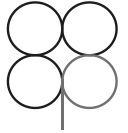


PREMIUM



CONTENTS

• Vision Statement, Mission	03
• Corporate Information	04
• Company Profile	05
• Board of Directors	06
• Board of Directors Committees.....	09
• Organization Chart.....	11
• Our core Values	12
• Code of Ethics & Business Practices	18
• Notice of Annual General Meeting	20
• Chairman / Directors' Report.....	24
• Key operating & financial results	35
• Detail of Pattern of holding of Shares	39
• Review report to the members on statement of compliance with the best practice of Code of Corporate Governance	41
• Statement of Compliance with the Code of Corporate Governance	42
• Auditors' Report	46
• Balance Sheet	51
• Profit & Loss Account	52
• Statement of Comprehensive Income	53
• Statement of Changes in Equity	54
• Cash Flow Statement	55
• Notes to the Financial Statement.....	56
• Proxy Form	90

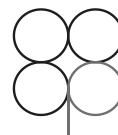


VISION STATEMENT

At Premium Textile Mills Ltd we envisage ourselves as a leading company in the manufacturing of value-added yarn. Our relentless endeavors are directed to make our customers view Premium as a reliable brand that gets to the future first.

MISSION

Our mission is to manage and operate the company in a manner that allows continued growth and profitability without high risk for investors. We do this by offering quality products to our customers, by constantly striving to improve our product to meet our customer's needs and by trying to keep abreast of the new developments taking place in the textile world.



CORPORATE INFORMATION

Board of Directors

Mr. Mohammad Aslam Parekh
Mr. Abdul Kader Haji Adam
Mr. Mohammad Yasin Siddik
Mr. Mohammad Ali Jaliawala
Mr. Mohammad Tufail
Ms. Lubna Asif
Mr. Tanzeel Abdul Sattar (NIT Nominee)

Chairman
Chief Executive
Executive Director
Independent Director
Independent Director
Independent Director
Director

Company Secretary

Iqbal Chappra

Managing Director

Mr. Zaid Siddik

Technical Director

Mr. Ashraf Aziz

Chief Financial Officer

Ms. Shenila Parekh

Head of Internal Audit

Mr. S. Wasif Hussain Naqvi

Auditors

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Registered office

1st floor, Haji Adam Chambers,
Altaf Hussain Road, New Challi,
Karachi.
Phone: 0213-2400405-8
Email: premhead@premiumtextile.com

Mill

Plot 58,60,61 & 76,77,78 Main Super
Highway, Nooriabad, Distt. Dadu (Sindh),
Pakistan. Phone : (025) 4007463-9

Website

www.premiumtextile.com

Share Registrar

FD Registrar Services (SMC-Pvt) Ltd.
17th floor, Saima Trade Tower _A
I.I. Chundrigar Road, Karachi
Phone: 0213-2271905-6
fdregistrar@yahoo.com

Bankers

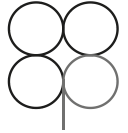
Bank Al- Habib limited
Bank Al- Falah limited
Meezan Bank Limited
Habib Bank Limited

Audit Committee

Mr. Mohammad Tufail	Chairman
Mr. Mohammad Ali Jaliawala	Member
Ms. Lubna Asif	Member

Human Resources & Remuneration Committee

Mr. Mohammad Ali Jaliawalla	Chairman
Mr. Mohammad Tufail	Member
Ms. Lubna Asif	Member



Company Profile

Ever since the inception of Premium Textile Mills Ltd. Took place in 1989 the group has successfully diversified into manufacturing of garments & auto parts and trading employing more than 900 people in its work force. The relentless perseverance of the formative years has been the guiding principle for the group to achieve an annual turnover in excess of Rs.8 billion. However, as the flagship company Premium Textile Mills Ltd remains the major contributor in the brilliant standing of the group.

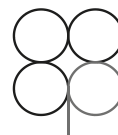
Premium Textiles started its operations with 12,230 spindles serving only the local market in the initial years. It is now annually producing approximately 33,349,596 Kg (based on 20/1) with 85,538 spindles. Currently, the company is operating in both local and international horizons that have brought the company to a reckoned position in a competitive industry. With a commitment to invest every year in BMR, Premium Textiles is geared towards acquiring latest technology to provide better value for money to our customers in the form of Premium yarn. The company is also operating its own power generation plant to ascertain uninterrupted power supply all the year round.

Having served customers in the Americas, Europe, Middle East, Central Asia and Far East we have the requisite experience and feel of the customers around the world. Acquisition of latest technology coupled with stringent quality control measures have given us an edge that reflects in our quality and the portfolio of satisfied customers. Our standards of business ethics and the human capital form the assets that are revered not only throughout the organization but also in the industry.



