
14	5001	to	10000	106,631
4	10001	to	15000	45,493
3	15001	to	20000	54,928
1	20001	to	25000	23,350
1	25001	to	30000	29,000
1	40001	to	45000	43,167
1	110001	to	115000	113,064
1	220001	to	225000	221,000
1	800001	to	805000	803,434
4	1220001	to	1225000	4,893,916
2	1910001	to	1915000	3,828,112
1	1915001	to	1920000	1,916,056
2	3810001	to	3815000	7,628,190
1	3815001	to	3820000	3,817,694
1	3985001	to	3990000	3,986,260
1	4930001	to	4935000	4,930,858
1	5675001	to	5680000	5,679,742
1	6465001	to	6470000	6,469,187
1	7375001	to	7380000	7,376,842
<b>845</b>				<b>52,466,749</b>

# Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

A Member Firm of:



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## Independent Auditor's Review Report to the members of Din Textile Mills Limited 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 **Din Textile Mills Limited** (the Company) for the year ended June, 30 2022 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 June, 30 2022.

Karachi

**Dated : 03 October 2022**

**UDIN : CR202210232s7hIDtQJK**

Chartered Accountants  
Engagement Partner: Azeem H. Siddiqui – FCA

Other  
Offices: 3-B, ATS Centre, 30-West, Fazal-ul-Haq Road, Blue Area, Islamabad-Pakistan. Ph: +92-51-2878530-32 Fax: +92-51-2206283 E-mail: isl@nzaj.com.pk  
201-Regency Plaza, M.M. Alam Road, Gulberg-II, Lahore-Pakistan. Ph: +92-42-37321969, 37249053 Fax: +92-42-37324103 E-mail: lhr@nzaj.com.pk  
1st Floor Lamsay Arcade, oppt. Green's Banquet Hall, Peshawar. Ph. +92-91-5276102, 5274995 Fax: 091-5274968 Email: pesh@nzaj.com.pk

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

**For the year ended June 30, 2022**

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

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

A. Male	8
B. Female	1

2. The composition of Board is as follows:

CATEGORY	Name
Independent Directors	Mr. Ehtesham Maqbool Elah Mr. Ali Farooq Ms. Mehvish Waliyany
Other Non-Executive Directors	Shaikh Muhammad Muneer - Chairman Shaikh Muhammad Pervez Mr. Faisal Jawed
Executive Directors	Shaikh Muhammad Tanveer Shaikh Mohammad Naveed Mr. Farhad Shaikh Mohammad
Female Independent Director	Ms. Mehvish Waliyany

3. The Directors have confirmed that none of them is serving as a Director on the Board of more than seven listed companies, including Din Textile Mills Ltd.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All nine members of Board of Directors comply with requirements of directors' training as required under clause 19 of the Listed Companies (Code of Corporate Governance) Regulation, 2019.
10. The Board has approved appointment of the Chief Financial Officer, the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CEO and CFO duly endorsed the financial statements before approval of the Board.

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

**Audit Committee**

Mr. Ehtesham Maqbool Elahi	Chairperson
Shaikh Muhammad Pervez	Member
Mr. Faisal Jawed	Member

**Human Resource and Remuneration Committee**

Mr. Ali Farooq	Chairperson
Mr. Faisal Jawed	Member
Mr. Farhad Shaikh Mohammad	Member

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

14. The frequency of meetings of the committee were as per following:

- |                                  |                                       |
|----------------------------------|---------------------------------------|
| a. Audit Committee               | =4= Quarterly Meetings                |
| b. HR and Remuneration Committee | =1= Meeting held on December 21, 2021 |

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

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by the Institute of Chartered Accountants of Pakistan, that they and the partners of the firm, involved in the audit, are not a close relative of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company.

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

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

KARACHI  
Date: 30 September 2022

Shaikh Muhammad Tanveer  
Chief Executive

Farhad Shaikh Mohammad  
Director



Notes

## AGM

On Friday, 28th October 2022 at 12:00 p.m.

At Coronet -1 & 2 Regent Plaza Hotel, Main Shahra-e-Faisal, Karachi-75510.

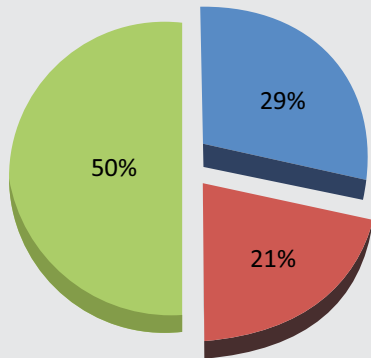
# Financial STATEMENTS 2022



# GRAPHICAL ANALYSIS

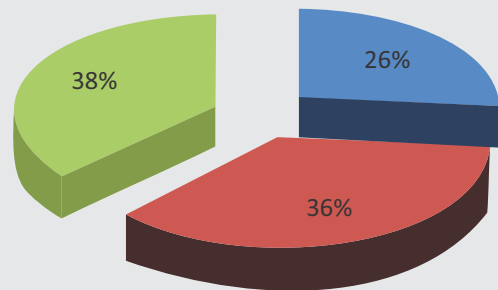
## OF STATEMENT OF FINANCIAL POSITION

**2021-2022**



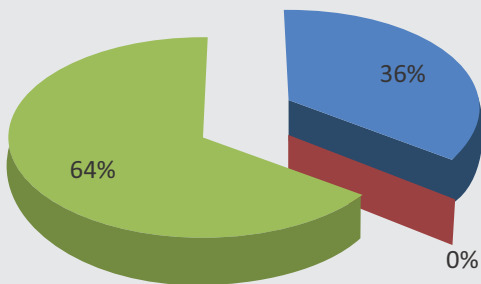
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■ NON CURRENT LIABILITIES  
■ CURRENT LIABILITIES

**2020-2021**



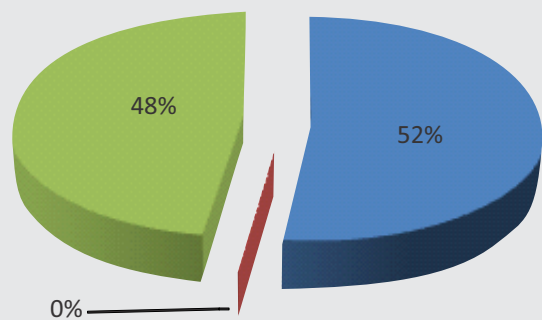
■ SHARE HOLDERS' EQUITY  
■ NON CURRENT LIABILITIES  
■ CURRENT LIABILITIES

**2021-2022**



■ FIXED ASSETS  
■ OTHER NON CURRENT ASSETS  
■ CURRENT ASSETS

**2020-2021**



■ FIXED ASSETS  
■ OTHER NON CURRENT ASSETS  
■ CURRENT ASSETS

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIN TEXTILE MILLS LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of **Din Textile Mills Limited** (the Company), which comprise the statement of financial position as at June 30, 2022 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Key Audit Matter(s)**

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

# Naveed Zafar Ashfaq Jaffery & Co.

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Following are the Key audit matter(s):

S. No.	Key Audit Matter(s)	How the matter was addressed in our audit
01.	<p><b>Sales</b></p> <p>Refer to note 4.17 and 25 to the financial statements which shows that revenue of the Company substantially increased.</p> <p>The Company recognized revenue of Rs. 31,352.709 million from the sale of goods to domestic as well as export customers during the year ended 30 June 2022 as compared to Rs. 17,641.434 million previous year.</p> <p>We identified recognition of sales as a key audit matter because sales is one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the risk and rewards.</p>	<p>Our audit procedures to assess recognition of sales, amongst others, included the following:</p> <ul style="list-style-type: none"><li>• obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;</li><li>• assessing the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards;</li><li>• comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents;</li><li>• comparing, on a sample basis, specific sale transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and</li><li>• scanning for any manual journal entries relating to sales raised during the year which were considered to be material or met other specific risk based criteria for inspecting underlying documentation.</li></ul>
02.	<p><b>Borrowings and finance costs</b></p> <p>Refer notes 16, 18, 19 and 30 to the financial statements.</p> <p>The Company has obtained a range of financing</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• assessing the design and operating effectiveness of the Company's internal controls over recording the terms and conditions of borrowings from financial</li></ul>

Other  
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Following are the Key audit matter(s):

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>facilities from different financial institutions with varying terms and tenure and incurred substantial cost.</p> <p>This was considered to be a key audit matter as these affects Company's gearing, liquidity and solvency. Further, compliance with debt covenants is a key requirement of these financing arrangements.</p>	<p>institutions, including their classification as either current or non-current and associated costs;</p> <ul style="list-style-type: none"> <li>obtaining confirmations of borrowings as at 30 June 2022 directly from the financial institutions;</li> <li>testing the calculation of mark-up recognized as both an expense and capitalized during the year to assess whether these were accounted for in accordance with approved accounting standards as applicable in Pakistan; and</li> <li>assessing the adequacy of the Company's compliance with the loan covenants and the disclosure in the financial statements.</li> </ul>
03.	<p><b>Valuation of Stock-in-Trade</b></p> <p>Refer notes 4.8 and 9 to the financial statements.</p> <p>The Company has stock-in-trade aggregating Rs.10,185.80 million, forming significant part to Company's assets. Comprising raw materials, finished goods and work in progress.</p> <p>We identified valuation of stock in trade as key audit matter because stock-in trade constitutes 36.23% of the total assets of the Company as at June 30, 2022 as it directly affects the profitability of the Company.</p>	<p>Our procedures in relation to this matter included:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of internal controls over purchases and valuation of stock in trade and testing, on a sample basis, their design, implementation and operating effectiveness;</li> <li>obtaining an understanding of the basis for the determination of NRV and the key estimates adopted, including future selling prices and costs necessary to make the sales and the basis of the calculation and justification for the amount of the write-downs and provisions;</li> <li>assessing the NRV of stock-in-trade by comparing, on a sample basis, estimation of future selling prices for the products with the selling prices achieved subsequent to the end of the reporting period; and</li> </ul>

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Following are the Key audit matter(s):

S. No.	Key Audit Matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> <li>Comparing NRV to the cost of a sample of stock-in-trade and comparison to the associated provision to assess whether stock-in-trade provisions are complete.</li> </ul>
04.	<p><b>Valuation of Trade Debts</b></p> <p>Refer notes 10 to the financial Statements and the accounting policy in note 4.9 to the financial statements</p> <p>The Company has significant balance of trade debts. Provision against doubtful trade debts is based on loss allowance for Expected Credit Loss (ECLs).</p> <p>We identified recoverability of trade debts as a key audit matter as it involves significant judgement in determining the recoverable amount of trade debts.</p>	<p>Our audit procedures to assess the valuation of trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of and assessing the design and testing implementation of management's key internal controls relating to credit control process (including credit account application approvals credit limit review) and allowances for doubtful debts;</li> <li>obtaining an understanding of the basis for the determination of provision required at the year end and the receivables collection process; and</li> <li>testing the accuracy of the data on a sample basis extracted from the Company's accounting system which has been used to calculate the provision required including subsequent recoveries.</li> </ul>
05.	<p><b>The Company's exposure to litigation risk</b></p> <p>The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk. In our judgement, the Company has significant litigation cases in respect of tariff difference claimed by Sui Northern Gas Pipelines Limited (SNGPL), levy of Gas Infrastructure Development Cess (GIDC), levy of Cotton Cess,</p>	<p>Our procedures in relation to this matter included:</p> <ul style="list-style-type: none"> <li>Obtained and reviewed details of the significant pending legal/tax cases and discussed the same with Company's management;</li> <li>Circulated confirmations to the Company's external legal and tax counsels for their views on open legal/tax matters;</li> <li>Reviewed correspondence of the Company with the relevant authorities;</li> <li>Evaluated rationale provided by the Company and opinion of the external legal/tax counsel;</li> </ul>

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Following are the Key audit matter(s):

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>Custom / Excise and Sales Tax Appellate Tribunal, Karachi regarding penalty and additional tax, details of which are disclosed in notes 16.3 to 16.4 to the annexed financial statements.</p> <p>Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.</p>	<ul style="list-style-type: none"><li>Involved internal tax professionals to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the tax advisors engaged by the Company; and</li><li>Reviewed the disclosures made in the financial statements in respect of such contingencies.</li></ul>

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

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations,

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or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Azeem H. Siddiqui.

