



Reliance Weaving
Mills Limited
A Fatima Group Company

THE ART OF TEXTILE

Annual Report 2023

CONTENTS

01

BUSINESS REVIEW

04	05	06	09	10	12	20
Credit Rating	Certifications	Company Information	Vision & Mission Statement	Corporate Values	Notice of Annual General Meeting	Company Profile
22	24	25	28	30	31	42
Directors' Profile	Board Committees	Management Profile	Chairman's Review	Market Price Data	Directors' Report	Corporate Social Responsibility
48	53	54	55	56	58	
Financial Highlights	Dupont Analysis	Value Addition Statement	Swot Analysis	Graphical Analysis	Statement of Compliance	

02

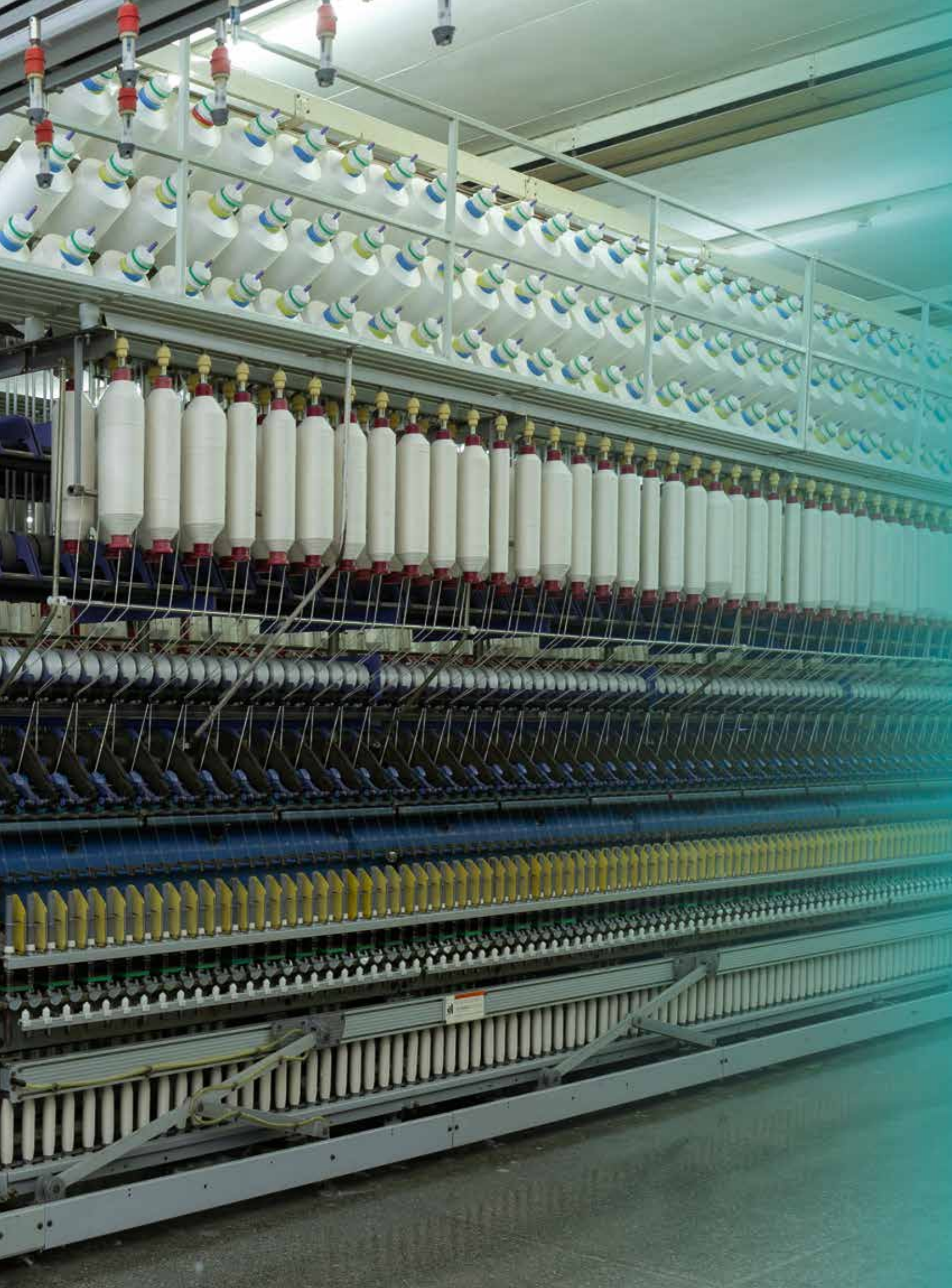
FINANCIAL STATEMENTS

63	64	68	69	70	71	72
Independent Auditors Review Report on the Statement of Compliance Contained in the Listed Companies	Independent Auditors' Review Report to the Members	Statement of Financial Position	Statement of Profit or Loss	Statement of Comprehensive Income	Statement of Changes in Equity	Statement of Cash Flows
73						
Notes to the Financial Statements						

03

OTHERS & LEGAL FORMS

136	137	141
E-Voting	Pattern of Shareholding	Form of Proxy



KEY HIGHLIGHTS

YEAR ENDED JUNE 30, 2023

Sales

32,682	30,704
2023	2022

Rs. in million

EBITDA

10.25%	15.53%
2023	2022

Percentage

Profit for the year

203	2,639
2023	2022

Rs. in million

EPS

6.59	85.67
2023	2022

Rupees

Capital Expenditures

5,185	3,046
2023	2022

Rs. in million

Dividend per Share

-%	40%
2023	2022

Percentage

Break up Value of Share

328.21	297.31
2023	2022

Rupees

Total Assets

36,534	27,757
2023	2022

Rs. in million

GP RATIO

11.06%	17.72%
2023	2022

Percentage

ROCE

1.24%	20.217%
2023	2022

Percentage

Current Ratio

0.89	1.02
2023	2022

Times

Net Profit Ratio

0.62%	8.6%
2023	2022

Percentage



CREDIT RATING RELIANCE WEAVING MILLS LIMITED

A

A-2

CERTIFICATIONS



COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Faisal Ahmed (Chief Executive Officer)

Non-Executive Directors

Mr. Fawad Ahmed Mukhtar (Chairman)
Mr. Fahd Mukhtar
Mr. Muhammad Mukhtar Sheikh
Mrs. Fatima Fazal

Independent Directors

Mr. Muhammad Shaukat
Mr. Shahid Aziz

COMMITTEES OF THE BOARD

Audit Committee

Mr. Shahid Aziz (Chairman)
Mr. Fahd Mukhtar (Member)
Mr. Muhammad Shaukat (Member)

HR & Remuneration Committee

Mr. Muhammad Shaukat (Chairman)
Mr. Shahid Aziz (Member)
Mr. Fahd Mukhtar (Member)

Risk Management Committee

Mr. Faisal Ahmed (Chairman)
Mr. Shahid Aziz (Member)
Mr. Muhammad Shaukat (Member)

Nomination Committee

Mr. Fawad Ahmed Mukhtar (Chairman)
Mr. Faisal Ahmed (Member)
Mrs. Fatima Fazal (Member)

EXECUTIVE MANAGEMENT TEAM

Chief Financial Officer

Mr. Waheed Ahmad

Head of Human Resources

Mr. Asad A. Jan

Company Secretary

Mr. Kamran Ahmad Awan

Head of Internal Audit & Risk Assurance - OB

Mr. Muhammad Akbar Rana

Technical Director Weaving

Mr. Ikram Azeem

GM Marketing

Khawaja Sajid
Mr. Aqeel Saifi
Mr. Muhammad Nasir Iqbal
Mr. Salim Ahmed

GM Spinning (Multan)

Mr. Muhammad Shoaib Alam

GM Spinning (Rawat)

Mr. Salahudin Khattak

GM Supply Chain

Mr. Muhammad Javed Nazir

GM Yarn Procurement

Mr. Anjum Jamil Sheikh

AUDITORS & SHARES REGISTRAR

External Auditors

M/s. ShineWing Hameed Chaudhri & Co.
Chartered Accountants
2526/F, Shadman Colony, Opposite High Court
Bahawalpur Road, Multan.
Tel: 061-4785211-12, 4511979
E-mail: mux@hccpk.com
Website: www.hccpk.com

Shares Registrar

M/s. CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi-74400
E-mail: info@cdc.pak.com &

BANKERS / FINANCIAL INSTITUTIONS

Allied Bank Limited
Habib Bank Limited
United Bank Limited
National Bank of Pakistan

National Bank – Aitemad Islamic Banking
Meezan Bank Limited
Soneri Bank Limited
The Bank of Khyber
Habib Metropolitan Bank Limited
JS Bank Limited
Bank Al Habib Limited
Bank Al Habib Limited – Islamic Banking
Bank Alfalah Limited
Samba Bank Limited
Al-Baraka Bank Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
The Bank of Punjab – Taqwa Islamic Banking
Askari Bank Limited, Islamic Banking Services
Saudi Pak Industrial & Agricultural Investment Company Limited
Pak Brunei Investment Company Limited
Pak China Investment Company Limited
Pak Libya Holding Company (Pvt) Limited
Pakistan Kuwait Investment Company (Pvt) Limited
First Habib Modaraba
Bank Islami Pakistan Limited
Standard Chartered Pakistan Limited

SITE ADDRESSES

Unit # 1,2,4 & 5

Fazalpur Khanewal Road, Multan
Phone & Fax 061-6740020-3 & 061-6740039

Unit # 3

Mukhtarabad, Chak Beli Khan Road, Rawat Rawalpindi.
Phone & Fax: 051-4611579-81 & 051-4611097

BUSINESS OFFICES

Registered Office

2nd Floor, Trust Plaza, LMQ Road, Multan
Tel: 061-4509700, 061-4509749
Fax: 061-4511677, 061-4584288
E-mail: info@fatima-group.com

Head Office

E-110, Khayaban-e-Jinnah Lahore Cantt.
Tel: 042-35909449, 042-111-328-462
Fax: 042-36621389
Website: www.fatima-group.com







VISION

To be a Company recognized for its art of Textile and best business practices.

MISSION & VALUES

The mission of Company is to operate state of the art Textile plants capable of producing yarn and fabrics.

The company will conduct its operations prudently assuring customer satisfaction and will provide profits and growth to its shareholders through:

- Manufacturing of yarn and fabrics as per the customers' requirements and market demand.
- Exploring the global market with special emphasis on Europe, USA and Far East.
- Keeping pace with the rapidly changing technology by continuously balancing, modernization and replacement (BMR) of plant and machinery.
- Enhancing the profitability by improved efficiency and cost controls.
- Recruiting, developing, motivating and retaining the personnel having exceptional ability and dedication by providing them good working conditions, performance based compensation, attractive benefit program and opportunity for growth.
- Protecting the environment and contributing towards the economic strength of the country and function as a good corporate citizen.

CORPORATE VALUES

These are the values that Reliance Weaving Mills Limited epitomizes, and are reflected in all our transactions and interactions. Congruence to these values has been a part of our business strategy. They are bound in the very fabric of our organization, shaped by organizational processes, procedures and practices.



Integrity

Our actions are driven by honesty, ethics, fairness and transparency.



Teamwork

We work collectively towards a common goal.



Customer Focus

We believe in listening to our customers and delivering value in our products and services.



Valuing People

We value our people as our greatest resource.



Innovation

We encourage creativity and recognize new ideas.



Health, Safety, Environment & CSR

We care for our people and the communities around us.



Excellence

We strive to excel in everything we do.



NOTICE OF THE 33rd ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of the shareholders of Reliance Weaving Mills Limited (the "Company") will be held on Friday, October 27, 2023, at 03:00 pm at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the 32nd Annual General Meeting held on October 27, 2022.
2. To receive, consider and adopt the audited financial statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2023.
3. To appoint statutory Auditors for year ending June 30, 2024 and to fix their remuneration.

SPECIAL BUSINESSES:

4. To ratify and approve the transactions carried out by the Company with related parties as disclosed in the financial statements for the year ended June 30, 2023 and to pass the following Special Resolution(s), with or without modification(s) in terms of Section 208 of the Companies Act, 2017:

"RESOLVED THAT, related party transactions carried out by the Company during the year in which majority of Directors are interested as disclosed in Note 45 of the financial statements for the year ended June 30, 2023, be and are hereby ratified, approved and confirmed."

5. To authorize the Board of Directors of the Company to approve related party transactions for the financial year ending June 30, 2024, and to pass the following Special Resolution(s), with or without modification(s):

"RESOLVED THAT, the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with related parties on case to case basis for the financial year ending June 30, 2024.

FURTHER RESOLVED THAT, these transactions, approved by the Board, shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval wherever required."

6. To consider and, if deemed fit, pass, with or without modification(s), the following resolutions as Ordinary resolutions to enable and authorize the Company to circulate the annual audited financial statements, to the Members of the Company through QR enabled code

and weblink as allowed by the Securities and Exchange Commission of Pakistan (SECP) vide its Notification S.R.O. 389(I)/2023 dated March 21, 2023, instead of circulating the same through CD/DVD/USB.

"RESOLVED THAT, the Company be and is hereby authorized to circulate its annual audited financial statements to the Members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(I)/2023 dated March 21, 2023 issued by SECP and that the practice of circulation of the annual audited financial statements through CD/DVD/USB may be discontinued.

FURTHER RESOLVED THAT, the Company shall be considered compliant with the relevant requirements of Section 223(6) of the Companies Act, 2017 by sending the audited financial statements through email and/or sending a notice of meeting containing the QR enabled code and the weblink address. In case a hard copy of audited financial statements and/or Notice of AGM is desired, a specific request for the same will be made.

FURTHER RESOLVED THAT, the Company Secretary be and is hereby authorized to do all necessary acts, deeds and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the above resolution."

7. To consider and if deemed fit, to pass the following special resolutions under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) or deletion(s):

"RESOLVED THAT, consent of the shareholders of the Company be and is hereby accorded under Section 199 of the Act for investment in associated companies, as per following details, in the form of working capital loan, to be made from time to time, for a period of one year starting from the date of approval by the shareholders provided that the return on any outstanding amount of loan shall be KIBOR plus 2.50% (which shall not be less than the average borrowing cost of the Company) and as per other terms and conditions of the agreement to be executed in writing and as disclosed to the Members:

Sr. No.	Name of Associated Company	Amount of Loan
1	Fatima Sugar Mills Limited	PKR 400 Million
2	Reliance Commodities (Pvt.) Limited	PKR 200 Million
3	Fatima Transmission Company Limited	PKR 300 Million
4	Fazal Cloth Mills Limited	PKR 200 Million
5	Fatima Holding Limited	PKR 200 Million

FURTHER RESOLVED THAT, any of the Directors/Chief Executive Officer and/or Chief Financial Officer and/ or the Company Secretary of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents and any ancillary matters thereto for implementing the aforesaid resolution."

Statement under Section 134(3) of the Companies Act, 2017 concerning special business is annexed to this notice of meeting circulated to the shareholders of the Company.

By order of the Board



Kamran Ahmad Awan

Company Secretary

Place: Multan

Dated: October 06, 2023

CLOSURE OF SHARE TRANSFER BOOKS:

The Share Transfer Books will remain closed from October 21, 2023 to October 27, 2023 (both days inclusive). Transfers received in order at the office of our Shares Registrar by the close of business hours on October 20, 2023 will be treated to attend and vote at the Annual General Meeting. The Members are requested to notify the change of address, if any, immediately to our Shares Registrar.

PARTICIPATION IN THE ANNUAL GENERAL MEETING:

A Member entitled to attend and vote may appoint another Member as his/her proxy to attend and vote instead of him/her. In order to be effective, duly completed and signed Proxy Form must be received at the Company's Registered Office at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan at least 48 hours before the time of the meeting. For the convenience of the Members, a blank Proxy Form is being dispatched with the notice of AGM.

CDC account holders will further have to follow the under mentioned guidelines as laid down by the SECP:

FOR ATTENDING THE MEETING:

- i) In case of individuals, the account holder or sub-account holder and their registration details are uploaded as per CDC regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting; and

- ii) In case of corporate entities, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be produced at the time of the meeting.

FOR APPOINTING PROXIES:

In case of Individuals:

The account holder or sub-account holder and their registration details are uploaded as per CDC regulations, shall submit the Proxy Form as per the above requirement. Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of CNIC or the Passport of beneficial owners and the Proxy shall be furnished with the Proxy Form. The Proxy shall produce his / her original CNIC or original Passport at the time of the meeting;

In case of Corporate Entities:

The Board of Directors' resolution / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted along with the proxy form to the Company. A corporate entity, being Member, may appoint any person, regardless of whether they are a Member or not, as its proxy.

VOTING THROUGH E-VOTING AND POSTAL BALLOT PAPER:

Pursuant to the Companies (Postal Ballot) Regulations, 2018 for the purpose of special business and for any other agenda item subject to the requirements of Sections 143 and 144 of the Companies Act, 2017. Accordingly, the Company shall publish the ballot paper and information as provided in sub-regulation 8(1) in newspaper and also upload the ballot paper on its website not later than seven days before the general meeting. Voting lines will be opened for the shareholders from October 23, 2023 at 9:00 a.m. till October 26, 2023, at 5:00 pm.

The shareholders shall ensure duly filled and signed ballot paper along with the copy of CNIC, in case of individual and in case of body corporate, acceptable identification documents should reach the chairperson of the meeting through post at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan or by email at Kamran.Ahmad@fatima-group.com, one (1) day before the day of poll i.e. October 26, 2023 during working hours.

CONSENT FOR VIDEO LINK FACILITY:

Pursuant to the Companies Act, 2017, if the Company receives a request from Member(s) holding an aggregate 10% or more shareholding residing at another city, such Member(s) may request a video link facility for the purpose of participating in

the meeting at such a location by sending a request to the Company within prescribed time prior to the date of meeting. The Company will arrange video link facility in that city subject to the availability of such facility in that city.

COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) / NATIONAL TAX NUMBER (NTN):

The shareholders holding physical shares who have not yet provided their CNIC Number(s) are once again reminded to immediately submit the copy of their CNICs to the Company's Shares Registrar. The corporate Members having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate entities having physical shares should send a copy of their NTN certificates to the Company's Shares Registrar. The shareholders and the corporate Members while sending their CNIC and NTN as the case may be, must mention their folio number(s).

UNCLAIMED SHARE(S) / DIVIDEND(S):

Pursuant to the Companies Act, 2017, the Company has previously discharged its responsibility whereby the Company approached its shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law. Shareholders, whose dividends still remained unclaimed and/or undelivered share certificates are available with the Company are hereby once again requested to approach the Company to claim their outstanding dividend amounts and/or unclaimed share certificates.

DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS:

As per Section 72 of the Companies Act, 2017, every listed company is required to replace its physical shares with book-entry form. Therefore, the shareholders having physical shares are requested to convert their shares into book-entry form, which would facilitate them in many ways including swift sale/purchase of shares and to streamline their information in Members' Register enabling the Company to effectively communicate with the shareholders.

AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON THE COMPANY'S WEBSITE:

In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2023 have been made available on the Company's website, at least 21 days before the date of AGM.

TRANSMISSION OF ANNUAL REPORT ELECTRONICALLY:

The shareholders interested to receive the Annual Report and notice of Annual General Meeting electronically, i.e. through email, are requested to approach our Shares Registrar or the Company Secretary at his email id Kamran.Ahmad@fatima-group.com. The Company shall, however, additionally provide hard copies of the Annual Report free of cost to such shareholders, on request.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT 2017 IN RESPECT OF SPECIAL BUSINESS:

The statement sets out the material facts under Section 134(3) of the Companies Act, 2017 concerning the special business to be transacted at the Annual General Meeting of Reliance Weaving Mills Limited to be held on Friday, October 27, 2023.

SPECIAL BUSINESS RELATING TO APPROVAL OF RELATED PARTY TRANSACTIONS:

The transactions carried out with the associated companies/ related parties have been approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to the provisions of applicable laws. The Board has recommended that these transactions be placed before the shareholders of the Company in the general meeting for ratification/approval pursuant to the provisions of the Companies Act, 2017 (the "Act"). These transactions are given in Note 45 of the financial statements for the year ended June 30, 2023.

All the related party transactions for the year ended June 30, 2023 were executed on Arm's Length basis in the normal course of business and there were no departures from the guidelines provided in the Code of Corporate Governance for such transactions. Pursuant to above, these transactions have to be approved/ratified by the shareholders in the general meeting. The Directors and their relatives do not have any direct or indirect interest in the aforesaid transactions except to the extent of their shareholding/common directorship with related parties.

SPECIAL BUSINESS RELATING TO RELATED PARTY TRANSACTIONS FOR YEAR ENDING JUNE 30, 2024:

The Company shall be conducting transactions with its related parties during the year ending June 30, 2024 on an arm’s length basis as per the approved policy with respect to “transactions with related parties” in the normal course of business. There could be cases where majority of the Directors hold common directorship with these associated companies. In line with good governance practices, it is recommended that the Board of Directors of the Company be authorized to approve transactions with related parties on case to case basis for the year ending June 30, 2024, which transactions shall be deemed to be approved by the shareholders. The nature and scope of related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The Directors are interested in the resolution to the extent of their shareholding/common directorship in the companies.

SPECIAL BUSINESS RELATING TO CIRCULATION OF COMPANY’S ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH QR ENABLED CODE AND WEBLINK:

The Securities and Exchange Commission of Pakistan (“SECP”) through its Notification No. S.R.O 389(I)/2023 dated

March 21, 2023, has allowed companies to circulate the annual audited financial statements to its Members through QR enabled code and weblink.

The approval of the shareholders has to be obtained in the general meeting to circulate the annual audited financial statements to its Members through QR enabled code and weblink.

The shareholders may request the Company Secretary or the Shares Registrar of the Company to provide a hard copy of Annual financial statements, and the same will be provided at shareholder’s registered addresses, free of cost within one week of the demand. In this regard, the Company’s designated email address / Share Registrar email address will be placed on the website of the Company.

SPECIAL BUSINESS RELATING TO INVESTMENT IN ASSOCIATED COMPANIES:

As per the disclosure requirement of Para 4(1) of the S.R.O. 1240(I)/2017 dated December 06, 2017, it is informed that the following Directors of the Company are also the Directors in the investee company; however, they have no direct or indirect interest except to the extent of shareholding / directorship in the investee company:

Fatima Sugar Mills Limited (FSML)	Reliance Commodities (Pvt.) Limited (RCL)	Fatima Transmission Company Limited (FTCL)	Fazal Cloth Mills Limited (FCML)	Fatima Holding Limited (FHL)
<ul style="list-style-type: none"> • Mr. Fawad Ahmed Mukhtar • Mr. Faisal Ahmed • Mr. Fahd Mukhtar • Mr. Muhammad Mukhtar Sheikh 	<ul style="list-style-type: none"> • Mr. Fawad Ahmed Mukhtar • Mr. Faisal Ahmed 	NONE	<ul style="list-style-type: none"> • Mr. Faisal Ahmed • Mr. Fahd Mukhtar • Mr. Muhammad Mukhtar Sheikh 	<ul style="list-style-type: none"> • Mr. Fawad Ahmed Mukhtar • Mr. Faisal Ahmed

The Directors have carried out the required due diligence for the purpose of limits of these loans.

Information under Regulation 3 of the Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Description	Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Holding Limited
Registration No. and Date	0076592 15.07.2011	0036107 28.01.1996	0091244 26.12.2014	0002266 14.05.1966	0018591 20.09.1988
Registered Office Address	E-110, Khayaban-e-Jinnah, Lahore-Cantt.	2nd Floor Trust Plaza LMQ Road, Multan	E-110, Khayaban-e-Jinnah, Lahore Cantt.	697, Abid Majeed Road, Lahore Cantt.	E-110, Khayaban-e-Jinnah, Lahore Cantt
Authorized Share Capital	PKR 2,200(M)	PKR100 (M)	PKR 1,000(M)	PKR 1700(M)	PKR 1,180(M)
Paid up Capital	PKR 2,102 (M)	PKR 80.05(M)	PKR 647(M)	PKR 300(M)	PKR 1,172(M)
Basis of Relationship	Common Directorship	Common Directorship	Sponsorship	Sponsorship	Common Directorship

Earnings per share of the associated companies are as under:

PKR					
Year	FSML	RCL	FTCL	FCML	FHL
2020	5.79	25.06	(5.0497)	13.36	4.33
2021	3.39	45.52	(3.4840)	181.06	1.40
2022	1.94	85.86	(0.8517)	153.68	(1.26)

Breakup value per share of the associated companies are as under:

PKR					
Year	FSML	RCL	FTCL	FCML	FHL
2020	22.89	292.37	(0.3259)	694.74	88.90
2021	26.36	337.89	(3.8099)	1156.58	90.30
2022	28.50	453.33	4.2370	1350.98	89.04

Latest financial position, including main items of the financial position and statement of profit or loss of the associated companies or associated undertakings;

PKR in million					
Particulars	FSML	RCL	FTCL	FCML	FHL
Paid up Capital	2,101.71	80.05	646.72	300	1,171.55
Un-appropriated Profit/(Loss)	3,829.09	2,903.795	(342.30)	20,977.56	6,125.894
Current Liabilities	5,500.72	11,266.340	217.95	35,010.43	8,813.747
Current Assets	5,191.59	14,306.830	57.25	46,016.42	10,158.155
Sales	13,770.30	5,280.813	95.29	56,608.46	685.159
Gross Profit/(Loss)	2,558.40	1,111.534	69.67	7,857.92	679.095
Net Profit/Loss	407.61	687.301	30.41	533.50	(147.908)

In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, further information as per Regulations are as under:

		Fatima Transmission Company Limited																																																
I	Description of the project and its history since conceptualization	Fatima Transmission Company Limited was incorporated on December 26, 2014 as a public company under the Companies Ordinance, 1984. The principal activity of the Company is to lay down power transmission line. The National Electric Power Regulatory Authority (NEPRA) has granted permission to FTCL for constructing and owning transmission facilities in 2015. Under the license, FTCL would setup a 37 km long transmission line for evacuating 120MW electricity from generation facilities to supply to a number of Bulk Power Consumers.																																																
II	Starting date and expected date of completion of work	The project was taken over from EPC contractor in May 2017 and duly tested through dispatch from August 2019 to December 2019 under wheeling arrangement. COD is yet to be declared.																																																
III	Time by which such project shall become commercially operational	The commercial operations of the Company are directly linked with the operations of the Fatima Energy Limited. As soon as the commercial operations of the Fatima Energy Limited commences; the commercial operations of the FTCL shall also be commenced simultaneously.																																																
IV	Expected time by which the project shall start paying return on investment	In addition to above, the management of FTCL expects that it would be able to achieve its optimum capacity in next couple of years, which will enable sufficient cash flows to repay its obligations as well as payout to its shareholders.																																																
V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Investment in Preference Shares</th> <th style="text-align: right;">PKR Million</th> </tr> <tr> <th style="text-align: left;">Name of Sponsor</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Reliance Weaving Mills Limited</td> <td></td> <td style="text-align: right;">73.398</td> </tr> <tr> <td>Fazal Cloth Mills Limited</td> <td></td> <td style="text-align: right;">127.956</td> </tr> <tr> <td>Fatima Holdings Limited</td> <td></td> <td style="text-align: right;">152.282</td> </tr> <tr> <td>Fazal Holdings (Private) Limited</td> <td></td> <td style="text-align: right;">14.506</td> </tr> <tr> <td>Fatima Sugar Limited</td> <td></td> <td style="text-align: right;">48.585</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">416.727</td> </tr> <tr> <td colspan="2" style="text-align: left;">Investment in Ordinary Shares</td> <td></td> </tr> <tr> <th style="text-align: left;">Name of the Sponsor</th> <th></th> <th style="text-align: right;">PKR Million</th> </tr> <tr> <td>Reliance Weaving Mills Limited</td> <td></td> <td style="text-align: right;">71.875</td> </tr> <tr> <td>Fazal Cloth Mills Limited</td> <td></td> <td style="text-align: right;">55.200</td> </tr> <tr> <td>Fatima Holding Limited</td> <td></td> <td style="text-align: right;">87.400</td> </tr> <tr> <td>Fazal Holdings (Private) Limited</td> <td></td> <td style="text-align: right;">15.525</td> </tr> <tr> <td>Directors</td> <td></td> <td style="text-align: right;">0.000</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">230.000</td> </tr> </tbody> </table>	Investment in Preference Shares		PKR Million	Name of Sponsor			Reliance Weaving Mills Limited		73.398	Fazal Cloth Mills Limited		127.956	Fatima Holdings Limited		152.282	Fazal Holdings (Private) Limited		14.506	Fatima Sugar Limited		48.585			416.727	Investment in Ordinary Shares			Name of the Sponsor		PKR Million	Reliance Weaving Mills Limited		71.875	Fazal Cloth Mills Limited		55.200	Fatima Holding Limited		87.400	Fazal Holdings (Private) Limited		15.525	Directors		0.000			230.000
Investment in Preference Shares		PKR Million																																																
Name of Sponsor																																																		
Reliance Weaving Mills Limited		73.398																																																
Fazal Cloth Mills Limited		127.956																																																
Fatima Holdings Limited		152.282																																																
Fazal Holdings (Private) Limited		14.506																																																
Fatima Sugar Limited		48.585																																																
		416.727																																																
Investment in Ordinary Shares																																																		
Name of the Sponsor		PKR Million																																																
Reliance Weaving Mills Limited		71.875																																																
Fazal Cloth Mills Limited		55.200																																																
Fatima Holding Limited		87.400																																																
Fazal Holdings (Private) Limited		15.525																																																
Directors		0.000																																																
		230.000																																																

General Disclosures:

Requirements	Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Holding Limited
	PKR in million				
Maximum amount of investment	400	200	300	200	200
In case any loan has already been granted to the said associated companies or associated undertakings, the complete details thereof.	Given in below.				
Purpose of loans or advances and benefits likely to accrue to the investing company and its Members from such loans;	<p>Purpose: To earn income on the loans/advances to be provided to the associated companies to meet working capital needs of the associated companies.</p> <p>Benefits: The Company will receive markup above the borrowing cost of the Company, which will benefit the Company's cash flow by earning profit on its surplus funds.</p> <p>Period: For a period of one year from the date of Annual General Meeting.</p>				
Sources of funds to be utilized for investment	Loan/advance will be given out of own funds of the Company.				
Where loans or advances are being granted using borrowed funds:					
- Justification for granting loan or advance out of borrowed funds	Not Applicable				
- Detail of guarantees/assets pledged for obtaining such funds, if any;	Not Applicable				
- Cost Benefit Analysis	Not Applicable				
Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment.					
- Nature	Loan/advance				
- Purpose	To earn mark-up on loan being provided to FSML, FTCL, RCL, FCML and FHL, this will augment the Company's cash flow.				
- Period	Maximum period of one year.				
- Rate of markup	KIBOR+2.5% but above borrowing cost of the Company.				
- Repayment	Investee Company shall pay loan and mark-up to investing company on one-month notice or at maturity.				
Direct or indirect interest of Directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	The Directors of the Company are sponsors and Directors of the Investee Companies. None of the Directors or their relatives or associates is interested in above resolution in any way except as Members of the Company.				
In case of any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	There is no impairment and/or write off against any facility given to any associated company.				

Requirements	Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Holding Limited
	PKR in million				
Maximum amount of investment	400	200	300	200	200
Any important details necessary for the Members to understand the transaction.	Not Applicable				
Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as detailed in preamble.				
Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;	14.62%				
Rate of interest, markup, profit, fees or commission to be charged;	KIBOR+2.50%				
Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	Not Applicable				
If loans carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable:	Not Applicable				
(a) Conversion formula	Not Applicable				
(b) Circumstances in which conversion may take place	Not Applicable				
(c) Time when conversion may be exercisable;	Not Applicable				
Repayment schedule and terms and conditions of loans or advances to be given to Investee companies.	Loan will be paid back by each investee company with-in on month notice or at maturity.				

COMPANY PROFILE

Reliance Weaving Mills Limited was incorporated on April 07, 1990 with its Registered Office at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan and is listed on Pakistan Stock Exchange. The Head Office of the Company is situated at E-110, Khayaban-e-Jinnah, Lahore-Cantt.

The Company is a fully integrated comprising of yarns and fabrics production facilities, which is located at two sites i.e. Fazalpur Khanewal Road, Multan (Multan Unit) and Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi (Rawat Unit). Multan Units and its surrounding comprises of 185.5 acres of land having 228 bachelors' quarters and 24 family quarters for workers and management employees.

The Spinning division at Multan comprises of two units, unit #4 & 6. Unit #4 comprises of 42 ring frames consisting of 47,520 spindles with total annual production capacity of 25,248 tons based on average count Ne 14. We have state of the art and modern technology, TOYOTA RX-240 and RX-300 E Draft capable of making wide range of counts. These machines can attain high speed of 21,000 RPM. Our ring machines are 2004, 2013 and 2014 model. Currently, we are producing yarn counts from 6/1 cdd to 21/1 cdd. The above unit produces Carded Yarn, Combed Yarn, Siro Yarn, Core Yarn, Dual Core Yarn, Slub Yarn, Dual Core+Slub Yarn and Core+Slub Yarns. We are specialized in making yarn for Denim. We have installed compact system on our existing frames gaining the ability of compact yarn manufacturing and have also installed Bobbin Transport System (BTS), which will cause the automation in the system and reducing workers handling. We have also installed Auto Doffer Auto-cone.