Board of Directors





BOARD OF DIRECTORS

Mr. Mohammed Aslam Parekh

Chairman

Mr. Aslam Parekh is the Chairman of Premium Textile Mills Ltd and has been associated with Premium textile Mills Ltd since 1990, being a Director of other companies takes and accepts challenges and takes decisions in critical situations & scenarios. He also plans & forecasts for both long- & short-term position. He actively participates in planning for the new projects and bared in an excellent manner for expansion & development. He attained very good experience of Textile Spinning, weaving & finishing. He has experience and is competent in business dealing especially for procurement of plant & machinery.

Mr. Abdul Kadir Haji Adam

Chief Executive

Mr. Abdul Kadir is the Chief Executive of Premium Textile. He possesses wide experience in textile Business. He has been in the business for more than 45 years. He has full knowledge of working of Textiles and provides guidance to the management for smooth running of the mills, future planning and selection of right person for the job. He travelled abroad and enjoys good reputation both in and outside the country. He is also on the Board of other companies & trust.

Mr. Mohammed Yasin Siddik

Executive Director

Education:

Matric St. Patrick's School Karachi (1973)

Graduation St. Patrick's College Karachi. (1979)

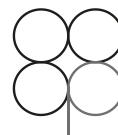
Post-Graduation M.B.A. Institute of Business Administration, Karachi (1982)

Working Experience:

- Internship with Grindlays Bank Ltd.
- 1982 went into the field of ship breaking at Gadani Beach and continued for 5- years during which 7 vessels were dismantled.
- Took dealership of Pakistan Steels and Peoples Steel Mills and traded in steel for 5 years
- Set up Premium Textile Mills Ltd.
- Started a Spinning Mills based on 12380 spindles in the Public Listed Sector and gradually increased it now to 85538 spindles. The company is by the name of **Premium Textile Mills**

Limited and is listed on the Pakistan Stock Exchange. The annual turnover now is above Rs 11.5Billion.

- Have held the office of Chairman APTMA (Sindh Baluchistan.) for 3 years.
- Was elected Chairman APTMA (All Pakistan.) 2013-2014.



Mr. Mohammed Ali Jaliawala

Non-Executive Director

Independent Director

Mr.M.Ali Jaliawala has been associated with Premium Textile Mills since 1990, being a Director he has undertaken various expansion projects of Textile. The textile has quite complex dimensions due to seasonal exposure and hence requires efficient planning. He is experienced and competent in business dealings especially for procurement of raw material & others assets. He has a rich experience in export sales as well as in local market.

Mr. Mohammed Tufail

Non-Executive Director

Independent Director

Mr.Tufail Sattar joined the Board as a Director in 1998. He is also a member of the audit Committee at Premium Textile Mills Ltd. Mr.Tufail Sattar graduated with a Bachelor's degree in Business administration from Whittier College, California. He is also a partner in Prudential Enterprises, a trading company dealing in home textiles and dairy ingredients. He attended very good experience of Textile, participating in planning of expansions and new projects.

Ms.Lubna Asif

Non-Executive Director

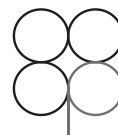
Independent Director

Ms.Lubna Asif joined the Board in February, 2021. She has graduated from St. Josephs College. She has strong leadership skills to manage and improve the operational efficiency of the organization. She is involved in monitoring budgets, suggesting improvements in information systems and in developing organizational policies and procedures. She has also helped in developing our marketing strategy and marketing plan.

Mr. Tanzeel Abdul Sattar (NIT Nominee)

Non-Executive Director

Mr. Tanzeel Abdul Sattar has been associated with NIT (National Investment Trust Ltd). He has had four year of experience in Mutual fund Industry and has earned experience of all facets of finance Division of the Asset Management Company (includes trust Accounts and Management Company Accounts). He also served as Departmental Head since 4 years with strong background in financial & business management, Strategic Planning, Budget Administration, Audit coordination & Tax planning. He was also associated with KPMG for three years as Supervisor responsible in planning & finalization of audit having IT experience.



BOARD OF DIRECTORS COMMITTEES

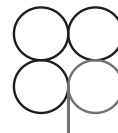
1- AUDIT COMMITTEE

The Board of Directors in compliance with the Code of Corporate Governance has established an Audit Committee and the following Directors are its members:

Mr. Mohammed Tufail Sattar	Chairman
Mr. Mohammed Ali Jaliawala	Member
Ms. Lubna Asif	Member

The terms of reference of the audit committee shall also include the following:

1. The Audit Committee shall, recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision by the external auditors of any service to the company in addition to audit of its financial statements.
2. Determination of appropriate measures to safeguard the company's assets;
3. Review of quarterly, half-yearly and annual financial statements of the company, prior to their approval by the Board of Directors, focusing on:
 - Major judgmental areas;
 - Significant adjustments resulting from the audit;
 - The going concern assumption;
 - Any changes in accounting policies and practices;
 - Compliance with applicable accounting standards;
 - Compliance with listing regulations and other statutory and regulatory requirements; and Significant related party transactions.
4. Review of preliminary announcements of results prior to publication;
5. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
6. Review of management letter issued by external auditors and management's response thereto;
7. Ensuring coordination between the internal and external auditors of the company;
8. Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
9. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
10. Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
11. Review of the company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
12. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;
13. Determination of compliance with relevant statutory requirements;



14. Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
15. Consideration of any other issue or matter as may be assigned by the Board of Directors.