Karachi

**Dated : 30 September 2022**

**UDIN : AR202210232VKi7RCp3b**

Chartered Accountants

Engagement Partner: Azeem H. Siddiqui – FCA

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# Statement of Financial Position

## As at June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	9,963,073,846	9,183,099,754
Intangible assets	6	13,531,934	-
Long term deposits	7	22,746,751	17,530,051
		9,999,352,531	9,200,629,805
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	8	575,366,965	330,089,678
Stock in trade	9	10,185,800,211	4,126,582,122
Trade debts	10	4,842,733,703	3,289,302,048
Advances	11	221,673,497	142,670,030
Trade deposits	12	1,238,600	611,400
Other receivables	13	411,970,327	74,000,452
Tax refunds due from Government	14	1,676,854,152	318,929,055
Cash and bank balances	15	195,705,117	124,780,159
		18,111,342,572	8,406,964,944
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	8,927,252,346	4,847,820,538
Contract liabilities		6,399,049	6,739,305
Unclaimed dividend		5,587,760	5,857,561
Accrued mark up / interest	17	395,221,887	156,645,885
Short term borrowings - Secured	18	3,382,979,134	498,470,343
Current portion of			
Long term financing - Secured	19	1,327,234,448	1,100,956,126
		14,044,674,624	6,616,489,758
<b>WORKING CAPITAL</b>			
		4,066,667,948	1,790,475,186
<b>TOTAL CAPITAL EMPLOYED</b>			
		14,066,020,479	10,991,104,991
<b>NON CURRENT LIABILITIES</b>			
Long term financing	19	5,721,044,013	6,003,056,182
Deferred liabilities			
Staff retirement benefits - gratuity	20	231,712,891	165,428,800
Deferred taxation	21	-	146,132,696
		5,952,756,904	6,314,617,678
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		
<b>NET WORTH</b>		<b>8,113,263,575</b>	<b>4,676,487,313</b>
<b>EQUITY</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
200,000,000 ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
<b>Net Worth Represented by:</b>			
Issued, subscribed and paid up capital			
52,466,749 ordinary shares of Rs. 10/- each	23	524,667,490	524,667,490
Reserves	24	7,588,596,085	4,151,819,823
		<b>8,113,263,575</b>	<b>4,676,487,313</b>

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

SHAIKH MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAIKH MOHAMMAD  
Director

KASHIF JAVED  
Chief Financial Officer

## Statement of Profit or Loss

For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
Sales - net	25	31,352,709,025	17,641,434,612
Cost of sales	26	(25,382,352,880)	(14,528,487,446)
<b>Gross profit</b>		<b>5,970,356,145</b>	<b>3,112,947,166</b>
Distribution cost	27	306,503,114	106,922,722
Administrative expenses	28	364,526,210	294,469,844
Other operating expenses	29	303,607,859	151,042,866
Finance cost	30	1,388,924,178	700,728,356
		<b>2,363,561,361</b>	<b>1,253,163,788</b>
		<b>3,606,794,784</b>	<b>1,859,783,378</b>
Other income	31	126,472,842	77,233,269
<b>Profit before taxation</b>		<b>3,733,267,626</b>	<b>1,937,016,647</b>
Taxation	32	(289,971,298)	(374,095,661)
<b>Profit for the year</b>		<b>3,443,296,328</b>	<b>1,562,920,986</b>
Earnings per share - basic and diluted	33	<b>65.63</b>	<b>29.79</b>

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

SHAIKH MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAIKH MOHAMMAD  
Director

KASHIF JAVED  
Chief Financial Officer

## Statement of Comprehensive Income

For the year ended June 30, 2022

	2022 Rupees	2021 Rupees
Profit for the year	3,443,296,328	1,562,920,986
Items that will not be subsequently reclassified to Statement of Profit or Loss		
Remeasurements of staff retirement benefits		
Remeasurement recognized	(7,000,052)	4,662,369
Related deferred taxation	479,986	(976,317)
	(6,520,066)	3,686,052
<b>Total comprehensive Income for the year</b>	<b>3,436,776,262</b>	<b>1,566,607,038</b>

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

SHAIKH MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAIKH MOHAMMAD  
Director

KASHIF JAVED  
Chief Financial Officer



# Statement of Cash Flows

## For the year ended June 30, 2022

	Note	2022 Rupees	2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		3,733,267,626	1,937,016,647
<b>Adjustments for:</b>			
Depreciation		934,597,760	661,695,807
Amortization		229,355	-
Staff retirement benefits - gratuity		95,856,869	77,520,890
Workers' profit participation fund		200,497,724	104,028,821
Workers' welfare fund		76,189,135	39,530,952
Provisions for doubtful debts		24,000,000	-
Government grant		(116,846,206)	(76,968,636)
Finance cost		1,388,924,178	700,728,356
(Gain) / Loss on disposal of property, plant and equipment		(6,200,256)	5,411,656
		2,597,248,559	1,511,947,846
Profit before working capital changes		6,330,516,185	3,448,964,493
<b>(Increase) / Decrease in current assets</b>			
Stores, spare parts and loose tools		(245,277,287)	(8,684,452)
Stock in trade		(6,059,218,089)	(997,303,169)
Trade debts		(1,577,431,655)	(1,053,317,045)
Advances		(79,003,467)	3,213,215
Other receivables		(337,969,875)	(61,641,245)
		(8,298,900,373)	(2,117,732,696)
<b>Increase /(Decrease) in current liabilities</b>			
Trade and other payables		288,098,393	(1,141,811,400)
Payable against murabaha financing		3,738,787,747	2,433,072,097
		4,026,886,140	1,291,260,697
Cash generated from operations		2,058,501,952	2,622,492,494
Finance cost paid		(1,033,302,835)	(593,490,993)
Taxes paid		(1,797,177,432)	(103,857,520)
Dividend paid		(269,801)	(55,299)
Workers' profit participation fund paid		(221,052,255)	(86,109,706)
Staff retirement benefits - gratuity paid		(36,572,830)	(47,301,827)
		(3,088,375,153)	(830,815,345)
<b>Net cash (used) / generated from operating activities</b>		<b>(1,029,873,201)</b>	<b>1,791,677,149</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		76,795,336	18,782,700
Fixed capital expenditure		(1,798,928,221)	(4,059,785,051)
Long term deposits - net		(5,843,900)	(222,500)
<b>Net cash used in investing activities</b>		<b>(1,727,976,785)</b>	<b>(4,041,224,851)</b>
<b>Net cash utilized after investing activities</b>		<b>(2,757,849,986)</b>	<b>(2,249,547,702)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing		(55,733,847)	3,541,016,550
<b>Net cash (used) / generated from financing activities</b>		<b>(55,733,847)</b>	<b>3,541,016,550</b>
<b>Net (Decrease) / Increase in cash and cash equivalents</b>		<b>(2,813,583,833)</b>	<b>1,291,468,848</b>
Cash and cash equivalents at the beginning of the year		(373,690,184)	(1,665,159,032)
<b>Cash and cash equivalents at the end of the year</b>		<b>(3,187,274,017)</b>	<b>(373,690,184)</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	15	195,705,117	124,780,159
Short term borrowings	18	(3,382,979,134)	(498,470,343)
		<b>(3,187,274,017)</b>	<b>(373,690,184)</b>

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

SHAIKH MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAIKH MOHAMMAD  
Director

KASHIF JAVED  
Chief Financial Officer

# Statement of Changes in Equity

For the year ended June 30, 2022

Particulars	Share capital	Reserves				Total
		Capital	Revenue		Sub total	
		Share Premium	General	Unappropriated profit		
		Rupees				
Balance as at June 30, 2020	524,667,490	746,193,760	400,000,000	1,439,019,025	2,585,212,785	3,109,880,275
Total comprehensive income for the year	-	-	-	1,566,607,038	1,566,607,038	1,566,607,038
Balance as at June 30, 2021	524,667,490	746,193,760	400,000,000	3,005,626,063	4,151,819,823	4,676,487,313
Total comprehensive income for the year	-	-	-	3,436,776,262	3,436,776,262	3,436,776,262
Balance as at June 30, 2022	524,667,490	746,193,760	400,000,000	6,442,402,325	7,588,596,085	8,113,263,575

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

SHAIKH MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAIKH MOHAMMAD  
Director

KASHIF JAVED  
Chief Financial Officer

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2022

## 1 LEGAL STATUS AND NATURE OF BUSINESS

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

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

### 2.2 Functional and presentation currency

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

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

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

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 1 July 2021. However, these do not have any significant impact on the Company's financial reporting and therefore have not been detailed in these financial statements.

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

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 1 July 2022:

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

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

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

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

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

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

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

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

**2.3.5 Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the SECP:**

- IFRS 1 'First Time Adoption of International Financial Reporting Standards'
- IFRS 17 'Insurance Contracts'

### 3 BASIS OF MEASUREMENT

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

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

#### 3.1 Provision for taxation

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

#### 3.2 Staff retirement benefits - gratuity

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

#### 3.3 Financial instruments

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

#### 3.4 Property, plant and equipment

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

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

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

### 4 SIGNIFICANT ACCOUNTING POLICIES

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

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

##### Recognition

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

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

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

### **Depreciation**

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

### **Derecognition**

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

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

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

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

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

## **4.3 Capital work in progress**

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

## **4.4 Intangible assets**

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.



#### 4.5 Long term deposits

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

#### 4.6 Investments

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

##### 4.6.1 Investment in subsidiary and associated companies

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

##### 4.6.2 Derecognition

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

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

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

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

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

#### 4.8 Stock in trade

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

##### 4.8.1 Raw material

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

<b>4.8.2 Work in process</b>	Raw material cost plus appropriate manufacturing overheads
<b>4.8.3 Finished goods</b>	Raw material cost plus appropriate manufacturing overheads
<b>4.8.4 Waste</b>	Net realizable value

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

#### **4.9 Trade debts and other receivables**

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

#### **4.10 Cash and cash equivalents**

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

#### **4.11 Staff retirement benefits**

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

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

Provision is made annually to cover the obligation on the basis of actuarial valuation and charged to statement of profit or loss currently. The most recent actuarial valuation was carried on June 30, 2022 using the Projected Unit Credit Method.

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

#### **4.12 Taxation**

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

##### **4.12.1 Current**

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

##### **4.12.2 Deferred**

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

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be

available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor taxable profits.

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

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

#### **4.13 Trade and other payables**

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

#### **4.14 Ijarah**

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

#### **4.15 Provisions**

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

#### **4.16 Borrowings and borrowing costs**

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

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

#### **4.17 Revenue recognition**

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

#### **4.18 Foreign currencies**

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

## 4.19 Financial instruments

### 4.19.1 Financial Assets

#### Initial Measurement

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

#### Subsequent Measurement

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

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

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

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

### 4.19.2 Financial Liabilities

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

## 4.20 Offsetting of financial assets and liabilities

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

## 4.21 Impairment

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

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

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

#### **4.22 Related party transactions**

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

#### **4.23 Segment reporting**

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

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

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

#### **4.24 Government grants**

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

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

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

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

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

#### **4.25 Research and development cost**

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

## 4.26 Dividend

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

## 5 PROPERTY, PLANT AND EQUIPMENT

	Note	2022 Rupees	2021 Rupees
Operating fixed assets	5.1	9,217,018,557	8,988,515,953
Capital work in progress - at cost	5.2	746,055,289	194,583,801
		<b>9,963,073,846</b>	<b>9,183,099,754</b>

### 5.1 Operating fixed assets

2022								
	Cost as at July 01, 2021	Additions / (deletions)	Cost as at June 30, 2022	Accumulated depreciation as at July 01, 2021	Depreciation charge / (deletion) for the year	Accumulated depreciation as at June 30, 2022	Book value as at June 30, 2022	Annual depreciation rate %
	Rupees							
<b>Owned Assets</b>								
Freehold land	198,093,786	-	198,093,786	-	-	-	198,093,786	0%
Building on freehold land	1,999,514,521	120,809,902	2,120,324,423	633,124,790	143,923,610	777,048,400	1,343,276,023	10%
Plant and machinery	11,182,798,019	1,050,319,840 (321,940,856)	11,911,177,003	4,008,578,389	754,165,985 (251,999,596)	4,510,744,778	7,400,432,224	10%
Electric installation	328,659,461	23,401,185	352,060,646	183,873,095	16,267,270	200,140,365	151,920,281	10%
Tools and equipment	65,321,164	2,003,050	67,324,214	52,809,160	1,417,068	54,226,228	13,097,986	10%
Furniture and fixture	55,896,262	11,009,787	66,906,049	22,833,839	3,623,296	26,457,135	40,448,914	10%
Office equipment	12,783,337	4,820,881	17,604,218	6,533,068	1,014,603	7,547,671	10,056,547	10%
Computers	23,856,552	6,103,480	29,960,032	15,877,327	3,152,493	19,029,820	10,930,212	30%
Vehicles	68,554,369	15,227,319 (730,324)	83,051,364	23,331,850	11,033,434 (76,504)	34,288,780	48,762,584	20%
<b>30-Jun-22</b>	<b>13,935,477,471</b>	<b>1,233,695,444 (322,671,180)</b>	<b>14,846,501,735</b>	<b>4,946,961,518</b>	<b>934,597,760 (252,076,100)</b>	<b>5,629,483,178</b>	<b>9,217,018,557</b>	
2021								
	Cost as at July 01, 2020	Additions / (deletions)	Cost as at June 30, 2021	Accumulated depreciation as at July 01, 2020	Depreciation charge / (deletion) for the year	Accumulated depreciation as at June 30, 2021	Book value as at June 30, 2021	Annual depreciation rate %
	Rupees							
<b>Owned Assets</b>								
Freehold land	198,093,786	-	198,093,786	-	-	-	198,093,786	0%
Building on freehold land	1,037,711,887	961,802,634	1,999,514,521	546,228,204	86,896,586	633,124,790	1,366,389,731	10%
Plant and machinery	7,965,577,248	3,311,739,021 (94,518,250)	11,182,798,019	3,535,355,689	543,960,816 (70,738,116)	4,008,578,389	7,174,219,630	10%
Electric installation	310,206,967	18,452,494	328,659,461	168,713,766	15,159,329	183,873,095	144,786,366	10%
Tools and equipment	63,699,374	1,621,790	65,321,164	51,487,271	1,321,889	52,809,160	12,512,004	10%
Furniture and fixture	41,637,897	14,258,365	55,896,262	20,098,825	2,735,014	22,833,839	33,062,423	10%
Office equipment	9,855,669	2,927,668	12,783,337	6,030,986	502,082	6,533,068	6,250,269	10%
Computers	18,360,674	5,495,878	23,856,552	13,602,639	2,274,688	15,877,327	7,979,225	30%
Vehicles	53,398,829	16,343,543 (1,188,003)	68,554,369	15,260,228	8,845,403 (773,781)	23,331,850	45,222,519	20%
<b>30-Jun-21</b>	<b>9,698,542,331</b>	<b>4,332,641,393 (95,706,253)</b>	<b>13,935,477,471</b>	<b>4,356,777,608</b>	<b>661,695,807 (71,511,897)</b>	<b>4,946,961,518</b>	<b>8,988,515,953</b>	

5.1.1 Depreciation for the year has been allocated as under.

	2022 Rupees	2021 Rupees
Cost of sales	926,450,160	655,104,862
Administrative expenses	8,147,600	6,590,945
	<b>934,597,760</b>	<b>661,695,807</b>

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

Location	Usage of immovable property	Total Area (in acres)	Covered Area (In sq.ft)
Kot Akbar Khan, 70 Km Multan Road, Tehsil Pattoki, Distt. Kasur, Punjab	Manufacturing Facility	37.50	648,163
Revenue Estate, Bhair Kot, Tablighi Chowk, Rawind Road, Tehsil and Distt. Lahore, Punjab	Manufacturing Facility	51.99	694,603
Dars Road, Off Raiwind Manga Road, Bachuki Majha, Distt. Kasur	Manufacturing Facility	27.50	414,918
		<b>2022 Rupees</b>	<b>2021 Rupees</b>

5.2 Capital work in progress - at cost

Building - civil works	309,603,438	50,967,736
Plant and machinery	404,047,087	103,733,261
Electric Installation	32,404,764	28,909,078
Intangible Assets	-	10,973,726
	<b>746,055,289</b>	<b>194,583,801</b>

The movement in capital work in progress is as follows.