The Company has recently achieved a milestone in textile field in the form of launching new spinning unit #6 comprises of 14 Ring frames (25,536 spindles each) with total annual production capacity of 5,794 tons based on fine count average Ne 35. We have state of the art and modern technology, RIETER K48 with E Draft capable of making wide range of fine counts. These machines can attain high speed of 25,000 RPM with Muratec Qpro Japanese Link coner and Marzoli Simplex with auto doffer and BTS system. Our machines are 2022 model. Currently, we are producing yarn counts from 30/1 cdd Cpt to 40/1 Cmb Cpt.

The Weaving unit comprises of 490 looms of high speed latest air jet machines of Tsudakoma (Japan) & Picanol (Belgium) with total grey cloth production of (100.83 Million Meters per year) (SGM's) is based on 60 picks. We cater for home textiles and apparels from various varieties of yarns blends such as Cotton/Polyester, Cotton/Viscose/ Linen, Fancy Yarns, Stretch Yarns from different natural fibers & synthetic blends. The unit is equipped with latest warping and sizing machine, batchers, complete range fabric inspection and packing machinery installations, well equipped laboratory having complete range yarn and fabric testing facility, LDS system, air compressors, air conditioning / chiller system, boilers and self-gas engine power generation. The weaving facilities can produce plain (basket/mat weave, ribbed warp & weft), twill, satin, sateen weave, variation of basic weave such as creps, pile (cut/ unused) double cloth, gauze (leno), swivel, tappet, dobby, namely jacquard & triaxial.

The Rawat Unit comprises of 34 acres of land having accommodation capacity for 500 workers and 85 rooms for bachelors. The unit consists of 38 Toyoda Japan (RY-5) spinning frame with total annual production capacity of 138,000 bags based on standard count of 20/1 cdd. The unit produces yarns namely Mélange, Marl, Slub, Injection Nappy and Fancy Draw Blend Yarns. We are producing almost all types of Fancy Yarns and Grey Fabrics and have state-of-the-art high speed machines with latest facilities coupled with highly skilled team of dedicated workers and engineers to meet the challenges of textile sector.

We are constantly working to upgrade our plant by replacing old machines with latest high speed machines to be abreast with modern trends in the local textile industry and abroad to have competitive edge over our competitors to bring our Company in the forefront of the textile sector of Pakistan.



DIRECTORS' PROFILE



Mr. Fawad Ahmed Mukhtar

Chairman

Mr. Fawad Ahmed Mukhtar is the Chairman of the Company. He has extensive experience in manufacturing and industrial management. In addition to being a successful business leader, he is also a renowned philanthropist. After graduation, he has spent over 30 years in developing his family business into a sizable conglomerate.

Mr. Mukhtar leads several community service initiatives of the Group including the Fatima Fertilizer Trust and Welfare Hospital, Fatima Fertilizer Education Society and School and Mukhtar A. Sheikh Welfare Trust, among others. He is also the Chairman of Reliance Commodities (Private) Limited, Fatima Holding Limited, Fatima Sugar Mills Limited, Air One (Private) Limited, Fatima Trading Company (Pvt.) Limited and is the CEO of Fatima Fertilizer Company Limited, Pakarab Fertilizers Limited, Fatimafert Limited and Fatima Cement Limited. He is also the Director of Fatima Electric Company Limited and Pakarab Energy Limited. In addition, he is a member of the Board of Directors of the National Management Foundation, a sponsoring body of Lahore University of Management Sciences (LUMS).



Mr. Faisal Ahmed

CEO / Executive Director

Mr. Faisal Ahmed is the Chief Executive Officer of the Company. He is also the CEO of Fatima Sugar Mills Limited and Farrukh Trading Company Limited and the Chairman of Workers Welfare Board at Pakarab Fertilizers Limited. He also serves on the Board of Fatima Fertilizer Company Limited, Pakarab Fertilizers Limited, Fatimafert Limited, Fatima Electric Company Limited, Pakarab Energy Limited, Fatima Cement Limited, Fazal Cloth Mills Limited, Reliance Commodities (Private) Limited and Air One (Private) Limited.

Mr. Faisal is the former City Mayor and District Nazim of Multan and continues to lead welfare efforts in the city. He was also a Member in the Provincial Finance Commission (Punjab), Steering Committee of Southern Punjab Development Project and Decentralization Support Program. He has also served as the Chairman of Multan Development Authority and was a Member of a syndicate of Bahauddin Zakariya University, Multan.



Mr. Fahd Mukhtar

Non-Executive Director

Mr. Fahd Mukhtar holds a Bachelor of Economics Degree from the Philadelphia University of USA. He is the CEO of Fatima Packaging Limited and OSOL Tech (Private) Limited. Furthermore, he is also a member of the Board of Directors at Fazal Cloth Mills Limited, Fatima Trading Company (Pvt.) Limited and Fatima Sugar Mills Limited.



Mr. Muhammad Mukhtar Sheikh

Non-Executive Director

Mr. Muhammad Mukhtar is the Director of Fatima Group - one of the prominent family businesses in Pakistan - manufacturing Fertilizers, Textiles, Power and Sugar. The Group has an asset base of \$2 billion, employees over 6,300 regular employees and has annual sales of approximately \$1 billion. Over the last 3 decades, Fatima Group progressed to play a significant role in Pakistan's economy. He is actively involved in several community service initiatives of the Group including the Mukhtar A. Sheikh Welfare Trust, Mukhtar A. Sheikh Hospital, Fatima Fertilizer Trust, Welfare Hospital and Fatima Fertilizer Education Society and School, etc. Muhammad is an alumni of Babson College, Wellesley, MA Boston, with a degree in entrepreneurship and Strategic Management. He looks forward to spearheading important and state of the art new projects, as Fatima Group continues to diversify. He is also on the Board of Fazal Cloth Mills Limited and Fatima Sugar Mills Limited.



Mr. Muhammad Shaukat

Independent Director

Mr. Muhammad Shaukat has earned his MBA from Institute of Business Administration (IBA), Karachi in the year 1990 and thereafter PhD in Business Administration. He is a certified Corporate Director from the Institute of Chartered Accountants of Pakistan. He has served as Vice-Chancellor, Govt. Emerson University, Multan and University of Layyah, Layyah. He has also served as Dean, Faculty of Commerce, Law & Business Administration; Director, Planning & Development; Director HRD & Community Relations; Chairman, Transport Committee; Twice Member of Finance & Planning Committee and Chairman/Member of different other Statutory Bodies/Committees (including Syndicate i.e. Board of Governors) of Bahauddin Zakariya University (BZU), Multan. Presently, he is serving as Founding Director, Institute of Banking & Finance, BZU, Multan and Dean, Faculty of Commerce, Banking & Business Administration.

Mr. Shaukat possesses rich experience of about 32 years in the field of the Corporate Affairs, Human Resources, Finance and Administration of various renowned institutions. He is advisor to Punjab Public Service Commission and on Board of Directors of TIMES Institute, Multan. He has also worked as Director on the Board of Punjab Government owned Multan Waste Management Company for two terms and Member of Monitoring Committee of Nishtar Medical Hospital/University, Multan. He has also been Member of Selection and Recruitment Committees of different Institutions and Universities of Pakistan.

In addition, he is an author of more than 134 research papers published in National and International Journals on various business, economic, political and international etc. issues. He has presented his research paper at best universities of the world i.e. Oxford, Cambridge and Harvard and got great recognition. He has also won world renowned publisher "Emerald" literal best author award of his publication in 2018. He has produced 03 PhD and about 120 MS/MPhil graduates in the field of business administration till date.



Mr. Shahid Aziz

Independent Director

Mr. Shahid Aziz is a graduate from Punjab University major in Economics. He was associated with NIT from 1980 to 2019 and worked as Regional Head of North Region. He represented NIT on the Board of thirteen (13) Listed / Public Sector Companies in the capacity of Nominee / Independent Director on different period of time. Currently, he is Director on the Boards of five listed / public sector companies. At present, he is working as Advisor to Chairman Audit Oversight Board, Ministry of Finance, Islamabad. Mr. Shahid Aziz attended different workshops and courses on the topic of Mutual Funds and Communication Skills. He has also completed workshops on Corporate Governance from LUMS and a Member of the Pakistan Institute of Corporate Governance. He is Certified Director from IBA Karachi. Mr. Shahid Aziz possesses vast experience of working in different public and private sector organizations.

BOARD COMMITTEES

AUDIT COMMITTEE



Mr. Shahid Aziz	Committee Chairman
Mr. Fahd Mukhtar	Committee Member
Mr. Muhammad Shaukat	Committee Member

HR & REMUNERATION COMMITTEE



Mr. Muhammad Shaukat	Committee Chairman
Mr. Shahid Aziz	Committee Member
Mr. Fahd Mukhtar	Committee Member

RISK MANAGEMENT COMMITTEE



Mr. Faisal Ahmed	Committee Chairman
Mr. Shahid Aziz	Committee Member
Mr. Muhammad Shaukat	Committee Member

NOMINATION COMMITTEE



Mr. Fawad Ahmed Mukhtar	Committee Chairman
Mr. Faisal Ahmed	Committee Member
Mrs. Fatima Fazal	Committee Member



MANAGEMENT PROFILE



Mr. Waheed Ahmad

Chief Financial Officer

Mr. Waheed Ahmad is a qualified Chartered Accountant having more than 23 years' experience of handling the Operational, Accounting, Tax and Financial Matters of Listed Companies. During his career with the Company, he involved in the strategic and financial planning. He is with Reliance Weaving Mills Limited since August 2008. He is also Director of Fatima Energy Limited.



Mr. Asad A. Jan

Head of Human Resources

Mr. Asad A. Jan began his journey in 1994 after earning his Master's in Business Administration, and since then, he has been a driving force in shaping the success of the Companies he has been a part of.

He embarked on his journey with the Fatima Group in 2010 and over the course of 12 years, he ascended the corporate ladder, assuming various influential roles within the conglomerate's extensive and diverse business portfolio. His tenure included a pivotal role as the Head of HR, overseeing departments encompassing Energy, Fertilizer, Healthcare, Packaging, Sugar, Steel, and Textile. As a strategic leader, Asad played a transformative role in cultivating a growth-centric mindset by seamlessly integrating HR initiatives into the overarching organizational structure.

Asad's professional trajectory is marked by a marvellous history of revitalizing and repositioning the individuals in various businesses of the group, a testament to his expertise in instituting and fortifying talent management and leadership development.

Beyond his role as a seasoned human resource professional, Asad boasts the distinction of being a Registered Lead Auditor for Quality and Environmental Management Systems, a recognition of his proficiency and commitment to excellence, accredited by IRCA-UK. This additional facet of his expertise underscores his dedication to fostering quality and sustainability within organizations he serves.



Kamran Ahmad Awan

Company Secretary

Mr. Kamran Awan is a distinguished corporate professional, renowned for his exceptional expertise in corporate affairs across spectrum of industries including Fertilizer, Textile, Sugar and Energy. His career trajectory has not only spanned over these diverse sectors but has also excelled in the high-pressure and competitive environment.

Mr. Awan's academic qualifications further underscore his commitment to excellence. He possesses an MBA degree from the prestigious University of Management & Technology in Lahore. Additionally, he has earned a diploma in Management Information Systems from the same institution, enhancing his proficiency in modern business technologies. His dedication to continuous growth and development is evident through his active participation in a multitude of seminars and workshops, which have honed his skills in Communication, Corporate Affairs and the intricacies of the Companies Act, 2017. Moreover, he boasts a Post Graduate Diploma in Corporate Law and Practice from the University Law College at the University of the Punjab, Lahore.

Since July 2015, Mr. Awan has been a valuable asset to the Fatima Group, where he has leveraged his extensive experience and profound knowledge to contribute significantly to the organization's prosperity and continued success. His remarkable achievements and dedication continue to make him a pivotal figure in the corporate arena. Before becoming a member of The Fatima Group, Mr. Awan held a pivotal role with Dawood Group from 1997 to 2015.



Mr. Muhammad Akbar Rana

Head of Internal Audit & Risk Assurance - OB

Mr. Muhammad Akbar Rana is a Fellow Member of the Institute of Cost and Management Accountants of Pakistan and Certified ISO 22301:2019- Business Continuity Management Systems Auditor/Lead Auditor- IRCA UK. He is associated with Fatima Group since 2003 and has diversified work experience of Fertilizer, Textile, Sugar and Packaging Industries in the field of Internal Audit & Accounts, Enterprise Risk Management, Business Continuity Management System, Information System, Governance and Compliance. Currently, he is leading Internal Audit & Risk Assurance function of Sugar & Textile Divisions of Fatima Group.



Khawaja Sajid

General Manager Marketing

Khawaja Sajid is the General Manager in Marketing Department. He has over 32 years of diversified marketing experience in different products of textile and carries a successful leadership experience in this portfolio. He has worked with the reputed textile companies of Pakistan. He holds the Master Degree in Business Administration from Baha-u-Din Zakariya University, Multan. Mr. Sajid joined Reliance Weaving Mills Limited in 2004 and remains devoted till today.



Mr. Aqeel Saifi

General Manager Marketing

Mr. Aqeel Saifi holds Master's degree in Business Administration from Imperial College of Business Studies and B.Sc (hons) Degree in Computer Sciences from FAST - NUCES. He has been attached to the textile industry for over 20 years, working with well reputed textiles organizations of Pakistan. He is with Reliance Weaving Mills Limited since August 2015.



Mr. Muhammad Nasir Iqbal

General Manager Yarn Marketing & Sales

Mr. Nasir Iqbal holds Master degree in Business Administration. He has total experience of 24 years in Textile sector. He has an extensive knowledge of Customers and Suppliers for yarn sale and procurement with varying categories of coarse, fine, stretch, slub & siro yarn. His professional strength is to develop & manage Certification like BCI, Primark, GOTS, OCS, GRS & CMIA and find customers having good name in export to distinguished brands. He has been working with Reliance Weaving Mills Limited since 2003, as a valuable resource.



Mr. Salim Ahmed

General Manager Marketing

Salim Ahmed holds the master degrees in Business Administration and M.A. Economics. He has been in the Textile industry since last 24 years with well reputed textile mills in Pakistan, and has vast experience of fancy yarns of knitting and weaving. He has been in Reliance Weaving Mills Limited since August 2010.



Mr. Ikram Azeem

Technical Director (Weaving)

Mr. Ikram Azeem holds B,Sc (Textile Engineering) degree with specialization in Weaving in year 1996 from National Textile University, Faisalabad. He has total field experience of 27 years by working on different types of looms, (PICANOL Air Jet Loom, Tsudakoma Air Jet Loom and Toyota Air Jet Loom). In addition, he got technical training of TSUDAKOM AIR Jet Loom from Japan and Picanol Air Jet Loom from Belgium and also Staubli training { under motion of loom and knotting machine from FRANCE }, with additional technical trainings of steam fired & hot water chiller from china. He is a part of this organization since the year 2000.



Mr. Muhammad Shoab Alam

General Manager (Spinning Multan)

Mr. Muhammad Shoab Alam holds B.Sc. Textile (Spinning) Degree from the University of Engineering & Technology Lahore. He was Vice President of Spinning Society and is part of this Group since the inception of this Unit. He has experience of managing coarse and fine count mills, ranging from 6/1 to 120/1 on various types of machinery setups and producing different types of yarn from GIZA, PIMA and Brazilian Cotton. He also got training for blow room and card from Reiter in Winterthur, Switzerland.



Mr. Salahuddin Khattak

General Manager (Spinning Rawat)

Mr. Salahuddin Khattak holds B.Sc. Textile (Spinning) Degree from National Textile University, Faisalabad. He has total field experience of 15 years of working on different types of Mélange Yarn, Injection Yarn, Lycra Melange Yarns, Slub and Snow Effect Yarns. He is part of this organization since 2010.



Mr. Anjum Jamil Sheikh

General Manager (Yarn Procurement)

Mr. Anjum Jamil has been associated with Fatima Group since June 1999 and held varied managerial roles over the last 24 years in Textile/Sugar Division. Besides his professional skill sets working in multiple positions, his other initiatives make him as an effective team player, proactive and contributes by out of box thinking. He is an asset for the organization and always worked progressively in achieving company goals. He is CA-Intermediate by profession and had completed his 4 years professional training from Deloitte Pakistan within timeframe of 1993-1997. He had started his career in December 1997 as Manager Audit from Yousuf Adil Saleem & Co. Chartered Accountants.



Mr. Muhammad Javed Nazir

General Manager (Supply Chain)

Mr. Muhammad Javed Nazir joined Fatima Group in 2022. He is a highly accomplished professional with extensive expertise in supply chain management. As the General Manager of Supply Chain at Fatima Group, he brings a wealth of experience and a proven track record in optimizing and streamlining supply chain operations. With his Certified Supply Chain Professional (CSCP) designation, he possesses a deep understanding of industry best practices, enabling him to implement efficient processes that drive cost savings and enhance overall operational efficiency. Mr. Nazir leadership and strategic vision play a crucial role in ensuring seamless coordination across the entire supply chain, contributing to the success and growth of Fatima Group.



CHAIRMAN'S REVIEW

Fawad Ahmed Mukhtar

Chairman

I am pleased to present the Annual Report of Reliance Weaving Mills Limited and the role played by the Board of Director's in achieving the objectives of the Company for the fiscal year ending on June-2023.

The Board of Directors is fully aware of and adheres to the provisions outlined in the Companies Act 2017, the PSX Rule Book, and the Listed Companies (Code of Corporate Governance) Regulations of 2019. The Board has exercised its authority in alignment with these regulations. Likewise, an annual evaluation of the Board of Directors is done to make sure they are abiding by all legislative and regulatory standards. This assessment also serves to assess the Board's overall effectiveness and performance in relation to the goals and expectations of the Company.

Despite the challenges throughout the fiscal year 2022-23, the Board has successfully established a strong leadership stance. This success is the result of a thorough assessment of key components, which included the organization's corporate strategy, yearly business plan, key financial performance indicators, and other budgeted goals. The Board has closely watched how the company is performing, guaranteeing the accuracy and appropriateness of its financial reporting and improving the transparency of its annual and quarterly financial reports. Additionally, this accomplishment has been made possible by the efficiency with which the Board's business is conducted, the efficacy of the internal control system, the prompt disclosure to the appropriate regulatory authorities of price-sensitive and inside knowledge, the fair treatment of all employees, and other factors.

The Company is having a seven-member Board of Directors, each of whom brings essential skills, experience and expertise to the Company's operations from a variety of backgrounds. The whole Board, along with the leadership team of the Company, is sincerely grateful for the overwhelming support from our stakeholders and committed to exceeding your expectations. The Board actively directs the company's strategy and faithfully and steadily performs its fiduciary duties.

In my capacity as Chairman, I consistently ensure that the Board remains proactive and collaborates closely with the Management to oversee the Company's strategic execution. We offer guidance and insights whenever necessary. Both the Board and the Management are acutely aware of the upcoming challenges and are well-equipped to address them with the necessary vision, expertise and knowledge.

Speaking on behalf of the Board, I'd like to express our deep appreciation for the contribution of the Board members, the exceptional efforts of our Management and employees, and the unwavering support from all stakeholders, including our valued customers, suppliers, banks, regulators and other organizations. I extend my hopes and prayers for the Company's sustained growth momentum in the years ahead.

پندرہ ماہ کا جائزہ

۲۰۲۳

۲۰۲۳

کئی ماہ بعد ان پر مشتمل بورڈ آف انڈیکسنگ کی مجال سے ان سے ہر کوئی کھلی کے امور کی اطلاع دینی گئی۔ مختلف شعبوں میں ضروری قابلیت آجیے اور ہمارے دیکھتا ہے۔ اور انہیں انہیں کھلی کی ایڈیٹنگ کا کام سنبھالنے اور ان کی وجہ سے بے چارہ شہریوں پر مقرر ہے اور ان کی توقعات پر پورا اترنے کیلئے بے عزت ہے۔ اور انہیں انہیں کھلی کی خدمت عملی مرحلے کر کے اپنے لوگوں کی ایڈیٹنگ اور کھلی سے سزا انجام دینا ہے۔

پندرہ ماہ کی مسلسل صورت اور ان کی خدمت عملی پر مقرر آئی گئی ہیں اور انہیں انہیں کھلی کی ایڈیٹنگ کا کام سنبھالنے اور ان کی وجہ سے بے چارہ شہریوں پر مقرر ہے اور ان کی توقعات پر پورا اترنے کیلئے بے عزت ہے۔ اور انہیں انہیں کھلی کی خدمت عملی مرحلے کر کے اپنے لوگوں کی ایڈیٹنگ اور کھلی سے سزا انجام دینا ہے۔

اور ان کی جانب سے میں اور انہیں ان کے تعاون اور ان کی اطلاع اور ان سے ہر کوئی کھلی کے امور کی اطلاع دینی گئی۔ مختلف شعبوں میں ضروری قابلیت آجیے اور ہمارے دیکھتا ہے۔ اور انہیں انہیں کھلی کی ایڈیٹنگ کا کام سنبھالنے اور ان کی وجہ سے بے چارہ شہریوں پر مقرر ہے اور ان کی توقعات پر پورا اترنے کیلئے بے عزت ہے۔ اور انہیں انہیں کھلی کی خدمت عملی مرحلے کر کے اپنے لوگوں کی ایڈیٹنگ اور کھلی سے سزا انجام دینا ہے۔

میں جون 2023 کا حکام پر ہونے والے اسی سال کیلئے ریٹینس اور ٹیکہ ٹریڈنگ کی سالانہ رپورٹ اور انہیں انہیں کھلی سے ہر کوئی کھلی کے امور کی اطلاع دینی گئی۔ مختلف شعبوں میں ضروری قابلیت آجیے اور ہمارے دیکھتا ہے۔ اور انہیں انہیں کھلی کی ایڈیٹنگ کا کام سنبھالنے اور ان کی وجہ سے بے چارہ شہریوں پر مقرر ہے اور ان کی توقعات پر پورا اترنے کیلئے بے عزت ہے۔ اور انہیں انہیں کھلی کی خدمت عملی مرحلے کر کے اپنے لوگوں کی ایڈیٹنگ اور کھلی سے سزا انجام دینا ہے۔

بورڈ آف انڈیکسنگ کی بورڈ 2017 پاکستان ٹیکہ ٹریڈنگ کے قوانین اور انہیں انہیں کھلی سے ہر کوئی کھلی کے امور کی اطلاع دینی گئی۔ مختلف شعبوں میں ضروری قابلیت آجیے اور ہمارے دیکھتا ہے۔ اور انہیں انہیں کھلی کی ایڈیٹنگ کا کام سنبھالنے اور ان کی وجہ سے بے چارہ شہریوں پر مقرر ہے اور ان کی توقعات پر پورا اترنے کیلئے بے عزت ہے۔ اور انہیں انہیں کھلی کی خدمت عملی مرحلے کر کے اپنے لوگوں کی ایڈیٹنگ اور کھلی سے سزا انجام دینا ہے۔

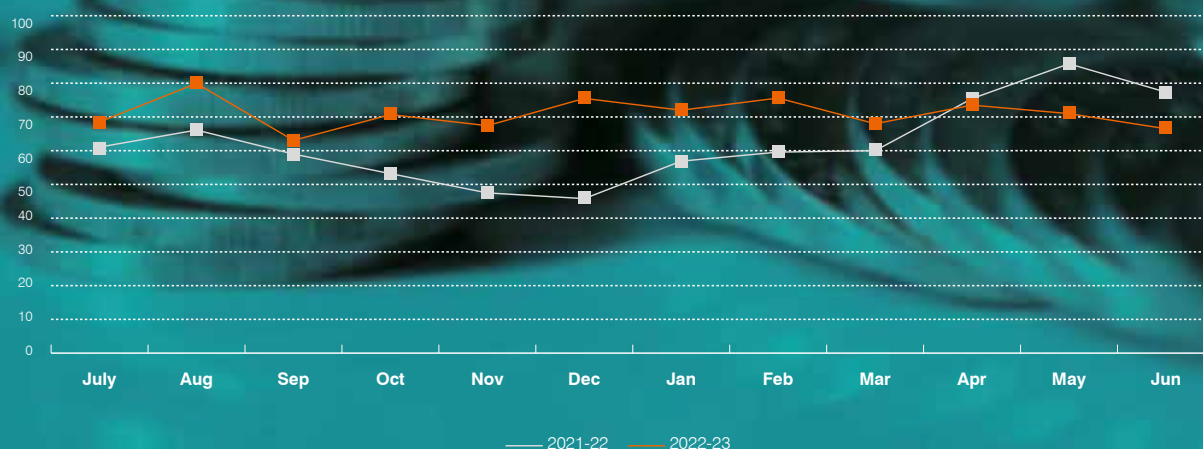
ماہی سال 2022-23 میں انہیں انہیں کھلی سے ہر کوئی کھلی کے امور کی اطلاع دینی گئی۔ مختلف شعبوں میں ضروری قابلیت آجیے اور ہمارے دیکھتا ہے۔ اور انہیں انہیں کھلی کی ایڈیٹنگ کا کام سنبھالنے اور ان کی وجہ سے بے چارہ شہریوں پر مقرر ہے اور ان کی توقعات پر پورا اترنے کیلئے بے عزت ہے۔ اور انہیں انہیں کھلی کی خدمت عملی مرحلے کر کے اپنے لوگوں کی ایڈیٹنگ اور کھلی سے سزا انجام دینا ہے۔

MARKET PRICE DATA

The following table show month end wise share price of the company that prevailed during the financial year 2021-22 and 2020-21 in PSX:

Month	2022-23			2021-22		
	High	Low	Close	High	Low	Close
July	71.50	60.15	61.07	73.99	66.51	68.51
August	72.90	62.10	66.11	83.98	67.00	79.93
September	70.00	59.00	59.00	81.50	62.55	63.05
October	65.00	53.06	53.19	73.50	52.13	70.70
November	55.95	46.02	47.49	74.00	65.10	67.41
December	47.00	40.00	45.79	75.49	62.05	75.49
January	60.20	44.35	56.90	75.00	67.00	72.00
February	64.40	54.40	59.58	77.50	71.50	75.60
March	62.00	53.89	60.00	75.01	63.01	67.99
April	78.90	59.00	75.44	76.74	65.51	73.50
May	86.50	74.50	85.75	78.47	66.00	70.99
June	91.00	77.35	77.35	70.00	60.00	66.50

SHARE PRICE ANALYSIS



DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of your Company are pleased to present the Annual Report of the Company along with annual audited financial statements for the year ended June 30, 2023.

FINANCIAL RESULTS

This financial year began under a cloud of economic uncertainty due to a confluence of adverse events, including the COVID-19 pandemic and Russia's invasion of Ukraine. These events had far-reaching and severe repercussions on the global economy, with significant disruptions in various key areas. The combined effects of these events wreaked havoc on the global trade landscape with supply chain disruptions, rising energy prices, commodity shortages and high inflation.

Despite severe economic challenges and political uncertainty in Pakistan, the company achieved its highest-ever revenue of Rs. 32.68 billion, a 6.4% increase compared to the previous year. This growth was driven by better sales prices and rupee devaluation. Despite achieving higher sales values, the company faced challenges due to inflationary pressures impacting raw materials and conversion costs, particularly utility prices. As a result, the gross profit declined by 6.7% to PKR 3.6 billion. Additionally, finance costs surged by 87.9% to PKR 2.5 billion. Consequently, the company reported a post-tax net profit of PKR 203 million.

Major financial Indicators are as under:

Description	2023	2022
	Rupees in Million	
Sales	32,682	30,704
Cost of Sales	29,066	25,263
Gross Profit	3,616	5,441
Finance Cost	2,449	1,303
Profit After Tax	203	2,639

FUTURE OUTLOOK

Pakistan's economy grappled with challenges including low foreign reserves, a depreciating currency, and high inflation, but received a positive nod from the IMF for a USD 3 billion Stand-By Arrangement. Import bills decreased by 29% to USD 60 billion, resulting in a current account surplus, but this contributed to an 11.07% decline in exports and a 22% drop in remittances. The country faced its highest-ever inflation at 37.97%, prompting the State Bank of Pakistan to increase the policy rate to 22% for

price stability. The overall economic landscape remains uncertain despite some relief measures.

In line with above, the textile sector in Pakistan is facing numerous challenges, including reduced global demand, high inflation, a costly business environment, reduced cotton yields, expensive imports, inadequate raw materials, currency fluctuations, and high government taxation. These factors have made the textile industry less competitive on both regional and global scales, leading to the closure of many small to medium-sized entities. However, larger vertically integrated production facilities are showing resilience.

The company's management remains optimistic about sustainable profitability by focusing on cost transformation and urging the government to implement supportive policies for the sector. Despite these challenges, the company's Business Modernization and Expansion (BMR) initiative progressed steadily whereby a new project to install 25,536 spindles for producing fine count yarn stands operational subsequent to financial year under review. Additionally, the company has installed 5.2 MW solar energy project, with 4.7 MW already operational. This project aims to generate green energy while reducing energy costs.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board is fully cognizant of its responsibilities with the corporate & financial reporting framework of SECPs Code of Corporate Governance (CCG). The following statements exemplify its dedication to adhering to the highest standards of CCG best practices.

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures therefrom have been adequately disclosed.
- A sound internal control system has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practice of Corporate Governance.

MATERIAL CHANGES IN FINANCIAL STATEMENTS

Particulars	Unit	June 30, 2023	June 30, 2022
Gross Profit	%	11.06	17.72
Return on Sales	%	0.62	8.60
Earnings Per Share	Rs.	6.59	85.67
Market Value of a Share	Rs.	77.35	66.50
Balance Sheet Footing	Rs. in Million	36,534	27,757

MARKET CAPITALIZATION

At the close of the year, the market capitalization of the Company stood at Rs. 2,383 million as against Rs. 2,049 million last year.

MODERNIZATION & EXPANSION

Your Company is committed to modernize and expand production line according to rapidly changing technology to produce international quality products. The Company has installed 52 high speeds Air Jet Looms which stands operation in financial year under review and new fine cotton yarn mill of 25,520 spindles to diversify its product market mix which stands operational subsequent to financial year under review.

OUTSTANDING TAXES AND DUTIES

Details of outstanding taxes and duties are given in the financial statements.

CONTRIBUTION TO NATIONAL EXCHEQUER

Your Company contributes substantially to the national economy in terms of taxes and duties and the contribution is increasing as the Company is growing. This year, the Company contributed in the National Exchequer in the form of Federal Excise Duty, Sales Tax, Custom Duties, Income Tax, etc.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company practices active corporate citizenship through corporate philanthropy, environmental protection measures, community investments & welfare schemes, consumer protection measures, welfare spending for under privilege classes, industrial relations, encouragement for employment of special persons, occupational safety & health, business ethics & anticorruption measures, national cause donations, contributing to national exchequer and rural development programs.

Your Company considers CSR as a fundamental sustainable business practice to contribute voluntarily towards better society and strives to be a good corporate citizen. We have always shown strong commitment and support for public health and promotion of education. The Company is a permanent donor of reputable charity organizations including Mukhtar A. Sheikh Trust, which contributes towards the well-being of deprived people by setting-up Hospitals and Medical Camps. The free medical camps are set up in far flung areas of the Country where healthcare is very hard to access. Patients avail free medical check-up along with medicines.

EARNINGS PER SHARE

Your Company's post-tax profit of Rs. 203 million translates into EPS of Rs. 6.59 as against Rs. 85.67 last year.

FINAL CASH DIVIDEND

Due to PKR devaluation and high-interest rates, the company won't be declaring dividends this year to reduce increased borrowing driven by higher working capital requirements. The company remains committed to providing sustainable returns to shareholders in the future.

MEETINGS OF THE BOARD OF DIRECTORS

Five meetings of the Board of Directors were held during the year. Attendance was as follows:

Sr. #	Name of Participants	Designation	Attendance
1	Mr. Fawad Ahmed Mukhtar	Chairman	4/5
2	Mr. Faisal Ahmed	CEO	5/5
3	Mr. Fahd Mukhtar	Director	2/5
4	Mr. Muhammad Mukhtar Sheikh	Director	3/5
5	Mr. Shahid Aziz	Director	5/5
6	Mr. Muhammad Shaukat	Director	5/5
7	Mrs. Fatima Fazal	Director	3/5

DIRECTORS' REMUNERATION

The Company shall not pay remuneration irrespective of their classification e.g. Executive Director, Non-Executive Director and Independent Director except the meeting fee to the Independent Directors along with any travel and other necessary expenses of travelling and accommodation for attending the Board and its Committees' meetings and free use of maintained cars to the Company's Directors.

Details of remuneration paid to the Executive and Non-executive Directors during the year is given in Note 43 of the financial statements.

COMMITTEES OF THE BOARD

The Board Committees and their Members are disclosed on Page 24 of the Annual Report.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

The CEO does not receive remuneration from the Company. The information required under Companies Act,

2017 in respect of executive employees of the Company is annexed at Note 43 of the Report.