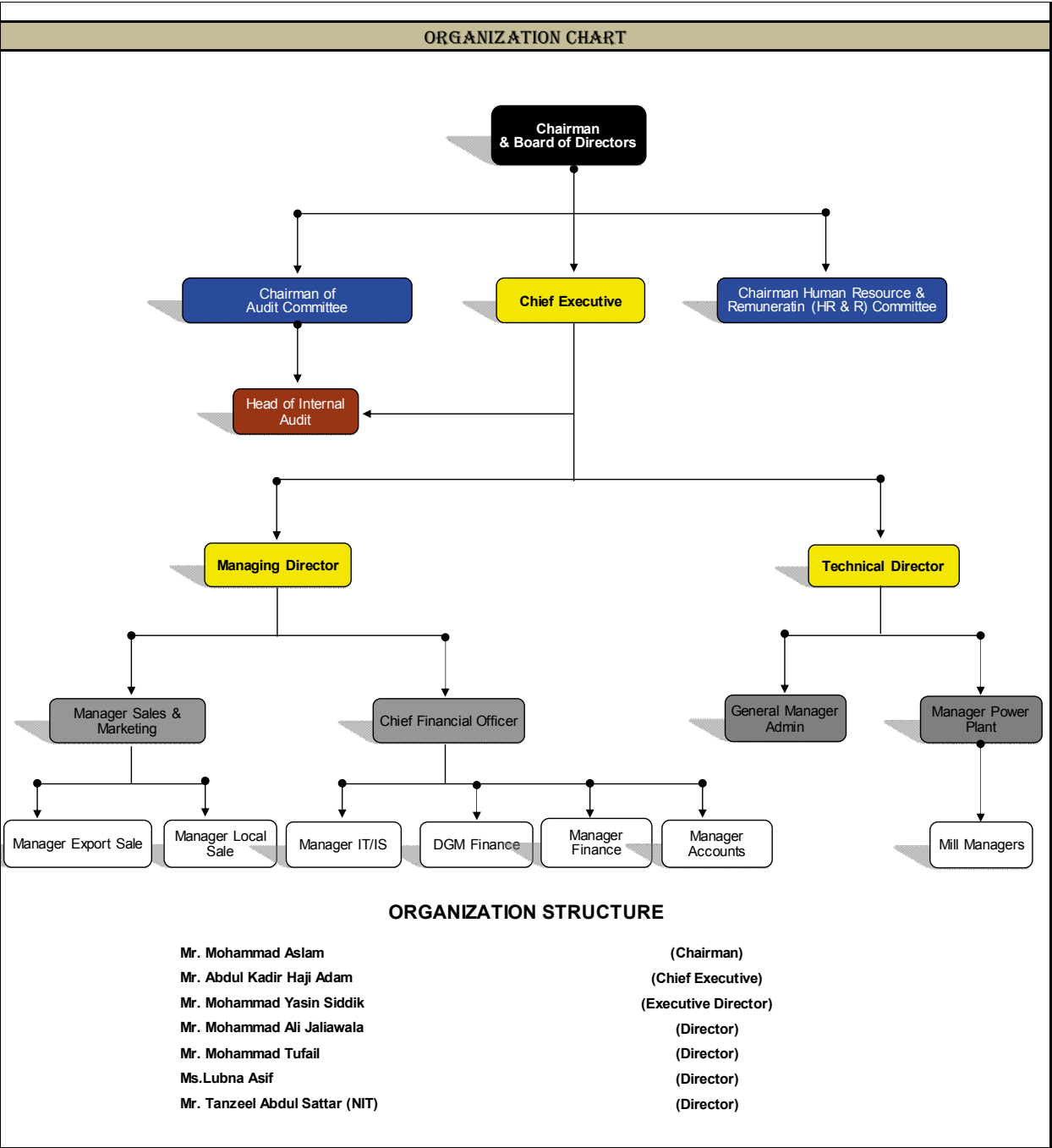
2-HUMAN RESOURCE AND REMUNERATION COMMITTEE (HR&R)

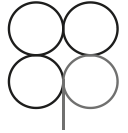
Human Resource and Remuneration (HR&R) Committee have three members comprising a majority of non-executive directors including Chairman of the Committee.