Balance at the beginning of the year	194,583,801	467,440,143
Additions during the year		
Building - civil works	379,445,604	789,872,325
Plant and Machinery	1,350,633,666	3,193,153,780
Electric installation	26,896,871	33,092,307
Intangible Asset	2,787,563	3,019,395
	1,759,763,704	4,019,137,807
Transfer to operating fixed assets		
Building - civil works	120,809,902	961,802,634
Plant and Machinery	1,050,319,840	3,311,739,021
Electric installation	23,401,185	18,452,494
	1,194,530,927	4,291,994,149
Transfer to intangible assets	13,761,289	-
Balance at the end of the year	<b>746,055,289</b>	<b>194,583,801</b>

5.3 Disposal of property, plant and equipment

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (Loss)	Mode of disposal
Rupees						
Items with individual net amount exceeding Rs.500,000 each						
Plant and machinery						
Simplex Room Machinery	7,524,583	5,448,477	2,076,106	1,196,581	(879,525)	Negotiation
Astrosun Compact Spin System	8,418,105	1,536,304	6,881,801	7,600,000	718,199	Negotiation
Savio Cone Winder	14,821,696	12,211,991	2,609,705	2,393,162	(216,542)	Negotiation
Card Room Machinery	74,670,339	54,423,969	20,246,370	32,494,473	12,248,103	Negotiation
Complete Spin Machine K44108	199,371,682	164,510,504	34,861,178	27,777,778	(7,083,401)	Negotiation
Comber E-65	1,833,333	596,207	1,237,126	512,308	(724,818)	Negotiation
Mk 5d	7,834,035	7,107,172	726,863	631,624	(95,239)	Negotiation
B-11 China	900,000	254,460	645,540	85,385	(560,155)	Negotiation
Vehicles						
Suzuki Wagon R	691,220	68,162	623,058	630,000	6,942	
Sub total	<b>316,064,994</b>	<b>246,157,246</b>	<b>69,907,748</b>	<b>73,321,311</b>	<b>3,413,563</b>	
Various assets having net book amount up to Rs. 500,000 each						
Machinery	6,567,082	5,910,512	656,570	3,324,025	2,667,455	
Vehicles	39,104	8,342	30,762	150,000	119,238	
Sub total	<b>6,606,186</b>	<b>5,918,854</b>	<b>687,332</b>	<b>3,474,025</b>	<b>2,786,693</b>	
Grand total	<b>322,671,180</b>	<b>252,076,100</b>	<b>70,595,080</b>	<b>76,795,336</b>	<b>6,200,256</b>	



	Note	2022 Rupees	2021 Rupees
<b>5.4 (Gain) / Loss on disposal property of plant and equipment</b>			
Cost		322,671,180	95,706,253
Less : Accumulated depreciation		(252,076,100)	(71,511,897)
		70,595,080	24,194,356
Sale proceeds		(76,795,336)	(18,782,700)
(Gain) / Loss on disposal of property, plant and equipment	29 & 31	(6,200,256)	5,411,656
(Gain) on disposal of property, plant and equipment		(15,759,937)	(3,990,981)
Loss on disposal of property, plant and equipment		9,559,681	9,402,637
<b>6 INTANGIBLE ASSET</b>			
Net Book Value:			
Opening Net Book Value		-	-
Addition during the year		13,761,289	-
Less: Amortization during the year		(229,355)	-
Closing Net Book Value		13,531,934	-
6.1 Cost as at 30 June		13,761,289	-
Accumulated Amortization		(229,355)	-
Net book value as at 30 June		13,531,934	-
6.2 Amortization on intangible asset amounting to Rupees 229,355 (2021: Rupees Nil) has been allocated to administrative expenses.			
6.3 Intangible asset - computer software has been amortized at the rate of 20% per annum.			

	Note	2022 Rupees	2021 Rupees
<b>7 LONG TERM DEPOSITS</b>			
Security deposits			
Electricity - WAPDA	7.1	15,968,651	15,968,651
Ijarah Deposits	7.2	6,387,400	1,170,700
Others	7.1	390,700	390,700
		22,746,751	17,530,051
7.1 These deposits are non-interest bearing.			
7.2 These represents deposits against the vehicles under Ijarah agreement obtained from Habib Metropolitan Bank Limited - Islamic banking branch and hence carry no markup.			

	Note	2022 Rupees	2021 Rupees
<b>8 STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores - at mills		125,419,485	108,825,748
Stores - in transit		19,752,737	47,622,949
Spare parts		429,887,499	173,475,436
Loose tools		307,244	165,545
		575,366,965	330,089,678
<b>9 STOCK IN TRADE</b>			
Raw material			
Raw material in hand		7,227,390,669	2,636,900,101
Raw material in transit		876,519,142	482,909,630
Work in process		393,347,973	295,916,487
Finished goods	9.1	1,595,626,219	660,091,697
Waste		59,137,557	20,206,167
Packing material		33,778,651	30,558,040
		10,185,800,211	4,126,582,122
9.1 Finished goods amounting to Rs. 1,873,099 (June 30, 2021 : Rs 2,389,662) are stated at their net realizable value aggregating Rs. 1,192,122 (June 30, 2021 : Rs. 2,182,044). The amount charged to statement of profit or loss in respect of stocks written down to their net realizable value is Rs. 680,977 (June 30, 2021 : Rs. 207,618).			

	Note	2022 Rupees	2021 Rupees
<b>10 TRADE DEBTS</b>			
Considered good			
Secured	10.1	2,666,608,096	1,296,886,347
Unsecured	10.2	2,176,125,607	1,992,415,701
		4,842,733,703	3,289,302,048
Considered doubtful		9,365,311	2,000,000
		4,852,099,014	3,291,302,048
Provision for doubtful debts		(9,365,311)	(2,000,000)
		4,842,733,703	3,289,302,048
10.1 This represents trade debts arising on account of export sales which are secured by way of export letter of credit.			
10.2 It includes an amount Rs. nil (June 30, 2021 : Rs 19,511,789) receivable from Din Industries Limited.			

10.3 The maximum outstanding amount receivable from related parties at the end of any month during the year was Rs. 27.641 Million (June 30, 2021: Rs. 19.512 Million).

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

	Note	2022 Rupees	2021 Rupees
Not past due		-	11,007,181
Past due 0 - 30 days		-	8,504,608
Above 30 days		-	-
<b>Total</b>		<b>-</b>	<b>19,511,789</b>

**11 ADVANCES - Considered good**

**Unsecured**

Advance to employees against wages		5,509,388	7,376,405
Advance to employees against expenses		5,119,369	3,626,501
Advances to suppliers		207,342,389	129,262,146

**Secured**

Advance against letter of credit	11.1	3,702,351	2,404,978
		<b>221,673,497</b>	<b>142,670,030</b>

11.1 These advances are secured against Import letter of credit.

11.2 These advances are non-interest bearing.

	Note	2022 Rupees	2021 Rupees
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**12 TRADE DEPOSITS**

**Security deposits**

Ijarah Deposits	12.1	1,066,600	439,400
Others	12.2	172,000	172,000
		<b>1,238,600</b>	<b>611,400</b>

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

12.2 These deposits are non-interest bearing.

	Note	2022 Rupees	2021 Rupees
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**13 OTHER RECEIVABLES**

Export rebate	13.1	1,226,430	718,220
Cotton claims receivable	13.1	67,148,148	22,005,899
Others		343,595,749	51,276,333
		<b>411,970,327</b>	<b>74,000,452</b>

13.1 These are non-interest bearing receivable.

	Note	2022 Rupees	2021 Rupees
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**14 TAX REFUND DUE FROM THE GOVERNMENT**

**Income Tax**

Opening balance		144,678,643	363,446,890
Paid/ Adjusted during the year -Net		380,888,256	46,487,485
Less: Provision for the year		(435,624,008)	(265,255,732)

		89,942,891	144,678,643
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**Sales Tax**

		1,586,911,261	174,250,412
		<b>1,676,854,152</b>	<b>318,929,055</b>

**15 CASH AND BANK BALANCES**

**Cash with banks**

In current accounts		191,855,499	120,663,815
In dividend accounts	15.1	3,806,239	4,076,037
In savings account	15.2 & 15.3	43,379	40,307

		<b>195,705,117</b>	<b>124,780,159</b>
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15.1 It represents balance with associated company (MCB Bank Limited) of Rs. 919,581 (June 30, 2021 : Rs. 928,761).

15.2 It represents balance with associated company (MCB Bank Limited) of Rs. 25,569 (June 30, 2021 : Rs. 23,453).

15.3 It carries mark up at the rate of 5.88 to 11.50 (June 30, 2021 : 5.48 to 7.10) percent per annum. These balances are placed with banks under conventional banking arrangements.

	Note	2022 Rupees	2021 Rupees
<b>TRADE AND OTHER PAYABLES</b>			
Creditors	16.1	665,260,787	437,896,063
Murabaha	16.2	7,470,083,357	3,731,295,610
Accrued liabilities	16.3	632,321,566	571,507,950
Sales tax claim payable	16.4	14,759,965	14,759,965
Workers' profit participation fund	16.5	9,497,724	29,853,119
Workers' welfare fund		132,681,082	56,491,947
Withholding tax payable		1,676,607	5,304,934
Other payables	16.6	971,258	710,950
		<b>8,927,252,346</b>	<b>4,847,820,538</b>

**16.1** It includes an amount Rs. 49,538 (June 30, 2021 : Rs nil) payable to Din Industries Limited.

**16.2** These facilities are secured against first pari passu hypothecation and floating charge over Company's stocks, book debts and receivables. Mark up ranges from 7.85 to 16.64 (June 30, 2021: 7.45 to 8.94) percent per annum. These facilities are expiring on various dates from August 2022 to December 2022.

**16.3** The Company has filed appeal in the Lahore High Court, Lahore and honorable Lahore High Court granted stay order against tariff difference amounted to Rs 22,416,224 from July 2016 to May 2017 claimed by SNGPL. The decision of court is still pending.

**16.3** The Company has filed appeal in the Lahore High Court, Lahore and honorable Lahore High Court granted stay order cost of supply amounted to Rs 30,252,113 (2021: Rs 30,252,113) from October 2017 to October 2018 claimed by SNGPL. The decision of court is still pending.

**16.3** This include an amount of Rs. 169.68 million (2021: Rs. 207.92 million) payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. The case against GIDC was pending in various courts since 2012. In financial year, the government amended the GIDC law, requiring industrial consumers to pay half their outstanding dues while waiving the remainder through an ordinance, in order to settle the dispute. But the ordinance was withdrawn quickly amid a public outcry and a petition was filed in the apex court. The Supreme court of Pakistan, by declaring its judgement dated 13 August 2020 dismisses all appeals against GIDC and allows the government to recover the outstanding amount against GIDC till 31st July 2020 in two years but links future collections to the complete utilization of the cess on projects for which the levy was imposed. The apex court further stops the government to charge GIDC. Furthermore the liability is discounted in accordance with the guidance issued by Institute of Chartered Accountants of Pakistan(ICAP) during the year and the difference of present value and expected future outflow is adjusted from relevant expense.

**16.3** The Company has filed appeal in the Lahore High Court, Lahore and honorable Lahore High Court granted stay order against Cotton Cess amounted to Rs 58,112,421 (2021: Rs. 46,216,084). The decision of court is still pending. However, the Company has recorded a provision in the financial statements as Liability.

**16.4** The Company has filed appeal in High Court of Sindh, Karachi against the order of Custom / Excise and Sales Tax Appellate Tribunal, Karachi regarding penalty and additional tax. The decision of court is still pending. However, the Company has recorded a provision in the financial statements as Liability.

	Note	2022 Rupees	2021 Rupees
<b>16.5 Workers' profit participation fund</b>			
Opening balance		29,853,119	11,109,706
Interest on fund utilized in Company's business	16.5.1	199,136	824,298
		30,052,255	11,934,004
Paid during the year		(221,052,255)	(86,109,706)
		(191,000,000)	(74,175,702)
Allocation for the year		200,497,724	104,028,821
Closing balance		<b>9,497,724</b>	<b>29,853,119</b>

**16.5.1** Interest on Workers' profit participation fund has been provided at the rate of 10.20% (June 30, 2021 : 7.44 %) per annum.

**16.6** This amount represents Rs. 971,258 (June 30, 2021 Rs. 710,950) payable to related party- Din Leather (Private) Limited against reimbursement of expenses.

	Note	2022 Rupees	2021 Rupees
<b>17 ACCRUED MARK UP AND INTEREST</b>			
<b>Mark up / interest accrued on secured loans</b>			
Long term financing		74,376,187	71,530,509
Short term borrowings		320,845,700	85,115,376
		<b>395,221,887</b>	<b>156,645,885</b>
<b>18 SHORT TERM BORROWINGS - Secured</b>			
<i>Conventional</i>			
Running finance under markup arrangements	18.1	426,793,737	140,740,807
<i>Islamic</i>			
Short term finance under Running Musharakah	18.2	2,956,185,397	357,729,536
		<b>3,382,979,134</b>	<b>498,470,343</b>
<b>18.1</b>	These facilities are available from various commercial banks for meeting working capital requirements. These are secured against first pari passu charge, joint floating/hypothecation over present and future stocks, book debts, movables, receivables. These carry markup ranging from 7.95 % to 15.56 % (June 30, 2021: 8.33 % to 8.77 %) per annum. These facilities are expiring on various dates from August 2022 to December 2022.		
<b>18.2</b>	The Company has obtained short term running finance under running musharkah. These are secured against first pari passu charge and joint pari passu floating charge over movables, receivables, stocks and book debts of the Company. The rate of profit ranges from 7.95 % to 15.56 % (June 30, 2021: from 7.83 % to 9.52 %). These facilities are expiring on various dates from August 2022 to December 2022.		