STATEMENT OF ETHICS & BUSINESS PRACTICES

The statement of business ethics and core values provides the framework on which the Company conducts its business. The Board and the employees are the custodians of the excellent reputation for conducting our business according to the highest principles of business ethics. The following principles constitute the business ethics and core values of the Company to promote the Employer Branding:

- Demonstrate honesty, integrity, fairness and ethical behavior when interacting within or outside the organization;
- Compliance with all Laws & Regulations as a good corporate citizen;
- Commitment to run the business in an environment that is sound and sustainable;
- Belief in the principles of reliability, credibility and transparency in business transactions;
- To be an equal opportunity employer;
- Safeguard shareholders interest;
- Ensure Health & Safety Environment to protect our people, neighbors, customers & visitors;
- Encourage facing the business challenges;
- Investment in Human Capital;
- Proper financial disclosures of any conflict of interest transactions, if any;
- Accountability & responsibility;
- Good and effective public relations;
- Promotion of culture of excellence by exceeding the expectations of all stakeholders;
- Customer satisfaction for continuous growth;
- Encourage employees to be creative & innovative;
- Respect for all stakeholders;
- Reliable & dependable supplier, enhancement of profitability to benefit shareholders, employees and the Government.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has developed a sound mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company and presented to the audit committee for information and review.

The Internal Audit is responsible for providing assurance on the effectiveness and adequacy of internal control and risk management framework in managing risks within acceptable levels throughout the Company.

The Company's Risk Mitigation Strategy includes reduction of the likelihood that a risk event will occur and/or reduction of the impact of a risk event if it does occur. For this purpose, the Board, through its Audit Committee, reviews the potential risks and the adequacy of internal controls and risk management procedures.

The Company's System of Internal Control provides reasonable assurance that assets are safeguarded against theft and unauthorized use, all business transactions and events are recorded and accounting records are accurate and all applicable laws and regulations are complied with. The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.

INTERNAL AUDIT AND RISK ASSURANCE FUNCTION

Internal Audit function is effectively operating within the framework set out in Code of Corporate Governance and the charter defined by the Audit Committee of the Board of Directors, to provide an independent and objective evaluation on the effectiveness of governance, risk management and control activities.

The Internal Audit function is progressing from a conventional function into a business partner and advisory role by following a proactive approach towards effective corporate governance through risk mitigation, adding value within the business process and creating synergies at the group level. The Board relies on the inputs and recommendations of the internal audit function through its Audit committee on the adequacy and effectiveness of internal controls in the organization and takes appropriate measures.

The Internal Audit function is effectively utilizing risk control matrices, to prioritize and develop its annual plan and to strengthen the internal controls through periodic reviews of all the functions / processes in the organization and carried out its assignments in accordance with annual audit plan approved by the Audit Committee. The Committee has reviewed material Internal Audit findings, taken appropriate action where necessary or brought the matters to the Board's attention where required.

The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by internal audit function. Internal Audit also emphasizes the importance of Business Continuity and completeness of Risk Control measures to have seamless operations at entity level.

Further, as 2nd line of defense, an Enterprise Risk Management (ERM) function is operating to oversee all the business risks and develop appropriate and effective mitigation strategies.

CODE OF CONDUCT:

As per the Corporate Governance guidelines, the Company has prepared a Code of Conduct and communicated throughout the Company apart from placing it on its website.

HEALTH SAFETY & ENVIRONMENT

The Company is well aware of its responsibility to the environment being a responsible environment protecting corporate citizen. During the year, HSE performance of all the segments remained excellent. Strong commitment of Plant team has enabled it to achieve all HSE standards. Comprehensive monitoring and self-auditing regimes remained in focus backed by internal and external audits. Management Safety Audits, Emergency Response, Plant Reliability Enhancement Program, Occupational Health & Industrial Hygiene and Customized Housekeeping audits are few to be named.

INFORMATION TECHNOLOGY DIVISION

Information Technology Division (ITD) continues to be a key component and provides an extensive range of computing and communication services, backing

employees in the execution of their job roles. Oracle E-business suite products are our technological aid in planning, organizing, leading, and controlling the business functions. The vision of ITD involves strengthening decision making using improved analytics and commitment to deployment of latest technology, reducing its paper footprint and increases its reach to customers by deploying latest technology. The goals of ITD are consistent with the goals of the Company.

BUSINESS CONTINUITY PLANNING AND SAFETY PROCEDURES FOR DATA PROTECTION

The Company has a comprehensive disaster recovery plan in place which entails backup facilities at different areas. This system is also subject to regular system checks to ensure continued effectiveness in case of any emergency. Standard Operating Procedures and checklists have also been developed, identified and explored in detail where situations/areas of high risk that could hamper Company operations. Accordingly, action plans have been prepared to manage strategic business risks considering the general economic conditions, competitive realities and possible scenarios and ensuring that risk management process and culture are embedded throughout the Company.

INVESTOR GRIEVANCE POLICY

The Company continuously engages with its investors and responds to their queries, concerns and grievances. The Shares Registrar is responsible to address the investor's grievances.

ANNUAL AND QUARTERLY REPORTS ACCESSIBILITY

The annual and quarterly reports are available on the Company's website.

AUDITORS

The existing auditors, M/S. ShineWing Hameed Chaudhri & Co., Chartered Accountants will retire at the conclusion of the Annual General Meeting and being eligible, have offered themselves for re-appointment.

PATTERN OF SHAREHOLDING

The Pattern of Shareholding as required under the Code of Corporate Governance is attached with this Report.

BRIEF ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND THE CEO

Pursuant to CCG 2019 (including any other statutory rules or re-enactment(s) for the time being in force), the Directors of your Company confirm that:

- The Chairman manages the Board and guide with a primary role to ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy.
- All the meetings of the Board of Directors are presided by the Chairman who has the power to set the agenda and signing of minutes and is also entrusted with the leadership of the Board proceedings.
- The CEO carries the responsibility for overall success of the Company by making top level managerial decisions.

OFFICES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In compliance with good governance practices, the position of Chairman of the Board of Directors and the office of Chief Executive Officer are held by separate persons with clear duties and responsibilities.

DIRECTORS' TRAINING PROGRAM

Out of seven Directors, four Directors have completed the Directors Training Program (DTP) while the three Directors meet the exemption criteria; hence, are exempted from the DTP.

ANNUAL EVALUATION OF BOARD PERFORMANCE

An annual evaluation of the Board is carried out on the basis of a self-assessment questionnaire to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set by the Company. The evaluation provides the Board with an opportunity to review the balance skills,

experience, diversity and perspectives. The size and composition of the Board is adequate to govern the Board procedures.

The criteria used in evaluating the performance is as under:

- Board Composition and Organization;
- Terms of Reference;
- Skills and Expertise of Board Members strategic planning;
- Availability of guideline to the Management;
- Efficiency of board meetings and decision making process;
- Regular follow up to measure the impact of Board's decisions;
- Communication between the Board and the Management;
- Constitution of Board Committees with members possessing adequate technical knowledge and expertise;
- Dividing the roles of Chairman and the CEO Quality of Management reports received from Board Committees;
- Board & CEO effectiveness; and
- Risk Mitigation.

DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below:

- Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in IAS that continued to apply and other applicable provisions, if any, of the Companies Act, 2017 to the extent applicable. These are in accordance with generally accepted accounting principles in Pakistan. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.
- The policies to ensure uniform accounting treatment are prescribed to the associated companies or subsidiaries, if any.

- Your Company operates in Oracle EBS R-12 an ERP system and has many of its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. Your Company has automated processes to ensure accurate and timely updates of various master data in the underlying ERP system.
- Your Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies, accounting hygiene and accuracy of provisions and other estimates.
- Your Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/ validate them as and when appropriate. The basis of such judgments and estimates are also approved by the Statutory Auditors and Audit Committee.
- The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.
- Your Company has a code of conduct applicable to all its employees along with a Whistle Blowing Policy to report malpractices, if any.

ACKNOWLEDGEMENT

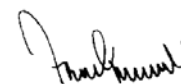
The Directors would like to express their appreciation to the Securities & Exchange Commission of Pakistan, Banks, Financial Institutions, Insurance Companies and the Shareholders for their continuous support, cooperation, trust and confidence in the Company. The Directors would also like to express their gratitude for the support provided by our valued customers and suppliers.

The Directors would also like to place on record their appreciation for the commitment, dedication, devotion, loyalty and hard work by all cadres of employees towards the growth, well-being and success of the Company.



Muhammad Shaukat
Independent Director

Place: Multan
Dated: September 30, 2023



Faisal Ahmed
Chief Executive Officer

آئی کی سی کی ایجنسی شاید اطلاق رکھتی ہے ہر تمام ملازمین پر اگر ہے جبکہ چوکی (اکروٹی) ایجنسی کو پرستہ کرنے کیلئے آئی۔ Whistle Blowing Policy

انٹرنل کنٹرول

انٹرنل کنٹرول ریٹائر ایڈمنسٹریشن ایف۔ پاکستان پبلک سروسز ایجنسیوں اور میجر ہوٹلوں کی جانب سے کئی کے ساتھ مسلسل تعاون، معاونت، احترام اور غور سے تہہ دل سے منظور ہیں۔ اس کے ساتھ ساتھ ڈائریکٹر مسز سارہ علی اور نرمل کھکان کے تعاون پر ان کا شکریہ ادا کرتے ہیں۔

حم کبھی کی ترقی و ترقی اور کامیابی میں کردار ادا کرنے والے و شہد سے وابستہ ملازمین کے موزم انجمن اور ادارہ جاتی اور انٹیکٹ ہوتے پر انجمن خراج حسین پیش کرتے ہیں۔

- برڈ کی معاونت اور تنظیم
- برڈ کی آمد و رفت اور سفر
- برڈ ممبران کی تعلیمیت اور ہمارے
- انٹیکسٹ اور سٹریٹجک پلاننگ اور ایگزیکٹو کی دستیابی
- برڈ مینٹل اور فیصلہ سازی کے طریقہ کار کی استعداد
- برڈ کے فیصلوں کے اثرات کو کم از کم کرنے کیلئے پالیسی سے معاونت
- برڈ اور کئی کے مابین باہمی کامیابی
- مناسب جتنی بھی ہو، اور آج کے نئے دور میں برڈ پر مشتمل اداروں کے مابین برڈ مینیجمنٹ کا قیام
- برڈ میں اور بی۔ ایچ۔ ایچ۔ کی ایگزیکٹو آفس کے ساتھ ساتھ برڈ
- برڈ مینیجمنٹ کی جانب سے برڈ کے مابین برڈ مینیجمنٹ اور برڈ کے مابین
- برڈ اور بی۔ ایچ۔ ایچ۔ کی ایگزیکٹو آفس کے ساتھ ساتھ
- برڈ کے مابین

مالی گوشواروں سے متعلق برڈ کی سرکاری مصلحت

آئی کی سی نے مالی گوشواروں کے حوالے سے اس باب میں برڈ کی سرکاری مصلحت سے برڈ کے لیے

- آئی کی سی نے IAS میں واضح کردہ برڈ کے اصل الاؤٹمنٹ معاہدات اور پیکیز اگست 2017 کی برڈ کے اصل معاہدات (آر ایف) کے مطابق الاؤٹمنٹ اور سیر اپنائی ہیں اور یہ مسلسل آر ایف ہیں۔ یہ پاکستان میں منظور شدہ عمومی الاؤٹمنٹ معاہدوں کے مابین مطابقت ہیں۔ ان پالیسیوں میں کسی بھی قسم کی تبدیلی (آر ایف) کی قانونی آڈیٹ سے مطابقت کے معاہدات کبھی سے منظور کی جاتی ہے۔
- یہاں الاؤٹمنٹ ریٹس بھی طے کیے گئے ہیں اور یہاں سے برڈ کے مابین (اکروٹی) کا کامیابی کی ہے۔
- آئی کی سی Oracle EBS R-12 میں ایک ERP سسٹم پر منت کرتی ہے اور یہ اپنے برڈ کے الاؤٹمنٹ ریٹس اور ایگزیکٹو عمل میں رکھتی ہے اور اس کے ساتھ ساتھ ان کا ایک اپ بنا رہا ہے۔ ERP سسٹم اور اس کے مابین برڈ کے مابین اور ایگزیکٹو فیصلوں اور اس میں اہم دور کیلئے چھٹیل دیا گیا ہے۔ آئی کی سی ERP سسٹم کے تحت مختلف مٹروں کی درست اور بروقت اپ ڈیٹس کیلئے ٹولز اور طریقہ رکھتی ہے۔
- آئی کی سی ایک مستند اور ذاتی تنظیم کا ممبر ہے جس کے تحت ان کے برڈ کے مابین برڈ کے مابین برڈ کے مابین اور ایگزیکٹو عمل میں رکھتی ہے اور اس کے ساتھ ساتھ ان کا ایک اپ بنا رہا ہے۔ ERP سسٹم اور اس کے مابین برڈ کے مابین اور ایگزیکٹو فیصلوں اور اس میں اہم دور کیلئے چھٹیل دیا گیا ہے۔ آئی کی سی ERP سسٹم کے تحت مختلف مٹروں کی درست اور بروقت اپ ڈیٹس کیلئے ٹولز اور طریقہ رکھتی ہے۔
- آئی کی سی نے مالی گوشواروں کی تالی میں فیصلہ پالیسی کی بنیاد پر فیصلہ سازی کر لی اور اس کے برڈ کے مابین برڈ کے مابین اور ایگزیکٹو عمل میں رکھتی ہے اور اس کے ساتھ ساتھ ان کا ایک اپ بنا رہا ہے۔ ERP سسٹم اور اس کے مابین برڈ کے مابین اور ایگزیکٹو فیصلوں اور اس میں اہم دور کیلئے چھٹیل دیا گیا ہے۔ آئی کی سی ERP سسٹم کے تحت مختلف مٹروں کی درست اور بروقت اپ ڈیٹس کیلئے ٹولز اور طریقہ رکھتی ہے۔
- انٹیکسٹ اور بی۔ ایچ۔ ایچ۔ کی ایگزیکٹو آفس کے ساتھ ساتھ برڈ کے مابین برڈ کے مابین اور ایگزیکٹو عمل میں رکھتی ہے اور اس کے ساتھ ساتھ ان کا ایک اپ بنا رہا ہے۔ ERP سسٹم اور اس کے مابین برڈ کے مابین اور ایگزیکٹو فیصلوں اور اس میں اہم دور کیلئے چھٹیل دیا گیا ہے۔ آئی کی سی ERP سسٹم کے تحت مختلف مٹروں کی درست اور بروقت اپ ڈیٹس کیلئے ٹولز اور طریقہ رکھتی ہے۔

Shankar

برڈ کے لیے

Shankar

برڈ کے لیے
30 جنوری 2023

بیمہ کی گیلیاں

بیمہ کی گیلیاں اور اسکے بہرہ منی کی تحصیل سالانہ ہوتے کے سطر نمبر 24 مہرہ 24 مہرہ کی گئی ہے۔

ادراختیار بلدیہ کی گیلیاں کے ساتھ ساتھ اس کے گوانٹھ کا بیان

بیمہ ایگریگیشن اور پیرسٹیٹی سے معاوضہ وصول نہیں کرتے۔ گیلیاں کے ایگریگیشن کے ساتھ سے مختلف گیلیاں کی 2017 کے وقت کے ساتھ ساتھ اس واقعہ کے نوٹ 43 میں بیان کیا گیا ہے۔

انتظامیہ اور کاروبار کی اصطلاحات کا بیان

کاروباری اصطلاحات اور بلدیہ کی اصطلاحات کا بیان اور کاروبار کے معنی میں کی بنا پر یہ گیلیاں اپنے نام پر انتظام دیتی ہے۔ بلدیہ اور گیلیاں کے کاروباری اصطلاحات کے حوالہ سے اس کے اصولوں پر عمل دیا جاتا ہے۔ اس کے ساتھ ساتھ بلدیہ اور گیلیاں کے انتظامیہ میں گیلیاں کو اس کے ساتھ ساتھ ہے۔

بیمہ کی گیلیاں اور اسکے بہرہ منی کی تحصیل سالانہ ہوتے کے سطر نمبر 24 مہرہ 24 مہرہ کی گئی ہے۔

بیمہ کی گیلیاں اور اسکے بہرہ منی کی تحصیل سالانہ ہوتے کے سطر نمبر 24 مہرہ 24 مہرہ کی گئی ہے۔

بیمہ کی گیلیاں اور اسکے بہرہ منی کی تحصیل سالانہ ہوتے کے سطر نمبر 24 مہرہ 24 مہرہ کی گئی ہے۔

بیمہ کی گیلیاں اور اسکے بہرہ منی کی تحصیل سالانہ ہوتے کے سطر نمبر 24 مہرہ 24 مہرہ کی گئی ہے۔

بیمہ کی گیلیاں اور اسکے بہرہ منی کی تحصیل سالانہ ہوتے کے سطر نمبر 24 مہرہ 24 مہرہ کی گئی ہے۔

بیمہ کی گیلیاں اور اسکے بہرہ منی کی تحصیل سالانہ ہوتے کے سطر نمبر 24 مہرہ 24 مہرہ کی گئی ہے۔

بیمہ کی گیلیاں اور اسکے بہرہ منی کی تحصیل سالانہ ہوتے کے سطر نمبر 24 مہرہ 24 مہرہ کی گئی ہے۔

بیمہ کی گیلیاں اور اسکے بہرہ منی کی تحصیل سالانہ ہوتے کے سطر نمبر 24 مہرہ 24 مہرہ کی گئی ہے۔

بیمہ کی گیلیاں اور اسکے بہرہ منی کی تحصیل سالانہ ہوتے کے سطر نمبر 24 مہرہ 24 مہرہ کی گئی ہے۔

بیمہ کی گیلیاں اور اسکے بہرہ منی کی تحصیل سالانہ ہوتے کے سطر نمبر 24 مہرہ 24 مہرہ کی گئی ہے۔

بیمہ کی گیلیاں اور اسکے بہرہ منی کی تحصیل سالانہ ہوتے کے سطر نمبر 24 مہرہ 24 مہرہ کی گئی ہے۔

باقالی مندرجات میں صفا کی بھری

مقدار	۳0 سکن 2023	۳0 سکن 2022	یونٹ
گرم پیناٹج	11.06	17.72	یونٹ
نروقت پیناٹج	0.62	8.60	یونٹ
فی ٹیڈر آڈن	6.59	85.67	روپے
ٹیڈر کی بارکٹ و ٹیڈ	77.35	66.50	روپے
ٹیلیفون ٹیڈ	38,534	27,757	ٹیلیفون روپے

باقالی میں مصداقی

سال کے اختتام پر کھٹی کی بارکٹ میں مصداقی 2,383 ٹین روپے ہے جو گزشتہ سال 2,049 ٹین روپے تھی

بھرتی

آجکی کھٹی حالی سبھاری سمنو مات کی تادی کیلئے اس بھرتی سے دینی جگنا لوسی کے مطابق اپنی بھرتی ورتھ کیلئے پرمزم ہے۔ کھٹی نے 52 ہائی اسپڈ اینڈر جیٹ لومر سب کے لیے جو کہ ڈیر جا نڈر ہائی سال میں لول ہو چھے جیسا کہ پزیر میں کو آئی ہان پور کے پوائنٹ کس میں شروع کیلئے 25,520 اسپڈ کی مال میں ڈیر جا نڈر ہائی سال کے بعد پزیر ہوگا۔

واجب الا وغلس اور لوج

واجب الا وغلس اور لوج کی تھیباہ مالی گوشاروں میں دئی گئی ہیں

گرم پیناٹج میں مصداقی

آپ کی کھٹی ٹیڈر اور لوج بھرتی میں ملٹی سبھت کی تری میں جم پڑیں حصر اور دئی ہے اور کھٹی کی تری کے ساتھ ساتھ اس حصر داری میں ملٹی اطاف ہو رہے۔ ڈیر جا نڈر سال کے دوران آپ کی کھٹی نے قومی خزانے میں فیڈرل ایجا شروع لی سٹریٹجکس، کسٹم راجیٹرز، انٹرنیشنل لیبر کی دس میں حصر الا۔

ادارہ عالی سماجی ساداری (CSR)

کھٹی سماجی انسان دوست سرگرمیوں، ماحولیاتی تحفظ کے اقدامات، تعلیمی سرایہ کاری اور سماجی سبھتوں کے حلقہ کیلئے اقدامات، سماجی حقیقت کی بھلائی پر اعتراضات، اجتماعی تعلقات، کوشش اور انکی ملازمت کی حوصلہ افزائی پیشہ وارانہ تحفظ و سبھت، لگن و ساداری دیکھنا کے نائے کیلئے اقدامات آئی ہیں۔ کیلئے تعلیمات تری شروع سے حصر داری اور سبھی اہل سبھت پر گراجہ کے آئے لیے ہلو ادارہ عالی ذمہ داریاں اسیں لہر تے سے سر لہا ہونگا ہے۔

آجکی کھٹی سماجی کی بھرتی کیلئے رضاکارانہ طور پر حصر والے اور ایک ذمہ دار ادارہ ہونے کا سبوت پیش

کرتے کیلئے ہی ایس آر کا ایک لہاری ہالی اور کا بھاری حلقے کے طور پر کھٹی ہے۔ سہ ماہی صحت ماہر اور تعلیم کے شروع کیلئے ہمیشہ پرمزم اور تعاون کا مظاہرہ کیا ہے۔ کھٹی ایس آر کا حوالہ مختلف کھائی اور سماجی مشکل ادارے جس میں سے ایک مقررہ اسٹیج فرسٹ ہے جو کہ مرم اور آئی بھلائی کیلئے ہسپتال اور میڈیکل سبھت قائم کرتے ہیں۔ ملک کے ایسے مقامات پر بیڈ بکس نہیں لگائے جاتے ہیں جہاں صحت ماہر کی سہاریات نہ ہوں۔ سماجی بہت مشکل ہے۔ سمان میں بکس نہیں کی جرات ان علاقوں کے مستحق افراد کو چھپا سہا کے ساتھ ساتھ اور بہت ہی شہت فراہمی کی جاتی ہیں۔

فی ٹیڈر آڈن

آپ کی کھٹی نے 2023 ٹین روپے اور آڈن میں شامل کیا کہ 6,659 روپے فی ٹیڈر آڈن ہوگا اور گزشتہ سال یا آڈن 85.67 روپے فی ٹیڈر تھی۔

حتمی پزیر لوج

روپے کی قدر میں کمی اور بھرتی شروع ہونے سے کھٹی اس سال ڈیر جا نڈر لوج مان لکھی کر رہی تاکہ ڈیر جا نڈر لوج کی ضروریات کو مد نظر رکھتے ہوئے قرضہ جات میں کمی لائی جائے۔ کھٹی مستحق سماجی ٹیڈر ہونڈر کو پاسیہ اور بھرتی فراہمی کیلئے پرمزم ہے۔

پروڈ آب انڈر ٹیڈر کے اعلیٰ

سال کے دوران پروڈ آب انڈر ٹیڈر کے پانچ اجلاس منعقد ہوئے اور ان میں حاضر ہی حساب ایل دئی۔

سلاٹ	کمیشن	مقدار	حاصل
1	جناب فراہم دیکھار	خبر بکس	4/5
2	جناب بھل سہو	چھٹا آنڈر ٹیڈر فیڈر	5/5
3	جناب لہدیکار	انڈر ٹیڈر	2/5
4	جناب مرم پیناٹج	انڈر ٹیڈر	3/5
5	جناب ٹیڈر پزیر	انڈر ٹیڈر	5/5
6	جناب مرم سبھت	انڈر ٹیڈر	5/5
7	مخترہ ہلر لوج	انڈر ٹیڈر	3/5

انڈر ٹیڈر کا سادوسہ

کھٹی انڈر ٹیڈر کو معاوضہ دینے والی (ایگزیکٹو) انڈر ٹیڈر ہیں۔ ایگزیکٹو انڈر ٹیڈر اور لوج اور انڈر ٹیڈر سے شائع ہونے والے انڈر ٹیڈر کے لیے گامتا کے ذمہ دار اور انڈر ٹیڈر کا جہاں کی نہیں شامل ہر قسم کے سبھت اور پزیر و کوشش کے اجلاس میں شرکت کیلئے رہائشی اور غیر ضروری اطرافات اور کھٹی کی حاجت سے دئی گئی گاڑیوں کا سبھت مشمول۔

ایگزیکٹو اور جی انڈر ٹیڈر اور انڈر ٹیڈر کو بلا کیے گئے مشاہیرے کی شہیہات مالی گوشاروں کے نوٹ 43 میں دئی ہیں۔

CSR ACTIVITIES

Fatima Group Considers Corporate Social Responsibilities as a Fundamental Sustainable Business to Contribute Voluntary Towards Better Society.

The Company has always shown strong commitment and support for public health and promotion of education and is a permanent donor to reputable charity organizations, especially Mukhtar A. Sheikh Trust, which contributes towards the well-being of deprived people by not only setting up but also full operational functioning of Hospitals, dispensaries, educational and vocational schools.

For us Social responsibility is a duty the management has to perform to maintain a balance between the economy and the ecosystems. With our talented team, we aim to help drive, creation of shared economic and social values across Pakistan. CSR is one of core values and an integral part of the Company's overall mission. The Company has taken up its CSR activities both directly as well as through Mukhtar A. Sheikh Trust and Fatima Group CSR plans.

Reliance Weaving Mills Limited has donated around Rs. 40 million this year for charitable purposes.





HEALTH CARE CSR ACTIVITIES SPONSERED THROUGH FATIMA GROUP

Two major health care projects under the umbrella of Mukhtar A. Sheikh Welfare Trust were launched few years back and now they are successfully providing state of the art health facilities to the people of Multan and surrounding areas.

Reliance Weaving Mills Limited is one of the donors' of these projects to full its commitment to pay back to society.

1. SPRING CLINIC AND INSTITUTE OF PSYCHIATRY
2. MUKHTAR A. SHEIKH HOSPITAL
3. FARRUKH MUKHTAR SCHOOL OF NURSING



SPRING CLINIC AND INSTITUTE OF PSYCHIATRY

The Spring Clinic aims to bring some much needed mental health management and awareness to this region and beyond. Supported by highly quailed staff of psychiatrists and psychologists, this Clinic provides essential treatment and therapy to people affected by a variety of psychiatric illnesses.

The state-of-the-art treatment completely free for the underprivileged and are also helping train and prepare the next generation of psychiatrists - these thought leaders will pave the way for real policy making at a national level while helping erase the associated stigma among the masses.





- MASH has been designed as a purpose built 500-bedded tertiary care facility with state of the art medical technology and futuristic diagnostic centers in the heart of Southern Punjab.
- With a covered area of 420,000 sft., MASH intends to introduce the latest of technologies in healthcare industry under one roof.
- MASH has been accredited by Joint Commission International (JCI) and ISO (the International Organization for Standardization) Certifications.
- Compliance with top of the line HMIS system and HTM standards will enable MASH to achieve unparalleled efficiency on healthcare industry.
- MASH as a teaching hospital by inducting a medical college, research facility as well as paramedical training institute.

Surgeries of children, who were unable to hear or speak since birth.

- **Neurosurgery Services**

Neurosurgery department is providing a range of neurosurgical services of international standards under the supervision of a US trained neurosurgeon, in a safe & healthy environment through infection prevention & control, implementation of international safety protocols and following best possible preventive & precautionary measures.

SPECIALIZED SERVICES AT MASH

In addition to the general healthcare, diagnostic & surgical services, MASH is successfully providing:

- **Cochlear Implant Surgeries**

MASH conducted successful Cochlear Implant





The Farrukh Mukhtar School of Nursing is a state-of-the-art institution where an inter-professional and multidisciplinary team will join hands to establish an integrative and innovative (academic, clinical practice, and service) approach to educate nursing professionals.

Equipped with a high-tech skills laboratory, the Farrukh Mukhtar School of Nursing focuses on the development

of nursing professionals, who will be able to provide competent and compassionate care at primary, secondary, and tertiary care levels in the national and international context. The undergraduate program will not only help their graduates to become proficient professionals but, will also make them utilize independent nurse-led approaches to serve the population.





DIRECTLY SPONSORED CSR ACTIVITIES

Donations to different charity organizations:

- Rising Sun Institute
- SOS Children Village
- Major Jahanzaib Shaheed Dispensary
- Fatima Vocational College
- Al Noor Foundation
- RWML have been providing free ration during the holy month of Ramadan to large number of people of vicinity "Ramadan Package".

MUKHTAR A. SHEIKH TRUST

Under the umbrella of Fatima Group and Reliance Weaving Mills Limited, Mukhtar A. Sheikh Trust, a welfare organization, aims to "Enrich Lives" by playing its part in giving back to the society.

Mrs Farrukh Mukhtar, W/O Late Mian Mukhtar Ahmad established the Mukhtar A. Sheikh Trust in 2000 with the objective to develop and maintain hospitals, nursing homes, schools, industrial homes, research centers, libraries, colleges, hostels and other charitable institutions of similar kind with a view to promote education consistent with the Islamic principles, literature arts and technical/ vocational professions, generally to encourage study of medicine, advancement and diffusion of knowledge and to help other needy persons / institutions.





Key Focus Areas of the Trust are:

I) Education

Mukhtar A. Sheikh Trust built schools & technical education campuses' in different areas in order to promote quality education at the grass-root level specially girls education so that the people can become useful part of the society by contributing towards the economic development of the Country.

A- Formal Education Center

Farrukh Mukhtar Girls High School Samorana established with the aim to provide free and quality education to needy girls of the area.

B- Vocational Education Centers

- Farrukh Mukhtar Vocational Education Center Madni Chowk Multan
- Farrukh Mukhtar Vocational Education Center Gulshan Colony Multan

These institutions are established and registered with Technical Education Vocational Training Authority (TEVTA) and affiliated with Punjab Board of Technical Education (PBTE).

II) Healthcare

Mukhtar A- Sheikh Trust also undertakes public health and promotion activities for the low income, remote and urban communities.

The free medical camps are set up in far flung areas of the Country where healthcare is very hard to access. Patients avail free medical check-up along with medicines.

Free dispensaries have been established under the TRUST since year 2000 with the team of experienced doctors, LHV's and medical staff.