Mr. Mohammed Ali Jaliawala	Chairman
Mr. Mohammed Tufail Sattar	Member
Ms. Lubna Asif	Member

The terms of reference of the HR & R committee shall also include the following:

1. Recommending human resource management policies to the board;
2. Recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO.
3. Recommending to the board the selection, evaluation, compensation (including retirement benefits) of COO, CFO, Company Secretary and Head of Internal Audit; and
4. Consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO or COO.





Statement of Our Core values

Company Vision

At Premium Textile Mills Ltd we envisage ourselves as a leading company in the manufacturing of value-added yarn. Our relentless endeavors are directed to make our customers view Premium as a reliable brand that gets to the future first.

Mission

Our mission is to manage and operate the company in a manner that allows continued growth and profitability without high risk for investors. We do this by offering quality products to our customers, by constantly striving to improve our product to meet our customer's needs and by trying to keep abreast of the new developments taking place in the textile world.

Build Trust and Credibility

The success of our business is dependent on the trust and confidence we earn from our employees, customers and shareholders. We gain credibility by adhering to our commitments, displaying honesty and integrity and reaching company goals solely through honorable conduct. It is easy to *say* what we must do, but the proof is in our *actions*. Ultimately, we will be judged on what we do.

When considering any action, it is wise to ask: will this build trust and credibility for Premium Textile Mills Mills Ltd.? Will it help create a working environment in which Premium Textile Mills Ltd. can succeed over the long term? Is the commitment I am making one I can follow through with? The only way we will maximize trust and credibility is by answering "yes" to those questions and by working every day to build our trust and credibility.

Respect for the Individual

We all deserve to work in an environment where we are treated with dignity and respect. Premium Textile Mills Ltd. is committed to creating such an environment because it brings out the full potential in each of us, which, in turn, contributes directly to our business success. We cannot afford to let anyone's talents go to waste.

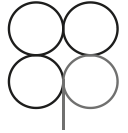
Premium Textile Mills Ltd. is an equal employment/affirmative action employer and is committed to providing a workplace that is free of discrimination of all types from abusive, offensive or harassing behavior. Any employee who feels harassed or discriminated against should report the incident to his or her manager or to human resources.

Create a Culture of Open and Honest Communication

At Premium Textile Mills Ltd. everyone should feel comfortable to speak his or her mind, particularly with respect to ethics concerns. Managers have a responsibility to create an open and supportive environment where employees feel comfortable raising such questions. We all benefit tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times.

Premium Textile Mills Ltd. will investigate all reported instances of questionable or unethical behavior. In every instance where improper behavior is found to have occurred, the company will take appropriate action. We will not tolerate retaliation against employees who raise genuine ethics concerns in good faith.

Employees are encouraged, in the first instance, to address such issues with their managers or the HR manager, as most problems can be resolved swiftly. If for any reason that is not possible or if an employee is not comfortable raising the issue with his or her manager or HR, Premium Textile Mills Ltd. does operate with an open-door policy.



Set Tone at the Top

Management has the added responsibility for demonstrating, through their actions, the importance of this Code. In any business, ethical behavior does not simply happen; it is the product of clear and direct communication of behavioral expectations, modeled from the top and demonstrated by example. Again, ultimately, our actions are what matters.

To make our Code work, managers must be responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues. Managers should not consider employees' ethics concerns as threats or challenges to their authority, but rather as another encouraged form of business communication. At Premium Textile Mills Ltd, we want the ethics dialogue to become a natural part of daily work.

Uphold the Law

Premium Textile Mills Ltd.'s commitment to integrity begins with complying with laws, rules and regulations where we do business. Further, each of us must have an understanding of the company policies, laws, rules and regulations that apply to our specific roles. If we are unsure of whether a contemplated action is permitted by law or Premium Textile Mills Ltd. policy, we should seek the advice from the resource expert. We are responsible for preventing violations of law and for speaking up if we see possible violations.

Competition

We are dedicated to ethical, fair and vigorous competition. We will sell Premium Textile Mills Ltd. products and services based on their merit, superior quality, functionality and competitive pricing. We will make independent pricing and marketing decisions and will not improperly cooperate or coordinate our activities with our competitors. We will not offer or solicit improper payments or gratuities in connection with the purchase of goods or services for Premium Textile Mills Ltd. or the sales of its products or services, nor will we engage or assist in unlawful boycotts of particular customers.

Proprietary Information

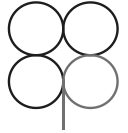
It is important that we respect the proprietary rights of others. We will not acquire or seek to acquire improper means of a competitor's trade secrets or other proprietary or confidential information. We will not engage in unauthorized use, copying, distribution or alteration of software or other intellectual property.

Selective Disclosure

We will not selectively disclose (whether in one-on-one or small discussions, meetings, presentations, proposals or otherwise) any material nonpublic information with respect to Premium Textile Mills Ltd, its securities, business operations, plans, financial condition, results of operations or any development plan. We should be particularly vigilant when making presentations or proposals to customers to ensure that our presentations do not contain material nonpublic information.