	Note	2022 Rupees	2021 Rupees
<b>19 LONG TERM FINANCING - Secured</b>			
<b>From banking companies and financial institutions under markup arrangements</b>			
<i>Conventional</i>			
Bank Alfalah Limited	19.1	400,826,050	470,366,650
Allied Bank Ltd	19.2	471,316,782	527,012,250
<i>Islamic</i>			
Bank Alfalah Limited	19.3	781,334,610	879,103,750
Meezan Bank Ltd	19.4	1,328,325,879	1,466,359,140
Habib Metropolitan Bank Ltd	19.5	1,723,398,093	2,105,439,319
Faysal Bank Ltd	19.6	1,005,249,449	323,587,528
MCB Islamic Bank Ltd	19.7	470,865,158	442,119,731
BankIslami Pakistan Limited	19.8	223,730,496	188,878,270
Deferred Income - Government Grant	19.9 & 19.10	643,231,944	701,145,670
		7,048,278,461	7,104,012,308
Less: Current portion		(1,327,234,448)	(1,100,956,126)
		<b>5,721,044,013</b>	<b>6,003,056,182</b>
<b>19.1</b>	These loans carry mark-up at the rate of 2.50% (2021: 2.50%) obtained in different tranches and are repayable in 20 semi-annual instalments. These loans are secured against exclusive hypothecation charge of Rs.952.346 million (2021: 952.346 million) over specific plant and machinery with 25 percent margin.		
<b>19.2</b>	These loans carry mark-up at the rate of 2.50% (2021: 2.50%) obtained in different tranches and are repayable in 32 quarterly instalments. These loans are secured against exclusive hypothecation charge of Rs.792.802 million (2021: 792.802 million) over specific plant and machinery with 25 percent margin.		
<b>19.3</b>	These loans carry mark-up ranging from 3.00% to 11.68% (2021: 3.00% to 8.53%) obtained in different tranches and are repayable in semi-annual instalments ranging from 8 to 18. These loans are secured against exclusive hypothecation charge of Rs.2,656.642 million (2021: Rs.1,704.297 million) over specific plant and machinery with 20 percent margin.		
<b>19.4</b>	These loans carry mark-up ranging from 3.00% to 12.58% (2021: 3.00% to 8.53%) obtained in different tranches and are repayable in semi-annual and quarterly instalments ranging from 8 to 32. These loans are secured against exclusive hypothecation charge of Rs.2,247.834 million (2021: Rs.2,232.295 million) over specific plant and machinery with 20 percent margin.		
<b>19.5</b>	These loans carry mark-up ranging from 0.75% to 13.62% (2021: 0.75% to 8.59%) obtained in different tranches and are repayable in quarterly instalments ranging from 08 to 32. These loans are secured against exclusive hypothecation charge of Rs.3,406.613 million (2021: Rs.2,966.447 million) over specific plant and machinery with 10 percent margin.		

- 19.6 These loans carry mark-up ranging from 2.75% to 3.75% (2021: 2.75% to 3.75%) obtained in different tranches and are repayable in 32 quarterly instalments. These loans are secured against exclusive hypothecation charge of Rs. 2,779 million (2021: Rs.425 million) over specific plant and machinery with 25 percent margin.
- 19.7 These loans carry mark-up ranging from 2.50% to 3.50% (2021: 2.50% to 3.50%) obtained in different tranches and are repayable in 32 quarterly instalments. These loans are secured against exclusive hypothecation charge of Rs. 611.261 million (2021: Rs.592.501 million) over specific plant and machinery with 5 percent margin.
- 19.8 These loans carry mark-up of 2.25% (2021: 2.25%) obtained in different tranches and are repayable in 32 quarterly instalments. These loans are secured against exclusive hypothecation charge of Rs. 306.925 million (2021: 306.925 million) over specific plant and machinery with nil margin.
- 19.9 Included in the above, the Company had also obtained long term loans of Rs. 387.652 million for financing its salaries and wages under SBP Refinance Scheme for payment of wages and salaries, as fresh long term limit, which is secured against Hypothecation charge over specific machinery. The rate of markup on these loans ranges from 0.75% to 1.25% per annum. These loans are for two and half years and are repayable in eight equal quarterly instalments of Rs.48.456 million commencing from 31 March 2021. The facility available under the above arrangement amounted to Rs. 393 million of which the balance amount as at 30 June 2022 was Rs. 96.913 million (2021: Rs. 387.652 million).

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

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

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

	Note	2022 Rupees	2021 Rupees
<b>19.10 Movement of Deferred Income - Government Grant</b>			
Opening balance		701,145,670	13,442,716
Grant recognized during the year		58,932,480	764,671,590
Grant amortized during the year		(116,846,206)	(76,968,636)
Closing balance		643,231,944	701,145,670
Transferred to current portion		(127,627,634)	(120,418,654)
Non-current portion of government grant		515,604,310	580,727,016
<b>20 STAFF RETIREMENT BENEFITS - GRATUITY</b>			
<b>20.1 Movement in the net liability recognized in the Statement of Financial Position</b>			
Opening net liability		165,428,800	139,872,106
Expense for the year	20.2	95,856,869	77,520,890
Remeasurements recognised		7,000,052	(4,662,369)
		268,285,721	212,730,627
Benefits paid during the year		(36,572,830)	(47,301,827)
Closing net liability		231,712,891	165,428,800
<b>20.2 Expense recognised in the Statement of Profit or Loss</b>			
Current service cost		81,142,630	67,642,089
Interest cost		14,714,239	9,878,801
		95,856,869	77,520,890
<b>20.3 Total measurements chargeable in Other comprehensive income</b>			
Actuarial losses from changes in demographic assumptions		-	-
Actuarial losses from changes in financial assumptions		4,432,384	85,629
Experience adjustment		2,567,668	(4,747,998)
		7,000,052	(4,662,369)
<b>20.4 Movement in the present value of defined benefit obligation</b>			
Present value of defined benefit obligation		165,428,800	139,872,106
Current service cost		81,142,630	67,642,089
Interest cost		14,714,239	9,878,801
Actuarial gain		7,000,052	(4,662,369)
Benefits paid		(36,572,830)	(47,301,827)
		231,712,891	165,428,800

## 20.5 Historical information

	2022	2021	2020	2019	2018
Present value of defined benefit obligation	231,712,891	165,428,800	139,872,106	116,765,377	100,815,513
Experience adjustments on plan liabilities	7,000,052	(4,662,369)	(4,653,375)	262,483	2,632,043

## 20.6 General description

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

	2022	2021
<b>20.7 Principal actuarial assumption</b>		
Following are a few important actuarial assumption used in the valuation;		
<i>Financial assumptions</i>		
Discount rate used to Charge Interest Cost in Statement of Profit or Loss	10.00%	8.50%
Discount rate used for year end obligation	13.25%	10.00%
Expected rate of increase in future salary	12.25%	8.00%
<i>Demographic assumptions</i>		
Mortality rates	SLIC 2001 - 2005	SLIC 2001 - 2005
Withdrawal rates	Age based	Age based
Retirement assumption	Age 60 years	Age 60 years

## 20.8 Sensitivity analysis of actuarial assumption

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

	Increase in assumption	Decrease in assumption
Discount rate	(4,116,181)	4,308,012
Expected rate of increase in future salaries	4,308,012	(4,188,505)

## 20.9 Expected gratuity expense for the year ending June 30, 2023 works out to Rs. 125,247,411.

	Number of years
20.10 Weighted average duration of the defined benefit obligation	2 years
	2 years
	2022 Rupees
	2021 Rupees

## 21 DEFERRED TAXATION

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

### Taxable temporary differences (deferred tax liabilities)

Accelerated tax depreciation allowance	140,042,651	389,946,394
--	-------------	-------------

### Deductible temporary differences (deferred tax assets)

Staff retirement benefits - gratuity	(15,888,314)	(34,641,376)
Provision for doubtful debts	(1,645,655)	-
Unused tax credits - unabsorbed depreciation	(207,502,121)	(209,172,322)
	(84,993,439)	146,132,696

21.1 Deferred tax asset amounting Rs. 84,993,439 is not recognised in financial statements due to uncertainty of future taxable profits.

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

## 22 CONTINGENCIES AND COMMITMENTS

22.1 The Company has issued post dated cheques amounting to Rs. 229.857 million (June 30, 2021 : Rs. 122.406 million) in favor of Collector of Customs in lieu of custom levies against various statutory notifications. The indemnity bonds furnished by the Company are likely to be released after the fulfillment of term of related SROs.

	2022 Rupees	2021 Rupees
<b>22.2 Contingencies</b>		
Bank guarantees issued in the ordinary course of business	919,524,364	484,284,871
<b>22.3 Commitments</b>		
Letters of credit for capital expenditure	2,532,405,420	937,384,961
Letters of credit for raw material	3,427,300,173	2,762,077,050
Letters of credit for stores and spares	131,314,790	27,388,436

## 23 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022 Number of shares	2021 Number of shares		2022 Rupees	2021 Rupees
36,798,155	36,798,155	Ordinary shares of Rs. 10 each allotted for consideration paid in cash	367,981,550	367,981,550
1,962,334	1,962,334	Ordinary shares of Rs. 10 each allotted for consideration of amalgamation of power plant	19,623,340	19,623,340
13,706,260	13,706,260	Ordinary shares of Rs. 10 each allotted as fully paid bonus shares	137,062,600	137,062,600
52,466,749	52,466,749		524,667,490	524,667,490

23.1 Associated Company, Din Corporation (Pvt.) Limited, held 6,469,187 (June 30, 2021 : 6,469,187) ordinary shares of the Company.

23.2 Associated Company, Din Industries Management (Pvt.) Limited, held 5,679,742 (June 30, 2021 : 5,679,742) ordinary shares of the Company.

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

## 24 RESERVES

	2022 Rupees	2021 Rupees
<b>Capital</b>		
Share premium	746,193,760	746,193,760
<b>Revenue</b>		
General	400,000,000	400,000,000
Unappropriated profit	6,442,402,325	3,005,626,063
	7,588,596,085	4,151,819,823

## 25 SALES - NET

Export				
Yarn	25.1	5,758,931,039	3,078,730,365	
Fabric	25.1	1,544,444,656	48,791,927	
Waste and others	25.1	42,702,209	96,019,960	
Rate and duty draw back		1,489,078	600,525	
Total Export Sales		7,347,566,982	3,224,142,777	
Local				
Yarn	25.2	18,626,671,035	12,559,526,084	
Fabric	25.2	4,138,034,781	1,399,130,835	
Raw Material		755,959,148	145,078,440	
Waste and others		777,644,926	471,239,922	
Total local sales		24,298,309,890	14,574,975,281	
		31,645,876,872	17,799,118,058	
Sales Tax		3,833,656,900	2,299,875,020	
		35,479,533,772	20,098,993,078	
Commission and claims		(293,167,847)	(157,683,446)	
Sales Tax		(3,833,656,900)	(2,299,875,020)	
		31,352,709,025	17,641,434,612	

25.1 This includes net exchange Gain / (Loss) amounting to Rs. 433,754,741 (June 30, 2021 : Rs. (14,894,179)).

25.2 This includes sales made to direct exporters against standard purchase order (SPO)



	Note	2022 Rupees	2021 Rupees
<b>26 COST OF SALES</b>			
Cost of goods manufactured	26.1	26,356,818,792	14,375,749,533
<b>Finished goods</b>			
Opening stock		680,297,864	833,035,777
Closing stock		(1,654,763,776)	(680,297,864)
		<u>25,382,352,880</u>	<u>14,528,487,446</u>
<b>26.1 Cost of goods manufactured</b>			
Raw material consumed	26.1.1	20,649,575,032	10,726,469,220
Cost of raw material sold		614,925,759	141,553,290
Packing material consumed		273,016,121	200,772,043
Stores and spares consumed		331,825,675	326,255,432
Salaries, wages and other benefits	26.1.2	1,396,571,902	1,094,664,844
Fuel and power		2,086,300,916	1,278,279,916
Insurance		48,511,573	24,114,502
Repairs and maintenance		46,232,369	36,574,780
Depreciation	5.1.1	926,450,160	655,104,862
Ijarah rentals	35	1,891,076	682,599
Vehicle running and maintenance		19,737,449	4,979,039
Fee and subscriptions		6,427,297	6,846,525
Books and periodicals		8,745	8,970
Postage and telephone		1,843,246	1,101,967
Travelling and conveyance		9,792,089	4,450,593
Legal and professional		3,295,695	3,875,540
Rent, rates and taxes		14,295,489	11,770,986
Other overheads		23,549,685	21,538,353
		<u>26,454,250,278</u>	<u>14,539,043,461</u>
<b>Work in process</b>			
Opening stock		295,916,487	132,622,559
Closing stock		(393,347,973)	(295,916,487)
		<u>(97,431,486)</u>	<u>(163,293,928)</u>
		<u>26,356,818,792</u>	<u>14,375,749,533</u>
<b>26.1.1 Raw material consumed</b>			
Opening stock		2,636,900,101	1,801,904,694
Purchases		25,460,538,877	11,417,265,675
		<u>28,097,438,978</u>	<u>13,219,170,369</u>
Closing stock		(7,227,390,669)	(2,636,900,101)
Dyeing charges		20,870,048,309	10,582,270,268
Cost of raw material sold		394,452,482	285,752,242
		<u>(614,925,759)</u>	<u>(141,553,290)</u>
		<u>20,649,575,032</u>	<u>10,726,469,220</u>
26.1.2 Salaries, wages & other benefits includes Rs. 83,133,755 (June 30, 2021 : Rs. 67,491,047) in respect of staff retirement benefits.			
		2022 Rupees	2021 Rupees
<b>27 DISTRIBUTION COST</b>			
Ocean freight		201,293,715	52,640,974
Air freight		709,255	314,732
Local freight		57,806,468	32,408,500
Clearing and forwarding		14,635,996	8,969,643
Export development surcharge		14,688,243	5,597,114
Others		17,369,437	6,991,759
		<u>306,503,114</u>	<u>106,922,722</u>

	Note	2022 Rupees	2021 Rupees
<b>28 ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration	34	38,949,992	38,929,992
Staff salaries and other benefits	28.1	220,679,628	185,986,227
Travelling and conveyance		7,429,777	1,997,000
Vehicle running and maintenance		11,280,073	5,955,745
Rent, rates and taxes		230,829	76,000
Electricity, gas and water		7,761,851	5,892,529
Printing and stationery		4,006,411	2,787,209
Fees, subscription and periodicals		20,425,440	8,523,457
Legal and professional		3,416,280	3,138,000
Repairs and maintenance		14,361,371	13,164,589
Postage and telephone		7,760,757	4,795,949
Entertainment		7,096,699	4,100,919
Advertisement		398,300	67,100
Depreciation	5.1.1	8,147,600	6,590,945
Amortization on Intangibles	6	229,355	-
Ijarah rentals	35	4,002,522	1,211,717
Others		8,349,325	11,252,466
		<b>364,526,210</b>	<b>294,469,844</b>

28.1 Staff salaries and other benefits includes Rs. 12,723,114 (June 30, 2021 : Rs. 10,029,843) in respect of staff retirement benefits.