1. Farrukh Mukhtar Dispensary (Madni)
2. Farrukh Mukhtar Dispensary (Gulshan)
3. Farrukh Mukhtar Dispensary (Samorana)
4. Farrukh Mukhtar Dispensary (Shakkar Garh)

Facilities provided to patients include:

1. Free check up by Doctor / LHV.
2. Free medicines.
3. In door admission, if required.



VERTICAL ANALYSIS

Statement of Financial Position

PKR in 000"	2023		2022		2021		2020		2019		2018	
	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%
Non current assets												
Property, plant and equipment	16,710,351	45.74%	10,687,018	38.50%	7,994,970	41.40%	6,393,392	40.41%	6,227,003	37.04%	5,633,486	42.46%
Intangible asstes	-	0.00%	-	0.00%	835	0.00%	1,781	0.01%	2,728	0.02%	3,674	0.03%
Long term investments	1,437,282	3.93%	1,849,425	6.66%	-	0.00%	35,635	0.23%	763,601	4.54%	837,700	6.31%
Long term deposits	29,719	0.08%	29,046	0.10%	28,776	0.15%	28,776	0.18%	20,216	0.12%	21,019	0.16%
Deferred tax assets	307,170	0.84%	143,178	0.52%	133,229	0.69%	135,874	0.86%	71,221	0.42%	66,140	0.50%
Total non current assets	18,484,522	50.60%	12,708,667	45.79%	8,157,810	42.24%	6,595,458	41.69%	7,084,769	42.15%	6,562,019	49.46%
Current assets												
Stores, spares and loose tools	457,726	1.25%	365,569	1.32%	391,392	2.03%	268,499	1.70%	204,856	1.22%	220,724	1.66%
Stock in trade	10,162,917	27.82%	7,788,806	28.06%	5,050,742	26.15%	4,669,118	29.51%	5,944,942	35.37%	3,222,131	24.29%
Trade debts	4,689,630	12.84%	4,485,550	16.16%	2,850,837	14.76%	1,827,071	11.55%	2,281,363	13.57%	2,005,913	15.12%
Loans and advances	567,203	1.55%	607,867	2.19%	1,151,545	5.96%	974,612	6.16%	401,679	2.39%	263,590	1.99%
Prepayments and other receivables	202,151	0.55%	195,192	0.70%	125,191	0.65%	75,941	0.48%	35,474	0.21%	27,214	0.21%
Short term investments	341,625	0.94%	393,031	1.42%	696,751	3.61%	782,192	4.94%	137,331	0.82%	106,535	0.80%
Tax refunds and export rebate due from the government	1,070,765	2.93%	1,077,988	3.88%	792,116	4.10%	585,410	3.70%	606,596	3.61%	779,696	5.88%
Cash and bank balances	557,669	1.53%	134,208	0.48%	96,013	0.50%	42,972	0.27%	113,073	0.67%	79,087	0.60%
Total current assets	18,049,685	49.40%	15,048,210	54.21%	11,154,587	57.76%	9,225,814	58.31%	9,725,316	57.85%	6,704,890	50.54%
Total assets	36,534,207	100%	27,756,877	100%	19,312,396	100%	15,821,272	100%	16,810,085	100%	13,266,909	100%
Share capital and reserves												
Issued, subscribed and paid up capital	308,109	0.84%	308,109	1.11%	308,109	1.60%	308,109	1.95%	308,109	1.83%	308,109	2.32%
Reserves	115,253	0.32%	115,253	0.42%	115,253	0.60%	161,050	1.02%	165,798	0.99%	175,935	1.33%
Fair value (loss) / gain on short term investments	(29,136)	-0.08%	434,413	1.57%	(127,452)	-0.66%	-	0.00%	-	0.00%	-	0.00%
Unrealised loss on forward foreign exchange contracts	-	0.00%	(10,981)	-0.04%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Revaluation surplus on freehold land	2,984,467	8.17%	1,708,083	6.15%	1,708,083	8.84%	949,486	6.00%	949,486	5.65%	949,486	7.16%
Unappropriated profit	6,733,891	18.43%	6,605,654	23.80%	4,065,588	21.05%	2,458,268	15.54%	2,467,192	14.68%	1,968,262	14.84%
Total capital and reserve	10,112,585	27.68%	9,160,531	33.00%	6,069,581	31.43%	3,876,913	24.50%	3,890,584	23.14%	3,401,792	25.64%
Non-current liabilities												
Long term finances	5,694,162	15.59%	3,401,153	12.25%	2,766,492	14.32%	2,663,635	16.84%	1,826,835	10.87%	1,199,425	9.04%
Lease liabilities	109,976	0.30%	69,265	0.25%	66,081	0.34%	58,229	0.37%	8,829	0.05%	14,404	0.11%
Staff retirement benefits- gratuity	393,733	1.08%	370,195	1.33%	281,948	1.46%	258,432	1.63%	241,279	1.44%	267,705	2.02%
Deferred liabilities	4,623	0.01%	57,842	0.21%	109,429	0.57%	5,662	0.04%	-	0.00%	-	0.00%
Total Non-current liabilities	6,202,495	16.98%	3,898,455	14.05%	3,223,950	16.69%	2,985,957	18.87%	2,076,942	12.36%	1,481,534	11.17%
Current liabilities												
Trade and other payables	6,292,810	17.22%	4,156,100	14.97%	1,648,605	8.54%	1,684,521	10.65%	2,012,704	11.97%	1,322,614	9.97%
Unclaimed dividend	13,218	0.04%	11,502	0.04%	10,559	0.05%	8,523	0.05%	17,336	0.10%	16,216	0.12%
Accrued mark-up	924,828	2.53%	368,528	1.33%	260,439	1.35%	266,274	1.68%	309,363	1.84%	159,678	1.20%
Short term borrowings	11,372,091	31.13%	8,707,411	31.37%	6,894,241	35.70%	6,658,070	42.08%	7,816,016	46.50%	6,080,170	45.83%
Current portion of non-current liabilities	1,070,248	2.93%	977,981	3.52%	913,806	4.73%	143,401	0.91%	529,479	3.15%	669,476	5.05%
Taxation	545,933	1.49%	476,369	1.72%	291,213	1.51%	197,612	1.25%	157,660	0.94%	135,429	1.02%
Total Current liabilities	20,219,128	55.34%	14,697,891	52.95%	10,018,865	51.88%	8,958,402	56.62%	10,842,558	64.50%	8,383,582	63.19%
Total equity and liabilities	36,534,207	100%	27,756,877	100%	19,312,396	100%	15,821,272	100%	16,810,085	100%	13,266,909	100%

HORIZONTAL ANALYSIS

Statement of Financial Position

	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18	2018	18 vs 17
PKR in 000"	PKR	Change	PKR	Change	PKR	Change	PKR	Change	PKR	Change	PKR	Change
Non current assets												
Property, plant and equipment	16,710,351	56.36%	10,687,018	33.67%	7,994,970	25.05%	6,393,392	2.67%	6,227,003	10.54%	5,633,486	4.89%
Intangible asstes	-	0.00%	-	-100.00%	835	-53.12%	1,781	-34.69%	2,728	-25.76%	3,674	-20.48%
Long term investments	1,437,282	-22.28%	1,849,425	100.00%	-	-100.00%	35,635	-95.33%	763,601	-8.85%	837,700	-2.11%
Long term deposits	29,719	2.32%	29,046	0.94%	28,776	0.00%	28,776	42.34%	20,216	-3.82%	21,019	6.56%
Deffered tax assets	307,170	114.54%	143,178	7.47%	133,229	-1.95%	135,874	90.78%	71,221	7.68%	66,140	19.86%
Total non current assets	18,484,522	45.45%	12,708,667	55.79%	8,157,810	23.69%	6,595,458	-6.91%	7,084,769	7.97%	6,562,019	4.05%
Current assets												
Stores, spares and loose tools	457,726	25.21%	365,569	-6.60%	391,392	45.77%	268,499	31.07%	204,856	-7.19%	220,724	21.18%
Stock in trade	10,162,917	30.48%	7,788,806	54.21%	5,050,742	8.17%	4,669,118	-21.46%	5,944,942	84.50%	3,222,131	7.08%
Trade debts	4,689,630	4.55%	4,485,550	57.34%	2,850,837	56.03%	1,827,071	-19.91%	2,281,363	13.73%	2,005,913	232.23%
Loans and advances	567,203	-6.69%	607,867	-47.21%	1,151,545	18.15%	974,612	142.63%	401,679	52.39%	263,590	-14.43%
Prepayments and other receivables	202,151	3.57%	195,192	55.92%	125,191	64.85%	75,941	114.07%	35,474	30.35%	27,214	-12.06%
Short term investments	341,625	-13.08%	393,031	-43.59%	696,751	-10.92%	782,192	469.56%	137,331	28.91%	106,535	-3.08%
Tax refunds and export rebate due from the government	1,070,765	-0.67%	1,077,988	36.09%	792,116	35.31%	585,410	-3.49%	606,596	-22.20%	779,696	18.81%
Cash and bank balances	557,669	315.53%	134,208	39.78%	96,013	123.43%	42,972	-62.00%	113,073	42.97%	79,087	-18.15%
Total current assets	18,049,686	19.95%	15,048,211	34.91%	11,154,587	20.91%	9,225,814	-5.14%	9,725,316	45.05%	6,704,890	34.18%
Total assets	36,534,207	31.62%	27,756,877	43.73%	19,312,396	22.07%	15,821,272	-5.88%	16,810,085	26.71%	13,266,909	17.37%
Share capital and reserves												
Issued, subscribed and paid up capital	308,109	0.00%	308,109	0.00%	308,109	0.00%	308,109	0.00%	308,109	0.00%	308,109	0.00%
Reserves	115,253	0.00%	115,253	0.00%	115,253	-28.44%	161,050	-2.86%	165,798	-5.76%	175,935	-1.89%
Fair value (loss) / gain on short term investments	(29,136)	-106.71%	434,413	440.84%	(127,452)	0.00%	-	0.00%	-	0.00%	-	0.00%
Unrealised loss on forward foreign exchange contracts	-	-100.00%	(10,981)	-100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Revaluation surplus on freehold land	2,984,467	74.73%	1,708,083	0.00%	1,708,083	79.90%	949,486	0.00%	949,486	0.00%	949,486	49.68%
Unappropriated profit	6,733,891	1.94%	6,605,654	62.48%	4,065,588	65.38%	2,458,268	-0.36%	2,467,192	25.35%	1,968,262	13.27%
Total capital and reserve	10,112,585	10.39%	9,160,531	50.93%	6,069,581	56.56%	3,876,913	-0.35%	3,890,584	14.37%	3,401,792	18.97%
Non-current liabilities												
Long term finances and other payables	5,694,162	67.42%	3,401,153	22.94%	2,766,492	3.86%	2,663,635	45.81%	1,826,835	52.31%	1,199,425	-31.94%
Lease liabilities	109,976	58.78%	69,265	4.82%	66,081	13.48%	58,229	559.53%	8,829	-38.71%	14,404	1034.16%
Staff retirement benefits- gratuity	393,733	6.36%	370,195	31.30%	281,948	9.10%	258,432	7.11%	241,279	-9.87%	267,705	44.77%
Deferred liabilities	4,623	-92.01%	57,842	-47.14%	109,429	1832.72%	5,662	100.00%	-	0.00%	-	0.00%
Total Non-current liabilities	6,202,495	59.10%	3,898,455	20.92%	3,223,950	8.18%	2,980,295	43.49%	2,076,942	40.19%	1,481,534	-23.97%
Current liabilities												
Trade and other payables	6,292,810	51.41%	4,156,100	152.10%	1,648,605	-2.13%	1,684,521	-16.31%	2,012,704	52.18%	1,322,614	51.69%
Unclaimed dividend	13,218	14.92%	11,502	8.93%	10,559	23.89%	8,523	-50.84%	17,336	6.91%	16,216	220.47%
Accrued mark-up	924,828	150.95%	368,528	41.50%	260,439	-2.19%	266,274	-13.93%	309,363	93.74%	159,678	20.35%
Short term borrowings	11,372,091	30.60%	8,707,411	26.30%	6,894,241	3.55%	6,658,070	-14.82%	7,816,016	28.55%	6,080,170	32.71%
Current portion of non-current liabilities	1,070,248	9.43%	977,981	7.02%	913,806	537.24%	143,401	-72.92%	529,479	-20.91%	669,476	-19.67%
Taxation	545,933	14.60%	476,369	63.58%	291,213	47.37%	197,612	25.34%	157,660	16.41%	135,429	91.84%
Total Current liabilities	20,219,128	37.56%	14,697,891	46.70%	10,018,865	11.84%	8,958,402	-17.38%	10,842,558	29.33%	8,383,582	29.07%
Total equity and liabilities	36,534,207	31.62%	27,756,877	43.73%	19,312,396	22.11%	15,815,610	-5.92%	16,810,085	26.71%	13,266,909	17.37%

VERTICAL ANALYSIS

Statement of Profit or Loss

PKR in 000"	2023		2022		2021		2020		2019		2018	
	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%
Sales - net	32,682,288	100%	30,703,659	100.00%	24,030,100	100.00%	17,275,166	100.00%	16,605,159	100.00%	13,913,861	100.00%
Cost of sales	(29,066,406)	-88.94%	(25,262,980)	-82.28%	(20,520,175)	-85.39%	(15,214,366)	-88.07%	(14,822,654)	-89.27%	(12,568,217)	-90.33%
Gross profit	3,615,882	11.06%	5,440,679	17.72%	3,509,925	14.61%	2,060,800	11.93%	1,782,505	10.73%	1,345,644	9.67%
Distribution and marketing expenses	(403,783)	-1.24%	(495,954)	-1.62%	(298,163)	-1.24%	(233,553)	-1.35%	(155,954)	-0.94%	(143,633)	-1.03%
Administrative expenses	(382,384)	-1.17%	(314,229)	-1.02%	(206,171)	-0.86%	(195,566)	-1.13%	(188,640)	-1.14%	(166,022)	-1.19%
Other operating income	153,595	0.47%	173,972	0.57%	102,441	0.43%	129,290	0.75%	323,765	1.95%	99,348	0.71%
Other operating expenses	(69,037)	-0.21%	(388,039)	-1.26%	(135,496)	-0.56%	(355,078)	-2.06%	(68,117)	-0.41%	(50,012)	-0.36%
Profit from operations	2,914,273	8.92%	4,416,430	14.38%	2,972,536	12.37%	1,405,893	8.14%	1,693,558	10.20%	1,085,325	7.80%
Share of loss from associate	-	0.00%	-	0.00%	(35,635)	-0.15%	(91,663)	-0.53%	(70,781)	-0.43%	(21,670)	-0.16%
Finance cost	(2,448,902)	-7.49%	(1,302,995)	-4.24%	(917,653)	-3.82%	(1,166,615)	-6.75%	(991,464)	-5.97%	(622,204)	-4.47%
Profit before tax	465,371	1.42%	3,113,436	10.14%	2,019,248	8.40%	147,615	0.85%	631,313	3.80%	441,451	3.17%
Taxation	(262,259)	-0.80%	(473,956)	-1.54%	(286,441)	-1.19%	(86,345)	-0.50%	(128,508)	-0.77%	(130,872)	-0.94%
Profit after tax	203,112	0.62%	2,639,480	8.60%	1,732,807	7.21%	61,270	0.35%	502,805	3.03%	310,579	2.23%

HORIZONTAL ANALYSIS

Statement of Profit or Loss

PKR in 000"	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18	2018	18 vs 17
	PKR	Change	PKR	Change	PKR	Change	PKR	Change	PKR	Change	PKR	Change
Sales - net	32,682,288	6.44%	30,703,659	27.77%	24,030,100	39.10%	17,275,166	4.03%	16,605,159	19.34%	13,913,861	22.68%
Cost of sales	(29,066,406)	15.06%	(25,262,980)	23.11%	(20,520,175)	34.87%	(15,214,366)	2.64%	(14,822,654)	17.94%	(12,568,217)	21.34%
Gross profit	3,615,882	-33.54%	5,440,679	55.01%	3,509,925	70.32%	2,060,800	15.61%	1,782,505	32.46%	1,345,644	36.74%
Distribution and marketing expenses	(403,783)	-18.58%	(495,954)	66.34%	(298,163)	27.66%	(233,553)	49.76%	(155,954)	8.58%	(143,633)	23.26%
Administrative expenses	(382,384)	21.69%	(314,229)	52.41%	(206,171)	5.42%	(195,566)	3.67%	(188,640)	13.62%	(166,022)	13.70%
Other operating income	153,595	-11.71%	173,972	69.83%	102,441	-20.77%	129,290	-60.07%	323,765	225.89%	99,348	325.78%
Other operating expenses	(69,037)	-82.21%	(388,039)	186.38%	(135,496)	-61.84%	(355,078)	421.28%	(68,117)	36.20%	(50,012)	95.56%
Profit from operations	2,914,274	-34.01%	4,416,430	48.57%	2,972,536	111.43%	1,405,893	-16.99%	1,693,558	56.04%	1,085,325	50.88%
Share of loss from associate	-	0.00%	-	-100.00%	(35,635)	-61.12%	(91,663)	29.50%	(70,781)	226.63%	(21,670)	80.57%
Finance cost	(2,448,902)	87.94%	(1,302,995)	41.99%	(917,653)	-21.34%	(1,166,615)	17.67%	(991,464)	59.35%	(622,204)	15.33%
Profit before tax	465,374	-85.05%	3,113,436	54.19%	2,019,248	1267.92%	147,615	-76.62%	631,313	43.01%	441,451	163.11%
Taxation	(262,259)	-44.67%	(473,956)	65.46%	(286,441)	231.74%	(86,345)	-32.81%	(128,508)	-1.81%	(130,872)	96.60%
Profit after tax	203,115	-92.30%	2,639,480	52.32%	1,732,807	2728.15%	61,270	-87.81%	502,805	61.89%	310,579	206.84%

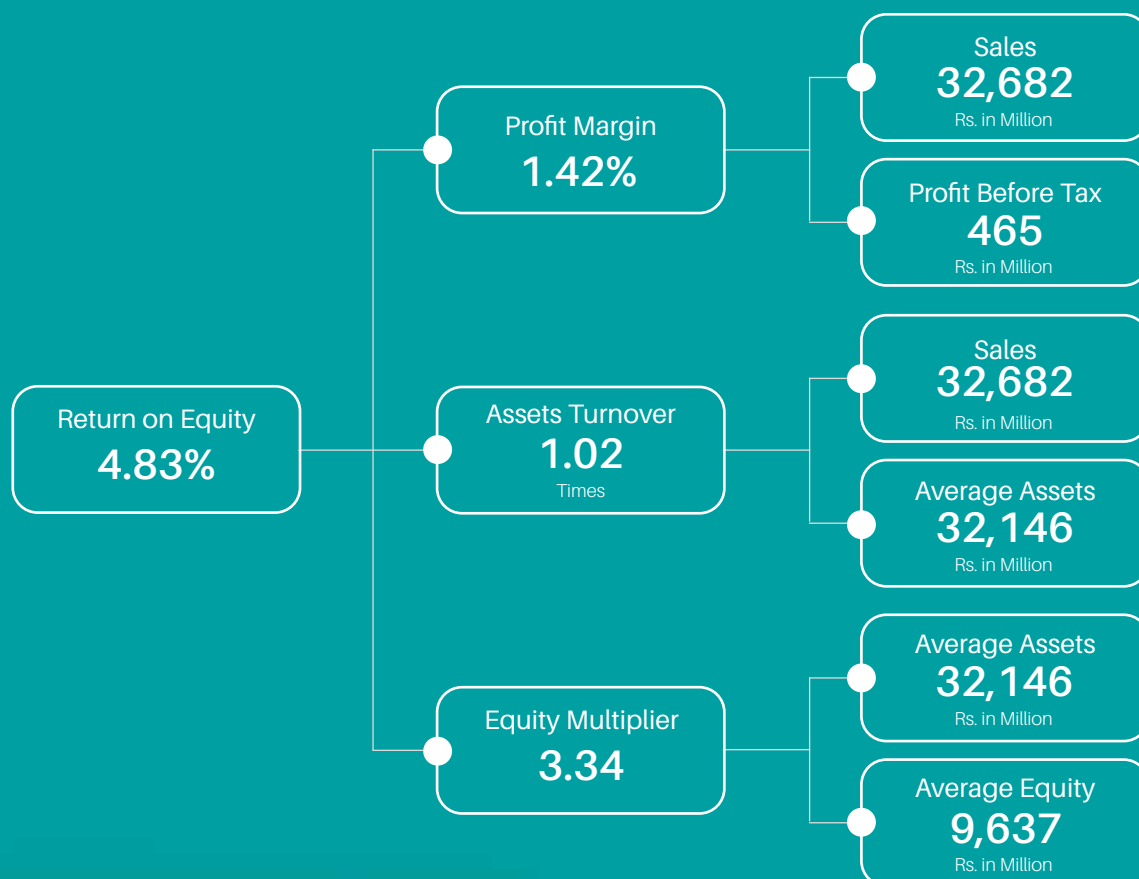
RATIO ANALYSIS

	2023	2022	2021	2020	2019	2018
Profitability Ratios						
Gross Profit Ratio	11.06%	17.72%	14.61%	11.93%	10.73%	9.67%
Net Profit Ratio	0.62%	8.60%	7.21%	0.35%	3.03%	2.23%
EBITDA margin to sales	10.25%	15.53%	13.50%	9.24%	11.31%	9.44%
Return on Equity	2.01%	28.81%	28.55%	1.58%	12.92%	9.13%
Return on Capital Employed	1.24%	20.21%	18.65%	0.89%	8.43%	6.36%
Liquidity Ratios						
Current Ratio	0.89	1.02	1.11	1.03	0.90	0.80
Quick / Acid Test Ratio	0.37	0.47	0.57	0.48	0.33	0.39
Cash to current liabilities	0.03	0.01	0.01	0.00	0.01	0.01
Cash flow from operations to sales	0.10	0.08	0.06	0.15	(0.02)	0.01
Activity / Turnover Ratios						
Inventory Turnover ratio	3.10	3.72	3.95	2.74	3.23	4.03
No of days in inventory	117.88	98.22	92.41	133.21	112.87	90.48
Receivables turnover ratio	7.12	8.37	10.27	8.41	7.75	10.66
No of days in receivables	51.23	43.61	35.53	43.40	47.12	34.23
Total assets turnover ratio	0.89	1.11	1.24	1.06	1.10	1.13
Fixed assets turnover ratio	1.77	2.42	2.95	2.74	2.80	2.53
Investment / Market Ratios						
Earnings per share	6.59	85.67	56.24	1.99	16.32	10.08
Price earning ratio	11.73	0.78	1.29	11.56	1.5	3.02
Dividend yield	0%	6%	10%	0%	14%	7%
Dividend pay-out ratio	0%	40%	75%	0%	35%	22.5%
Dividend cover ratio	0	21.42	7.5	0	4.7	4.5
Cash dividend per share	0	4	7.5	0	3.5	2.25
Market value per share						
- Closing	77.35	66.5	72.41	23	24.49	30.49
- High	91.00	83.98	82.3	24.98	25.99	28.00
- Low	40.00	52.13	22.06	22.4	23.61	30.79
Break up value per share	328.21	297.31	196.99	125.83	126.27	110.41
Capital structure Ratios						
Long term Debt to Equity	0.67	0.48	0.61	0.72	0.61	0.55
Interest cover ratio	1.19	3.39	3.20	1.13	1.64	1.71

CASH FLOWS ANALYSIS

Rs. in '000'	2023	2022	2021	2020	2019	2018
Cash generated from / (used in) operations	3,144,211	2,465,472	1,415,896	2,562,617	(271,803)	90,275
Finance cost paid	(1,866,621)	(1,185,571)	(922,867)	(1,205,442)	(840,120)	(594,853)
Workers' (profit) participation payments	(199,654)	(106,897)	(12,032)	(35,073)	(23,608)	(9,796)
Taxes paid - net	(360,881)	(293,173)	(239,745)	(130,127)	(104,923)	(28,681)
Staff retirement benefits (gratuity) paid	(39,449)	(45,430)	(33,283)	(38,914)	(27,267)	(25,130)
	(2,466,605)	(1,631,071)	(1,207,927)	(1,409,556)	(995,917)	(658,459)
Net cash generated from / (used in) operating activities	677,606	834,401	207,969	1,153,061	(1,267,720)	(568,184)
CASH FLOWS FROM INVESTING ACTIVITIES						
Fixed capital expenditure	(5,185,022)	(3,046,355)	(1,166,761)	(450,395)	(858,037)	(228,076)
Sales proceed from disposals of fixed assets	15,629	9,566	30,608	4,605	9,459	30,310
Long term deposits	(673)	(270)	-	(8,560)	(803)	(1,294)
Investment in shares	-	(146,663)	(87,808)	-	-	-
Deferred liabilities	(2,329)	(13,349)	195,146	12,031	-	-
Net cash (used in) / generated from investing activities	(5,172,396)	(3,197,072)	(1,028,815)	(442,319)	(847,774)	(199,060)
CASH FLOWS FROM FINANCING ACTIVITIES						
Long term finances - net	2,311,692	655,151	776,812	445,485	483,755	(732,303)
Lease finances - net	63,407	8,629	12,923	48,269	(1,918)	18,553
Short term borrowings - net	2,664,679	1,813,170	236,171	(1,157,946)	1,735,847	1,498,514
Dividend paid	(121,528)	(76,085)	(152,018)	(116,651)	(68,204)	(35,062)
Net cash generated from / (used in) financing activities	4,918,250	2,400,866	873,888	(780,843)	2,149,480	749,702
Net increase / (decrease) in cash and cash equivalents	423,460	38,195	53,042	(70,101)	33,986	(17,543)
Cash and cash equivalents - at beginning of the year	134,208	96,013	42,972	113,073	79,087	96,630
Cash and cash equivalents - at end of the year	557,668	134,208	96,013	42,972	113,073	79,087

DUPONT ANALYSIS



	Return on Equity - (Equity multiplier x Return on Assets) A = B * C	Equity Multiplier (Avg Assets / Avg Equity) B	Return on Assets C = D * E	Total Assets Turnover (Sales / Avg Assets) D	Profit margin (Pre-tax profit / Sales) E
2023	4.83%	3.34	1.45%	1.02	1.42%
2022	40.89%	3.09	13.23%	1.30	10.14%
2021	40.60%	3.53	11.49%	1.37	8.40%
2020	3.80%	4.20	0.90%	1.06	0.85%
2019	17.31%	4.12	4.20%	1.10	3.80%
2018	14.10%	3.92	3.59%	1.13	3.17%

VALUE ADDITION STATEMENT

Rs. in '000'

2023

2022

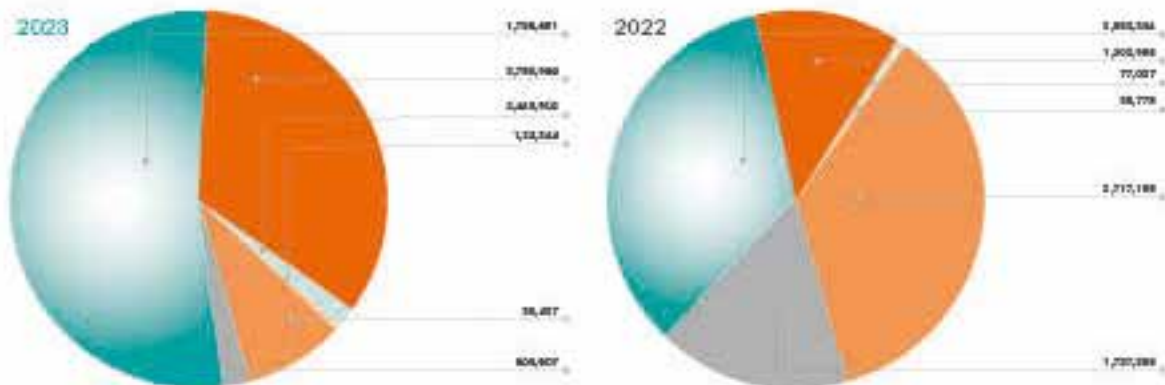
WEALTH CREATION

SALES - Gross	36,106,541	33,992,820
Less: Cost of Material and services	27,496,139	23,714,082
Add: Other Income	153,595	173,972
	8,763,997	10,452,710

WEALTH DISTRIBUTION

Remuneration and benefits paid to employees	1,755,851	1,737,388
Contribution to National Exchequer (Income tax & Sales Tax)	3,789,966	3,582,334
To providers of finance (Finance Cost)	2,448,902	1,302,995
Dividend to ordinary shareholders	123,244	77,027
Donations towards health, education & welfare activities	39,427	35,778
Retained within business	606,607	3,717,188
	8,763,997	10,452,710

GRAPHICAL PRESENTATION



SWOT ANALYSIS



STRENGTH

- State-of-the-art machinery ensuring top-notch quality.
- Experienced and highly skilled management team.
- Customer-centric approach
- Streamlined vertical integration for operational efficiency.
- Effective harnessing of solar energy resources and having 5.2 MW Solar energy source.
- Holds a dominant position in the market.
- Good mix of export and local sales ratio.



WEAKNESSES

- Capital-intensive nature results in significant operating leverage.
- Challenges caused by regulatory department delays in processing refunds.
- Mature market.
- Absence of branding
- Lack of R&D in textile industry
- Low end product margins



OPPORTUNITIES

- Devaluation of the local currency presents the potential to increase export revenue.
- Expand product offerings in emerging markets, both domestically and internationally.
- Access to export refinancing schemes and lower interest rates on long-term finances is available.
- Targeting niche markets is possible due to the wide array of products manufactured.
- High labor cost in neighboring countries.

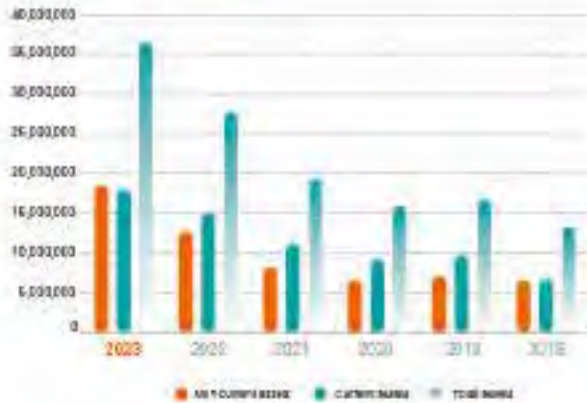


THREAT

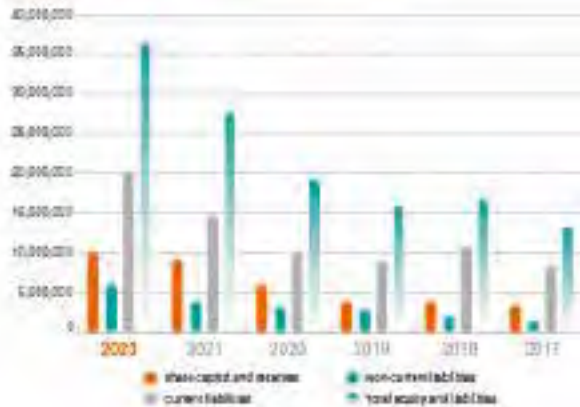
- Higher exchange rate fluctuations & resultant expensive imported raw materials.
- Fierce competition emanating from textile-oriented nations.
- Continuous increase in fuel prices.
- The challenge posed by economic and political instability.
- The imposition of novel taxes and the uncertainty surrounding government policies.
- Higher business cost due to soaring interest rate.