Health and Safety

Premium Textile Mills Ltd. is dedicated to maintaining a healthy environment. A safety manual has been designed to educate you on safety in the workplace.



Avoid Conflicts of Interest

Conflicts of Interest

We must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. At times, we may be faced with situations where the business actions we take on behalf of Premium Textile Mills Ltd. may conflict with our own personal or family interests. We owe a duty to Premium Textile Mills Ltd. to advance its legitimate interests when the opportunity to do so arises. We must never use Premium Textile Mills Ltd. property or information for personal gain or personally take for ourselves any opportunity that is discovered through our position with Premium Textile Mills Ltd.

Determining whether a conflict of interest exists is not always easy to do. Employees with a conflict of interest question should seek advice from management. Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review from their managers or the HR department.

Gifts, Gratuities and Business Courtesies

Premium Textile Mills Ltd. is committed to competing solely on a merit of our products and services. We should avoid any actions that create a perception that favorable treatment of outside entities by Premium Textile Mills Ltd. was sought, received or given in exchange for personal business courtesies. Business courtesies include gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom Premium Textile Mills Ltd. does or may do business. We will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or policies of Premium Textile Mills Ltd. or customers, or would cause embarrassment or reflect negatively on Premium Textile Mills Ltd.'s reputation.

Accepting Business Courtesies

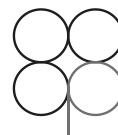
Most business courtesies offered to us in the course of our employment are offered because of our positions at Premium Textile Mills Ltd. We should not feel any entitlement to accept and keep a business courtesy. Although we may not use our position at Premium Textile Mills Ltd. to obtain business courtesies, and we must never ask for them, we may accept unsolicited business courtesies that promote successful working relationships and good will with the firms that Premium Textile Mills Ltd. maintains or may establish a business relationship with.

Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier when Premium Textile Mills Ltd. is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain Premium Textile Mills Ltd. business.

Meals, Refreshments and Entertainment

We may accept occasional meals, refreshments, entertainment and similar business courtesies that are shared with the person who has offered to pay for the meal or entertainment, provided that:

- They are not inappropriately lavish or excessive.
- The courtesies are not frequent and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity.
- The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future.
- The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with his or her manager or co-worker or having the courtesies known by the public.



Gifts

Employees may accept unsolicited gifts, other than money, that conform to the reasonable ethical practices of the marketplace, including:

- Flowers, fruit baskets and other modest presents that commemorate a special occasion.
- Gifts of nominal value, such as calendars, pens, mugs, caps and t-shirts (or other novelty, advertising or promotional items).

Generally, employees may not accept compensation, honoraria or money of any amount from entities with whom Premium Textile Mills Ltd. does or may do business. Tangible gifts (including tickets to a sporting or entertainment event) that have a market value greater than \$100 may not be accepted unless approval is obtained from management.

Employees with questions about accepting business courtesies should talk to their managers or the HR department.

Offering Business Courtesies

Any employee who offers a business courtesy must assure that it cannot reasonably be interpreted as an attempt to gain an unfair business advantage or otherwise reflect negatively upon Premium Textile Mills Ltd. An employee may never use personal funds or resources to do something that cannot be done with Premium Textile Mills Ltd. resources. Accounting for business courtesies must be done in accordance with approved company procedures.

Other than to our government customers, for whom special rules apply, we may provide non monetary gifts (i.e., company logo apparel or similar promotional items) to our customers. Further, management may approve other courtesies, including meals, refreshments or entertainment of reasonable value provided that:

- The practice does not violate any law or regulation or the standards of conduct of the recipient's organization.
- The business courtesy is consistent with industry practice, is infrequent in nature and is not lavish.
- The business courtesy is properly reflected on the books and records of Premium Textile Mills Limited.

Set Metrics and Report Results Accurately

Accurate Public Disclosures

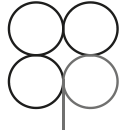
We will make certain that all disclosures made in financial reports and public documents are full, fair, accurate, timely and understandable. This obligation applies to all employees, including all financial executives, with any responsibility for the preparation for such reports, including drafting, reviewing and signing or certifying the information contained therein. No business goal of any kind is ever an excuse for misrepresenting facts or falsifying records.

Employees should inform Executive Management and the HR department if they learn that information in any filing or public communication was untrue or misleading at the time it was made or if subsequent information would affect a similar future filing or public communication.

Corporate Recordkeeping

We create, retain and dispose of our company records as part of our normal course of business in compliance with all Premium Textile Mills Ltd. policies and guidelines, as well as all regulatory and legal requirements.

All corporate records must be true, accurate and complete, and company data must be promptly and accurately entered in our books in accordance with Premium Textile Mills Ltd.'s and other applicable accounting principles.