	Note	2022 Rupees	2021 Rupees
<b>29 OTHER OPERATING EXPENSES</b>			
Workers' profit participation fund	16.5	200,497,724	104,028,821
Workers' welfare fund		76,189,135	39,530,952
Loss on sale of property, plant and equipment	5.4	-	5,411,656
Donation	29.1	1,510,000	500,000
Provision for doubtful debts		24,000,000	-
Auditors' remuneration	29.2	1,411,000	1,411,000
Loss on translation of foreign currency account		-	160,437
		<b>303,607,859</b>	<b>151,042,866</b>

29.1 The Donation of Rs. 150,000 (2021: Rs. Nil) is given to Greenwich university Karachi.

29.1 The Donation of Rs. 1,000,000 (2021: Rs. 500,000) is paid to Zubaida Machiyara Trust.

29.1 The Donation of Rs. 250,000 (2021: nil) is paid for COVID-19 victims through All Pakistan Textile Mills Association.

29.1 None of the directors or their spouses had any interest in donation fund.

	Note	2022 Rupees	2021 Rupees
<b>29.2 Auditors' remuneration</b>			
Audit fee		1,211,000	1,211,000
Half yearly review fee		100,000	100,000
Tax services		100,000	100,000
		<b>1,411,000</b>	<b>1,411,000</b>
<b>30 FINANCE COST</b>			
Mark up / interest on			
Long term financing		392,958,042	290,227,492
Short term borrowings		887,434,959	358,200,309
Workers' profit participation fund	16.5	199,136	824,298
Unwinding of GIDC liability		7,353,748	-
Bank charges and commission		100,978,293	51,476,257
		<b>1,388,924,178</b>	<b>700,728,356</b>
<b>31 OTHER INCOME</b>			
<i>From financial assets</i>			
Profit on savings account		13,009	7,311
Gain on translation of foreign currency account		3,413,371	-
Gain on sale of equity instruments		-	257,322
Government Grant		116,846,206	76,968,636
<i>From other than financial assets</i>			
Gain on disposal of property, plant and equipment	5.4	6,200,256	-
		<b>126,472,842</b>	<b>77,233,269</b>

	2022 Rupees	2021 Rupees
<b>32 TAXATION</b>		
<b>Provision /reversal for taxation</b>		
<b>Current Taxation:</b>		
Current	441,440,382	346,057,310
Prior	(5,816,374)	(80,801,578)
<b>Deferred taxation</b>		
Current year	(145,652,710)	108,839,929
	<b>289,971,298</b>	<b>374,095,661</b>

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

**32.2 Relationship between income tax expense and accounting profit**

Profit before taxation	3,733,267,626	1,937,016,647
Tax at the applicable rate of 29%	1,082,647,612	561,734,828
Prior year tax effect	(5,816,374)	(80,801,578)
Adjustment of carry forward turnover tax	(123,383,515)	-
Tax credit effect	(67,691,213)	-
Super tax	153,390,394	-
Deferred tax	(145,652,710)	108,839,929
Effect of income tax at lower rate	(603,522,896)	(215,677,518)
	<b>289,971,298</b>	<b>374,095,661</b>

	2022	2021
<b>33 EARNINGS PER SHARE</b>		
<b>Basic earning per share</b>		
Profit for the year	Rupees 3,443,296,328	1,562,920,986
Weighted average number of ordinary shares outstanding during the year	Numbers 52,466,749	52,466,749
Earning per share - basic and diluted	Rupees 65.63	29.79

33.1 There were no convertible dilutive potential ordinary shares in issue as at June 30, 2022 and June 30, 2021.

**34 REMUNERATION TO DIRECTORS AND EXECUTIVES**

	2022			2021		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees			Rupees		
Managerial remuneration	13,200,000	21,999,996	122,087,412	13,200,000	21,999,996	117,568,447
Medical allowance	1,320,000	2,199,996	12,208,741	1,320,000	2,199,996	11,191,523
Bonus	-	-	12,075,225	-	-	3,974,274
Gratuity	-	-	10,424,584	-	-	5,978,946
Director Meeting Fee	-	230,000	-	-	210,000	-
	<b>14,520,000</b>	<b>24,429,992</b>	<b>156,795,962</b>	<b>14,520,000</b>	<b>24,409,992</b>	<b>138,713,190</b>
Number of persons	<b>1</b>	<b>2</b>	<b>34</b>	<b>1</b>	<b>2</b>	<b>34</b>

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

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

34.3 Meeting fee of Rupees 230,000 (2021: Rupees 210,000) was paid to the non-executive directors for attending meetings.

	2022 Rupees	2021 Rupees
<b>35 IJARAH</b>		
<b>Total future ijarah payment</b>		
Upto one year	28,523,083	6,064,626
Later than one year but not later than five years	45,031,451	4,713,840
	<b>73,554,534</b>	<b>10,778,466</b>

35.1 The total ijarah rentals due under the ijarah agreements aggregate Rs. 73.555 million (June 30, 2021 : Rs. 10.778 million) and are payable in equal monthly installments under various ijarah agreements, latest by 2028. If any ijarah is terminated, the Mustajir (lessee) is required to pay the purchase price specified in the ijarah agreements. The cost of repairs and insurance are borne by the Mustajir (lessee). The ijarah is partially secured by a deposit of Rs. 7.454 million (June 30, 2021 : Rs. 1.61 million) and demand promissory note. The company intend to exercise the option of purchasing the assets under the ijarah at residual value upon Completion of ijarah term. The number of maximum / minimum monthly ijarah rentals payable are 36 and 9 respectively.

### 36 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

- 36.1 Credit risk
- 36.2 Liquidity risk
- 36.3 Market risk

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

#### 36.1 Credit risk

##### 36.1.1 Exposure to credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, trade deposits, other receivables and cash and bank balances. Out of total financial assets of Rs. 5,482.53 million (June 30, 2021 : Rs. 3,507.51 million), financial assets which are subject to credit risk aggregate to Rs. 5,286.83 million (June 30, 2021 : Rs. 3,382.73 million). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows.

	2022 Rupees	2021 Rupees
Long term deposits	22,746,751	17,530,051
Trade debts	4,852,099,014	3,291,302,048
Trade Deposits	1,238,600	611,400
Other receivables	410,743,897	73,282,232
Cash and bank balances	195,705,117	124,780,159
	5,482,533,379	3,507,505,890

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

	2022 Rupees	2021 Rupees
Domestic	2,185,490,918	1,994,415,701
Export	2,666,608,096	1,296,886,347
	4,852,099,014	3,291,302,048

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

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

	2022 Rupees	2021 Rupees
Yarn	4,493,253,814	2,786,895,176
Fabric	250,803,707	360,942,585
Services	67,093,246	116,275,202
Waste	40,948,246	27,189,085
	4,852,099,014	3,291,302,048

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

	Gross debtors	
	2022	2021
	Rupees	
Not past due	3,758,832,337	2,065,979,885
Past due 0 - 30 days	796,329,903	707,489,541
Past due 31 - 90 days	244,983,297	459,454,439
Past due 90 days - 1 year	51,953,476	58,378,183
More than one year	-	-
	4,852,099,014	3,291,302,048

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

	Rating agency	Ratings		2022	2021
		Short term	Long term	Rupees	Rupees
Allied Bank Ltd.	PACRA	A1+	AAA	107,743,793	85,179,860
Bank Al-Habib Ltd.	PACRA	A1+	AAA	575,500	224,314
BankIslami Pakistan Ltd	PACRA	A1	A+	797,590	14,000,924
Dubai Islamic Bank Pakistan Ltd.	VIS	A1+	AA	7,511,716	230,198
Habib Bank Ltd.	VIS	A1+	AAA	1,191	3,529
Habib Metropolitan Bank Ltd.	PACRA	A1+	AA+	55,643,344	21,773,316
MCB Bank Ltd.	PACRA	A1+	AAA	945,150	952,215
MCB Islamic Bank Ltd.	PACRA	A1	A	277,846	6,551
Meezan Bank Ltd.	VIS	A1+	AAA	22,079,699	2,254,258
National Bank of Pakistan	PACRA	A1+	AAA	128,534	128,534
Standard Chartered Bank (Pakistan) Ltd.	PACRA	A1+	AAA	752	26,460
				195,705,117	124,780,159

### 36.2 Liquidity risk

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

2022						
Carrying Amount	Contractual Cash flows	upto one year	one to two years	two to five years	More than five years	
Rupees						
Non - derivative Financial liabilities						
Long term financing	7,048,278,461	7,943,718,559	1,451,703,762	1,136,955,898	2,780,365,135	2,574,693,763
Trade and other payables	8,902,994,657	8,902,994,657	8,902,994,657	-	-	-
Accrued mark up and interest	395,221,887	395,221,887	395,221,887	-	-	-
Short term borrowings	3,382,979,134	3,506,457,872	3,506,457,872	-	-	-
	19,729,474,139	20,748,392,975	14,256,378,178	1,136,955,898	2,780,365,135	2,574,693,763
2021						
Carrying Amount	Contractual Cash flows	upto one year	one to two years	two to five years	More than five years	
Rupees						
Non - derivative Financial liabilities						
Long term financing	7,104,012,308	8,067,296,786	1,252,405,189	1,426,275,014	2,627,674,763	2,760,941,821
Trade and other payables	4,803,207,454	4,803,207,454	4,803,207,454	-	-	-
Accrued mark up and interest	156,645,885	156,645,885	156,645,885	-	-	-
Short term borrowings	498,470,343	539,843,381	539,843,381	-	-	-
	12,562,335,990	13,566,993,506	6,752,101,909	1,426,275,014	2,627,674,763	2,760,941,821

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

### 36.3 Market risk

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

#### 36.3.1 Currency risk

##### Exposure to currency risk

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

	US Dollar	Euro	Total in Foreign Currency	Rupees
Trade debts 2022	10,928,088	1,955,517	12,883,605	2,666,608,096
Cash with banks 2022	107,447	-	107,447	22,080,389
Trade debts 2021	8,035,599	152,399	8,187,998	1,296,886,347
Cash with banks 2021	14,290	-	14,290	2,254,948

The following significant exchange rates applied during the year:

	Average Rates		Reporting Date Rates	
	2022	2021	2022	2021
US Dollar to Rupee	181.65	163.03	205.50	157.80
Euro to Rupee	201.68	188.92	215.23	188.12

##### Sensitivity analysis

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

	2022 Rupees	2021 Rupees
US Dollar	(112,286,104)	(63,400,876)
Euro	(21,044,296)	(1,433,465)

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

### 36.3.2 Interest rate risk

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

	2022 Rupees	2021 Rupees
<b>Fixed rate instruments</b>		
Financial Liabilities	6,320,465,961	4,857,416,846
<b>Variable rate instruments</b>		
Financial assets	43,379	40,307
Financial liabilities	11,580,874,992	6,476,361,414

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

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

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

A change of 100 basis points in interest rates at reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for June 30, 2021.

	Profit & Loss		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
	Rupees			
Cash flow sensitivity - variable rate instruments 2022	(115,808,750)	115,808,750	(115,808,750)	115,808,750
Cash flow sensitivity - variable rate instruments 2021	(64,763,614)	64,763,614	(64,763,614)	64,763,614

### 36.4 Fair value of financial assets and liabilities

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

	2022 Rupees	2021 Rupees
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### 36.5 Off Statement of Financial Position items

Bank guarantees issued in ordinary course of business	919,524,364	484,284,871
Letters of credit for capital expenditure	2,532,405,420	937,384,961
Letters of credit for raw material	3,427,300,173	2,762,077,050
Letters of credit for stores and spares	131,314,790	27,388,436

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

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

	Short term borrowings for cash management purpose	Other short term borrowings including related accrued markup	Long term borrowings including related accrued markup	Total
Balance as at July 01, 2021	511,840,938	3,803,040,390	7,175,542,817	11,490,424,146
Changes from financing cash flows				
Repayment of loan	-	-	(980,954,764)	(980,954,764)
Proceeds from long term loan	-	-	925,220,917	925,220,917
Receipt / (repayment)-net	2,884,508,791	3,738,787,747	-	6,623,296,538
Total changes from financing activities	2,884,508,791	3,738,787,747	(55,733,847)	6,567,562,692
Other changes-interest cost				
Interest expense	215,786,704	671,648,254	392,958,042	1,280,393,001
Interest Paid	(133,764,756)	(517,939,878)	(390,112,364)	(1,041,816,998)
Total loan related other changes	82,021,948	153,708,376	2,845,678	238,576,003
Balance as at June 30, 2022	3,478,371,677	7,695,536,514	7,122,654,649	18,296,562,840

### 37 OPERATING SEGMENTS

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

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

#### a) Spinning:

This segment relates to the production and sale of yarn.