GRAPHICAL ANALYSIS

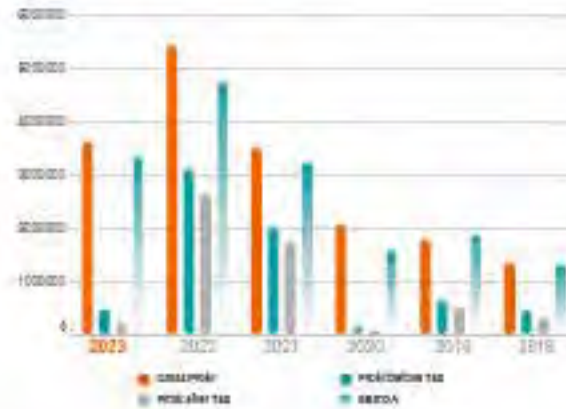
STATEMENT OF FINANCIAL POSITION ANALYSIS (ASSETS)
Rupee in '000'



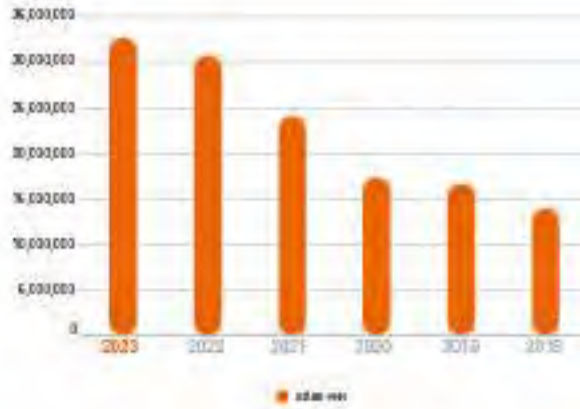
STATEMENT OF FINANCIAL POSITION ANALYSIS (EQUITY & LIABILITIES)
Rupee in '000'



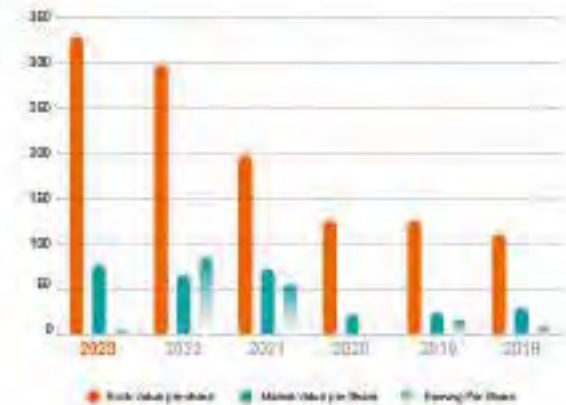
STATEMENT OF PROFIT OR LOSS ANALYSIS
Rupee in '000'



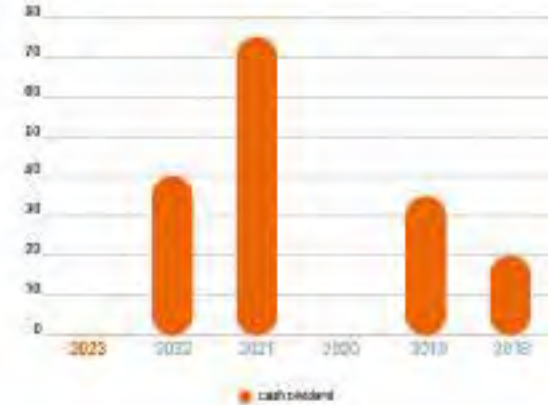
SALES TREND
Rupee in '000'



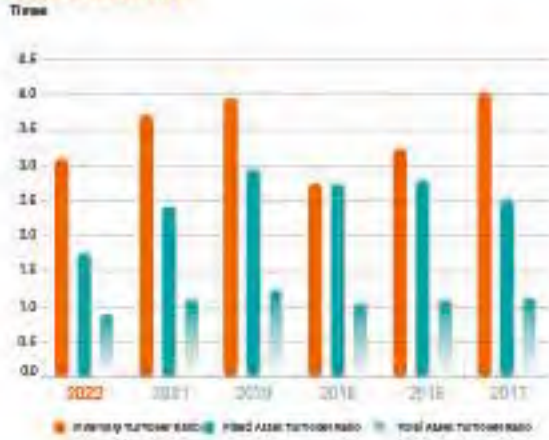
INVESTOR INFORMATION
Rupee



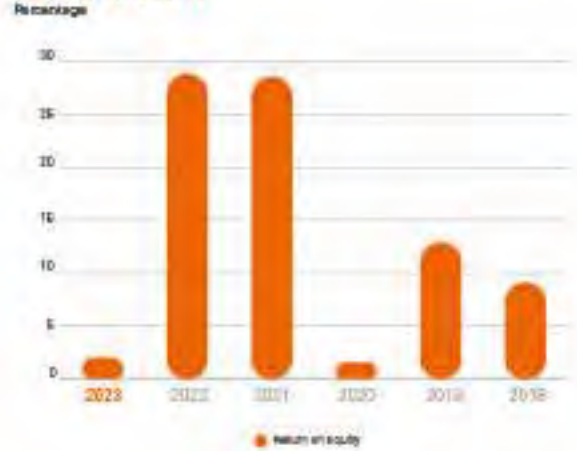
CASH DIVIDEND
Percentage



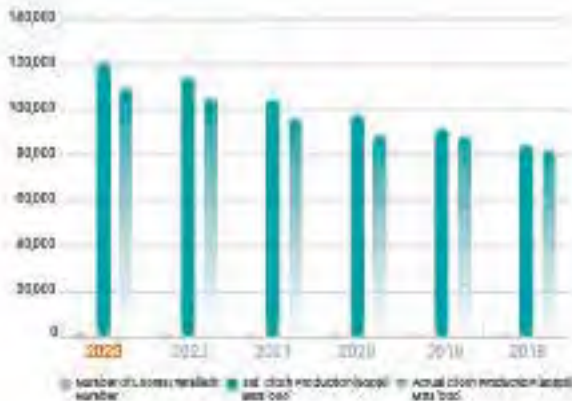
TURNOVER RATIO



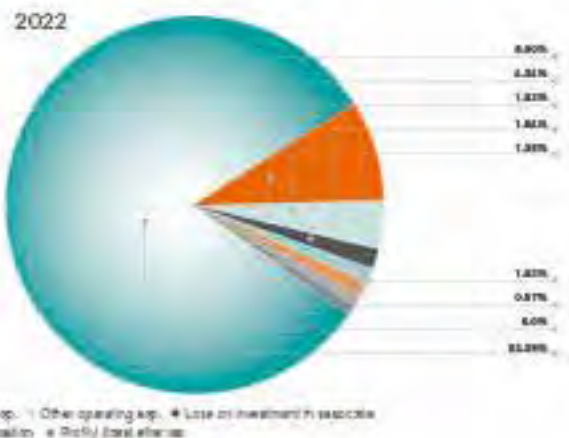
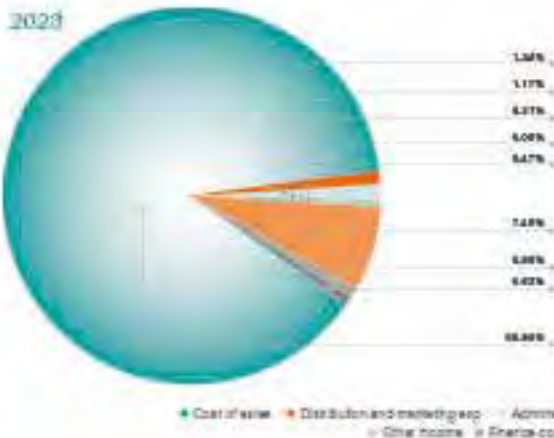
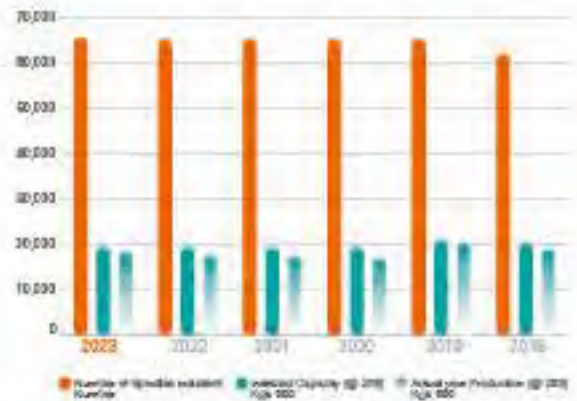
RETURN ON EQUITY



WEAVING



SPINNING ANALYSIS



STATEMENT OF COMPLIANCE

With Listed Companies (Code Of Corporate Governance) Regulations, 2019

Name of the Company: **Reliance Weaving Mills Limited**
Year Ended: **June 30, 2023**

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred as the Regulations) in the following manner:

1. The total number of Directors are seven as per the following:

- a. Male: 6
- b. Female: 1

2. The composition of Board is as follows:

Independent Directors *	Mr. Muhammad Shaukat Mr. Shahid Aziz
Non-Executive Directors	Mr. Fawad Ahmed Mukhtar Mr. Fahd Mukhtar Mr. Muhammad Mukhtar Sheikh
Executive Director	Mr. Faisal Ahmed
Female Director	Mrs. Fatima Fazal

3. The Directors have confirmed that none of them is serving as a Director on more than seven Listed Companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. Out of seven Directors, four (4) Directors have completed the Directors Training Program (DTP) while the following three (3) Directors meet the exemption criteria; hence are exempted from the DTP:
- o Mr. Fawad Ahmed Mukhtar
 - o Mr. Faisal Ahmed
 - o Mrs. Fatima Fazal
10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms & conditions of employment and complied with relevant requirements of the Regulations. The Board of Directors approved the appointment of Mr. Kamran Ahmad Awan as Company Secretary who was earlier appointed as an Acting Company Secretary on April 13, 2022.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed following Committees comprising of Members given below:

Board Audit Committee:

Mr. Shahid Aziz	Chairman
Mr. Muhammad Shaukat	Member
Mr. Fahd Mukhtar	Member

Human Resource & Remuneration Committee:

Mr. Muhammad Shaukat	Chairman
Mr. Shahid Aziz	Member
Mr. Fahd Mukhtar	Member

Risk Management Committee:

Mr. Faisal Ahmed	Chairman
Mr. Shahid Aziz	Member
Mr. Muhammad Shaukat	Member

Nomination Committee:

Mr. Fawad Ahmed Mukhtar	Chairman
Mr. Faisal Ahmed	Member
Mrs. Fatima Fazal	Member

13. The Terms of Reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

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

- Four meetings of the Board Audit Committee were convened during the financial year ended June 30, 2023.
- Two meetings of the HR & Remuneration Committee were convened during the financial year ended June 30, 2023.

15. The Board has set up an effective internal audit function under the leadership of Director IA & RA who is qualified and experienced for the purpose and well conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any Director of the Company.

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

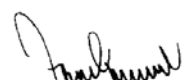
18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 have been complied with.

19. Explanation for non-compliance with requirements other than regulations 3,6,7,8,27,32,33 and 36 are below, if applicable:

*Code of corporate governance requires that the company's Independent Director shall be higher of two or one third (2.33) of its total directors (7). However, fraction (0.33) contained in one third number for the Independent Director has not been rounded up as one, as the existing Independent Directors have the requisite skills, knowledge and diversified work experience to take independent decisions in the interest of the Company.



Muhammad Shaukat
Independent Director



Faisal Ahmed
Chief Executive Officer





FINANCIAL STATEMENT

year ended June 30, 2023

INDEPENDENT AUDITORS' REVIEW REPORT

To The Members of Reliance Weaving Mills Limited
Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of RELIANCE WEAVING MILLS LIMITED (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Shinewing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
MULTAN

DATED: September 30, 2023
UDIN: CR202310162VbuFi9Cly

INDEPENDENT AUDITORS' REPORT

To The Members of Reliance Weaving Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Reliance Weaving Mills Limited** (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other 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, 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key Audit Matters:

Sr No	Key Audit Matters	How the matter was addressed in our audit
1	<p>Revenue</p> <p>As described in note 4.19 and note 30, the Company generates revenue from the sale of goods to domestic as well as export customers. During the year ended 30 June 2023, the Company generated net revenue of Rs. 32.682 billion as compared to Rs. 30.704 billion during the previous year, which represents an increase of approximately 6.44% as compared to preceding year.</p> <p>Considering the significance of amounts involved and that the revenue is a key indicator of performance of the Company, we have considered revenue recognition as a key audit matter.</p>	<p>Our audit procedures to assess recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none">- obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof;- evaluated the appropriateness of the Company's revenue recognition policies, in accordance with IFRS 15;- reviewed, on a sample basis, sales transactions near the reporting date to assess whether transactions were recorded in relevant accounting year;- performed substantive analytical procedures including developing an expectation of the current year revenue based on trend analysis information taking into account historical sales and market patterns;- correlated the revenue transactions with movement in receivables and monetary balances and compared with the results from our balance confirmation procedures;

Sr No	Key audit matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> - reconciled revenue recorded in the books of account on a sample basis with underlying accounting records including dispatch and delivery documents; and - reviewed and assessed the adequacy of related disclosures made in the financial statements in accordance with the applicable financial reporting standards and the Companies Act, 2017.
<p>2</p>	<p>Valuation of stock-in-trade</p> <p>The value of stock-in-trade at the reporting date aggregated Rs. 10.163 billion representing approximately 56% of the Company's total current assets. Stock-in-trade at the reporting date mainly included raw materials, work-in-process and finished goods (note 10).</p> <p>The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads incurred in bringing the inventories to their present location and conditions. Judgment has also been exercised by the management in determining the net realizable value of finished goods.</p> <p>We identified this matter as key in our audit due to the judgment and assumptions applied by the Company's management in determining the cost and net realizable value of stock-in-trade at the reporting date.</p>	<p>Our audit procedures included the following:</p> <p>Assessed the appropriateness of management assumptions applied in calculating the value of stock-in-trade and validated the valuation by taking following steps:</p> <ul style="list-style-type: none"> - assessed whether the Company's accounting policy for inventory valuation was in line with the applicable financial reporting standards; - attended inventory count at the year-end and reconciled physical inventory with inventory lists provided to ensure completeness of data; - assessed historical cost recorded in inventory valuation by checking purchase invoices on sample basis; - tested reasonability of assumptions applied by the management in allocation of labour and other various overhead costs to inventories; and - performed net realizable value test to assess whether cost of inventories exceeded its net realizable value by detailed review of subsequent sale invoices.
<p>3</p>	<p>Capital expenditure</p> <p>We refer to note 5 to the financial statements relating to Property, Plant & Equipment. The Company has incurred significant amounts of capital expenditure during the year. We have identified this as a key audit matter since it represents significant transactions for the year and we needed to ascertain whether the amounts recorded vide capitalization of costs matched with the capitalization criteria as per accounting policy of the Company and were in line with the applicable financial reporting standards.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - obtained understanding of the Company's process with respect to the incurring and recording of capital expenditure; - obtained an understanding of design and operating effectiveness of internal controls relevant to such process; - reviewed the break-up of cost element of capitalization recorded in books of account and evaluated the suitability of recording; - reviewed the selected contracts and underlying supporting documents of various elements of the capitalized cost; and - assessed the adequacy of related disclosures in the financial statements.

4	<p>Financing obligations and compliance with related covenant requirements</p> <p>At the reporting date, the Company has outstanding long term financing facilities aggregating Rs. 6.533 billion including Rs. 2.312 billion obtained during the current year, which constitutes approximately 25% of total liabilities of the Company.</p> <p>The Company's key operating / performance indicators including liquidity, gearing and finance cost are directly influenced by the additions to the portfolio of financing. Further, new financing arrangements entail additional financial and non-financial covenants for the Company to comply with.</p> <p>The significance of new financing obtained during the year along with the sensitivity of compliance with underlying financing covenants are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - reviewed terms and conditions of financing agreements entered into by the Company with various banks and financial institutions; - circularized direct balance confirmations to banks and financial institutions and verified receipts and payments from relevant statements; - reviewed maturity analysis of financing to ascertain the classification of financing as per their remaining maturities; - assessed the status of compliance with financing covenants and also inquired from the management with regard to their ability to ensure future compliance with the covenants; - assessed the adequacy of disclosures made in respect of the long term financing obligations in the financial statements; and - checked on test basis the calculations of finance cost recognized in the statement of profit or loss.
---	--	---

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Talat Javed.

Shinewing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
MULTAN

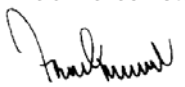
DATED: September 30, 2023
UDIN: AR202310162hSRkJE1v3

STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

	Note	2023 (Rupees)	2022
ASSETS			
Non-current assets			
Property, plant and equipment	5	16,710,351,380	10,687,018,041
Intangible assets	6	-	-
Long term investments	7	1,437,281,839	1,849,425,436
Long term deposits		29,719,180	29,045,887
Deferred tax asset	8	307,169,807	143,177,832
		18,484,522,206	12,708,667,196
Current assets			
Stores, spares and loose tools	9	457,726,329	365,568,526
Stock-in-trade	10	10,162,916,840	7,788,805,939
Trade debts	11	4,689,629,910	4,485,549,733
Loans and advances	12	567,202,843	607,867,065
Prepayments and other receivables	13	202,151,108	195,191,782
Short term investments	14	341,624,729	393,030,553
Tax refunds and export rebate due from the Government	15	1,070,765,024	1,077,988,063
Cash and bank balances	16	557,668,336	134,208,005
		18,049,685,119	15,048,209,666
TOTAL ASSETS		36,534,207,325	27,756,876,862
SHARE CAPITAL AND RESERVES			
Authorised share capital	17	700,000,000	700,000,000
Issued, subscribed and paid-up share capital	18	308,109,370	308,109,370
Reserves	19	6,820,008,261	7,144,339,581
Revaluation surplus on freehold land - Capital reserve		2,984,466,937	1,708,082,997
		10,112,584,568	9,160,531,948
LIABILITIES			
Non-current liabilities			
Long term finances	20	5,694,162,385	3,401,152,863
Lease liabilities	21	109,976,312	69,264,664
Staff retirement benefits - gratuity	22	393,732,969	370,194,659
Deferred liabilities	23	4,623,445	57,841,962
		6,202,495,111	3,898,454,148
Current liabilities			
Trade and other payables	24	6,292,809,586	4,156,100,084
Unclaimed dividends		13,218,234	11,502,157
Accrued mark-up	25	924,828,170	368,527,774
Short term borrowings	26	11,372,090,618	8,707,411,343
Current portion of non-current liabilities	27	1,070,247,565	977,980,820
Taxation	28	545,933,474	476,368,588
		20,219,127,647	14,697,890,766
Total liabilities		26,421,622,758	18,596,344,914
Contingencies and commitments	29		
TOTAL EQUITY AND LIABILITIES		36,534,207,325	27,756,876,862

The annexed notes 1 to 49 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2023

	Note	2023 (Rupees)	2022
Sales - net	30	32,682,288,169	30,703,658,589
Cost of sales	31	(29,066,405,753)	(25,262,980,051)
Gross profit		3,615,882,416	5,440,678,538
Distribution and marketing expenses	32	(403,782,935)	(495,953,712)
Administrative expenses	33	(382,383,808)	(314,228,502)
Other income	34	153,594,479	173,972,479
Other expenses	35	(69,037,316)	(388,038,576)
Profit from operations		2,914,272,836	4,416,430,227
Finance cost	36	(2,448,901,604)	(1,302,994,658)
		465,371,232	3,113,435,569
Share of loss of Associates	7	-	-
Profit before taxation		465,371,232	3,113,435,569
Taxation	37	262,258,762	473,955,721
Profit after taxation		203,112,469	2,639,479,848
Earnings per share	38	6.59	85.67

The annexed notes 1 to 49 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2023

	Note	2023 (Rupees)	2022
Profit after taxation		203,112,469	2,639,479,848
Other comprehensive income / (loss):			
Item to be reclassified to profit or loss in subsequent years:			
Unrealised gain / (loss) on remeasurement of forward foreign exchange contracts		10,980,562	(10,980,562)
Items that will not be reclassified subsequently to profit or loss			
Unrealised (loss) / gain on remeasurement of investments at fair value through other comprehensive income	7 & 14	(463,549,420)	561,865,490
Surplus arisen upon revaluation of freehold land	5.2	1,276,383,940	-
Gain / (loss) on remeasurement of staff retirement benefits - gratuity	22	57,396,279	(29,922,866)
Impact of tax		(9,027,463)	7,536,114
		48,368,816	(22,386,752)
		861,203,336	539,478,738
Total comprehensive income for the year		1,075,296,368	3,167,978,024

The annexed notes 1 to 49 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2023

	Share capital	Capital Reserves			Revenue		Total profit	
		Share premium	Revaluation surplus on freehold land	Unrealised loss on forward foreign exchange contracts	Fair value (loss) / gain on investments at FVTOCI	General reserve		unappropriated profit
(Rupees)								
Balance as at June 30, 2021	308,109,370	41,081,250	1,708,082,997	-	(127,452,089)	74,171,959	4,065,587,780	6,069,581,267
Transaction with owners:								
Cash dividend at the rate of Rs.2.50 per ordinary share for the year ended June 30, 2021	-	-	-	-	-	-	(77,027,343)	(77,027,343)
Total comprehensive income for the year ended June 30, 2022:								
- profit for the year	-	-	-	-	-	-	2,639,479,848	2,639,479,848
- other comprehensive (loss) / income	-	-	-	(10,980,562)	561,865,490	-	(22,386,752)	528,498,176
	-	-	-	(10,980,562)	561,865,490	-	2,617,093,096	3,167,978,024
Balance as at June 30, 2022	308,109,370	41,081,250	1,708,082,997	(10,980,562)	434,413,401	74,171,959	6,605,653,533	9,160,531,948
Transaction with owners:								
Cash dividend at the rate of Rs.4 per ordinary share for the year ended June 30, 2022	-	-	-	-	-	-	(123,243,748)	(123,243,748)
Total comprehensive income for the year ended June 30, 2023:								
- profit for the year	-	-	-	-	-	-	203,112,470	203,112,470
- other comprehensive income / (loss)	-	-	1,276,383,940	10,980,562	(463,549,420)	-	48,368,816	872,183,898
	-	-	1,276,383,940	10,980,562	(463,549,420)	-	251,481,286	1,075,296,368
Balance as at June 30, 2023	308,109,370	41,081,250	2,984,466,937	-	(29,136,019)	74,171,959	6,733,891,071	10,112,584,568

The annexed notes 1 to 49 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	Note	2023 (Rupees)	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	3,144,211,218	2,465,471,917
Finance cost paid		(1,866,621,419)	(1,185,571,113)
Workers' profit participation fund paid to workers and deposited in Government treasury		(199,654,195)	(106,896,720)
Taxes paid - net		(360,881,173)	(293,172,671)
Staff retirement benefits paid		(39,448,542)	(45,430,447)
Net cash generated from operating activities		677,605,889	834,400,966
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(5,185,022,417)	(3,046,355,063)
Investments made in shares		-	(146,663,295)
Sale proceeds of fixed assets		15,629,149	9,565,537
Long term deposits		(673,293)	(270,000)
Deferred liabilities		(2,329,346)	(13,349,214)
Net cash used in investing activities		(5,172,395,907)	(3,197,072,035)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net		2,311,691,719	655,151,451
Lease finances - net		63,407,025	8,629,326
Dividend paid		(121,527,671)	(76,084,614)
Short term borrowings - net		2,664,679,275	1,813,169,877
Net cash generated from financing activities		4,918,250,348	2,400,866,040
Net increase in cash and cash equivalents		423,460,331	38,194,971
Cash and cash equivalents - at beginning of the year		134,208,005	96,013,034
Cash and cash equivalents - at end of the year		557,668,336	134,208,005

The annexed notes 1 to 49 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

1. LEGAL STATUS AND OPERATIONS

Reliance Weaving Mills Ltd. (the Company) was incorporated in Pakistan as a public limited company on April 07, 1990 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Ltd. The Company commenced its operations on May 14, 1990 and is principally engaged in the manufacturing and sale of yarn and fabric.

Locations:

The registered office of the Company is situated at second Floor, Trust Plaza, L.M.Q. Road, Multan and its mills are located at Fazalpur Khanewal Road, Multan and Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi.

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

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

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except where otherwise specifically stated.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency. All financial information has been rounded off to the nearest Rupee unless otherwise stated.

2.4 Critical accounting estimates, assumptions and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Useful lives, residual values and depreciation method of property, plant and equipment - notes 4.1 & 5.1.
- Useful lives, residual values and amortisation method of intangible assets - notes 4.2 & 6.
- Provision for impairment of inventories - notes 4.4, 4.5, 9 & 10.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- Provision for impairment of trade debts and other receivables - note 4.6 & 11.1.
- Impairment loss of non-financial assets other than inventories - note 4.8.
- Obligation of staff retirement benefits (gratuity) - notes 4.10 & 22.
- Estimation of provisions - note 4.12.
- Estimation of contingent liabilities - notes 4.13 & 29.
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) - notes 4.15 & 28.

2.5 No critical judgment has been used in applying the accounting policies.

3. INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR INTERPRETATIONS TO EXISTING STANDARDS

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.1 Standards, amendments to published standards and interpretations that are effective in the current year

There are certain amendments and interpretations to the published accounting and reporting standards that are mandatory for the Company's annual accounting period which began on July 1, 2022. However, these do not have any significant impact on the Company's financial statements.

- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework.
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - cost of fulfilling a contract.
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41).

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are standards and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 01, 2022. The standards and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

Description	Annual periods beginning on or after
- Presentation of Financial Statements (Amendments) - Disclosure of accounting policies	January 01, 2023
- Accounting Policies, Changing in Accounting Estimates and Errors (Amendments) - Definition of accounting estimates	January 01, 2023
- Income Taxes (Amendments) - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
- Amendments to 'Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
- Amendments to 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Insurance Contracts (Amendments)	January 01, 2023
- Statement of Cash Flows (Amendments)	January 01, 2023
- Financial Instruments	January 01, 2023
- Amendments - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2023:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 17 Insurance Contracts
- IFRIC 12 Service Concession Arrangement

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2023.

4.1 Property, plant and equipment

(a) Owned

Measurement

Items of property, plant and equipment other than freehold land and capital work-in-progress are measured at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at revalued amount whereas capital work-in-progress is stated at cost including, where relevant, related finance costs less impairment loss, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. Normal repairs and maintenance are charged to statement of profit or loss as and when incurred.

Revaluation

Increases in the carrying amounts arising on revaluation of freehold land are recognised in statement of other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in statement of other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss.

Depreciation

Depreciation is charged so as to write-off the cost of assets (other than freehold land, vehicles and capital work-in-progress) over their remaining useful lives using the reducing balance method and depreciation on vehicles is charged using straight line method at rates specified in note 5.1 to the financial statements.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is disposed-off.

Disposal

Gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

other income or other operating expenses in the statement of profit or loss. In case of the sale of revalued freehold land, the attributable revaluation surplus remaining in the revaluation surplus on freehold land is transferred directly to unappropriated profit.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at each year-end. The effect of any change in estimates is accounted for on a prospective basis.

(b) "Right of use assets and related liabilities"

The Company leases head office building and vehicles for management use. At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. At initial recognition, liabilities have been discounted using the Company's incremental borrowing rates ranging from 8.64% to 17.37%. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are 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 carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognised right to use assets equal to the present value of lease payments.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

4.2 Intangible assets

Measurement

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method at the rate specified in note 6.1 to the financial statements.

Amortisation on additions is charged from the month the assets are put to use while no amortisation is charged in the month in which the assets are disposed-off.

Gain and losses on disposal of such assets, if any, are included in the statement of profit or loss.

Judgment and estimates

The useful lives, residual values and amortisation method are reviewed and adjusted, if appropriate, at each year-end. The effect of any change in estimate is accounted for on a prospective basis.

4.3 Investments in equity instruments of Associated Companies

Associated Companies, where the Company holds 20% or more of the voting power of the investee company and where the Company has significant influence, but not control, over the financial and operating policies, are accounted for using the equity method.

Under equity method, the investments in Associated Companies are initially recognised at cost and the carrying amounts are increased or decreased to recognise the Company's share of profit or loss of the Associated Companies after the date of acquisition. The Company's share of profit or loss of the Associated Companies is recognised in the Company's statement of profit or loss. Distributions received from Associated Companies reduce the carrying amount of investments. Adjustments to the carrying amounts are also made for changes in the Company's proportionate interest in the Associated Companies arising from changes in the Associated Companies' equity that have not been recognised in the Associated Companies' profit or loss. The Company's share of those changes is recognised directly in equity of the Company.

The carrying amount of investments is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognised in statement of profit or loss.

4.4 Stores, spares and loose tools

Usable stores, spares and loose tools are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

4.5 Stock-in-trade

These are stated at the lower of cost and net realisable value except for waste stock, which is valued at net realisable value.

Cost has been determined as follows:

- Raw materials	Weighted average cost
- Work in process and finished goods	Cost of direct materials, labour and appropriate manufacturing overheads.

Materials in transit comprise of invoice value plus other charges paid thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

Judgment and estimates

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

4.6 Trade debts and other receivables

Trade debts are initially recognised at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less allowance for Expected Credit Loss (ECL). Carrying amounts of trade debts and other receivables are assessed at each reporting date and allowance is made for doubtful debts and receivables when collection of the amount is no longer probable. Debts and receivables considered irrecoverable are written-off.

4.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash-in-hand and balances with banks.

4.8 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

4.9 Borrowings and borrowing costs

Interest bearing borrowings are recognised initially at fair value less attributable transaction cost. Subsequent to initial recognition, these are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalised up to the date the respective assets are available for intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss.

4.10 Staff retirement benefits

The Company operates an un-funded retirement gratuity scheme for its eligible employees. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on June 30, 2023 on the basis of the projected unit credit method by an independent Actuary.

Actuarial gains and losses are recognised in the statement of comprehensive income in the period in which these occur and past-service costs are recognised immediately in the statement of profit or loss.

4.11 Trade and other payables

Trade and other payables are initially measured at cost, which is the fair value of the consideration to be paid in future for goods and services, whether or not billed to the Company.

4.12 Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation.

4.13 Contingent liabilities

A contingent liability is disclosed when the Company:

- has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or
- has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.14 Derivative financial instruments and hedging activities

These are initially recorded at fair value on the date on which a derivative contract is entered into and subsequently measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as cash flow hedges.

The Company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an on going basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items. Derivatives are carried as asset when the fair value is positive and liabilities when the fair value is negative.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in statement of other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit or loss.

Amounts accumulated in statement of other comprehensive income are recognised in statement of profit or loss in the periods when the hedged item will effect statement of profit or loss. However, when the forecast hedged transaction results in the recognition of a non-financial asset or a liability, the gains and losses previously deferred in statement of other comprehensive income are transferred from statement of other comprehensive income and included in the initial measurement of the cost of the asset or liability.

Any gains or losses arising from change in fair value derivatives that do not qualify for hedge accounting are taken directly to the statement of profit or loss.

4.15 Taxation

(a) Current

Charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, or provision of minimum tax, or provision of alternative corporate tax. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

(b) Deferred

The Company accounts for deferred taxation using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is recognised for taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited to the statement of profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

4.16 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the period in which these are approved.

4.17 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

(a) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- i) amortised cost where the effective interest rate method is applied;
- ii) fair value through profit or loss; and
- iii) fair value through other comprehensive income.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in statement of profit or loss or other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investments at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the right to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i) Amortised cost

Assets that are held for collection of contractual cash flows, where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

ii) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

iii) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented in finance income / cost in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Impairment of financial assets

The Company assesses on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its trade debts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Bank balances

Simplified approach for trade debts

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Recognition of loss allowance

The Company recognises an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income.

Write-off

The Company writes-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written-off result in impairment gains.

Financial Liabilities

b) Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

- i) fair value through profit or loss; and**
- ii) other financial liabilities.**

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

i) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

ii) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortised cost, using the effective interest rate method. Gains and losses are recognised in profit or loss for the year, when the liabilities are derecognised as well as through effective interest rate amortisation process.

Derecognition of financial liabilities

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or expired.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

4.18 Foreign currency transactions

Foreign currency transactions are recorded in Pak Rupee using the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities in foreign currencies are translated in Pak Rupee at the rates of exchange prevailing at the reporting date. Exchange gains and losses are taken to the statement of profit or loss.

4.19 Revenue recognition

Revenue represents fair value of the consideration received or receivable for goods sold net of discounts and sales tax. Revenue is recognised when the control of goods is transferred to customers, i.e. on dispatch in case of local sales and on preparation of bill of lading in case of exports, and when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its performance obligations under the contract.

Others

Return on deposits is accrued on a time proportion basis by reference to the principal outstanding and applicable rate of return.

Mark-up income is accrued on time proportion basis by reference to the principal outstanding and at the agreed mark-up rate applicable.

Dividend income and entitlement of bonus shares are recognised when right to receive such dividend and bonus shares is established.

Export duty drawback is recognised on accrual basis.

4.20 Deferred income - government grant

Government grant is initially measured at fair value; after initial recognition, it is measured at amortised cost using the effective interest rate method.

4.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

Segment assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant & equipment, stores, spares & loose tools and stock-in-trade. Segment liabilities comprise of long term finances, lease liabilities, short term borrowings and trade & other payables.

4.22 Related party transactions

The Company enters into transactions with related parties on commercial terms and conditions.

	Note	2023 (Rupees)	2022
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	10,292,878,949	8,749,721,278
Capital work-in-progress	5.4	6,268,690,643	1,858,876,256
Right of use assets	5.6	148,781,788	78,420,507
		16,710,351,380	10,687,018,041

5.1 Operating fixed assets

	Owned										Leased / right of use assets				
	Freehold land	Buildings on freehold land	Plant & machinery	Electric installations	Factory equipment	Office equipment	Electric appliances	Furniture and fixtures	Vehicles	Sub-total	Office building	Vehicles	Sub-total	Grand total	
As at June 30, 2021	1,891,841,060	908,436,795	7,657,493,109	454,251,992	49,365,414	55,671,048	33,997,138	23,366,073	132,145,879	11,206,568,498	56,901,824	59,791,714	116,693,538	11,323,262,036	
Cost / revaluation	-	367,493,643	2,642,645,994	168,069,116	18,230,334	22,134,306	15,898,738	12,614,336	81,379,622	3,328,465,989	9,353,724	18,051,437	27,405,161	3,355,871,150	
Accumulated depreciation															
Book value	1,891,841,060	540,943,142	5,014,847,115	286,182,876	31,135,080	33,536,742	18,098,400	10,751,737	50,766,357	7,878,102,509	47,548,100	41,740,277	89,288,377	7,967,390,886	
Year ended June 30, 2022															
Transfer from leased to owned	-	-	-	-	-	-	-	-	8,410,110	8,410,110	-	(8,410,110)	(8,410,110)	-	
Cost	-	-	-	-	-	-	-	-	(3,223,875)	(3,223,875)	-	3,223,875	3,223,875	-	
Depreciation	-	209,913,635	866,782,111	26,472,603	7,392,489	3,628,030	3,303,677	2,246,584	97,517,812	1,207,257,942	-	7,799,915	7,799,915	1,215,057,857	
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	(9,609,838)	-	-	(244,275)	(58,900)	-	(5,503,390)	(15,416,403)	-	(1,428,880)	(1,428,880)	(16,845,283)	
Cost	-	-	7,583,809	-	-	88,948	9,844	-	4,177,403	11,860,004	-	6,180,399	6,180,399	12,478,043	
Depreciation	-	27,922,945	264,178,245	14,595,314	1,629,248	3,523,977	1,931,090	1,152,283	22,335,907	337,269,009	4,676,862	7,993,847	12,670,709	349,899,718	
Depreciation for the year															
Book value	1,891,841,060	722,933,832	5,605,424,952	298,060,165	36,898,321	33,486,468	19,421,931	11,846,038	129,808,510	8,740,721,278	42,871,238	35,549,269	78,420,507	8,828,141,785	
Year ended June 30, 2023															
Transfer from leased to owned	-	-	-	-	-	-	-	-	15,142,580	15,142,580	-	(15,142,580)	(15,142,580)	-	
Cost	-	-	-	-	-	-	-	-	(7,955,061)	(7,955,061)	-	7,955,061	7,955,061	-	
Depreciation	-	-	-	-	-	-	-	-	20,065,314	20,065,314	-	107,507,539	107,507,539	775,208,030	
Additions	-	-	627,186,428	7,449	8,526,496	6,148,359	2,880,709	2,885,736	-	667,700,491	-	-	-	1,276,383,940	
Revaluation surplus (Note 5.2)	1,276,383,940	-	-	-	-	-	-	-	-	-	-	-	-	-	
Disposal	-	-	-	-	-	-	-	-	(32,478,216)	(32,867,716)	-	(4,180,110)	(4,180,110)	(37,047,826)	
Cost	-	-	-	-	-	(389,500)	-	-	31,515,781	31,704,986	-	2,177,932	2,177,932	33,882,929	
Depreciation	-	-	-	-	-	189,215	-	-	45,440,708	406,951,559	4,676,862	23,279,699	27,956,561	434,908,120	
Depreciation for the year	-	36,148,810	301,267,078	14,903,255	2,050,626	3,658,802	2,113,926	1,368,353	-	-	-	-	-	-	
Book value	3,188,225,000	686,785,022	5,931,344,302	283,164,359	43,374,191	35,775,739	20,188,714	13,363,421	110,658,201	10,292,878,949	38,194,376	110,587,412	148,781,788	10,441,660,737	
As at June 30, 2022															
Cost / revaluation	1,891,841,060	1,118,350,420	8,604,665,382	480,724,595	56,757,903	59,055,803	37,241,915	25,612,657	232,570,411	12,406,820,147	56,901,824	57,752,639	114,654,463	12,521,474,610	
Accumulated depreciation	-	395,416,588	2,899,240,430	182,064,430	19,859,582	25,569,335	17,819,984	13,766,619	102,701,901	3,657,098,889	14,030,566	22,203,370	36,233,956	3,693,332,825	
Book value	1,891,841,060	722,933,832	5,605,424,952	298,060,165	36,898,321	33,486,468	19,421,931	11,846,038	129,808,510	8,740,721,278	42,871,238	35,549,269	78,420,507	8,828,141,785	
As at June 30, 2023															
Cost / revaluation	3,188,225,000	1,118,350,420	9,131,851,810	480,732,044	65,294,399	64,814,682	40,122,824	28,498,393	235,300,090	14,333,179,442	56,901,824	145,937,488	202,899,312	14,536,018,754	
Accumulated depreciation	-	431,565,398	3,200,507,508	197,567,685	21,910,208	29,038,923	19,933,910	15,134,972	124,641,889	4,040,300,493	18,707,448	35,350,076	54,057,524	4,094,358,016	
Book value	3,188,225,000	686,785,022	5,931,344,302	283,164,359	43,374,191	35,775,739	20,188,714	13,363,421	110,658,201	10,292,878,949	38,194,376	110,587,412	148,781,788	10,441,660,737	
Depreciation rate (%)		5	5	5	5	10	10	10	20	10	8	20	20		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 5.2** The Company on June 30, 2023 had carried-out revaluations of its freehold land situated at Mouza Karpaal Pur, Khanewal Road, Multan and Mukhtarabad, Rawat, Rawalpindi. The revaluation exercises were conducted by an independent valuer K.G Traders (Private) Limited Freehold land was revalued on the basis of fair market values and resulted in revaluation surplus aggregating Rs.1,276.384 million as worked-out below:

	(Rupees)
Cost / revalued amount before revaluation	1,891,841,060
Revalued amounts as at June 30, 2023	3,168,225,000
Revaluation surplus arisen upon latest revaluation	1,276,383,940

- 5.2.1** Had there been no revaluations, book value of freehold land would have been Rs.183.758 million as at June 30, 2023 (2022: Rs.183.758 million).