We must not improperly influence, manipulate or mislead any unauthorized audit, nor interfere with any auditor engaged to perform an internal independent audit of Premium Textile Mills Ltd. books, records, processes or internal controls.

Promote Substance over Form

At times, we are all faced with decisions we would rather not have to make and issues we would prefer to avoid. Sometimes, we hope that if we avoid confronting a problem, it will simply go away.

At Premium Textile Mills Ltd., we must have the courage to tackle the tough decisions and make difficult choices; secure in the knowledge that Premium Textile Mills Ltd. is committed to doing the right thing. At times this will mean doing more than simply what the law requires. Merely because we can pursue a course of action does not mean we *should* do so.

Although Premium Textile Mills Ltd.'s guiding principles cannot address every issue or provide answers to every dilemma, they can define the spirit in which we intend to do business and should guide us in our daily conduct.

Accountability

Each of us is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if we are uncertain about company policy. If we are concerned whether the standards are being met or are aware of violations of the Code, we must contact the HR department.

Premium Textile Mills Ltd. takes seriously the standards set forth in the Code, and violations are cause for disciplinary action up to and including termination of employment.

Be Loyal

Confidential and Proprietary Information

Integral to Premium Textile Mills Ltd.'s business success is our protection of confidential company information, as well as nonpublic information entrusted to us by employees, customers and other business partners. Confidential and proprietary information includes such things as pricing and financial data, customer names/addresses or nonpublic information about other companies, including current or potential supplier and vendors. We will not disclose confidential and nonpublic information without a valid business purpose and proper authorization.

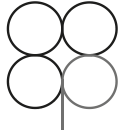
Use of Company Resources

Company resources, including time, material, equipment and information, are provided for company business use. Nonetheless, occasional personal use is permissible as long as it does not affect job performance or cause a disruption to the workplace.

Employees and those who represent Premium Textile Mills Ltd. are trusted to behave responsibly and use good judgment to conserve company resources. Managers are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their proper use.

Generally, we will not use company equipment such as computers, copiers and fax machines in the conduct of an outside business or in support of any religious, political or other outside daily activity, except for company-requested support to nonprofit organizations. We will not solicit contributions nor distribute non-work related materials during work hours.

In order to protect the interests of the Premium Textile Mills Ltd. network and our fellow employees, Premium Textile Mills Ltd. reserves the right to monitor or review all data and information contained on an employee's

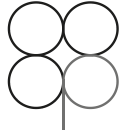


company-issued computer or electronic device, the use of the Internet or Premium Textile Mills Ltd.'s intranet. We will not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate.

Questions about the proper use of company resources should be directed to your manager.

Media Inquiries

Premium Textile Mills Ltd. is a high-profile company in our community, and from time to time, employees may be approached by reporters and other members of the media. We must ensure that we speak with one voice and provide accurate information about the company.



Code of Ethics & Business Conduct

Objectives

The objectives of Premium Textiles Mills Ltd. are to engage efficiently & responsibly in the yarn manufacturing business. We seek a high standard of performance and aim to maintain a long-term competitive position for sustainable growth.

Standard of Conduct

We conduct our operations with honesty, integrity & openness, and with respect for the rights & interests of our stakeholders. We shall continue conferring respect to the legitimate interests of those with whom we have relationships.

Shared Responsibilities

Premium Textiles Mills Ltd. is committed to increasing its value to customers, employees & shareholders by providing products and services to the concerns that it serves. We will fulfill this commitment while upholding the highest level of ethical conduct and meeting our responsibilities as a good corporate citizen. Although laws may vary from time to time, our basic ethical standards do not vary and are set forth in this guide.

Upholding the Law

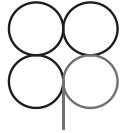
The Premium Textiles Mills Ltd. concerns and its employees are required to comply with the laws & regulations enacted at local, national and international level.

Shareholders

Premium Textiles Mills Ltd. will conduct its operations in accordance with the principles of good corporate governance. As a guardian of their investment, we will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders.

Customers

We are committed to providing quality products & service which are tailored for their intended use. The products and services will be supported by the requisite technical and commercial expertise.



Employees

Premium Textiles Mills Ltd. is committed to improvement in the working environment where there is mutual trust and respect and where everyone feels the pulse of responsibility for the performance and reputation of the company. We are committed towards safe & healthy working conditions for all employees. We appreciate the "to-do-it" instinct of employees that is beneficial for their growth and the company.

Business Partners

We bind ourselves to establish mutually beneficial relationship with our contractors, customers, suppliers and other business dealings, and to promote the application of these principles in so doing. In our business dealings, we expect our partners to adhere to business principles consistent with our own.

Community & Society

Premium Textile Mills Ltd. strives to be a trusted corporate citizen and as an integral part of society to fulfill the responsibilities towards the societies and communities in which it operates.