#### b) Weaving:

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

#### c) Other Operating Segments:

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

### 37.1 SEGMENT INFORMATION

	Spinning		Weaving		Other Segments		Elimination of Intersegment transaction		Total Company	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
"All figures in thousand Rupees"										
Sales										
External Sales	24,990,963	16,025,399	5,788,700	1,161,965	573,046	454,071	-	-	31,352,709	17,641,435
Intersegment	833,331	833,331	-	-	2,526,865	1,917,346	(3,360,196)	(2,750,677)	-	-
Net Turnover	25,824,294	16,858,730	5,788,700	1,161,965	3,099,911	2,371,417	(3,360,196)	(2,750,677)	31,352,709	17,641,435
Cost of Sales	(20,676,859)	(14,231,572)	(5,002,211)	(991,501)	(3,063,479)	(2,056,091)	3,360,196	2,750,677	(25,382,353)	(14,528,487)
Gross Profit	5,147,435	2,627,158	786,489	170,464	36,432	315,326	-	-	5,970,356	3,112,948
Distribution cost	(252,384)	(104,186)	(53,636)	(1,755)	(483)	(982)	-	-	(306,503)	(106,923)
Administrative expenses	(212,832)	(194,858)	(49,365)	(19,861)	(102,329)	(79,751)	-	-	(364,526)	(294,470)
	(465,216)	(299,044)	(103,001)	(21,616)	(102,812)	(80,733)	-	-	(671,029)	(401,393)
Profit / (loss) before taxation & unallocated expenses	4,682,219	2,328,114	683,488	148,848	(66,380)	(234,593)	-	-	5,299,327	2,711,555
Other operating expenses									(303,609)	(151,043)
Finance cost									(1,388,924)	(700,728)
Other income									126,473	77,233
Taxation									(289,971)	(374,096)
Profit / (loss) after taxation									3,443,296	1,562,921
Depreciation on operating fixed assets	502,909	447,660	294,855	110,664	136,834	103,392	-	-	934,598	661,696



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

	Spinning		Weaving		Other Segments		Total Company	
	2022	2021	2022	2021	2022	2021	2022	2021
"All figures in thousand Rupees"								
Segment Assets	19,101,404	11,426,558	4,833,917	4,059,222	1,922,841	1,618,135	25,858,161	17,103,915
Unallocated Assets							2,252,534	503,679
Total Assets as per Statement of financial position							28,110,695	17,607,595
Segment Liabilities	12,363,017	7,517,196	2,573,578	2,978,674	1,059,368	1,013,163	15,995,963	11,509,123
Unallocated Liabilities							4,001,468	1,142,984
Total liabilities as per Statement of financial position							19,997,432	12,931,107

## 38 CAPITAL RISK MANAGEMENT

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

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

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

		2022	2021
Borrowings	Rupees	10,431,257,595	7,602,482,651
Total equity	Rupees	8,113,263,575	4,676,487,313
Total capital employed	Rupees	18,544,521,170	12,278,969,964
Gearing ratio	Percentage	56.25	61.91

## 39 PLANT CAPACITY AND PRODUCTION

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

		2022	2021
<b>Spinning</b>			
Total number of spindles installed		124,608	123,072
Total number of spindles worked		119,664	118,906
Number of shifts per day		3	3
Installed capacity converted into 20/1 count (Kgs.)		44,263,453	43,593,947
Actual production converted into 20/1 count (Kgs.)		40,151,159	40,083,743
<b>Weaving</b>			
Total number of looms installed		144	144
Total number of looms worked		144	144
Number of shifts per day		3	3
Installed capacity after conversion into 50 picks-Square meter		87,411,243	86,014,053
Actual production after conversion into 50 picks-Square meter		81,296,769	26,862,335

39.1 Actual production of yarn and fabric is lower than capacity due to the manufacturing of specialized Mélange yarn and periodic repair and maintenance.

## 40 MEASUREMENT OF FAIR VALUES

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

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

valuation techniques as follows:

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

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

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

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

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

#### 41 RELATED PARTIES

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

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

#### 41.2 TRANSACTIONS WITH RELATED PARTIES

		2022 Rupees	2021 Rupees
<b>Transactions with related parties</b>	<b>Relationship</b>		
MCB Bank Limited	Associated company		
Deposits		2,116	538
Withdrawals		9,180	1,080
Din Leather (Pvt.) Ltd.	Associated company		
Reimbursement of expenses		8,216,751	6,511,078
Purchase of fixed asset		1,558,060	8,721,034
Din Industries Ltd.	Associated company		
Sale of Fabric		7,206,892	22,810,862
Sale of PPE		9,993,162	-
Sale of Stores		37,245	-
Purchase of Yarn		76,000	-
Purchase of PPE		3,099,890	-
Purchase of Stores		1,704,107	-
Salaries and other short term employee benefits	Key management personnel	185,321,370	171,664,236
Staff retirement benefits	Key management personnel	10,424,584	5,978,946
<b>Balances Outstanding at the year end</b>	<b>Relationship</b>		
MCB Bank Limited	Associated company	945,150	952,214
Din Leather (Pvt.) Ltd.	Associated company	971,258	710,950
Din Industries Ltd.	Associated company	49,538	19,511,789

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including the Chief Executive Officer and Directors to be its key management personnel.

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

## 42 INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

42.1

Description	Note	2022		2021	
		Carried under		Carried under	
		Non-Shariah arrangements	Shariah arrangements	Non-Shariah arrangements	Shariah arrangements
Assets					
Loans and advances					
Advance to employees against wages	11	-	5,509,388	-	7,376,405
Advance to employees against expenses	11	-	5,119,369	-	3,626,501
Advances to supplier	11	-	207,342,389	-	129,262,146
Advance against letter of credit	11	-	3,702,351	-	2,404,978
Deposits					
Long term deposits	7	-	22,746,751	-	17,530,051
Trade deposits	12	-	1,238,600	-	611,400
Bank balances	15	43,379	195,661,738	40,307	124,739,852
Liabilities					
Loan and advances					
Long term financing	19	872,142,832	6,176,135,630	997,378,900	6,106,633,408
Short term borrowings - Secured	18	426,793,737	2,956,185,397	140,740,807	357,729,536
Murabaha	16.2	-	7,470,083,357	-	3,731,295,610
Contract liabilities		-	6,399,049	-	6,739,305
Payable to associated companies	16.6	-	971,258	-	710,950
Income					
Profit on savings account	31	13,009	-	7,311	

	Note	2022 Rupees	2021 Rupees
<b>42.2 Sources of other income</b>			
Profit on savings account	31	13,009	7,311
Gain on disposal of property, plant and equipment	31	6,200,256	-
<b>42.3 Exchange Gain / (loss)</b>			
Gain / (Loss) on realization of export proceeds	25.1	433,754,741	(14,894,179)
Gain / (Loss) on translation of foreign currency account	29 & 31	3,413,371	(160,437)

### 42.4 Relationship with banks

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

43 **NUMBER OF EMPLOYEES**

	2022	2021
Total number of employees as at year end	3,488	3,405
Average number of employees during the year	3,447	3,031
Total number of factory employees as at year end	3,349	3,281
Average number of factory employees during the year	3,315	2,926

44 **CORRESPONDING FIGURES**

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

45 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue on 30th September 2022 by the Board of Directors of the Company.

SHAIKH MUHAMMAD TANVEER  
Chief Executive

FARHAD SHAIKH MOHAMMAD  
Director

KASHIF JAVED  
Chief Financial Officer

﴿ خطرے کے انتظامات ﴾  
 ﴿ انسانی وسائل کے انتظامات ﴾  
 ﴿ تحقیق اور ترقی ﴾  
 ﴿ کاروبار کی توسیع ﴾

## آڈیٹرز

30 جون 2022 کو ختم ہونے والی مالی سال کے لئے کمپنی کا قانونی آڈٹ مکمل ہو چکا ہے اور آڈیٹر نے کمپنی کے مالی حسابات پر اپنی آڈٹ رپورٹ اور کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان جاری کیا ہے۔ محاسب میسرز نوید ظفر اشفاق جعفری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے اور انہوں نے بطور آڈیٹر رہنے کی خواہش ظاہر کی ہے۔ انہوں نے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس پاکستان (آئی سی اے پی) اور اسکی منظور کردہ انٹرنیشنل فیڈریشن آف انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (آئی ایف اے سی) کے ضابطہ اخلاق پر گائیڈ لائن کی تعمیل کے ذریعے توثیق شدہ تسلی بخش ریٹنگ حاصل کی ہے۔ بورڈ نے 30 جون 2023 کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹر ان کی دوبارہ تقرری کی تجویز دی ہے کہ کوڈ آف کارپوریٹ گورننس کے مطابق ذمہ دار پارٹنر کو دوبارہ موقع دیا جائے گا۔ بورڈ کی آڈٹ کمیٹی نے بھی ان کی دوبارہ تقرری کی تجویز دی جس کی بورڈ نے توثیق کی ہے۔

## حصص داری

30 جون 2022 کو نمونہ حصص داری مع کوڈ آف کارپوریٹ گورننس کے تحت درکار نکشافات منسلک ہیں۔ کمپنی کے حصص میں اس کے ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کے زوج اور نابالغ بچوں کی طرف سے کوئی تجارت نہیں کی گئی۔

## اظہار تشکر

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

## منجانب بورڈ آف ڈائریکٹرز

فرہاد شیخ محمد  
 ڈائریکٹر

شیخ محمد تنویر  
 چیف ایگزیکٹو

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

## آگاہی کورس

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

## اخلاقیات اور کاروباری طریقوں کا بیان

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

## کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان

30 جون 2022 کو ختم ہونے والے سال کے لئے متعلقہ مندرج قوانین میں پاکستان اسٹاک ایکسچینج کی طرف سے قائم کردہ کوڈ آف کارپوریٹ گورننس کی ضروریات پر عمل کیا گیا ہے۔ اس اثر کا ایک بیان رپورٹ کے ساتھ منسلک ہے۔

## ویب پر موجودگی

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

## بورڈ کی تشخیص

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

✧ بورڈ کی تشکیل اور معیار

✧ بورڈ کے افعال

✧ کمپنی کی مالی کارکردگی

✧ قانونی ذمہ داریاں

✧ کارپوریٹ گورننس

\* سال کے دوران ریٹائر ہونے والے ڈائریکٹرز

کمپنی کے بورڈ آف ڈائریکٹرز کمپنی کے ساتھ وابستگی کے دوران گرانقدر خدمات کے لیے ریٹائر ہونے والے ڈائریکٹرز جناب عبدالرزاق اور محترمہ رومیہ رافع کا تہہ دل سے شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی کمیٹیاں

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

جناب احتشام مقبول الہی چیئر پرسن

شیخ محمد پرویز رکن

جناب فیصل جاوید رکن

ہیومن ریسورس اینڈ ریمیزیشن کمیٹی

جناب علی فاروق چیئر پرسن

فیصل جاوید رکن

جناب فرہاد شیخ محمد رکن

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

کاروبار کی نوعیت میں تبدیلی

زیر جائزہ مالی سال کے دوران کمپنی کے کاروبار کی نوعیت سے متعلق کوئی اہم تبدیلیاں وقوع پذیر نہیں ہوئی۔

ڈیبٹ / قرضوں کی واپس ادائیگیاں

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

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

ڈائریکٹرز کا معاوضہ

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

چیف ایگزیکٹو اور دیگر ڈائریکٹرز کے ریمیزیشن پیکیج کا مالی گوشواروں کے نوٹ 34 میں انکشاف کیا گیا ہے۔

موزوں داخلی آڈٹ فنکشن

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



## بورڈ کی تشکیل

30 جون 2022 کو بورڈ آف ڈائریکٹرز مشتمل ہے:

ڈائریکٹرز کی کل تعداد

08 مرد ڈائریکٹرز

01 خاتون ڈائریکٹر

بورڈ کی تشکیل مندرجہ ذیل ہے:

03 آزاد ڈائریکٹرز

03 دیگر نان ایگزیکٹو ڈائریکٹرز

03 ایگزیکٹو ڈائریکٹرز

بورڈ آف ڈائریکٹرز کے اجلاس اور انتخاب

ڈائریکٹرز کے انتخاب کے لیے 12 مارچ 2022 کو غیر معمولی اجلاس منعقد ہوا۔ اس اجلاس میں مندرجہ ذیل ڈائریکٹرز دوبارہ منتخب

یا نئے منتخب اور ریٹائر ہو گئے ہیں۔

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے جولائی 2021 سے جون 2022 تک گیارہ اجلاس منعقد ہوئے۔

بورڈ کے ارکان کی حاضری مندرجہ ذیل ہے:

نام ڈائریکٹر	عہدہ	حاضری کی تعداد
شیخ محمد منیر	(نان ایگزیکٹو ڈائریکٹر)	10
شیخ محمد پرویز	(نان ایگزیکٹو ڈائریکٹر)	10
شیخ محمد تنویر	(ایگزیکٹو ڈائریکٹر)	10
شیخ محمد نوید	(ایگزیکٹو ڈائریکٹر)	11
جناب فیصل جاوید	(نان ایگزیکٹو ڈائریکٹر)	10
جناب فرہاد شیخ محمد	(ایگزیکٹو ڈائریکٹر)	11
جناب احتشام مقبول الہی	(آزاد نان ایگزیکٹو ڈائریکٹر)	3
علی فاروق	(آزاد نان ایگزیکٹو ڈائریکٹر)	1
محترمہ مہوش والیانی	(آزاد نان ایگزیکٹو ڈائریکٹر)	1
جناب عبدالرازق*	(آزاد نان ایگزیکٹو ڈائریکٹر)	3
محترمہ رومیہہ رافع*	(آزاد نان ایگزیکٹو ڈائریکٹر)	3

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

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

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

ڈائریکٹرز، بخوشی بیان کرتے ہیں کہ:-

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

- a- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر کمپینیز ایکٹ 2017 کے مطابق ظاہر کیا گیا ہے۔
- b- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- c- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- d- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
- e- داخلی کنٹرول کا اندرونی آڈٹ اور اس طرح کے دیگر طریقہ کار کے ذریعے مسلسل جائزہ لیا جا رہا ہے۔ جائزہ کا عمل جاری رہے گا اور کنٹرول میں کسی کمزوری کو ختم کیا جائے گا۔
- f- کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- g- فہرستی قوانین میں تفصیلی، کارپوریٹ گورننس کے بہترین عملوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- h- گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- i- ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں، اگر کوئی ہوں، جو بقایا ہوں، کا مالی حسابات میں واضح انکشاف کیا گیا ہے؛
- j- اہم فیصلوں اور مستقبل کے امکانات کی وضاحت چیئرمین کے جائزہ میں کی گئی ہے۔

### مادی تبدیلیاں

30 جون 2022 تک کوئی مادی تبدیلیاں وقوع پذیر نہیں ہوئی ہیں سوائے جن کا ذکر 30 جون 2022 مختتمہ سال کے لئے کمپنی کے نظر ثانی شدہ مالی گوشواروں میں کیا گیا ہے۔