- 5.2.2** Based on the revaluation reports dated June 30, 2023, the forced sale values of the revalued freehold land were assessed at Rs.2,534.580 million.

	Note	2023 (Rupees)	2022
5.3 Depreciation for the year has been apportioned as under:			
Cost of sales	31	356,483,695	310,256,842
Administrative expenses	33	50,467,863	27,012,167
		406,951,559	337,269,009
5.4 Capital work-in-progress			
- Advance against freehold land		70,987,400	6,600,000
- Factory buildings		1,566,193,397	816,687,828
- Plant and machinery [including in transit aggregating Rs.null (2022: Rs. 943.089 million)]		4,529,390,267	1,003,487,794
- Furniture and fittings		160,083	-
- vehicles		28,257,790	21,245,000
- electric installations		73,701,706	10,855,634
		6,268,690,643	1,858,876,256

	2023	2022
	(Rupees)	
5.4.1 Movement of capital work-in-progress		
Opening balance	1,858,876,256	27,579,050
Additions during the year	5,011,912,696	1,854,639,667
Capitalised during the year	(602,098,309)	(23,342,461)
Closing balance	6,268,690,643	1,858,876,256

5.4.2 Capital work-in-progress includes borrowing cost amounting to Rs. 357.103 million (2022: Nil) at the rates ranging from 6% to 25.54% per annum.

5.5 Particulars of immovable property

Location	Usage of immovable property	Total area (square feet)	Covered area (in square feet) Approx
Mouza Karpaal Pur, Khanewal Road, Multan.	Industrial	4,422,628	1,149,915
Mukhtarabad, Rawat, Rawalpindi.	Industrial	1,424,250	231,242

	Note	2023	2022
		(Rupees)	
5.6 Right of use assets			
Book value at beginning of the year		78,420,507	89,288,377
Additions during the year		107,507,539	7,799,915
Transfer to owned assets:			
- cost		(15,142,580)	(8,410,110)
- accumulated depreciation		7,955,061	3,223,875
Assets disposed-off:			
- cost		(4,180,110)	(1,428,880)
- accumulated depreciation		2,177,932	618,039
Depreciation charged during the year	5.6.1	(27,956,561)	(12,670,709)
Book value at end of the year		148,781,788	78,420,507

5.6.1 Depreciation expense has been grouped under administrative expenses (note 33).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

5.7 Disposal of operating fixed assets

The following operating fixed assets with a net book value exceeding Rs.500,000 were disposed off during the year:

Particulars	Accumulated Cost	depreciation	Book value	Sale proceeds	(Loss) gain	Mode of disposal	Sold to
(Rupees)							
Year ended June 30, 2023:							
Office equipment and electric appliances having book value of less than Rs.500,000 each	389,500	189,215	200,285	40,165	(160,120)	Negotiation	Various employees
Vehicles - owned							
Vehicles having book value of less than Rs.500,000 each	32,478,216	31,515,781	962,434	13,209,814	12,247,380	Company policy	Various employees
	32,478,216	31,515,781	962,434	13,209,814	12,247,380		
Vehicles - leased							
Suzuki car	1,800,730	750,304	1,050,426	1,152,470	102,044	----do----	Mr. Rana Hammad, employee.
Honda Car	2,379,380	1,427,628	951,752	1,226,700	274,948	----do----	Mr. Nauman Ali, employee.
	37,047,826	33,882,928	3,164,898	15,629,149	12,464,252		
Year ended June 30, 2022:	16,845,283	12,478,043	4,367,240	9,565,537	5,198,297		

	Note	2023	2022
		(Rupees)	

6. INTANGIBLE ASSETS - Computer software

Cost at beginning of the year		-	9,462,295
Less: amortisation:			
- at beginning of the year		-	8,627,147
- charge for the year	33	-	835,148
- at end of the year		-	9,462,295
Book value as at June 30,		-	-

6.1 Amortisation is charged to income applying the straight-line method at the rate of 10% per annum.

		2023	2022
	Note	(Rupees)	
7. LONG TERM INVESTMENTS			
Fatima Energy Ltd. (FEL)			
(At fair value through other comprehensive income)			
Investment in ordinary shares			
90,195,083 (2022: nil) ordinary shares of Rs.10 each - cost		958,773,732	-
Fair value of nil (2022: 90,195,083) ordinary shares of Rs. 10 each transferred from short term investments	14.4	-	599,797,302
Shareholding held - 15.82%			
Fair value adjustment	7.2	(211,958,445)	358,976,430
Fair value at the end of the year		746,815,287	958,773,732
Investment in preference shares			
76,377,897 preference shares of Rs. 10 each	7.1	811,895,993	763,778,970
Shareholding held - 7.18%			
Fair value adjustment		(179,487,006)	48,117,023
Fair value at the end of the year		632,408,987	811,895,993
		1,379,224,274	1,770,669,725
Associated Company			
Fatima Transmission Company Limited			
Investment in ordinary shares			
(under equity method)			
7,187,500 (2022: 7,187,500) ordinary shares of Rs.10 each - cost	7.3	71,875,000	71,875,000
Shareholding held: 31.25% (2022: 31.25%)			
Share of post acquisition loss and other comprehensive income		(71,875,000)	(71,875,000)
		-	-
Share of profit for the year		9,502,732	-
Adjustment based on preceding year's audited financial statements		(9,502,732)	-
Investment in preference shares			
(At fair value through other comprehensive income)			
7,339,768 preference shares of Rs.10 each	7.4	78,755,711	73,397,680
Shareholding held: 17.61%			
Fair value adjustment		(20,698,146)	5,358,031
Fair value at the end of the year		58,057,565	78,755,711
		58,057,565	78,755,711
		1,437,281,839	1,849,425,436

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 7.1** The Company's shareholders, vide a special resolution dated March 10, 2022 have resolved to invest in Fatima Energy Ltd. (a related party) as long term loan / advance aggregating to an amount upto Rs. 5,000 million (approved limit) out of which an aggregate amount of Rs. 763.779 million has already been invested. This amount has been converted into 76,377,897 unlisted, non-voting, non-cumulative, participatory, convertible and redeemable preference shares at par value of Rs. 10 each. These preference shares have been allotted to the Company on March 31, 2022.

These preference shares are subject to section 83 of the Companies Act, 2017 and are redeemable at par value solely at the option of Fatima Energy Limited after 21.5 years.

For the purpose of continuing project support to Fatima Energy Limited, the Company's shareholders vide their aforementioned resolution, have authorised the Company to continue as one of the sponsors of Fatima Energy Limited to invest the balance amount upto Rs. 4,236.221 million from the approved limit by way of a sub-ordinated loan in lump sum or in parts at the rate the higher of KIBOR + 2.5% or a rate not less than the borrowing cost of the Company.

- 7.2** The fair values of ordinary and preference shares of Fatima Energy Limited have been determined by M/s Yousuf Adil - Chartered Accountants using financial forecasts and projections developed by Fatima Energy Limited. The fair value of Fatima Energy Limited's ordinary and preference shares as at June 30, 2023 have been determined at Rs. 8.28 using discounted cash flows techniques.

- 7.3** Fatima Transmission Company Limited was incorporated in Pakistan on December 26, 2014 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activity of Fatima Transmission Company Limited includes operation and maintenance of transmission lines, electric transmission facilities, electric circuits, transformers and sub-stations and the movement and delivery of electric power. The geographical location and address of Fatima Transmission Company Limited's business unit is as under:

The registered office of Fatima Transmission Company Limited is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt, Punjab, Pakistan.

Fatima Transmission Company Limited has installed transmission line for Fatima Energy Ltd. plant to Muzafargarh grid station located at Sanawan, Kot Addu, Punjab, to transmit the electricity generated by Fatima Energy Ltd.

Summarised financial information of FTCL, based on its unaudited / audited financial statements for the year ended June 30, 2023 and June 30, 2022 is as follows:

	2023	2022
	Un-audited	Audited
	(Rupees)	
Summarised statement of financial position		
Non-current assets	623,020	647,059
Current assets	57,255	24,677
	680,275	671,736
Non-current liabilities	157,895	184,211
Current liabilities	217,954	213,508
	375,849	397,719
Net assets	304,426	274,017
Reconciliation to carrying amount		
Opening net assets	274,017	(43,232)
Preference shares issued	-	416,727
Profit / (loss) for the year	30,409	(35,822)
Prior year adjustment due to audited financial statements	-	(63,656)
Closing net assets	304,426	274,017
Company's share percentage 31.25% (2022:31.25%)		
Company's share	-	-
Summarised statement of profit or loss		
Profit / (loss) for the year	30,409	(35,822)

- 7.4** The Company's shareholders, vide a special resolution dated June 23, 2022 have approved the conversion of outstanding loans and advances of Fatima Transmission Company Ltd. amounting Rs. 73,397,680 into unlisted, non-voting, non-cumulative, participatory, convertible and redeemable preference shares at par value of Rs. 10 each.

These preference shares totaling 7,339,768 have been allotted to the Company on June 30, 2022.

These preference shares are redeemable at par value solely at the option of Fatima Transmission Company Limited after five years and are subject to section 83 of the Companies Act, 2017.

- 7.5** The fair value of preference shares of Fatima Transmission Company Limited has been determined by M/s Yousuf Adil - Chartered Accountants using financial forecasts and projections developed by Fatima Transmission Company Limited. The fair value of Fatima Transmission Company Limited shares as at June 30, 2023 has been determined at Rs. 7.91 per share using discounted cash flows techniques.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees)	2022
8. DEFERRED TAX ASSET			
This is composed of the following:			
Deductible temporary differences arising in respect of:			
- unabsorbed tax losses and minimum tax recoverable against normal tax charge in future years	8.1	652,818,460	497,365,172
- staff retirement benefits - gratuity		33,361,231	44,585,385
- investments in Associated Companies		7,129,280	8,009,083
- provision for impairment of trade debts		458,559	436,001
- provision for doubtful tax refunds		18,577,233	20,869,794
- lease finances		564,780	1,409,395
		712,909,543	572,674,830
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation allowances		(405,739,737)	(429,496,998)
		307,169,806	143,177,832

8.1 As at June 30, 2023, deferred tax asset amounting Rs. 115.088 million (2022: 68.211 million) on minimum tax recoverable against normal tax charge in future years has not been recognised in the financial statements on the ground of prudence. The management intends to re-assess the recognition of deferred tax asset as at June 30, 2024.

	2023 (Rupees)	2022
9. STORES, SPARES AND LOOSE TOOLS		
Stores including in-transit inventory valuing Rs.15.578 million (2022: Rs.2.502 million)	202,404,908	146,412,696
Spares	255,012,796	219,151,767
Loose tools	538,647	234,085
	457,956,351	365,798,548
Less: provision for obsolete items	(230,022)	(230,022)
	457,726,329	365,568,526

	2023	2022
10. STOCK-IN-TRADE		
Raw materials including in-transit inventory valuing Rs.1,415.246 million (2022: Rs.836.267 million)	4,396,998,889	3,649,120,576
Work-in-process	577,372,169	534,761,847
Finished goods	5,074,175,126	3,572,869,476
Waste	114,370,656	32,054,040
	5,188,545,782	3,604,923,516
	10,162,916,840	7,788,805,939

10.1 Stocks valuing Rs.418.772 million (2022: Rs.258.238 million) was in the possession of various parties for processing and finishing.

10.2 Raw materials and finished goods inventories are pledged with various banks as security for short term finance facilities (note 26).

	Note	2023 (Rupees)	2022
11. TRADE DEBTS			
Export - secured		2,186,566,809	1,367,498,654
Local - unsecured and considered good		2,503,063,101	3,118,051,079
Considered doubtful		4,623,036	3,912,754
		2,507,686,137	3,121,963,833
		4,694,252,946	4,489,462,487
Less: provision for impairment	11.1	(4,623,036)	(3,912,754)
		4,689,629,910	4,485,549,733
11.1 Provision for impairment			
Balance at beginning of the year		3,912,754	3,280,661
Allowance for the year		4,623,036	3,912,754
Reversal during the year		(3,912,754)	(3,280,661)
		710,282	632,093
Balance at end of the year		4,623,036	3,912,754
12. LOANS AND ADVANCES			
Advances to:			
- Fatima Energy Ltd.(FEL)	12.1	12,507,760	12,500,030
- key management personnel		-	100,000
- employees		330,203,942	283,329,913
- suppliers		156,293,902	236,678,216
Due from related parties	12.2	24,060,079	28,324,068
Letters of credit		281,668	4,079,759
Margin deposits		43,855,492	42,855,079
		567,202,843	607,867,065

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 12.1** These advances have been made to Fatima Energy Limited against purchase of electricity / to meet its financial obligations. These carry mark-up at the rate of 1-month KIBOR plus 2.5% per annum. The effective markup rates during the year is nil (2022:10.01% to 12.89%) per annum. The movement in this account during the year was as follows:

	Note	2023 (Rupees)	2022
Opening balance		12,500,030	642,427,689
Advances made during the year		7,730	812,032,291
Advances received back during the year		-	(678,180,980)
Advances adjusted against preference shares issued by Fatima Energy Limited during the year	7	-	(763,778,970)
Closing balance		12,507,760	12,500,030
12.2 Due from related parties			
Fatima Sugar Mills Ltd.	12.2.1	142,291	-
Reliance Commodities (Pvt.) Ltd.	12.2.2	23,917,788	23,917,788
Multan Cloth Finishing Factory	12.2.3	4,406,280	4,406,280
		28,466,359	28,324,068
Provision for impairment against due from Multan Cloth Finishing Factory	35	(4,406,280)	-
		24,060,079	28,324,068

12.2.1 The balances had arisen due to sharing of common expenses.

12.2.2 The advance carries mark-up at the rate of 1-month KIBOR plus 2.50% per annum.

12.2.3 The balance has arisen due to sharing of expenses and on account of trading transactions.

12.3 Maximum aggregate amounts due from related parties at any month-end during the year aggregated Rs.36.454 million (2022: Rs.935.729 million).

	Note	2023 (Rupees)	2022
13. PREPAYMENTS AND OTHER RECEIVABLES			
Accrued mark-up	13.1	194,429,292	194,081,540
Prepaid insurance		6,238,326	-
Prepayments		-	1,085,242
Others		1,483,490	25,000
		202,151,108	195,191,782

13.1 This represents mark-up accrued on advance made to Fatima Energy Ltd. and short term loans advanced to Reliance Commodities (Pvt.) Ltd. and Fatima Transmission Company Ltd.

	Note	2023 (Rupees)	2022
14. SHORT TERM INVESTMENTS			
(At fair value through other comprehensive income)			
Quoted			
Fatima Fertilizer Company Ltd. (FFCL)			
2,625,167 (2022: 2,625,167) fully paid ordinary shares of Rs.10 each at fair value	14.1	99,231,313	75,473,552
Fair value adjustment		(20,975,085)	23,757,761
Fair value at end of the year		78,256,228	99,231,313
Others - Un-quoted			
Multan Real Estate Company (Pvt.) Ltd.			
428,904 (2022: 214,797) ordinary shares of Rs.100 each		293,799,240	21,479,700
Nil (2022: 214,107) ordinary shares at the rate of nil (2022: Rs 685) per share purchased during the year	14.2	-	146,663,295
Fair value adjustment	14.3	(30,430,739)	125,656,245
Fair value at end of the year		263,368,501	293,799,240
Fatima Energy Ltd. (FEL)			
Opening fair value of nil (2022: 90,195,083) ordinary shares of Rs. 10 each		-	599,797,302
Fair value of nil (2022: 90,195,083) shares transferred to long term investments during the year	7	-	(599,797,302)
Fair value at end of the year		-	-
		341,624,729	393,030,553

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 14.1** Fatima Fertilizer Company Limited was incorporated in Pakistan on December 24, 2003 as a public company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). FFCL is listed on Pakistan Stock Exchange.

The principal activity of Fatima Fertilizer Company Limited is manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals.

Registered office of Fatima Fertilizer Company Limited is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt. The manufacturing facilities of Fatima Fertilizer Company Limited are located at Mukhtargarh, Sadiqabad, Khanewal Road, Chichoki Mallian, Sheikhpura Road, Pakistan.

Fatima Fertilizer Company Limited, as at June 30, 2023, is a related party of the Company; however, considering shareholding percentage in Fatima Fertilizer Company Limited i.e. 0.13%, the Company does not have significant influence to participate in the financial and operating decisions. Accordingly, investments in Fatima Fertilizer Company Limited have not been accounted for using the equity method.

- 14.2** The board of directors during the previous year, in its meeting held on December 15, 2021 has resolved to purchase 214,107 ordinary shares of Multan Real Estate Company (Private) Limited from Pakarab Fertilizers Limited against consideration of Rs. 146.663 million.
- 14.3** This represents fair value gain on shares held by the Company as at June 30, 2023.
- 14.4** The Company, as at June 30, 2022, has decided to reclassify its investments in Fatima Energy Ltd. as long term investments at fair value through other comprehensive income.

	Note	2023 (Rupees)	2022
15. TAX REFUNDS DUE FROM THE GOVERNMENT			
Advance income tax		321,754,582	326,586,723
Special excise duty		8,061,051	9,088,003
Sales tax refundable		928,238,796	929,602,742
Less: Provision made against doubtful sales tax refunds	35	187,289,405	187,289,405
		740,949,391	742,313,337
		1,070,765,024	1,077,988,063

	Note	2023 (Rupees)	2022
16. CASH AND BANK BALANCES			
Cash-in-hand		9,933,146	5,118,132
Cash at banks on:			
- current accounts	16.1	547,201,992	128,975,967
- saving accounts	16.2	533,198	113,906
		547,735,190	129,089,873
		557,668,336	134,208,005

16.1 These include foreign currency balance of U.S.\$ 1,142,392 and Euro € 54,586 (2022: U.S.\$ 162,823 and Euro € 17,362), which has been translated in Pak Rupees at the exchange rate ruling on the reporting date.

16.2 These carry profit at the rates ranging from 12.25% to 19.50% (2022: 6.5% to 12.25%) per annum.

17. AUTHORISED SHARE CAPITAL

2023 (No. of share)	2022		2023 (Rupees)	2022
40,000,000	40,000,000	Ordinary shares of Rs.10 each	400,000,000	400,000,000
30,000,000	30,000,000	Preference shares of Rs. 10 each	300,000,000	300,000,000
70,000,000	70,000,000		700,000,000	700,000,000

18. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2023 (No. of share)	2022		2023 (Rupees)	2022
17,801,875	17,801,875	Ordinary shares of Rs.10 each fully paid in cash	178,018,750	178,018,750
13,009,062	13,009,062	Ordinary shares of Rs.10 each issued as fully paid bonus shares	130,090,620	130,090,620
30,810,937	30,810,937		308,109,370	308,109,370

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	Number of shares	
18.1 Ordinary shares held by the related parties at the reporting date are as follows:		
Reliance Commodities (Pvt.) Ltd.	3	3
Fatima Trading Company (Pvt.) Ltd.	281,901	281,901
Fatima Management Company Ltd.	281,902	281,902
Farrukh Trading Company Ltd. (formerly Fatima Trade Company Ltd.)	281,902	281,902
	845,708	845,708

	Note	2023	2022
		(Rupees)	
19. RESERVES			
Capital reserves	19.1	11,945,231	464,514,089
Revenue reserves	19.2	6,808,063,030	6,679,825,492
		6,820,008,261	7,144,339,581

19.1 Composition of capital reserves is as follows:			
- Share premium	19.1.1	41,081,250	41,081,250
- Fair value gain / (loss) on investments at fair value through other comprehensive income		(29,136,019)	434,413,401
- Unrealised loss on forward foreign exchange contracts		-	(10,980,562)
		11,945,231	464,514,089

19.1.1 This reserve can be utilised by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

	2023	2022
	(Rupees)	
19.2 Composition of revenue reserves is as follows:		
General reserves	74,171,959	74,171,959
Unappropriated profit	6,733,891,071	6,605,653,533
	6,808,063,030	6,679,825,492

	Note	2023	2022
		(Rupees)	
20. LONG TERM FINANCES - Secured			
From banking companies / financial institutions			
Pak Brunei Investment Co. - PBIC (TF)	20.1	-	60,000,000
PBIC (SBP - REPP)	20.2	200,000,000	200,000,000
Saudi Pak Investment Company Limited (SBP - LTFF)	20.3	430,612,491	505,612,496
Saudi Pak (SBP - LTFF)	20.4	175,037,969	206,863,061
Allied Bank Ltd. - ABL (TF)	20.5	112,500,000	187,500,000
ABL (TL)	20.6	125,758,149	100,000,000
Pak Libya Holding Company (Pvt.) Limited - PLHC (TF)	20.7	28,571,425	57,142,855
PLHC (LTF)	20.8	140,000,000	180,000,000
PLHC (SBP - LTFF)	20.9	147,119,283	92,050,403
United Bank Limited - UBL (NIDF-II under LTFF scheme)	20.10	357,668,335	423,496,053
Askari Bank Limited - Askari (DM-I)	20.11	25,000,000	75,000,000
Askari (DM-II)	20.12	93,750,000	112,500,000
Askari (DM-III)	20.13	-	105,545,604
Bank Islami Pakistan Limited			
Bank Islami (DM)	20.14	171,875,000	234,375,000
Pakistan Kuwait Investment Company (Pvt.) Limited - PKIC (LTFF)	20.15	524,748,867	599,708,867
Bank Al Habib Limited -BAHL (TF)	20.16	10,415,831	18,748,500
The Bank of Khyber - BoK (LTFF)	20.17	500,000,000	500,000,000
Samba Bank Ltd. - SBL (LTFF)	20.18	289,424,398	273,045,600
Pak China Investment Co. PCIC - (SBP - LTFF)	20.19	326,080,391	194,426,438
Bank of Punjab - BoP (DM)	20.20	499,996,587	95,328,430
BAHL (LTFF)	20.21	383,909,000	-
Askari Islamic (DM)	20.22	855,747,300	-
Askari Islamic (LTFF)	20.22	534,820,000	-
PKIC (LTFF)	20.23	600,000,000	-
		6,533,035,026	4,221,343,307
Less: current portion grouped under current liabilities:			
- PBIC (TF)		-	60,000,000
- Saudi Pak (SBP-LTFF)		31,825,092	31,825,092
- Saudi Pak (SBP-LTFF)		75,000,004	75,000,004
- ABL (TF)		75,000,000	75,000,000
- ABL (TL)		125,758,149	100,000,000
- PLHC (TF)		28,571,425	28,571,430
- PLHC (LTF)		40,000,000	40,000,000
- PLHC (SBP-LTFF)		7,916,731	2,338,659
- UBL (NIDF-II)		71,406,324	68,616,987
- Askari (DM-I)		25,000,000	50,000,000
- Askari (DM-II)		56,250,000	37,500,000
- Askari (DM-III)		-	105,545,604
- Bank Islami (DM)		62,500,000	62,500,000
- BAHL (TF)		8,332,667	8,332,668
- BoK (LTFF)		35,801,260	-
- SBL (SBP-LTFF)		54,267,075	-
- PCIC (LTFF)		66,283,914	-
- PKIC (LTFF)		74,960,000	74,960,000
		838,872,641	820,190,444
		5,694,162,385	3,401,152,863

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 20.1** These finances have been obtained during the financial year ended June 30, 2017 to finance the mismatch from usage of short term debt for financing the long term assets. These carry mark-up at the rate of 3-months KIBOR + 2.50%; the effective mark-up rates during the year ranged from 17.50% to 19.40% (2022: 9.98% to 17.50%) per annum. These finances are repayable in 15 equal quarterly instalments commenced from September, 2017. These finances are secured against first pari passu charge on all present and future fixed assets of the Company (including land and buildings) with 25% margin and personal guarantees of sponsoring directors of the Company.

PBIC, vide its letter Ref. # PBIC/CBG/067-A1/2020 dated May 15, 2020, has approved deferment of principal amount of facility amounting Rs.80 million in line with the Company's request and SBP's BPRD Circular No. 13 of 2020. As per the revised terms, the tenor of the facility has been extended by 24 months from the current maturity date of March 08, 2021.

- 20.2** These finances have been obtained against two finance facilities under SBP scheme for renewable energy (SBP - REPP) during the financial year ended 2022 to finance the procurement of solar energy equipment for generation of electricity. These carry mark-up at the rate of 1-month KIBOR + 3% and 3-months KIBOR + 2.5% per annum; the effective mark-up rates during the year ranged from 17.06% to 25.54% (2022: 17.04% to 17.27%) per annum. These finances are repayable in 20 equal quarterly instalments commencing September, 2024 and are secured against existing first pari passu charge over all present and future immovable fixed assets of the Company upto Rs. 400 million and personal guarantees of all the directors of the Company.

- 20.3** These finances have been obtained during the financial year ended June 30, 2019 for BMR in spinning and weaving units and are repayable in 32 quarterly instalments commenced from April, 2021. These carry mark-up at the rate of 3.50% (2022: 3.50%) per annum and are secured against first pari passu charge on all present and future fixed assets of the Company with 25% margin.

During the financial year 2021, an amount of Rs. 580.612 million out of total finances of Rs.600 million from Saudi Pak has been approved and refinanced by SBP under LTFF scheme against BMR in spinning and weaving units eligible under the said scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up under SBP's LTFF scheme is chargeable at the rate of 3.5% per annum. These finances are secured against the securities as stated in the preceding paragraph.

Saudi Pak, vide its letter Ref. # CAD-1096/20 dated May 13, 2020, has deferred the repayments of principal instalments for one year under SBP IH & SMEFD Circular No.5 dated April 03, 2020 to dampen the effect of COVID-19. As per the revised arrangements, Saudi Pak has approved the Company's request for deferment of Saudi Pak's outstanding principal of long term finance facility of Rs.600 million under SBP-LTFF Scheme. The Company has been allowed additional grace period in repayment of principal commenced with effect from March, 2020 till February, 2021.

- 20.4** These finances have been obtained during the financial year ended June 30, 2020 against approved limit of Rs.225 million for BMR and expansion in spinning and weaving units and are repayable in 28 equal quarterly instalments commenced from March, 2022. These carry mark-up at the rate of 3.50% (2022 : mark-up at the rate of 3.50%) per annum and are secured against first pari passu charge on all present and future fixed assets of the Company with 25% margin.

During the year 2021, the total balance of this finance facility of Rs.222.776 million from Saudi Pak has been approved and refinanced by SBP under LTFF scheme against BMR in spinning and weaving units eligible under the said scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up under SBP's LTFF scheme is chargeable at the rate of 3.5% per annum. These finances are secured against the securities as stated in the preceding paragraph.

20.5 These finances have been obtained during the financial year ended June 30, 2019 for statement of financial position re-profiling and carry mark-up at the rate of 6-months KIBOR + 1.25%; the effective mark-up rates during the year ranged from 16.60% to 18.29% (2022: 8.94% to 12.72%) per annum. These finances are repayable in 8 equal half-yearly instalments commenced from February, 2020 and are secured against first pari passu charge over present and future fixed assets of the Company for Rs.400 million with 25% margin and personal guarantees of sponsoring directors of the Company.

ABL, during the financial year ended June 30, 2020 in line with SBP's BPRD Circular No. 13 of 2020, has allowed grace period of one year. Accordingly, the outstanding balance as at June 30, 2020 is repayable in 7 equal instalments commenced from August, 2021.

20.6 These finances have been obtained to finance working capital requirement of the Company. These carry mark-up at the rate of 3-months KIBOR + 1.5% per annum; the effective mark-up rates during the year ranged from 16.66% to 23.48%(2022: 8.87% to 13.45%) per annum. These finances are repayable in 6 equal quarterly instalments commenced from December, 2021 and are secured against the securities detailed in notes 20.5 and are secured against first pari passu charge over present and future fixed assets of the Company for Rs.400 million with 25% margin and personal guarantees of sponsoring directors of the Company.

20.7 These finances have been obtained during the financial year ended June 30, 2016 to reduce the funding gap from usage of short term debt for financing long term assets and to create cushion in existing short term working capital lines. These carry mark-up at the rate of 6-months KIBOR + 2%; the effective mark-up rates during the year ranged from 17.33% to 24.97% (2022: 9.68% to 17.33%) per annum. These finances are repayable in 10 equal half-yearly instalments commenced from December, 2017 and are secured against pari passu charge on fixed assets of the Company with 25% margin over the facility amount and personal guarantees of all sponsoring directors of the Company.

PLHC, vide its letter Ref. # PLHC-CIBD/SBP Reg.Relief-01/005-2020 dated May 11, 2020, had agreed with the Company's request and deferred the outstanding principal repayment for a period of two years. As per the revised terms, the outstanding principal balance as at June 30, 2020 is repayable in 7 equal half-yearly instalments commenced from June, 2021.

20.8 These finances have been obtained during the financial year ended June 30, 2020 to reduce the funding gap from usage of short term debt for repayment of long term liabilities and to free-up existing usage of short term working capital lines. These carry mark-up at the rate of 6-months KIBOR + 2%; the effective mark-up rates during the year ranged from 14.49% to 23.21% (2022:9.87% to 14.49%) per annum. These finances are repayable in 10 equal half-yearly instalments commenced from September, 2021 and are secured against first pari passu charge over present and future fixed assets of the Company with 25% margin amounting to Rs.267 million and personal guarantees of sponsoring directors of the Company.

20.9 These finances have been obtained during the financial year ended 2022 under SBP - LTFF scheme to finance BMR of spinning segment of the Company. These carry mark-up at the rate of 6-months KIBOR + 2.5% per annum; the effective mark-up rates during the year ranged from 5% to 23.66% (2022: 5% to 14.05%) per annum. The different tranches of these finances are repayable in 10 instalments commencing from July 2024 and are secured against ranking charge of Rs.200 million over all present and future fixed assets of the Company inclusive of 25% margin and personal guarantees of sponsoring directors of the Company.

During the current financial year, balance of Rs 42.880 million (2022: Rs 92.050 million) has been converted into SBP-LTFF scheme. Mark-up under SBP-LTFF scheme is chargeable at the rate of 10% per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 20.10** These finances have been obtained during the financial year ended June 30, 2017 to finance BMR / retirement of letters of credit established for import of air jet looms, fired generator and compressor along with allied parts. These finances carry mark-up at the rate of 6-months KIBOR + 1.50%; the effective mark-up rates during the year ranged from 5.00% to 18.58% (2022: 5.00% to 12.97%) per annum. These finances are repayable in 16 equal half-yearly instalments commenced from October, 2019 and are secured against first pari passu charge of Rs.734 million on fixed assets of the Company with 25% margin and personal guarantees of three directors of the Company.

During financial year 2021, an amount of Rs. 453.063 million out of total finances of Rs.500.404 million from UBL was approved and refinanced by SBP under LTFF scheme against imported textile machinery eligible under the said scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up under SBP's LTFF scheme is chargeable at the rate of 5% per annum. These finances are secured against the securities as stated in the preceding paragraph.

UBL, during the financial year ended June 30, 2020, in line with SBP's BPRD Circular No. 13 of 2020, has allowed deferment of one year for instalments aggregating Rs.16.582 million.

- 20.11** These finances have been obtained during the financial year ended June 30, 2017 to facilitate the Company with Diminishing Musharaka (sale and buy back) of machinery (warping machines, sizing machines, air jet weaving looms and power house). These carry mark-up at the rate of 6-months KIBOR + 1.25%; the effective mark-up rates during the year ranged from 16.32% to 23.28% (2022: 8.87% to 16.32%) per annum. These finances are repayable in 8 equal half-yearly instalments commenced from November, 2018 and are secured against first pari passu hypothecation charge of Rs. 267.670 million over all present and future fixed assets duly registered with SECP.