Public & Associated Activities

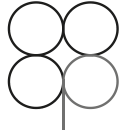
Premium Textiles Mills Ltd. concerns are encouraged to promote and defend their legitimate business interests. We will cooperate with governments and other organizations, both directly and through trade bodies such as trade associations, in the development of proposed legislature and other regulations which may affect legitimate business interests.

Continuous improvement

We have always endeavored for continuous improvement in terms of our products, services, and physical structure, tangible and intangible assets. This spirit serves as a guiding principle towards sustainable development leading to profits. Without profits and a strong financial foundation, it would not be possible to fulfill the responsibilities outlined above.

Compliance

Every effort will be made across the board for compliance with the above-mentioned principles.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting of the Shareholders of **PREMIUM TEXTILE MILLS LIMITED** will be held on **Wednesday the 27th October, 2021 at 03:30 p.m.** at Registered Office 1st Floor, Haji Adam Chambers, Altaf Hussain Road, Karachi, to transact the following business:

1. To confirm minutes of the 33rd Annual General Meeting held on October 28, 2020.
2. To receive, consider and adopt the Report of Directors, Auditors and Audited Accounts of the Company for the year ended 30th June, 2021.
3. To approve the payment of cash dividend @ 500% (i.e. Rs.50.00/- per share) as recommended by the Board of Directors.
4. To appoint Auditors for the next year 2021-2022 and fix their remuneration.

Special Business

5. To consider and, if thought fit; approve to increase the Directors' remuneration

“RESOLVED by way of special resolution, approval of the members increase the remuneration of working Directors”

Chief Executive Mr. Abdul Kadir Haji Adam from Rs. 750,000 to Rs. 1,015,000 per month & Executive Director Mr. Yasin Siddik from Rs. 600,000 to Rs. 810,000 per month.

6. To transact any other business with the permission of the Chair.

By order of the Board of Directors

YASIN SIDDIK
Executive Director

Karachi:

4th October, 2021

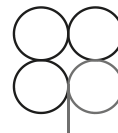
CORONAVIRUS CONTINGENCY PLANNING FOR GENERAL MEETING OF PREMIUM TEXTILE MILLS LIMITED

Participation in the meeting through online facilities:

In wake of the prevalent COVID-19 pandemic situation and in the light of the relevant guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) vide their circular No.5 of 2020 dated: March 17, 2020 has advised to the Listed Companies to modify their usual planning for Annual General Meeting in order to protect the well-being of the shareholders.

The shareholders of PTML are encouraged to participate in the 34th AGM through electronic means as offered by the Company and get themselves registered with Company's Share Registrar i.e. M/s. FD Registrar Services (SMC-Pvt) Ltd. at least 48 hours before the meeting time of AGM at fdregistrar@yahoo.com.

The shareholders will be able to login and participate in the 34th AGM proceedings through their smart phones or computer devices from their homes or any convenient location after completing all the required formalities for verification and identification of the shareholders.



The login facility will be opened at 03:00 p.m. on October 27, 2021 enabling the participants to join the proceedings which will be started at 03:30 p.m. sharp.

The shareholders are requested to provide the information as per the below format. The details of the video link will be sent to the shareholders on the email address provided in the below table:

S.No.	Name of Shareholder	CNIC Number	Folio/CDS AC Number	Cell Number	Email Address

Shareholders may send their queries, comments and suggestions relating to the proposed agenda items of the 34th AGM of the Company at least two working days before the AGM, at fdregistrar@yahoo.com or Whatsapp or SMS on Cell No.0300-2450300(timing 9:00 a.m-6:00 p.m.). Shareholders are required to mention their full name, CNIC number and Folio/CDS number for the purpose.

NOTES:**1. Closure of Share Transfer Books**

- i- The Share Transfer Books of the Company will remain closed from 21st October 2021 to 27th October 2021 (both days inclusive), when no transfers of shares will be accepted for registration. Transfer received in order at the office of Share Registrar, F.D.Registrar Services (SMC-Pvt) Ltd., 17th Floor, Saima Trade Tower-A, I.I.Chundrigar Road, Karachi by the close of business on 21st October, 2021 will be considered in time to determine the above-mentioned entitlement to the transferee and to attend and vote at the meeting.
- ii- A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his / her behalf. A proxy need not be a member of the company. Instrument of appointing proxy and the power of attorney or other authority under which it is signed or a certified copy of the power or authority must be submitted at the Registered Office of the Company at least 48 hours before the time of the Meeting.
- iii- CDC Account Holders will have to follow the under-mentioned guidelines as laid down in Circular No.1 dated January 26, 2020 issued by the Securities and Exchange Commission of Pakistan (SECP).
- iv- Accordingly, this notice of AGM of the Company shall be dispatched to the shareholders through CD compact device and shall be electronically available on the PUCARS system of the Pakistan Stock Exchange Limited and the Company's website (www.premiumtextile.com) under "Notice to Shareholders". Shareholders are requested to provide the Company their email addresses at info@premiumtextile.com if notice of the meeting is required through email.