تک رسائی سمیت کوئی مختصر یا طویل مدتی مالی رکاوٹیں نہیں ہیں۔

### مالی خطرہ

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

### کریڈٹ کا خطرہ

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

### لیکویڈیٹی کا خطرہ

متوقع لیکویڈیٹی رسک مینجمنٹ معاہدے سے متعلق وعدوں کی ضروریات کو پورا کرنے کے لئے کافی فنڈ کی دستیابی کو یقینی بناتی ہے۔ کمپنی کی فنڈ مینجمنٹ حکمت عملی کا مقصد داخلی نقد پیداوار اور مالیاتی اداروں کے ساتھ طے شدہ کریڈٹ لائنز کے ذریعے لیکویڈیٹی خطرہ کو کم سے کم کرنا ہے۔ زیادہ ورکنگ سرمائے کی ضروریات کو مد نظر رکھتے ہوئے، کمپنی کمپنی کے کریڈٹ کی حد بڑھانے کے لیے مالیاتی اداروں کے ساتھ مذاکرات اور بات چیت کر رہی ہے۔

### سود کی شرح کا خطرہ

اکثر شرح سود کا خطرہ بینکوں سے لئے گئے مختصر اور طویل مدتی قرضوں اور بینکوں میں ٹرم ڈیپازٹ اور پی ایل ایس سیونگ اکاؤنٹس میں ڈیپازٹس سے پیدا ہوتا ہے۔

### غیر ملکی زرمبادلہ کا خطرہ

غیر ملکی کرنسی کا خطرہ بنیادی طور پر وصولیوں اور ادائیگیوں کا غیر ملکی کرنسیوں میں لین دین کی وجہ سے پیدا ہوتا ہے۔ کمپنی بنیادی طور پر خام مال اور پلانٹ اور مشینری کی درآمد پر مختصر مدتی USD / PKR برابری پر قابو پاتی ہے۔ کمپنی ادائیگیوں کے وقت کا انتظام کر کے وصولیوں اور قابل ادائیگیوں کو ختم کر کے اس خطرے کو کم کرنے کی پالیسی پر عمل پیرا ہے۔

### پیداواری سہولیات

مالی سال کی پہلی تین سہ ماہیوں کے دوران پیداوار کی بے مثال سطح کے ساتھ ہماری پیداواری سہولیات کی کارکردگی شاندار رہی، تاہم چوتھی سہ ماہی میں، گیس اور بجلی کی سپلائی میں رکاوٹوں کی وجہ سے شٹ ڈاؤن، بندش اور پیداوار میں کمی نے پیداواری سہولیات کو نقصان پہنچایا۔ ہماری ٹیم توانائی کے متبادل ذرائع کو ترتیب دے کر پیداواری سہولیات کو بہترین سطح پر چلانے کی پوری کوشش کر رہی ہے۔ کمپنی منافع کے لیے زیادہ سے زیادہ صلاحیت کے استعمال پر اپنی توجہ جاری رکھنے اور ملک کے معروف ٹیکسٹائل مینوفیکچر کے طور پر اپنی پوزیشن کو برقرار رکھنے کے لیے پُر عزم ہے۔

### متعلقہ پارٹیاں

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

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

### کارپوریٹ گورننس

کمپنی کاروباری سالمیت کو یقینی بنانے اور تمام اسٹیک ہولڈرز کے اعتماد کو برقرار رکھنے کے لئے کارپوریٹ گورننس کے معیارات پر عمل کرتی ہے۔

## اکاؤنٹنگ نتائج کی اہم خصوصیات

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

30 جون ختمہ سال 2021 روپے '000'	30 جون ختمہ سال 2022 روپے '000'	
17,641,435	31,352,709	فروخت
(14,528,487)	(25,382,353)	قیمت فروخت
3,112,947	5,970,356	مجموعی منافع
(106,923)	(306,503)	تقسیم کے اخراجات
(294,470)	(364,526)	انتظامی اخراجات
(151,043)	(303,608)	دیگر آپریٹنگ اخراجات
(700,728)	(1,388,924)	مالی لاگت
(1,253,164)	(2,363,561)	
77,233	126,473	دیگر آپریٹنگ آمدنی
1,937,017	3,733,268	ٹیکس سے پہلے منافع

### منافع منقسمہ

خام مال کی قیمتوں میں بہت زیادہ اضافہ اور زیادہ افراط زر کے باعث پیداواری لاگت میں اضافہ کی وجہ سے اور تنوع اور توسیعی منصوبوں کے حصہ کے طور پر، کمپنی نے ایک مالی حکمت عملی پر عملدرآمد کیا ہے جس میں ورکنگ کیپٹل اور مستقبل کے توسیعی منصوبوں کی فنانس کے لئے داخلی پیدا ہونے والا نقدی بہاؤ استعمال کیا گیا ہے۔ ڈائریکٹرز نے 30 جون 2022 کو ختم ہونے والے سال کے لئے کوئی منافع تقسیم نہ کرنے کی تجویز دی ہے (Nil: 2021)۔

### مالی انتظامات

#### نقد رقم کے انتظامات

سال کے دوران ورکنگ کیپٹل تبدیلیوں کے اثرات سے قبل کمپنی کی آپریٹنگ سرگرمیوں سے 6,330.52 ملین روپے کی رقم پیدا کی گئی، اس کی بنیادی وجہ مثال کے طور پر خام مال، ایندھن اور بجلی اور تنخواہ اور اجرت ٹیکسٹائل سیکٹر کی براہ راست لاگت میں مسلسل اضافے کے باوجود مارکیٹ میں موجود پوٹینشل کا حصول اور لاگت پر قابو پانے کے مؤثر اقدامات ہیں۔ خام مال کی قیمت میں اضافے کی وجہ سے (8,298.90) ملین روپے تجارتی اسٹاک، تجارتی وصولیوں، اسٹورز، اسپئر پارٹس اور لوٹوز اور دیگر قابل وصولی میں اضافہ کر کے ورکنگ کیپٹل میں استعمال کیے گئے۔ سال 2022 کے اختتام پر لیکویڈ فنڈ پوزیشن (3,187.27) ملین روپے نقد اور نقد کے مساوی رقوم پر مشتمل ہے۔

کمپنی کے پاس مؤثر نقد رقم کے بہاؤ کا مینجمنٹ سسٹم ہے جس میں نقد رقم کی جہاں ضرورت ہو باقاعدہ بنیاد پر پیش اور سخت نگرانی کی جاتی ہے۔ ورکنگ کیپٹل کی ضروریات داخلی نقد پیداوار جہاں ضرورت ہو خارجی ذرائع سے مختصر مدتی قرضوں کی ضروریات پوری کرنے کی منصوبہ بندی کی جاتی ہے۔ ورکنگ کیپٹل میں بہت زیادہ اضافہ کی وجہ سے، کمپنی کو گزشتہ سالوں کے مقابلے بیرونی ذرائع سے کافی قرضے حاصل کرنا پڑے۔

مذکورہ بالا جیلنجنوں کے باوجود، بورڈ مطمئن ہے کہ 30 جون 2022 کو موجودہ تناسب 1.00:1.29 کے ساتھ کریڈٹ اور پائیدار مالی حیثیت کے بیان

## مجلس نطماء کی رپورٹ

### محترم حصص یافتگان

"مجلس نطماء 30 جون 2022ء کو ختم ہونے والے سال کے لئے کمپنی کے نظر ثانی شدہ مالی حسابات بمعہ سالانہ رپورٹ 2022 پیش کرتے ہوئے خوشی محسوس کر رہی ہے"

### جائزہ

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

### مالیاتی نتائج

30 جون ختمہ سال 2021 روپے '000'	30 جون ختمہ سال 2022 روپے '000'	
1,439,019	3,005,626	منافع و نقصان تصرفات
1,566,607	3,436,776	غیر تصرفاتی منافع جو آگے لائے
		سال کے لئے کل مجموعی آمدنی
3,005,626	6,442,402	غیر تصرفاتی منافع جو آگے جائے گا
29.76	65.63	آمدن فی شیئر - بنیادی اور معتدل

### چیسر مین کا جائزہ

کمپنی کے ڈائریکٹرز چیسر مین کے جائزہ جو کاروبار اور آپریشنز، مستقبل کا نقطہ نظر اور سٹریٹجی ترقی بشمول ورکنگ کیپٹل کو پورا کرنے کے لئے سرمایہ کاری کے منصوبوں کا احاطہ کرتا ہے، کے مندرجات کی تائید کرتے ہیں۔

### آپریشنل کارکردگی

30 جون ختمہ سال 2021 روپے '000'	30 جون ختمہ سال 2022 روپے '000'	اضافہ فیصد	
17,641,435	31,352,709	77.72	کل فروخت
14,574,975	24,298,310	66.71	مقامی فروخت
3,224,143	7,347,567	127.89	برآمد فروخت
(157,683)	(293,168)	85.92	کمیشن اور کلیم
3,112,947	5,970,356	91.79	مجموعی منافع

## بورڈ

دین ٹیکسٹائل کو باوقار بورڈ آف ڈائریکٹرز سے نوازا گیا ہے جو کہ کمپنی کی مستحکم قوت ہیں۔ بورڈ کمپنی کی سمت متعین، مستقبل کے منصوبوں کو ترتیب اور جذبہ کے ساتھ ان پر عمل کرتا ہے۔ جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن، 2019 کا تقاضہ ہے، کمپنی کے وژن اور مشن کے حصول میں انتظام کو آسان بنانے کے لیے بورڈ اور بورڈ کی کمیٹیوں کی کارکردگی کے جائزے کے لیے ڈھانچے اور معیارات قائم اور ان کا اطلاق کیا گیا ہے۔ نمو کے لیے اسٹریٹجک وژن کی روشنی میں اہداف طے کیے گئے ہیں اور بورڈ اہداف کے حصول کو بھرپور طریقے سے دیکھ اور اس کی پیروی کر رہا ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن، 2019 کے رہنما خطوط اور معیارات کے مطابق، بورڈ ایگزیکٹو، نان ایگزیکٹو، آزاد اور خواتین ڈائریکٹرز کے مرکب پر مشتمل ہے لہذا بورڈ مجموعی طور پر کمپنی کی مؤثر اور مؤثر طریقے سے قیادت کے لئے بنیادی اہلیتوں اور مطلوبہ علم اور مہارتوں کا مالک ہے۔

مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بورڈ کی کارکردگی بہترین کارپوریٹ طریقوں کے مطابق بورڈ کے مقرر کردہ معیارات کے مطابق تسلی بخش رہی۔ بورڈ کا اجلاس ماہانہ بنیادوں پر کارکردگی کے جائزوں کا جائزہ لینے اور اس جائزے کے نتیجے میں مناسب سمجھے جانے والے اقدامات کے لیے ہدایات ترتیب دینے کے لیے منعقد ہوا۔ سال کے دوران، بورڈ نے درج ذیل کاموں اور اقدامات کو انجام دے کر کمپنی کی ترقی کے حصول کے اہداف کو کامیابی سے حاصل کیا:

کاروباری منصوبوں، بیلنسڈ سکور کارڈ، کلیدی کارکردگی کے اشارے (KPI) اور آپریشنل بجٹ کے ساتھ کارپوریٹ حکمت عملی کا جائزہ لیا اور اس کی

توثیق کی۔

• تنظیم کے اندر جانشینی کے منصوبے کا قیام تاکہ اسے طویل مدتی مستقبل کے اہداف کے حصول کا راستہ مل سکے۔

• ہر کاروباری پونٹ کے نتائج کا الگ سے جائزہ لینا اور اس کے مطابق جواب دینا

• مؤثر اندرونی کنٹرول سسٹم کو یقینی بنانے کے لیے آڈٹ کمیٹی کی سرگرمیوں کو مضبوط بنانا اور اس کا جائزہ لینا

• انسانی وسائل اور معاوضے کی کمیٹی کے ذریعے اس بات کو یقینی بنانا کہ HR پالیسیاں، HR عملہ، معاوضہ اور فوائد مارکیٹ میں چلنے والے ہوں اور

بہترین کارپوریٹ طریقوں کے مطابق لوگوں کے اہداف کو تنظیم کے اہداف کے ساتھ درست طریقے سے ہم آہنگ کریں۔

• تنظیم کے ہر کام میں کارپوریٹ سماجی ذمہ داری کے ساتھ صحت کی حفاظت اور تعمیل کا کلچر تیار کرنا

• مالیاتی رپورٹنگ اور مالیاتی بیانات کی مناسبت اور شفافیت کو یقینی بنانے کے لیے انفارمیشن ٹیکنالوجی (IT) کے ڈیزائن اور بنیادی ڈھانچے میں بہتری

## اظہار تشکر

میں اپنے تمام اسٹیک ہولڈرز بشمول قرض دہندگان بینکوں، گاہکوں اور ہمارے وفاداروں، محنت کشوں اور بورڈ آف ڈائریکٹرز اور کمپنی کی انتظامیہ کمپنی کی کارکردگی کو بہتر بڑھانے اور بہتر بنانے میں ان کی غیر منظم حمایت کا شکریہ ادا کرتا ہوں، جو دین ٹیکسٹائل کو ٹیکسٹائل انڈسٹری کی مارکیٹ لیڈر بناتی ہے۔

بحیثیت چیئر مین بورڈ آف ڈائریکٹرز، بورڈ کی جانب سے، ہم سال بھر کے دوران مسلسل تعاون کے لیے صارفین، دکانداروں، ڈیلرز، سرمایہ کاروں،

کاروباری شراکت داروں اور مینکرنز کا شکریہ ادا کرتے ہیں۔ ہم ہر سطح پر ملازمین کے عزم اور تعاون کو سراہتے ہیں۔ مشکلات سے نمٹنے کے لیے ہماری لچک ان کی محنت، یکجہتی، تعاون اور حمایت سے ممکن ہوئی۔

منجانب بورڈ

ایس ایم منیر چیئر مین بورڈ آف ڈائریکٹرز

## چیئر مین کا جائزہ

بطور چیئر مین دین ٹیکسٹائل ملز لمیٹڈ کے 35 ویں سالانہ اجلاس عام میں آپ کو خوش آمدید کہتا ہوں اور، میں 30 جون 2022 کو ختم ہونے والے سال کے لئے سالانہ رپورٹ اور نظر ثانی شدہ مالی حسابات پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔ میں، کمپنی کے تمام اسٹیک ہولڈرز اور انتظامیہ کی کوششوں کو سراہتا ہوں اور سال کے دوران کمپنی کے غیر معمولی مالیاتی نتائج کے لئے تمام حصص داران اور اسٹیک ہولڈرز کو مبارکباد دیتا ہوں۔ بورڈ آف ڈائریکٹرز اُمید کرتے ہیں کہ کمپنی ٹیکسٹائل سیکٹر کے لئے نئی مشکلات پر قابو پانے اور آئندہ سالوں میں بہتر مستقبل کے لئے کوشاں رہے گی۔