Askari, during the financial year ended June 30, 2020 in line with SBP's BPRD Circular No. 13 of 2020, has allowed deferment; accordingly, the outstanding balance as at June 30, 2020 is repayable in 5 equal half-yearly instalments commenced from November, 2021.

- 20.12** These finances have been obtained during the financial year ended June 30, 2019 to facilitate the Company with Diminishing Musharaka (sale and buy back) of machinery (warping machines, sizing machines, air jet weaving looms and power house). These carry mark-up at the rate of 6-months KIBOR + 1.25%; the effective mark-up rates during the year ranged from 16.60% to 18.32% (2022: 8.94% to 16.60%) per annum. These finances are repayable in 8 equal half-yearly instalments and are secured against first pari passu hypothecation charge of Rs.200 million over all present and future fixed assets duly registered with SECP with 25% margin.

Askari, during the financial year ended June 30, 2020 in line with SBP's BPRD Circular No. 13 of 2020, has allowed deferment; accordingly, the outstanding balance as at June 30, 2020 is repayable in 8 equal half-yearly instalments commenced from December, 2021.

- 20.13** These finances have been obtained under Islamic Refinance Scheme against a facility amount of Rs.431.500 million for payment of salaries and wages to workers and employees of the Company to dampen the effect of COVID-19. The finance facility carries profit at SBP rate + 2% and SBP rate +3%; the effective mark-up rates during the year ranged from 2% to 3% (2022: 2% to 3%) per annum. This finance facility is repayable in 8 equal quarterly instalments commenced from January, 2021 and is secured against first pari passu hypothecation charge of Rs.575.330 million over present and future fixed assets of the Company duly registered with SECP.

- 20.14** These finances have been obtained during the financial year ended June 30, 2020 to facilitate the Company to pay off long term conventional bank loans; the DM assets are 40 sets Japan air jet looms along with 2 gas fired generators. These carry mark-up at the rate of 3-months KIBOR + 2% per annum payable on quarterly basis; the effective mark-up rates during the year ranged from 17.32% to 24.08% (2022: 9.45% to 13.95%) per annum. These finances are repayable in 16 equal quarterly instalments commenced from April, 2022 and are secured against ranking charge created over fixed assets (land, buildings and plant & machinery) of the Company for Rs.334 million.
- 20.15** These finances have been obtained for CAPEX against a finance facility of Rs.600 million and carry mark-up at the rate of 3-months KIBOR + 1.50% per annum; these finances during the year carried mark-up at the rate of 3.5% (2022: mark-up at the rate of 3.5%) per annum. These finances are repayable in 32 equal quarterly instalments commencing September, 2022 and are secured against first pari passu charge over present and future fixed assets of the Company with 25% margin and personal guarantees of three sponsoring directors of the Company.
- 20.16** These finances have been obtained during the financial year ended 2021 for the retirement of import documents drawn under letter of credit sight (one off). These carry mark-up, at the rate of 6-months KIBOR + 1.25% per annum payable on quarterly basis; the effective mark-up rates during the year ranged from 16.73% to 18.32% (2022: 8.92% to 12.72%) per annum. These finances are repayable in 12 equal quarterly instalments commenced from November, 2021 and are secured against pari passu charge of Rs. 701.800 million over fixed assets of the Company.
- 20.17** These finances have been obtained during the financial year ended 2022 for retirement of letters of credit documents for import of textile machinery for BMR. These carry mark-up at the rate of 6 months KIBOR + 2% per annum; the effective mark-up rates during the year ranged from 4.00% to 19.07%(2022: 4% to 15.84%) per annum. The different tranches of these finances are repayable in 8-10 instalments commencing June, 2024 and are secured against first pari passu charge over all present and future fixed assets of the Company with 25% margin.

During the current financial year, remaining balance of Rs. 85.142 (2022:Rs.414.858 million) out of total finances of Rs.500 million has been converted into SBP-LTFF scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up under SBP-LTFF scheme is payable at SBP rate + 2% per annum. These finances are secured against the securities as stated in the preceding paragraph.

- 20.18** These finances have been obtained during the financial year ended 2022 for retirement of CAPEX related letters of credits. These carry mark-up at the rate of 1-month KIBOR + 1.50% per annum; the effective market-up rate during the year ranges from 15.66% to 23.14% (2022:15.91%) per annum. These finances are repayable in 16 equal quarterly instalments commencing September, 2023 and are secured against ranking charge on plant and machinery with 25% margin, which is to be upgraded to fist pari passu charge.
- 20.19** These finances have been obtained during the financial year ended 2022 to finance CAPEX requirement in the weaving segment of the Company. These carry mark-up, at the rate of 3-months KIBOR + 1.75%; the effective mark-up rate during the year ranged from 6.50% to 23.87%(2022: 6.50% to 16.76%) per annum. These finances are repayable in 16 equal quarterly instalments commencing September, 2023 and are secured against first pari passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

During the financial year ended 2022, the balance of Rs 194.426 million of this finance facility has been converted into SBP - LTFF scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up is payable at SBP rate + 2% per annum. These finances are secured against the securities as stated in the preceding paragraph.

20.20 These finances have been obtained during the financial year ended 2022 against a diminishing Musharakah finance facility of Rs. 500 million for retirement of letters of credit established for import of equipment for new spinning unit of the Company. These carry profit at the rate of 6 month KIBOR + 1.25% per annum; the effective profit rates during the year ranged from 11.98% to 23.35% (2022: 12.49% to 17.68%) per annum. These finances are repayable in 16 half-yearly instalments after the plant becomes available for use (2 year's grace period) and are secured against first pari passu charge of Rs. 667 million over all present and future plant and machinery of the Company with 25% margin.

20.21 These finances have been obtained during the current financial year for retirement of import documents under sight LC for BMR/Expansion. These carry mark-up, at the rate of 6-months KIBOR + 2% per annum payable on quarterly basis; the effective mark-up rates during the year ranged from 9% to 20.88% per annum. These finances are repayable in 16 equal half yearly instalments commencing from December, 2024 and are secured against pari passu charge of Rs. 1,501.800 million over fixed assets of the Company & duly signed and stamped promissory note(s).

During the current financial year, the balance of Rs.41.438 million out of Rs.383.909 million has been converted into SBP - LTFF scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up is payable at SBP rate + 2% per annum. These finances are secured against the securities as stated in the preceding paragraph.

20.22 During the year the company has obtained the long term finance facility/Diminishing Musharika amounting Rs. 1,390.560 Million to finance the expansion of spinning unit. It is repayable in sixteen semi-annual installments commencing from June, 2025. These carry profit at the rate of matching 6 month KIBOR + 2.5% per annum; the effective profit rates during the year ranged from 17.20% to 23.64% per annum. These finances are secured against first pari passu charge of Rs. 276 million over all present and future fixed assets of the company duly registered with SECP.

During the year, an amount of Rs. 534.820 out of total finances of Rs. 1,390.560 million has been converted into SBP-LTFF scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up under SBP-LTFF scheme is payable at SBP rate + 2.50% per annum. These finances are secured against the securities as stated in the preceding paragraph.

20.23 These finances have been obtained during the current financial year to finance the additional cost of retirement of LC for import of plant and machinery for spinning unit. These carry mark-up, at the rate of 3-months KIBOR + 1.5% per annum payable on quarterly basis; the effective mark-up rates during the year ranged from 17.20% to 23.64% per annum. These finances are repayable in 20 equal quarterly instalments commencing from May, 2024 and are secured against first pari passu charge on all present and future fixed assets of the Company with 25% margin.

21. LEASE LIABILITIES

	Note	2023 (Rupees)	2022
Lease liabilities		154,475,708	91,068,683
Current portion of lease liabilities	27	(44,499,396)	(21,804,019)
		109,976,312	69,264,664

21.1 Particulars	2023				2022			
	Upto one year	From one to five year	Over five year	Total	Upto one year	From one to five year	Over five year	Total
	(Rupees)							
Minimum lease payments	66,003,821	135,263,349	19,083,814	220,350,984	31,695,912	68,380,278	30,379,518	130,455,708
Less: finance cost allocated to future periods	19,002,025	22,569,740	1,300,495	42,872,260	8,433,618	21,898,577	3,324,825	33,657,020
	47,001,796	112,693,609	17,783,319	177,478,724	23,262,294	46,481,701	27,054,693	96,798,688
Less: security deposits adjustable on expiry of lease terms	2,502,400	20,500,616	-	23,003,016	1,458,275	4,271,730	-	5,730,005
Present value of minimum lease payments	44,499,396	92,192,993	17,783,319	154,475,708	21,804,019	42,209,971	27,054,693	91,068,683

21.2 The Company has entered into lease agreements with Meezan Bank Ltd., Bank Al-Habib Ltd. and First Habib Modaraba for lease of vehicles. The minimum lease payments have been discounted at implicit interest rates ranging from 3-months KIBOR + 1.25% to 6-months KIBOR + 1.50% (2022: 3-months KIBOR + 1.25% to 6-months KIBOR + 1.50%) to arrive at their present value; the effective interest rates during the year ranged from 8.64% to 23.11% (2022: 8.64% to 17.37%) per annum. The Company intends to exercise its option to purchase the leased vehicles upon completion of the respective lease terms. These lease finance facilities are secured against title of the leased vehicles in the name of lessors and demand promissory notes.

21.3 Lease liabilities include lease contract of head office building having lease term of twelve years. These have been discounted using incremental borrowing rate of 9.42% per annum.

	Note	2023 (Rupees)	2022
Balance at beginning of the year		50,688,623	51,088,994
Interest expense for the year		4,774,868	4,812,583
Adjusted / paid during the year		(6,776,839)	(5,212,954)
	21.4	48,686,652	50,688,623
Current portion grouped under current liabilities		(2,362,515)	(2,159,125)
Balance at end of the year		46,324,137	48,529,498

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

21.4 The future minimum lease payments in respect of head office building to which the Company is committed under the lease agreement will be due as follows:

Particulars	2023				2022			
	Upto one year	From one to five year	Over five year	Total	Upto one year	From one to five year	Over five year	Total
	(Rupees)							
Minimum lease payments	6,776,839	44,659,370	19,083,814	70,520,023	6,776,839	39,983,351	30,379,518	77,139,708
Finance cost allocated to future periods	(4,414,324)	(16,118,552)	(1,300,495)	(21,833,371)	(4,617,714)	(18,508,546)	(3,324,825)	(26,451,085)
Present value of minimum lease payments	2,362,515	28,540,818	17,783,319	48,686,652	2,159,125	21,474,805	27,054,693	50,688,623

22. STAFF RETIREMENT BENEFITS - Gratuity

The future contribution rates of this scheme include allowance for deficit and surplus. Projected unit credit method, based on the following significant assumptions, is used for valuation:

	2023	2022
Significant actuarial assumptions		
- discount rate	16.25%	13.25%
- expected rate of growth per annum in future salaries	15.25%	12.25%
- mortality rates	SLIC 2001-2005	SLIC 2001-2005
- withdrawal rates	Setback 1 year Age-based	Age-based
- retirement assumption	Age 60	Age 60

Amount recognised in the statement of financial position is the present value of defined benefit obligation at the reporting date:

	2023	2022
	(Rupees)	
The movement in the present value of defined benefit obligation is as follows:		
Opening balance	370,194,659	281,947,690
Current service cost	73,945,805	77,831,303
Interest cost	46,437,326	25,923,247
Benefits paid	(39,448,542)	(45,430,447)
Remeasurements - experience adjustments and actuarial valuation (gain) / loss from changes in financial assumptions	(57,396,279)	29,922,866
Closing balance	393,732,969	370,194,659

Expense recognised in statement of profit or loss		
Current service cost	73,945,805	77,831,303
Interest cost	46,437,326	25,923,247
	120,383,131	103,754,550

Charge for the year has been allocated to:		
- cost of sales	115,058,187	94,291,363
- administrative expenses	5,324,944	9,463,187
	120,383,131	103,754,550

Remeasurement recognised in other comprehensive income		
Remeasurements - experience adjustments and actuarial valuation loss / (gain) from changes in financial assumptions	(57,396,279)	29,922,866

Comparison of present value of defined benefit obligation and experience adjustments on obligation for five years is as follows:

	2023	2022	2021	2020	2019
	(Rupees)				
Present value of defined benefit obligation	393,732,969	370,194,659	281,947,690	258,431,528	241,278,990
Experience adjustments on obligation	(57,396,279)	29,922,866	(32,768,995)	(43,659,145)	(81,913,480)

Year-end sensitivity analysis:	Impact on defined benefit obligation		
	Change in assumption	Increase	Decrease
	(Rupees)		
Discount rate	1%	364,905,823	426,897,395
Salary growth rate	1%	426,897,395	364,435,505

22.1 The average duration of the defined benefit obligation as at June 30, 2023 is 8 years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 22.2** The expected contribution to defined benefit obligation for the year ending June 30, 2024 is Rs.54.711 million.

	Note	2023 (Rupees)	2022
23. DEFERRED LIABILITIES			
Provision against Gas Infrastructure Development cess	23.1	4,623,445	57,841,962
		4,623,445	57,841,962

- 23.1** The Supreme Court of Pakistan (SCP), during the preceding financial year, had decided the appeal against consumers upholding the vires of Gas Infrastructure Development Cess (GIDC) Act, 2015 through its judgment dated August 13, 2020. The review petition was filed against the judgment, wherein the SCP had provided some relief by increasing the time period for recovery of GIDC from 24 instalments to 48 instalments. The review application, however, was dismissed.

The Company has recorded the provision at its present value by discounting the future cash flows using four years risk free average rate of 8.04% per annum and has booked income of Rs. 31.861 million which has been adjusted against cost of sales. The current portion of GIDC has been grouped under note. 27.

	Note	2023 (Rupees)	2022
24. TRADE AND OTHER PAYABLES			
Trade creditors	24.1	4,309,521,715	2,261,175,982
Bills payable	24.2	914,412,230	818,063,764
Due to Associated Companies	24.3	122,630,185	60,978,738
Accrued expenses		640,254,496	693,845,060
Tax deducted at source		281,497,737	137,381,571
Unrealised loss on remeasurement of forward exchange contracts		-	10,980,562
Workers' (profit) participation fund	24.4	24,493,223	173,674,407
		6,292,809,586	4,156,100,084

- 24.1** This includes payable to Fatima Energy Limited amounting Rs. 371.590 million (2022: nil) against purchase of Electricity.

24.2 These are secured against the securities as detailed in note 26.

	Note	2023 (Rupees)	2022
24.3 This represents amounts due to the following Associated Companies:			
- Fatima Fertilizer Company Ltd.		32,240,415	24,627,584
- Fatima Sugar Mills Ltd.		-	6,487,195
- Fazal Cloth Mills Ltd.		90,389,770	29,863,959
		122,630,185	60,978,738
24.4 Workers' (profit) participation fund			
Opening balance		173,674,407	106,896,720
Add: interest on funds utilised in the Company's business	36	25,979,788	9,335,159
		199,654,195	116,231,879
Less: paid to workers		199,654,195	106,726,840
Less: deposited in Government treasury		-	169,880
		-	9,335,159
Add: allocation for the year		24,493,223	164,339,248
Closing balance		24,493,223	173,674,407
25. ACCRUED MARK-UP			
Mark-up accrued on:			
- long term finances		291,449,945	59,747,495
- lease liabilities		4,884,631	4,261,049
- advance received from Fatima Sugar Mills Ltd. (an Associated Company)		39,088,690	31,172,753
- short term borrowings		560,195,149	250,718,595
- provision against Gas Infrastructure Development Cess		29,209,755	22,627,882
		924,828,170	368,527,774
26. SHORT TERM BORROWINGS			
Short term finances - secured	26.1	11,189,775,570	8,060,191,786
Export finances- secured	26.2	56,875,251	435,394,190
		11,246,650,821	8,495,585,976
Temporary bank overdrafts - unsecured	26.4	125,439,797	211,825,367
		11,372,090,618	8,707,411,343

26.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs. 20,725 million (2022: Rs. 15,195 million) and carry mark-up at the rates ranging from 10% to 23.98% (2022: 7.80% to 16.81%) on the outstanding balances. These facilities are expiring on various dates by Feb 28, 2026.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 26.2** Export finance facilities available from commercial banks aggregate Rs. 5,175 (2022: Rs.4,090 million) which are the sub-limits of finance facilities mentioned in note 26.1. Out of total facilities, the amount utilised aggregate Rs. 56.875 million (2022: Rs.435.394 million). The rates of mark-up range from 2.05% to 10% (2022: 1.65% to 4%) on the outstanding balances. These facilities are expiring on various dates by February 28, 2026.
- 26.3** Out of the aggregate facilities of Rs. 3,175 million (2022: Rs.5,340 million) for opening letters of credit and Rs. 795 million (2022: Rs.1,920 million) for guarantees, which are the sub-limits of finance facilities mentioned in note 26.1, the amounts utilised as at June 30, 2023 were Rs. 1410.903 million (2022: Rs.4,725.700 million) and Rs. 631.706 million (2022: Rs.369.706 million) respectively. These facilities are expiring on various dates by Feb 28, 2026.
- 26.4** These temporary bank overdrafts have arisen due to issuance of cheques for amounts in excess of balances in bank accounts.
- 26.5** The aggregate facilities are secured against lien on export documents, pledge of stocks (cotton bales, yarn, polyester, viscose and fabric), charge on all present and future current assets of the Company, lien on import documents and personal guarantees of directors of the Company.

	Note	2023 (Rupees)	2022
27. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term finances	20	838,872,641	820,190,444
Lease liabilities	21	44,499,396	21,804,019
Government grant		-	2,329,346
Provision against Gas Infrastructure Development Cess		186,875,528	133,657,011
		1,070,247,565	977,980,820

28. TAXATION - Net			
Opening balance		476,368,588	291,213,316
Add: provision made during the year:			
current	28.2	435,278,200	476,368,588
		911,646,788	767,581,904
Less: payments / adjustments made during the year against completed assessments		365,713,314	291,213,316
Closing balance		545,933,474	476,368,588

- 28.1** Returns filed by the Company up to the tax year 2022 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance).
- 28.2** No numeric tax rate reconciliation is presented in these financial statements as the Company is mainly liable to pay tax due under sections 4C (Super tax on high earning persons), 113 (Minimum tax on the income of certain persons) and 154 (Tax on export proceeds) of the Ordinance.

29. CONTINGENCIES AND COMMITMENTS

- 29.1** Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated Rs.436.177 million as at June 30, 2023 (2022: Rs.191.477 million) and are secured against the securities mentioned in note 26.5.
- 29.2** The Company is contingently liable for Rs.1.400 million Iqra surcharge on account of non-compliance of the provisions of SRO.1140(I) 97 in respect of 1,320 bales of raw cotton imported during the year 2001. However, all the contingencies previously attached to the particular case have already been decided in favour of the Company. Since Alternate Dispute Resolution Committee's recommendations and subsequent decisions by Federal Board of Revenue were in favour of the Company, the management is confident that the liability of Iqra surcharge on account of exportation of goods so manufactured from imported cotton will positively be waived-off.
- 29.3** The Company has filed a case before the Sindh High Court (SHC) against imposition of infrastructure cess levied by the Excise and Taxation Department, Karachi (the Department) under section 9 of the Sindh Finance Act, 1994 on imports made. As per the judgment of SHC, 50% of the demand would be paid by the Company while for the remaining 50%, guarantees would be issued in favour of the Department. As per the aforesaid judgment, the Company is paying the said 50% of demand on every import made and has arranged bank guarantees from Meezan Bank Ltd., Habib Bank Limited, National Bank of Pakistan, Bank Alfalah Limited and Bank Al Habib Limited favouring the Department for Rs. 17.486 million (2022: Rs.17.486 million), Rs. 20 million (2022: Rs.20 million), Rs. 3.743 million (2022: Rs.3.743 million), Rs.40 million (2022: Rs.37 million) and Rs. 100 million (2022: Rs. 100 million) respectively. The Company has challenged the said judgment before the Supreme Court of Pakistan and the legal advisors are confident that ultimately the judgment will be in favour of the Company and accordingly no provision needs to be made in the financial statements for the year ended June 30, 2023.
- 29.4** Foreign bills discounted outstanding as at June 30, 2023 aggregated 239.684 million (2022: Rs. 1,182.248 million).

	2023	2022
	(Rupees)	
29.5 Commitments for irrevocable letters of credit:		
- capital expenditure	50,380,018	2,819,445,126
- others	446,202,657	1,088,191,413
Commitments in respect of forward foreign exchange contracts	-	1,914,322,000
	496,582,675	5,821,958,539

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees)	2022
30. SALES - Net			
Export	30.1	20,538,200,592	21,830,858,035
Local	30.2	15,417,405,768	11,991,106,612
Waste		575,198,424	571,971,911
		36,530,804,784	34,393,936,558
Less: Commission		433,620,808	401,116,228
		36,097,183,976	33,992,820,330
Add: Weaving, doubling and sizing income		9,357,055	-
Less: Sales tax		3,424,252,862	3,289,161,741
		32,682,288,169	30,703,658,589

30.1 Export sales include indirect export of fabric and yarn aggregating Rs. 8.862 billion (2022: Rs. 10.204 billion).

30.2 Local sales for the year include polyester / viscose sales aggregating Rs. 916.485 million (2022: Rs.951.267 million).

	Note	2023 (Rupees)	2022
31. COST OF SALES			
Raw materials consumed	31.1	25,094,776,682	23,156,073,929
Stores and spares consumed		651,423,266	505,626,840
Packing materials consumed		172,960,215	170,539,712
Salaries, wages and benefits	31.2	1,570,266,826	1,548,898,114
Power and fuel		2,622,274,053	1,629,800,400
Repairs and maintenance		65,558,498	51,585,211
Depreciation	5.3	356,483,695	310,256,842
Insurance		57,252,979	47,783,170
Utilities		367,783	357,906
Others		101,274,344	79,255,395
		30,692,638,341	27,500,177,519
Adjustment of work-in-process			
Opening		534,761,847	364,908,844
Closing	10	(577,372,169)	(534,761,847)
		(42,610,322)	(169,853,003)
Cost of goods manufactured		30,650,028,019	27,330,324,516
Adjustment of finished goods			
Opening stock		3,604,923,516	1,537,579,051
Closing stock	10	(5,188,545,782)	(3,604,923,516)
		(1,583,622,266)	(2,067,344,465)
		29,066,405,753	25,262,980,051

		2023	2022
	Note	(Rupees)	
31.1	Raw materials consumed		
	Opening stock	3,649,120,576	3,148,253,925
	Purchases and purchase expenses	25,837,358,354	23,650,725,242
		29,486,478,930	26,798,979,167
	Less: closing stock	10 (4,396,998,889)	(3,649,120,576)
		25,089,480,041	23,149,858,591
	Cotton cess	5,296,641	6,215,338
		31.1.1 25,094,776,682	23,156,073,929

31.1.1 Raw materials consumed include Rs. 777.598 million (2022: Rs.807.797 million) relating to the cost of yarn, polyester and viscose sold during the year.

31.2 Salaries, wages and benefits include Rs. 115.058 million (2022: Rs.94.291 million) in respect of staff retirement benefits - gratuity.

		2023	2022
		(Rupees)	
32.	DISTRIBUTION AND MARKETING EXPENSES		
	Ocean freight and shipping	199,666,698	334,396,908
	Local freight	95,001,628	67,231,435
	Export development surcharge	29,555,593	27,109,599
	Forwarding and clearing expenses	61,892,855	57,856,876
	Marketing expenses	16,360,122	8,940,710
	Other expenses	1,306,039	418,184
		403,782,935	495,953,712

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees)	2022
33. ADMINISTRATIVE EXPENSES			
Salaries and benefits	33.1	185,583,921	188,490,305
Travelling and conveyance		22,105,170	15,510,268
Rent, rates and taxes		1,821,810	2,084,821
Entertainment		3,204,637	3,087,017
Utilities		4,610,328	3,859,258
Communication		5,818,023	4,947,053
Printing and stationery		5,138,945	3,525,379
Insurance		2,515,386	3,402,194
Repairs and maintenance		12,374,659	6,410,764
Vehicles' running and maintenance		33,841,569	16,897,629
Fees, subscription and periodicals		15,128,063	14,118,903
Advertisement		545,980	348,575
Auditors' remuneration:			
- statutory audit fee		1,850,000	1,683,715
- half yearly review		375,000	424,750
- certification charges		166,760	151,600
- out-of-pocket expenses		-	48,000
		2,391,760	2,308,065
Legal and professional charges		3,378,347	3,134,500
Depreciation on operating fixed assets	5.3	50,467,863	27,012,167
Depreciation on right of use assets	5.6	27,956,561	12,670,709
Amortisation	6	-	835,148
General		5,500,786	5,585,747
		382,383,808	314,228,502

33.1 Expense for the year includes staff retirement benefits gratuity amounting Rs. 5.324 million (2022: Rs.9.463million).

	Note	2023 (Rupees)	2022
34. OTHER INCOME			
Income from financial assets			
Dividend	34.1	9,188,081	9,188,081
Mark-up on advances to Associated Companies	34.2	347,752	64,201,371
Exchange fluctuation gain - net		131,256,626	95,374,842
Income from non-financial assets			
Gain on disposal of operating fixed assets - net	5.7	12,464,252	5,198,297
Others		337,768	9,888
		153,594,479	173,972,479

34.1 This represents dividend received on short term investments made in Fatima Fertilizer Company Ltd.

34.2 This represents mark-up amounting nil (2022: Rs.54.811 million), nil (2022: Rs.8.330 million) and nil (2022: Rs.0.853 million) on advance given to Fatima Energy Limited, Fatima Transmission Company Limited and Fatima Sugar Mills Limited. respectively and Rs. 0.348 million (2022: Rs. 0.208 million) on short term loan given to Reliance Commodities (Private) Limited.

	Note	2023 (Rupees)	2022
35. OTHER EXPENSES			
Donations	35.1	39,427,531	35,777,830
Workers' (profit) participation fund	24.4	24,493,223	164,339,248
Provision for doubtful sales tax refunds	15	-	187,289,405
Provision made for impairment of Multan Cloth Finishing factory	12	4,406,280	-
Provision made for impairment of trade debts	11.1	710,282	632,093
		69,037,316	388,038,576

35.1 Mian Mukhtar A. Sheikh Trust, Multan (a Charitable Institution) is administered by the following directors of the Company:

- Mr. Fawad Ahmed Mukhtar
- Mr. Faisal Ahmed Mukhtar
- Mr. Fazal Ahmed Sheikh

The Company, during the year, has donated Rs. 34.400 million (2022: Rs.32.800 million) to this Trust.

	Note	2023 (Rupees)	2022
36. FINANCE COST			
Mark-up on:			
- long term finances		344,454,803	260,007,115
- lease liabilities		19,474,139	7,815,027
- short term borrowings		1,900,844,414	916,631,472
- short term loans from Associated Companies		7,915,939	-
Interest on provision against Gas Infrastructure Development Cess		6,581,873	10,247,513
Interest on workers' (profit) participation fund	24.4	25,979,788	9,335,159
Bank charges and commission		143,650,648	98,958,372
		2,448,901,604	1,302,994,658

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees)	2022
37. TAXATION			
Current	28	435,278,200	476,368,588
Deferred	8	(173,019,438)	(2,412,867)
		262,258,762	473,955,721

38. EARNINGS PER SHARE

There is no dilutive effect on earnings per share of the Company, which is based on:

Profit after taxation attributable to ordinary shareholders		203,112,470	2,639,479,848
			(No. of shares)
Weighted average number of ordinary shares in issue during the year		30,810,937	30,810,937
			(Rupee)
Earnings per share - basic		6.59	85.67

39. SEGMENT INFORMATION

39.1 Reportable segments

The management has determined the operating segments of the Company on the basis of products being produced.

The Company's reportable segments are as follows:

- Spinning segment - production of different qualities of yarn using natural and artificial fibres.
- Weaving segment - production of different qualities of grey fabrics using yarn.

Information regarding the Company's reportable segments is presented below. Performance is measured based on segment profit before tax, as management believes that such information is the most relevant in evaluating the results of certain segments relative to other companies that operate within these industries.

39.2 Information about reportable segments

	Spinning		Weaving		Total	
	2023	2022	2023	2022	2023	2022
	(Rupees)					
External revenue	8,284,236,870	10,806,606,954	24,398,051,299	19,897,051,635	32,682,288,169	30,703,658,589
Inter-segment revenue	8,641,999,187	6,837,165,629	-	-	8,641,999,187	6,837,165,629
	16,926,236,057	17,643,772,583	24,398,051,299	19,897,051,635	41,324,287,356	37,540,824,218
Inter-segment cost of sales			(8,641,999,187)	(6,837,165,629)	(8,641,999,187)	(6,837,165,629)
Cost of sales	(15,547,101,139)	(14,356,286,481)	(13,519,304,615)	(10,906,693,570)	(29,066,405,753)	(25,262,980,051)
Distribution and marketing expenses	(35,865,370)	(32,532,461)	(367,917,565)	(463,421,251)	(403,782,935)	(495,953,712)
Administrative expenses	(86,048,909)	(80,449,672)	(296,334,899)	(233,778,830)	(382,383,808)	(314,228,502)
Other income	11,984,855	37,060,827	141,609,624	136,911,652	153,594,479	173,972,479
Other expenses	(39,481,782)	(330,591,889)	(29,555,534)	(57,446,687)	(69,037,316)	(388,038,576)
Finance cost	(1,146,085,952)	(599,932,317)	(1,302,815,652)	(703,062,341)	(2,448,901,604)	(1,302,994,658)
Profit before taxation and Share of loss of Associates	83,637,761	2,281,040,590	381,733,471	832,394,979	465,371,232	3,113,435,569

39.3 The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 4 to the financial statements. Distribution & marketing expenses, administrative expenses, other income and other expenses are allocated on the basis of actual amounts incurred / earned for the segments. Finance cost relating to long term finances is also allocated on the basis of purpose of finances for which these are obtained and finance cost relating to short term borrowings is allocated on the basis of working capital requirements of the segments. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

	2023	2022
	(Rupees)	
39.4 Reconciliation of reportable segment revenues and profit		
Total revenue from reportable segments	41,324,287,356	37,540,824,218
Elimination of inter-segment revenue	(8,641,999,187)	(6,837,165,629)
Sales - net	32,682,288,169	30,703,658,589
Total profit of reportable segments	465,371,232	3,113,435,569
Tax for the year	(262,258,762)	(473,955,721)
Consolidated profit	203,112,470	2,639,479,848

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

39.5 Segment assets and liabilities

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	Spinning	Weaving (Rupees)	Total
For the year ended June 30, 2023:			
Segment assets for reportable segment			
- Operating fixed assets	4,761,944,894	5,679,715,843	10,441,660,737
- Stores, spares and loose tools	261,943,793	195,782,536	457,726,329
- Stock-in-trade	5,237,860,301	4,925,056,539	10,162,916,840
	10,261,748,988	10,800,554,918	21,062,303,906
Unallocated corporate assets			15,471,903,419
Total assets as per statement of financial position			36,534,207,325
Segment liabilities for reportable segment	10,795,386,581	7,215,542,066	18,010,928,647
Unallocated corporate liabilities			8,410,694,111
Total liabilities as per statement of financial position			26,421,622,758
For the year ended June 30, 2022:			
Segment assets for reportable segment			
- Operating fixed assets	4,197,301,225	4,630,840,580	8,828,141,785
- Stores, spares and loose tools	226,225,543	139,342,983	365,568,526
- Stock-in-trade	3,573,956,150	4,223,859,943	7,788,805,939
	7,997,482,918	8,994,043,506	16,982,516,250
Unallocated corporate assets			10,774,360,612
Total assets as per statement of financial position			27,756,876,862
Segment liabilities for reportable segment	5,460,133,282	7,695,676,414	13,155,809,696
Unallocated corporate liabilities			5,440,535,218
Total liabilities as per statement of financial position			18,596,344,914

39.6 For the purposes of monitoring segment performance and allocating resources between segments:

- operating property, plant & equipment, stock-in-trade and stores, spares & loose tools are allocated to reportable segment while all other assets are held under unallocated corporate assets; and
- long term finances, short term borrowings and lease liabilities are allocated to reportable segment and all other liabilities, i.e. staff retirement benefit - gratuity, trade & other payables, taxation and accrued mark-up are held under unallocated corporate liabilities.