### اقتصادی ماحول

COVID-19 کی پابندیوں کے ہٹنے کے بعد مارکیٹ کی بحالی کی بدولت عالمی مارکیٹ نے شاندار کاروبار اور نمو کا مظاہرہ کیا۔ حالات معمول کی طرف گامزن ہوئے جیسا کہ گزشتہ مالی سال سے ظاہر ہوا، جس کی وجہ سے سال کے آغاز میں کاروباری سرگرمیاں اچھی سطح پر رہیں۔ لیکن فروری 2022 کے دوران یوکرین پر روس کے حملے نے عالمی معیشت کو یکسر پلٹ دیا۔ عالمی معیشت یوکرین میں جنگ کی "بھاری قیمت" ادا کر رہی ہے جس میں کمزور نمو، مضبوط افراط زر اور سپلائی چین کو ممکنہ طور پر دیرپا نقصان شامل ہیں۔ عالمی نمو کی پیش گوئیاں 4.5 فیصد سے کم کر کے 3 فیصد کر دی گئی ہیں جبکہ افراط زر کے تخمینے توقع سے دوگنا ہو گئے ہیں۔

عالمی منڈی کے ساتھ متوازی پاکستان کی معیشت بھی رواں مالی سال کے آغاز سے ہی مجموعی نمو کی جانب گامزن تھی اور کاروبار اور سرمایہ کاروں کو زیادہ منافع دے رہی تھی۔ لیکن عالمی منڈی کے حالات کے ساتھ ساتھ پاکستان میں سیاسی عدم استحکام کی وجہ سے کیلنڈر سال 2022 کے آغاز سے ہی پاکستانی معیشت کئی گنا زیادہ شدت سے متاثر ہوئی۔ رواں مالی سال کی تیسری سہ ماہی کے آغاز کے دوران وزیراعظم پاکستان کے خلاف عدم اعتماد کی تحریک منظور کی گئی جس سے پاکستان کے مجموعی کاروبار اور معیشت پر شدید اثرات مرتب ہوئے۔ مہنگائی بالخصوص ایندھن اور بجلی کی قیمتوں میں اضافے کے نتیجے میں کاروباری نمو کو نقصان پہنچا اور عام آدمی کی جیب پر بھت بُرا اثر پڑا جس کے نتیجے میں طلب میں کمی اور مجموعی کاروباری سطح گر گئی۔

### ٹیکسٹائل کے مستقبل کا نقطہ نظر

پاکستان نے مالی سال 2021-2022 کے دوران 19.33 بلین ڈالر مالیت کی ٹیکسٹائل مصنوعات برآمد کی ہیں جو سالانہ بنیادوں پر ریکارڈ بلند ترین سطح پر ہیں۔ پاکستان بیورو آف شماریات کے جاری کردہ اعداد و شمار کے مطابق، پچھلے مالی سال کے 15.4 بلین ڈالر کے مقابلے میں 25.53 فیصد اضافہ ہوا ہے۔ لیکن، مالی سال کی تیسری اور چوتھی سہ ماہیوں کے دوران ٹیکسٹائل سیکٹر کو گیس اور بجلی کی فراہمی میں رکاوٹوں اور سیاسی عدم استحکام کی وجہ سے، مذکورہ بالا اعداد و شمار اس سے کہیں زیادہ ہونے چاہیے تھے جو حقیقت میں مشاہدہ کیے گئے، اگر یہ رکاوٹیں ٹیکسٹائل کی صنعت کو متاثر نہ کرتیں۔

مشکلات کے باوجود، آئندہ سال کے دوران مذکورہ عوامل کی وجہ سے ٹیکسٹائل مارکیٹ کی بحالی کی توقع ہے مثلاً؛ حکومت کی نافذ کردہ پاور پالیسی کی وجہ سے یورپی ممالک میں سردیوں کے موسم میں مانگ میں اضافہ، صارفین کے ملبوسات کی آسانی کے ساتھ آن لائن خریداری کے رجحانات میں اضافہ اور صارفین کی جانب سے گارمنٹس اور ملبوسات کی قیمتوں میں اضافے کو قبول کرنا جسے وہ فی الحال قبول کرنے کو تیار نہیں ہیں۔

### کاروباری کارکردگی

یہ سال پورے پاکستان میں ٹیکسٹائل سیکٹر کے لیے پریشان کن رہا۔ پچھلے سال کے برعکس اس سال کے دوران ٹیکسٹائل سپلنگ (بنائی، رنگائی اور سلائی) کے علاوہ دیگر شعبوں نے بھی بہتر کارکردگی ظاہر کی۔ سال کے دوران دین ٹیکسٹائل نے 31.353 بلین روپے (2021 میں 17.641 بلین روپے) کی 78% کے غیر معمولی اضافہ کے ساتھ ریکارڈ آمدنی حاصل کی۔ خام مال کی لاگت اور پیداواری لاگت میں اضافے کے باوجود مجموعی مارجن بھی پچھلے سال سے بہتر ہے۔ یہ بہتر گورنس اور DIN کی انتظامیہ کی سخت کوششوں کی وجہ سے ممکن ہوا ہے۔ مالیاتی اخراجات میں اضافہ، تاہم ایک سازگار عنصر نہیں تھا اور اس نے غیر متوقع طور پر لاگت کو بڑھا دیا۔



سی ڈی سی شیئر رجسٹرار سرور لمیٹڈ، سی ڈی سی ہاؤس، 99-بی، بلاک-بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-74000 ٹیلی فون ٹال  
فری: 0800-23275، ای میل: info@cdcsrsl.com، ویب سائٹ: www.cdcsrsl.com۔

۵۔ SRO 470(I)2016 مورخہ 31 مئی، 2016ء کے مطابق SECP نے کمپنیوں کو سالانہ نظر ثانی شدہ اکاؤنٹس اپنے ارکان کے رجسٹرڈ پتوں پر  
ہارڈ کاپیوں میں ترسیل کی بجائے سی ڈی/ڈی وی ڈی/یو ایس بی کے ذریعے ترسیل کرنے کی اجازت دی ہے۔ کمپنی نے 28 اکتوبر، 2017ء کو منعقدہ  
30 ویں سالانہ اجلاس عام میں حصص داران کی منظوری حاصل کر لی ہے۔ بمطابق، 30 جون، 2022ء کو ختم ہونے والے سال کیلئے دین ٹیکسٹائل ملز  
کی سالانہ رپورٹس سی ڈی کے ذریعے حصص داران کو ترسیل کی جا رہی ہیں۔ اگر کوئی حصص داران سالانہ نظر ثانی شدہ مالی گوشواروں کی ہارڈ کاپی بھی  
حاصل کرنا چاہتے ہوں، تو یہ درخواست کی وصولی کے ساتھ دنوں کے اندر بغیر لاگت فراہم کی جائیں گی۔

۶۔ حصص داران کی سہولت کیلئے ”معیاری درخواست فارم“ برائے سالانہ نظر ثانی شدہ مالی حسابات کمپنی کی ویب سائٹ پر دستیاب ہے۔

۷۔ ہم کمپنی کے شیئر ہولڈرز سے درخواست کرتے ہیں کہ ہوٹل تک رسائی حاصل کرنے کے لیے اپنا نادرا/آفیشل رجسٹریشن منظور شدہ امیونائزیشن  
ٹھٹھکیٹ اپنے ساتھ رکھیں۔ آپ کا امیونائزیشن ٹھٹھکیٹ QR کوڈ بھی قابل قبول ہوگا، جب تک کہ متعلقہ ہوٹل کے عملے کے ذریعے اسکیمن اور تصدیق  
کی جائے۔ حصص یافتگان کو مقامی حکومت کے ایس او پیز کے مطابق ہوٹل میں داخل ہونے کے وقت ویکسینیشن کا ثبوت دکھانا ہوگا۔

# دین ٹیکسٹائل ملز لمیٹڈ

## اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنی کا 35 واں سالانہ اجلاس عام بروز جمعہ 28 اکتوبر، 2022ء کو 12:00p.m بجے کورونہیٹ-1 اور 2، ریجنٹ پلازہ ہوٹل، مین شاہراہ فیصل، کراچی -75510، میں منعقد ہوگا۔

عام امور

۱۔ کمپنی کے سالانہ اجلاس عام منعقد 12 مارچ، 2022ء کی کارروائی کی توثیق۔

۲۔ سال تخمینہ 30 جون، 2022ء کی بابت کمپنی کے تنسیخ شدہ حسابات بہمراہ ان پرڈائریکٹران و آڈیٹران کی رپورٹ کی وصولی، غور و خوض اور ان کی قبولیت۔

۳۔ آڈیٹران کا تقرر اور ان کا مشاہرہ مقرر کرنا۔

۴۔ صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی۔

حسب الحکم بورڈ

محمد نوید یار خان

کمپنی سیکرٹری

کراچی

مورخہ 30 ستمبر، 2022ء

نوٹ:

۱۔ کمپنی کی شیئرز ٹرانسفر بکس 22 اکتوبر، 2022ء تا 28 اکتوبر، 2022ء (بشمول دونوں ایام) بند رہیں گی۔

۲۔ سالانہ اجلاس عام میں بولنے، شرکت اور ووٹ دینے کا اہل ممبر اپنی بجائے کسی دوسرے ممبر کو شرکت اور ووٹ دینے کے لئے اپنا پراکسی مقرر کر سکتا/سکتی ہے۔ پراکسی تا کہ موثر ہو سکے، کمپنی کو اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانی چاہیے۔

۳۔ ممبران جن کے شیئرز سینٹرل ڈیباڑٹری کمپنی آف پاکستان لمیٹڈ کے پاس داخل کرائے ہیں، اپنے زیر عمل کمپیوٹرائزڈ قومی شناختی کارڈ ہمراہ پارٹیسپنٹ ID نمبر اور سینٹرل ڈیباڑٹری کمپنی آف پاکستان لمیٹڈ میں اپنے اکاؤنٹ نمبر سالانہ اجلاس عام کے وقت شناخت کو آسان بنانے کیلئے ساتھ لائیں۔ پراکسی کی صورت میں پراکسی کے شناختی کارڈ، اکاؤنٹ اور پارٹیسپنٹ ID نمبر کی تصدیق شدہ نقل منسلک کی جائے۔ کارپوریٹ انٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز، قرارداد/مختار نامہ بمعہ نامزد کے نمونہ دستخط اجلاس کے وقت پیش کیے جائیں گے۔ (تا وقتیکہ یہ پہلے مہیانہ کئے گئے ہوں)








۴۔ کمپنیز ایکٹ 2017 کی دفعہ 119 اوپنیز (جنرل پروویژنز اینڈ فارمز) ریگولیشنز، 2018 کے ریگولیشن 19 کے مطابق تمام فزیکل شیئرز ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنی لازمی معلومات جیسے کہ CNIC نمبر، پتہ، ای میل ایڈریس، رابطہ موبائل/ٹیلی فون نمبر، بین الاقوامی بینک اکاؤنٹ نمبر (IBAN) وغیرہ ہمارے شیئرز رجسٹر اکوان کے درج ذیل پتے پر فوری طور پر فراہم کریں تاکہ قانون کی عدم تعمیل یا مستقبل میں کسی بھی قسم کی تکلیف سے بچا جاسکے۔










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## جہاں رہیے، آگاہ رہیے

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

مفت آن لائن ٹولز:

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

کھیل ہی کھیل  
میں سیکھیں  
سرمایہ کاری کا ہنر



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

# DIN TEXTILE MILLS LIMITED

## PROXY FORM

Folio No. \_\_\_\_\_ CDC Participant ID No. \_\_\_\_\_ Account No. \_\_\_\_\_

I / We \_\_\_\_\_

of \_\_\_\_\_ being

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

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

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

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

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

is also a member of **DIN TEXTILE MILLS LIMITED**, as my proxy vote for me on my / our behalf at the Thirty Fifth Annual General Meeting of the Company to be held on October 28, 2022 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Witnesses:

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

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

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

CNIC NO: \_\_\_\_\_

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

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

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

CNIC No: \_\_\_\_\_

Revenue Stamp of  
Rs. 5.00/-

To be signed by the above named shareholder

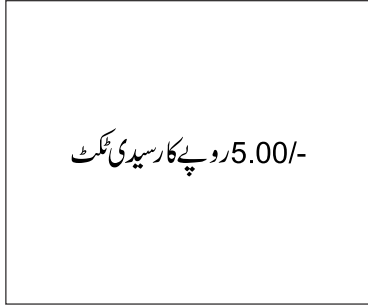
### NOTICE:

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

دین ٹیکسٹائل ملز لمیٹڈ  
پراکسی فارم (مختار نامہ)

فولیو نمبر \_\_\_\_\_ سی ڈی سی پارٹیشن آئی ڈی نمبر \_\_\_\_\_ اکاؤنٹ نمبر \_\_\_\_\_  
میں / ہم \_\_\_\_\_  
ساکن \_\_\_\_\_  
بحیثیت رکن دین ٹیکسٹائل ملز لمیٹڈ حامل \_\_\_\_\_ عمومی شیئرز بذریعہ ہذا محترم / محترمہ \_\_\_\_\_  
ساکن \_\_\_\_\_  
شیئرز رجسٹر فولیو / سی ڈی سی ID اور اکاؤنٹ نمبر \_\_\_\_\_  
یا اسکی غیر موجودگی میں محترم / محترمہ \_\_\_\_\_ ساکن \_\_\_\_\_  
شیئرز رجسٹر فولیو / سی ڈی سی ID اور اکاؤنٹ نمبر \_\_\_\_\_ جو دین ٹیکسٹائل ملز لمیٹڈ کا رکن بھی ہے،  
کو اپنے / ہمارے ایما پر 28 اکتوبر 2022ء کو منعقد ہونے والے کمپنی کے 35 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی  
بھی التواء کی صورت میں اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔  
آج بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ 2022ء کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان



بالا نامی شیئرز ہولڈر کا دستخط شدہ ہونا چاہیے

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

اہم نوٹ:

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

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