	2023	2022
	(Rupees)	
39.7 Gross revenue from major products and services		
Fabric export sales	16,228,672,960	16,412,173,605
Yarn export sales	4,309,527,632	5,418,684,431
Fabric local sales	10,426,251,173	5,012,970,890
Yarn local sales	4,084,026,417	6,026,869,145
Viscose and polyester local sales	916,485,233	951,266,576
Waste local sales	575,198,424	571,971,911
	36,540,161,839	34,393,936,558

39.8 Gross revenue from major customers of segment		
Spinning	7,420,113,430	5,226,659,038
Weaving	3,964,059,060	6,486,361,388
	11,384,172,490	11,713,020,426

39.9 Geographical information

The Company's gross revenue from external customers by geographical location is detailed below:

	2023	2022
	(Rupees)	
Pakistan	23,634,375,086	22,766,590,011
Asia 1	6,566,777,629	5,006,154,177
Europe	5,564,100,933	5,177,173,599
Africa	50,455,072	683,882,485
USA	724,453,119	760,136,285
	36,540,161,839	34,393,936,558

39.10 All non-current assets of the Company as at June 30, 2023 are located and operating in Pakistan.

	Spinning	Weaving	Total
	(Rupees)		
39.11 Other segment information			
For the year ended June 30, 2023:			
Capital expenditure	94,179,275	643,973,616	738,152,891
Depreciation			
Cost of sales	143,399,207	213,084,488	356,483,695
Administrative expenses	36,369,230	42,055,194	78,424,424
	179,768,437	255,139,682	434,908,119

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Spinning	Weaving (Rupees)	Total
For the year ended June 30, 2022:			
Capital expenditure	130,708,151	1,084,349,708	1,215,057,859
Depreciation			
Cost of sales	148,611,791	161,645,050	310,256,841
Administrative expenses	19,398,938	20,283,938	39,682,876
	168,010,729	181,928,988	349,939,717

	2023	2022
	(Rupees)	

40. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	465,371,231	3,113,435,569
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	406,951,559	337,269,009
Depreciation on right of use assets	27,956,561	12,670,709
Gain on disposal of fixed assets - net	(12,464,252)	(5,198,297)
Amortisation	-	835,148
Provision for impairment of trade debts	710,282	632,093
Staff retirement benefits - gratuity	120,383,131	103,754,550
Interest on workers' (profit) participation fund	25,979,788	9,335,159
Provision for workers' (profit) participation fund	24,493,223	164,339,248
Finance cost	2,422,921,816	1,293,659,499
	3,482,303,339	5,030,732,687

Effect on cash flow due to working capital changes

(Increase) / decrease in current assets		
Stores, spares and loose tools	(92,157,803)	25,823,191
Stock-in-trade	(2,374,110,901)	(2,738,064,119)
Trade debts	(204,790,459)	(1,635,344,847)
Loans and advances	40,664,222	(293,498,358)
Prepayments and other receivables	(6,959,326)	(70,001,003)
Tax refunds due from the Government (excluding income tax)	2,390,898	(283,912,441)
Increase / (decrease) in trade and other payables	2,296,871,248	2,429,736,807
	(338,092,121)	(2,565,260,770)
Cash generated from operations	3,144,211,218	2,465,471,917

	2023	2022
	(Rupees)	
41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES		
Financial assets		
At fair value through other comprehensive income		
Short term investments	341,624,729	393,030,553
At amortised cost		
Long term deposits	29,719,180	29,045,887
Trade debts	4,689,629,910	4,485,549,733
Loans and advances	566,921,175	603,787,306
Other receivables	202,151,108	194,106,540
Bank balances	547,735,190	129,089,873
	6,036,156,563	5,441,579,339
Financial liabilities		
At amortised cost		
Long term finances	6,533,035,026	4,221,343,307
Deferred liabilities	191,498,973	193,828,319
Lease liabilities	154,475,708	91,068,683
Trade and other payables	5,986,818,626	3,834,063,544
Unclaimed dividends	13,218,234	11,502,157
Accrued mark-up	924,828,170	368,527,774
Short term borrowings	11,246,650,821	8,495,585,976
	25,050,525,558	17,215,919,760

41.1 Financial risk factors

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

Risk management is carried-out by the Company's finance department under policies approved by the board of directors. The Company's finance department evaluates financial risks based on principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the board of directors.

41.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of plant & machinery, raw materials and stores & spares denominated in U.S. Dollar, JPY, Euro, CHF and AED. The Company's exposure to foreign currency risk for U.S. Dollar, JPY, Euro, CHF and AED is as follows:

	Rupess	U.S. \$	Euro	JPY	CHF	AED
2023						
Trade debts	2,186,566,809	7,430,003	1,417,641	-	-	-
Bank balances	344,009,850	1,142,392	54,586	-	-	-
Short term export borrowings	(56,875,251)	198,449	-	-	-	-
Bills payable	(914,412,230)	(3,170,049)	-	-	-	-
Gross statement of financial position exposure	(1,559,289,178)	5,600,795	1,472,227	-	-	-
Outstanding letters of credit	(496,582,675)	(1,554,172)	-	(10,405,800)	(92,100)	-
Net exposure	(1,062,706,503)	4,046,623	1,472,227	(10,405,800)	(92,100)	-
2022						
Trade debts	1,367,498,654	6,325,382	356,120	-	-	-
Bank balances	36,951,920	162,823	17,362	-	-	-
Short term export borrowings	(435,394,190)	2,128,132	-	-	-	-
Bills payable	(818,063,764)	(3,375,539)	-	(15,934,500)	(470,000)	-
Gross statement of financial position exposure	150,992,620	5,240,798	373,482	(15,934,500)	(470,000)	-
Outstanding letters of credit	(3,907,636,539)	(4,820,126)	(4,314,593)	(22,778,380)	(7,927,990)	(4,513,698)
Net exposure	(3,756,643,919)	420,672	(3,941,111)	(38,712,880)	(8,397,990)	(4,513,698)

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2023	2022	2023	2022
U.S. \$ to Rupee	286.60	204.38	287.10 / 286.60	204.17 / 204.59
Euro to Rupee	313.30	213.81	314.27 / 313.72	213.59 / 214.03
JPY to Rupee	2.00	1.50	2.0013 / 1.9978	1.49 / 1.50
CHF to Rupee	320.39	214.27	320.90 / 320.34	214.05 / 214.48
AED to Rupee	78.02	55.68	78.72 / 78.59	55.62 / 55.73

Sensitivity analysis

At June 30, 2023, if Rupee had strengthened by 10% against U.S. Dollar, Euro and CHF with all other variables held constant, profit for the year would have been higher / (lower) by the amount shown below mainly as a result of net foreign exchange gain / (loss) on translation of financial assets and liabilities.

Effect on profit for the year:

	2023	2022
	(Rupees)	
Effect on profit for the year:		
U.S.\$ to Rupee	116,178,551	(107,221,381)
Euro to Rupee	46,267,678	(7,993,624)
CHF to Rupee	(18,400)	10,080,433
JPY to Rupee	(81,779,182)	2,391,290

(b) 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 change in market interest rates. At the reporting date, the mark-up rate profile of the Company's mark-up bearing financial instruments is as follows:

	2023	2022	2023	2022
	Effective mark-up rate		Carrying amount	
	%	%	(Rupees)	
Financial liabilities				
Fixed rate instruments				
Long term finances	2.00% to 17%	2.00% to 3.5%	2,986,807,179	1,417,730,028
Variable rate instruments				
Long term finances	2% to 25.54%	5% to 17.68%	3,546,227,847	2,803,613,279
Lease liabilities	8.64% to 17.39%	8.64% to 17.37%	154,475,708	91,068,683
Short term borrowings	10% to 23.98%	7.8% to 16.81%	11,189,775,570	8,060,191,786
Short term export finances	2.05% to 10%	1.65% to 4%	56,875,251	435,394,190

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 profit or loss. Therefore, a change in mark-up rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2023, if mark-up rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 149.817 million (2022: Rs.113.903 million) lower / higher, mainly as a result of higher / lower mark-up expense on variable rate financial liabilities.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

(c) **Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. Price risk arises from the Company's investments in ordinary shares of listed companies. To manage the price risk arising from the aforesaid investments, the Company actively monitors the key factors that affect stock price movement.

Sensitivity analysis

A 10% increase / decrease in share prices at the year-end would have increased / decreased the unrealised gain on remeasurement of short term investments at fair value through other comprehensive income as follows:

	2023	2022
	(Rupees)	
Effect on equity	75,213,154	9,923,131

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / equity and assets of the Company.

41.3 Credit risk exposure and concentration of credit risk

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk primarily arises from trade debts, short term investments and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Sales tenders and credit terms are approved by the tender approval committee. Where considered necessary, advance payments are obtained from certain parties. Export sales made to major customers are secured through letters of credit and contracts. The management has set a maximum credit period of 30 days in respect of yarn and fabric parties to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 along with comparative is tabulated below:

	2023	2022
	(Rupees)	
Long term deposits	29,719,180	29,045,887
Trade debts	4,689,629,910	4,485,549,733
Loans and advances	200,149,394	279,533,295
Other receivables	202,151,108	194,106,540
Short term investments	78,256,228	99,231,313
Bank balances	547,735,190	129,089,873
	5,747,641,010	5,216,556,641

Trade debts exposure by geographic region is as follows:

Domestic	2,503,063,101	3,118,051,079
Export	2,186,566,809	1,367,498,654
	4,689,629,910	4,485,549,733

The maximum exposure to credit risk before any credit enhancements for trade debts at the reporting date by type of counterparty was:

	2023	2022
	(Rupees)	
Fabric customers against:		
- export sales	2,186,566,809	1,367,498,654
- local sales	1,074,019,434	1,584,182,210
Yarn customers against local sales	1,429,043,667	1,533,868,869
	4,689,629,910	4,485,549,733

The majority of export debts of the Company are situated in Asia, Europe and USA.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

The ageing of trade debts at the year-end was as follows:

	2023	2022
	(Rupees)	
Neither past due nor impaired	3,800,685,514	1,363,585,900
Past due 0-30 days	486,530,608	1,993,468,851
Past due 31-150 days	228,814,415	1,105,979,777
Past due 151-360 days	173,599,373	5,902,865
Past due 360 days	-	16,612,340
	4,689,629,910	4,485,549,733

Export debtors are secured against letters of credit and contracts whereas local debtors are unsecured and considered good. Management assesses the credit quality of local customers taking into account their financial position, past experience and other factors. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings.

The Company always measures the provision for impairment of trade debts at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised loss allowance amounting Rs. 4.623 million as at June 30, 2023 (2022: Rs. 3.913 million).

Based on past experience, the Company's management believes that no impairment loss allowance is necessary in respect of trade debts as majority of trade debts have been realized subsequent to the year-end and for other trade debts there are reasonable grounds to believe that the amounts will be realised in short course of time.

Out of total trade debts, 47% (2022: 30%) comprise of foreign debtors that are secured against letters of credit and contracts. Local trade debts include customers with very good credit history and are regular in their payments. The management continuously monitors the repayment capacity and intention of their debtors and extends the credit periods to their customers according to their credit history.

Bank balances

The credit quality of Company's bank balances can be assessed with reference to external credit ratings assigned to them as follows:

	Rating		Rating Agency	2023	2022
	Short term	Long term		(Rupees)	
Bank Alfalah Ltd.	A-1+	AA-	JCR-VIS	114,065,999	16,607,196
Al-Baraka Bank (Pakistan) Ltd.	A-1	A+	JCR-VIS	30,036,581	6,462,220
Habib Bank Ltd.	A-1+	AAA	JCR-VIS	87,808,493	28,849,920
JS Bank Ltd.	A1+	AA-	PACRA	408,011	5,715,350
Meezan Bank Ltd.	A-1+	AAA	JCR-VIS	25,792,220	44,654
Standard Chartered Bank (Pakistan) Ltd.	A1+	AAA	PACRA	1,045	1,045
Askari Bank Ltd.	A1+	AA+	PACRA	10,588,350	30,384,971
Faysal Bank Ltd.	A1+	AA	PACRA	42,343	42,343
Dubai Islamic Bank Pakistan Ltd.	A-1+	AA	JCR-VIS	19,361,552	1,759,442
Summit Bank Ltd.	A-1	A-	JCR-VIS	166,125	166,125
Bank Islami Pakistan Ltd.	A1	AA-	PACRA	117,793,792	8,102,024
Bank Al Habib Ltd.	A1+	AAA	PACRA	128,021,918	17,778,959
MCB Bank Ltd.	A1+	AAA	PACRA	129,007	131,403
National Bank of Pakistan	A-1+	AAA	JCR-VIS	131,135	672,276
Sindh Bank Ltd.	A-1	A+	JCR-VIS	59,993	59,993
United Bank Ltd.	A-1+	AAA	JCR-VIS	2,125,818	4,838,824
The Bank of Punjab	A1+	AA+	PACRA	2,096,347	4,335,413
The Bank Of Khyber	A-1	A+	PACRA	4,252,672	-
CDC Dividend Account				4,853,789	3,137,715
				547,735,190	129,089,873

41.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage 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 damage to the Company's reputation.

Financial liabilities in accordance with their contractual maturities are presented below:

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 Years and above
	(Rupees)				
2023					
Long term finances	6,533,035,026	7,539,677,406	1,187,808,389	5,280,071,656	1,071,797,361
Deferred liabilities	191,498,973	191,498,973	186,875,528	4,623,445	-
Lease liabilities	154,475,708	197,347,968	63,501,421	114,762,733	19,083,814
Trade and other payables	5,986,818,626	5,986,818,626	5,986,818,626	-	-
Unclaimed dividends	13,218,234	13,218,234	13,218,234	-	-
Accrued mark-up	924,828,170	924,828,170	924,828,170	-	-
Short term borrowings	11,246,650,821	9,174,126,159	9,174,126,159	-	-
	25,050,525,558	24,027,515,536	17,537,176,527	5,399,457,834	1,090,881,175

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 Years and above
	(Rupees)				
2022					
Long term finances	4,221,343,307	5,060,541,809	976,993,459	3,681,628,757	401,919,593
Deferred liabilities	193,828,319	199,828,319	135,986,357	57,841,962	-
Lease liabilities	91,068,683	124,725,703	30,237,637	64,108,548	30,379,518
Trade and other payables	3,834,063,544	3,834,063,544	3,834,063,544	-	-
Unclaimed dividends	11,502,157	11,502,157	11,502,157	-	-
Accrued mark-up	368,527,774	368,527,774	368,527,774	-	-
Short term borrowings	8,495,585,976	9,048,686,362	9,048,686,362	-	-
	17,215,919,760	18,647,875,668	14,405,997,290	3,803,579,267	432,299,111

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark-up rates effective at the respective year-ends. The rates of interest / mark-up have been disclosed in the respective notes to these financial statements.

41.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. At June 30, 2023, the carrying values of all financial assets and liabilities as disclosed in the statement of financial position approximate to their fair values.

Fair values are categorised 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 quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from prices).
- Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques.

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in valuation techniques include risk-free rates, equity prices and foreign currency exchange rates. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the statement of financial position date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates, etc.

The table below analyses equity and debt instruments measured at fair value through other comprehensive income at the end of reporting period in the fair value hierarchy into which the fair value measurement is categorised:

	2023	2022
	(Rupees)	
Long term investments at fair value through other comprehensive income: - equity investment under level 3	1,437,281,839	1,849,425,436
Short term investments at fair value through other comprehensive income: - equity investment under level 1	78,256,228	99,231,313
- equity investment under level 3	263,368,501	293,799,240
Revalued amount of Land	3,168,225,000	1,891,841,060

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised 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 recognised in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

42. CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the Company's business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders.

The Company monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of total debt to equity.

The debt-to-equity ratios as at June 30, were as follows:

	2023	2022
	(Rupees)	
Total debt	18,251,100,325	13,213,651,652
Total equity and debt	28,363,684,893	22,374,183,600
Debt-to-equity ratio	64%	59%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	(Rupees)	
43. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL		
Managerial remuneration	82,396,862	39,519,939
House rent allowance	16,255,370	7,903,988
Medical	8,127,667	3,951,994
Utilities and other allowances	15,535,057	7,607,588
Bonus	-	4,966,604
	122,314,956	63,950,112
Number of persons	50	23

43.1 The Company provides its directors and key management personnel with free use of maintained cars.

43.2 Meeting fees of Rs.1,120 thousand (2022: Rs.730 thousand) were also paid to two (2022: two) independent directors during the year.

44. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities				Total
	Long term finances	Lease finances	Short term borrowings	Dividend	
	(Rupees)				
Balance as at June 30, 2021	3,566,191,856	82,439,357	6,894,241,466	10,559,428	10,553,432,107
Changes from financing activities					
Finances obtained	1,554,850,848	-	-	-	1,554,850,848
Finances repaid	(899,699,397)	-	-	-	(899,699,397)
Finances obtained - net of repayments	-	8,629,326	1,813,169,877	-	1,821,799,203
Dividend declared	-	-	-	77,027,343	77,027,343
Dividend paid -	-	-	-	(76,084,614)	(76,084,614)
	655,151,451	8,629,326	1,813,169,877	942,729	2,477,893,383
Balance as at June 30, 2022	4,221,343,307	91,068,683	8,707,411,343	11,502,157	13,031,325,490
Changes from financing activities					
Finances obtained	3,184,263,668	-	-	-	3,184,263,668
Finances repaid	(872,571,949)	-	-	-	(872,571,949)
Finances obtained - net of repayments	-	63,407,025	2,664,679,275	-	2,728,086,300
Dividend declared	-	-	-	123,243,748	123,243,748
Dividend paid -	-	-	-	(121,527,671)	(121,527,671)
	2,311,691,719	63,407,025	2,664,679,275	1,716,077	5,041,494,096
Balance as at June 30, 2023	6,533,035,026	154,475,708	11,372,090,618	13,218,234	18,072,819,586

45. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings and key management personnel. The Company in the normal course of business carries-out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration of the key management personnel is disclosed in note 43. Other significant transactions with related parties are as follows:

Description of transaction	Nature of relationship	2023	2022
		(Rupees)	
Fazal Cloth Mills Ltd.	Associate		
Purchase of goods and services		443,716,411	224,909,359
Advances made		-	212,517,011
Sales of good & services		4,789,620	96,091,503
Funds Paid		359,144,466	-
Funds received		4,789,620	87,005,558
Reliance Commodities (Pvt.) Ltd.	Associate		
Mark-up income		347,751	207,763
Advances made		-	700,000
Expenses charged to		-	1,300,000
Fazal Rehman Fabrics Ltd.	Associate		
Sales of goods and services		-	18,690,750
Funds received		-	18,690,750
Fatima Sugar Mills Ltd.	Associate		
Mark-up expense		7,915,938	-
Mark-up income		-	852,768
Advances received		554,100,000	819,570,524
Advances repaid		560,000,000	777,270,524
Expenses charged by		5,479,009	3,812,462
Expenses charged to		6,208,495	5,842,458
Fatima Energy Ltd.	Related party		
Mark-up income		-	54,810,644
Advances made		-	151,044,521
Preference Shares subscribed		-	763,778,970
Expenses charged by		36,876	12,500,000
Funds paid		1,942,089,443	648,487,770
Purchases		2,313,650,885	648,487,770
Advances received		-	29,693,210

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Description of transaction	Nature of relationship	2023 (Rupees)	2022
Fatima Transmission Co. Ltd.	Associate		
Mark-up income		-	8,330,196
Expenses charged to		-	26,093,741
Preference Shares subscribed		-	73,397,680
Mian Mukhtar A. Sheikh Trust, Multan	Associate		
Donations made		34,400,000	32,800,000
Fund received		-	2,110,843
Advances made		-	89,999
Funds paid		22,076	-
Expense charged to		22,076	170,409
Expense charged by		-	154,348
Fatima Fertilizer Company Ltd.	Related party *		
Dividend income		9,188,081	9,188,081
Advance made		-	10,000,000
Expenses charged to		10,285,589	3,844,271
Expense charged by		2,672,758	14,496,059
Pakarab Fertilizers Ltd.	Related party *		
Purchase of services		-	11,990
Expenses charged to		-	1,243,639
Expense charged by		22,296	-
Advances made		-	625,043
Funds received		22,296	-
Fatima Cement Ltd.	Related party *		
Expenses charged by		-	402,000
Funds received		-	402,000

45.1 All transactions with related parties have been carried-out on commercial terms and conditions.

* These are related parties due to common directorship.

	2023	2022
	(Rupees)	
46. CAPACITY AND PRODUCTION		
Unit 1 (Weaving)		
Number of looms installed	107	107
Capacity after conversion into 50 picks - Meters	6,356,311	21,918,224
Actual production of fabrics after conversion into 50 picks - Meters	5,669,288	19,988,299
Unit 2 (Weaving)		
Number of looms installed	180	192
Capacity after conversion into 50 picks - Meters	50,024,767	53,467,805
Actual production of fabrics after conversion into 50 picks - Meters	45,352,509	49,692,973
Unit 5 (Weaving)		
Number of looms installed	310	174
Capacity after conversion into 50 picks - Meters	70,968,768	38,784,714
Actual production of fabrics after conversion into 50 picks - Meters	64,329,442	35,625,708
Unit 1's looms were operational until October 26, 2022. Afterward, all the looms were shifted to units 2 and 5.		
Under utilisation of available weaving capacity was due to:		
- Electricity shut downs		
- Change of articles required		
- Width loss due to specification of the cloth		
- Due to normal maintenance		
Unit 3 (Spinning)		
Number of spindles installed	18,096	17,760
Capacity after conversion into 20 count - Kgs	4,874,367	4,783,862
Actual production of yarn after conversion into 20 count - Kgs	4,511,846	4,739,395
Unit 4 (Spinning)		
Number of spindles installed	47,520	47,520
Capacity after conversion into 20 count - Kgs	14,677,912	14,677,912
Actual production of yarn after conversion into 20 count - Kgs	13,904,556	13,003,086
Under utilisation of available spinning capacity was due to:		
- Electricity shut downs		
- Processing mix of coarser and finer counts		
- Due to normal maintenance		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	2023	2022
	(Rupees)	
47. NUMBER OF EMPLOYEES		
Number of persons employed as at June 30,		
- permanent	2,145	2,344
- contractual	353	255
	2,498	2,599
Average number of employees during the year		
- permanent	2,145	2,312
- contractual	291	244
	2,436	2,556

48. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 30, 2023 by the board of directors of the Company.

49. FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to these financial statements


Chief Executive


Director


Chief Financial Officer

OTHERS & LEGAL FORMS

E-VOTING

E-Voting as per the Companies (E-Voting) Regulations, 2016

I/We, _____ of _____, being a member of Reliance Weaving Mills Limited, holder of _____ Ordinary Share(s) as per Register Folio No. /CDC Account No. _____ hereby opt for E-Voting through intermediary and hereby consent the appointment of execution officer _____ as proxy and will exercise E-Voting as per the Companies (E-Voting) Regulations, 2016 and hereby demand for poll for resolutions.

My Secured email address is _____. Please send login details, password and other requirements through email.

Signed under my/our hand this _____ day of _____ 2023.

Signature of Member

Signed in the presence of:

Signature of Witness

Name: _____

CNIC/Passport No: _____

Address: _____

Signature of Witness

Name: _____

CNIC/Passport: _____

Address: _____

E-voting برطابق کمپنیز (E-voting) ریگولیشنز، 2016

میں/ہم، _____ آف _____ بحیثیت ممبر ریلائنس ویوینگ ملز لمیٹڈ حال
عام شیئرز رجسٹرڈ فولیو نمبر / CDC اکاؤنٹ نمبر _____ دورے فیصل کے ذریعے E-voting کی آپشن اختیار کرتا ہوں اور اس پر عمل کے لئے
کو بحیثیت پراکسی Execution آفیسر مقرر کرنے پر رضامندی ظاہر کرتا ہوں کہ وہ کمپنی۔ 2016ء کے قواعد کے تحت
E-voting میں حصے لے گا اور میں/ہم قرارداد کیلئے انتخاب کا مطالبہ کرتا ہوں کرتے ہیں۔

میرا محفوظ کردہ E-mail ایڈریس _____ ہے۔

برائے مہربانی مجھے/میں Login تفصیلات، Password اور دیگر مطلوبہ معلومات بذریعہ E-mail ارسال کریں۔

میرے/ہمارے دستخط _____ مورخہ _____ سال _____

ممبر کے دستخط

گواہ کے دستخط

گواہ کے دستخط

نام _____

CNIC / پاسپورٹ نمبر _____

ایڈریس _____

نام _____

CNIC / پاسپورٹ نمبر _____

ایڈریس _____

PATTERN OF SHAREHOLDING

As at June 30, 2023

No. of Shareholders	From	To	Shares Held
177	1	100	5,928
633	101	500	145,845
478	501	1000	420,568
158	1001	5000	366,473
40	5001	10000	326,534
14	10001	15000	174,501
6	15001	20000	108,703
4	20001	25000	97,750
5	25001	30000	140,010
1	30001	35000	34,000
5	35001	40000	190,625
2	40001	45000	87,000
2	45001	50000	95,000
4	50001	55000	216,682
1	60001	65000	62,000
2	95001	100000	196,983
1	100001	105000	103,891
1	110001	115000	112,500
1	115001	120000	115,625
1	140001	145000	140,625
1	150001	155000	153,393
1	195001	200000	200,000
1	205001	210000	209,142
1	225001	230000	225,950
3	280001	285000	845,705
1	590001	595000	592,645
1	1790001	1795000	1,790,516
1	7850001	7855000	7,854,550
1	7885001	7890000	7,886,071
1	7910001	7915000	7,911,722
1,548			30,810,937

PATTERN OF SHAREHOLDING

As at June 30, 2023

Category - Wise

Categories of Shareholders	Number of Shares	Percentage
Directors and their spouse(s) and minor children		
MR. FAZAL AHMED SHEIKH	7,925,722	25.72
MR. FAISAL AHMED	7,886,071	25.60
MR. FAWAD AHMED MUKHTAR	7,854,550	25.49
MRS. FATIMA FAZAL	140,625	0.46
MRS. AMBREEN FAWAD	115,625	0.38
MRS. FARAH FAISAL	112,500	0.37
MR. FAHD MUKHTAR	25,000	0.08
MR. MUHAMMAD SHAUKAT	3,455	0.01
MR. MUHAMMAD MUKHTAR SHEIKH	3	0.00
MR. SHAHID AZIZ	2	0.00
	24,063,553	78.11
Associated companies, undertakings and related parties		
FATIMA MANAGEMENT COMPANY LIMITED	281,902	0.91
FARRUKH TRADING COMPANY LIMITED	281,902	0.91
FATIMA TRADING COMPANY (PVT.) LIMITED	281,901	0.91
RELIANCE COMMODITIES (PVT) LTD	3	0.00
	845,708	2.74
NIT & ICP		
INVESTMENT CORP. OF PAKISTAN	1,460	0.00
	1,460	0.00
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.		
NATIONAL DEVELOPMENT FINANCE	984	0.00
NATIONAL BANK OF PAKISTAN	276	0.00
NATIONAL BANK OF PAKISTAN	333	0.00
	1,593	0.01
Modarabas and Mutual Funds		
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	592,645	1.92
	592,645	1.92
General Public Foreign		
MUHAMMAD TAHIR ABBAS	10	0.00
MUHAMMAD ZAIN	10,000	0.03
	10,010	0.03
General Public Local		
	-	-
	5,003,203	16.24

PATTERN OF SHAREHOLDING

As at June 30, 2023

Others

M/S PYRAMID INVESTMENT(PVT)LTD	3,900	0.01
KARACHI,LAHORE STOCK EXCHANGES	2	0.00
PRUDENTIAL SECURITIES LIMITED	400	0.00
Y.S. SECURITIES & SERVICES (PVT) LTD.	555	0.00
PREMIER FASHIONS (PVT) LTD	52,500	0.17
SIZA (PRIVATE) LIMITED	27,500	0.09
FAZAL HOLDINGS (PVT.) LIMITED	24,250	0.08
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	54,182	0.18
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	1,901	0.01
S.H. BUKHARI SECURITIES (PVT) LIMITED	150	0.00
PYRAMID INVESTMENTS (PVT) LTD.	2,850	0.01
BAWA SECURITIES (PVT) LTD.	2,175	0.01
BEGUM AISHA AHMED AND LATIF BAWANY FOUNDATION	23,500	0.08
GHULAMAN-E-ABBAS EDUCATIONAL AND MEDICAL TRUST	900	0.00
TS SECURITIES (PVT) LTD.	10,000	0.03
MUHAMMAD AHMAD NADEEM SECURITIES (SMC-PVT.) LIMITED	13,000	0.04
WORLDCALL SERVICES (PRIVATE) LIMITED	10,000	0.03
SEVEN STAR SECURITIES (PVT.) LTD.	1,500	0.00
TOPLINE SECURITIES LIMITED - MF	62,000	0.20
FIKREES (PRIVATE) LIMITED	1,500	0.00
	292,765	0.95
Total	30,810,937	100.00

PATTERN OF SHAREHOLDING REPORT

As at June 30, 2023

Categories of Shareholders	Number of shares	Percentage
Directors and their spouse(s) and minor children		
MR. FAWAD AHMED MUKHTAR	7,854,550	25.49
MR. FAISAL AHMED	7,886,071	25.60
MRS. FATIMA FAZAL	140,625	0.46
MR. FAHD MUKHTAR	25,000	0.08
MR. MUHAMMAD MUKHTAR SHEIKH	3	0.00
MR. MUHAMMAD SHAUKAT	3,455	0.01
MR. SHAHID AZIZ	2	0.00
MR. FAZAL AHMED SHEIKH	7,925,722	25.72
MRS. FARAH FAISAL	112,500	0.37
MRS. AMBREEN FAWAD	115,625	0.38
Associated Companies, undertakings and related parties		
	845,708	2.74
NIT & ICP		
	1,460	0.00
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.		
	1,593	0.01
Insurance Companies		
	-	-
Modarabas and Mutual Funds		
	592,645	1.92
General Public		
a. Local	5,003,203	16.24
b. Foreign	10,010	0.03
Foreign Companies	-	-
Others	292,765	0.95
Totals	30,810,937	100.00

Share holders holding 10% or more	Shares Held	Percentage
MR. FAWAD AHMED MUKHTAR	7,854,550	25.49
MR. FAISAL AHMED	7,886,071	25.60
MR. FAZAL AHMED SHEIKH	7,925,722	25.72

FORM OF PROXY

33rd Annual General Meeting

I/We _____

of _____

being a member(s) of Reliance Weaving Mills Limited hold _____

Ordinary Shares hereby appoint Mr. / Mrs. / Miss _____

of _____ or falling him / her _____

of _____ as my / our proxy in my / our absence to attend and vote for me / us and on my / our

behalf at the 33rd Annual General Meeting of the Company to be held at Company's Registered Office, 2nd Floor, Trust Plaza,

LMQ Road, Multan, on Friday, October 27, 2023 at 3:00 p.m. and / or any adjournment thereof.

As witness my/our hand/seal this _____ 2023.

Signed by _____

in the presence of _____

Signatures _____

Signatures _____

Name _____

Name _____

Address _____

Address _____

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

Signature on
Fifty Rupees
Revenue Stamp

The signature should
agree with the
specimen registered
with the Company

Notes:

1. Proxies, in order to be effective, must be received at the Company's Registered Office 2nd Floor, Trust Plaza, LMQ Road, Multan, not later than 48 hours before the time for the meeting and must be duly stamped, signed and witnessed.
2. Any individual beneficial owner of CDC, entitled to attend and vote at this meeting, must bring his / her CNIC or Passport, to prove his / her identity, and in case of proxy must enclose an attested copy of his / her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose.

In addition to the above, the following requirements have to be met:

- (i) Attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be provided with the proxy form.
- (ii) The proxy shall produce his original CNIC or original Passport at the time of the meeting.
- (iii) In case of a corporate entity, the Board of Directors Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier along with proxy form to the Company).

میں / ہم _____
ساکن _____ بطور ممبر (ز) ریلائنس ویونگ ملز لمیٹڈ
حامل _____ عام حصص، محترم / محترمہ
ساکن _____ یا ان کے حاضر نہ ہو سکنے کی صورت میں
ساکن _____ کو اپنے/ہمارے ایما، پر کمپنی کے مورخہ 27 اکتوبر 2023
بروز جمعہ 03:00 بجے کمپنی کے رجسٹرڈ آفس سیکنڈ فلور ٹرسٹ بلازہ لیل ایم کیورڈ ملتان میں ہونے والے 33 واں سالانہ عمومی اجلاس میں شرکت کرنے اور حق رائے
دہی استعمال کرنے کیلئے اپنا/ہمارا بطور نمائندہ (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

بطور گواہ آج _____ بتاریخ _____ اکتوبر 2023 _____ کی موجودگی میں دستخط ہوئے۔

پچاس روپے کے رسیدی
ٹکٹ پر دستخط

اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط
کے نمونے سے مشابہت ہونا لازمی ہے

سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
اکاؤنٹ نمبر	شرکت دار کی شناخت	

اہم نکات:

- 1- ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے شیئرز رجسٹرار کے دفتر میں موصول ہو جانا چاہیے۔
- 2- اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹس آف پراکسی جمع کرتا ہے تو اس صورت میں تمام انسٹرومنٹ آف پراکسی کا عدم قرار دیئے جائیں گے۔
- 3- سی ڈی سی اکاؤنٹ رکھنے والے/کارپوریٹ ادارے مزید برآں درج ذیل شرائط کو پورا کریں گے۔
 - (i) پراکسی فارم کے ہمراہ ماکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔
 - (ii) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔
 - (iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہو گی۔



Reliance Weaving
Mills Limited
A Fatima Group Company

- 📍 2nd Floor Trust Plaza, LMQ Road, Multan
- ☎ Ph: +92 61 450 9700, 450 9749
- 📠 Fax: +92 61 458 4288, 451 1267
- ✉ Email: waheed.mushtaq@fatima-group.com