2. Attending the Meeting

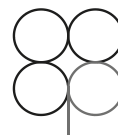
- i- Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her Original CNIC or Passport to prove his/her identity and in case of Proxy must enclose additionally an attested copy of his/her CNIC or Passport.
- ii- In case of corporate entity, The Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

3. For appointing proxies:

- i- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii- Certified copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv- In case of 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.

4. Changes in Members Addresses

Shareholders maintaining their shares in electronic form should have their addresses updated with their participant or CDC Investor Accounts Service.

**5. Submission of copies of CNIC and NTN Certificate (Mandatory)**

Pursuant to the directive of the Securities & Exchange Commission of Pakistan (SECP). Dividend Warrants shall mandatorily bear the Computerized National Identity Card (CNIC) numbers of shareholders. Shareholders are therefore requested to fulfill the statutory requirements and submit a copy of their CNIC (if not already provided) to the Company's Share Register, M/s Premium Textile Mills Limited without any delay.

In case of non-availability of a valid copy of the Shareholders CNIC in the records of the Company the company shall be constrained to withhold the Dividend Warrants in, which will be released by the Share Registrar only upon submission of a valid copy of the CNIC in compliance with the aforesaid SECP directives.

6. Payment of Cash Dividend Electronically (Mandatory)

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Therefore, shareholders are requested to provide the details of their bank mandate specifying: (a) title of account, (b) account number (c) IBAN number (d) bank name and (e) branch name, code and address to the Company & Share Registrar. Those shareholders who hold shares with participants / Central Depository Company of Pakistan (CDC) are advised to provide the same to their concerned participants / CDC.

Please note that as per Section 243(3) of the Companies Act, 2017, listed companies are entitled to withhold payment of dividend, if necessary, information is not provided by shareholders.

Shares are held in CDC the Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.

7. Revision of Withholding Tax on Dividend Income:

Government of Pakistan through Finance Act, 2017 has made certain amendments in section 150 of the income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

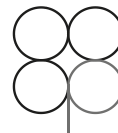
(a)	For Filer of income tax returns	15 %
(b)	For Non-Filer of income tax returns	30 %

Shareholders, who are filers, are advised to make sure that their names are entered into latest Active Tax Payers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as non-filers and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

8. Withholding Tax on Dividend in case of Joint Account Holders

In order to enable the Company to follow the directives of the regulators to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the Principal shareholder) for deduction of withholding tax on dividends of the Company, shareholders are requested to please furnish the shareholding ratio details of themselves as Principal shareholder and their Joint Holders, to the Company's Share Registrar, in writing as per format given below enabling the Company to Compute withholding tax of each shareholder accordingly.

Company Name	Folio/CDX Account No.	Total Shares	Principal Shareholder		Joint Shareholder(s)	
			Name & CNIC No.	Shareholding Proportion(No. of Shares)	Name & CNIC No.	Shareholding Proportion (No. of shares)



The required information must reach our Share Registrar within 15 Days of this notice; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

Withholding tax exemption from dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Company's Share Registrar by 20th October, 2021.

9. Availability of Financial Statements and Reports on 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, 2021 are available on the Company's website (<http://www.premiumtextile.com>).

10. Transmission of Audited Financial Statements Through Compact Device (CD)

SECP, through SRO 470(I)/ 2016 dated May 31, 2016, have allowed to circulate their annual balance sheet, profit & (loss) account, auditor's report and director's report to its members through CD at their registered addresses. In view of the above Company has sent its Annual Report to the shareholders' in the form of CD.

Any member requiring printed copy of the Annual Report 2021 may send a request using a "Standard Request Form" placed on the Company's website (<http://www.premiumtextile.com>).

Members who are interested in receiving the annual reports and notice of annual general meeting electronically in future are requested to send their email addresses on the consent form placed on the Company's website (<http://www.premiumtextile.com>) to the Company's Share Registrar.

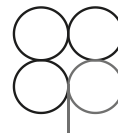
11. Unclaimed/Unpaid Shares and Dividends

In accordance with the provisions of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it is due and payable, the Company shall proceed to deposit the unclaimed or unpaid Dividends with the Federal Government.

12. Deposit of Physical Shares in CDC account

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act i.e., May 30, 2017.

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



DIRECTOR'S REPORT

Dear Shareholders,

The Directors are pleased to present to you the 34th Annual Report together with the Audited accounts of the Company for the year ended 30th June, 2021 for your consideration and approval.

Operating Result

	2021	2020
Operating Profit	2,069,720,237	923,344,177
Financial & Others	<u>(565,788,183)</u>	<u>(653,176,821)</u>
Profit before Taxation	1,503,932,054	270,167,356
Taxation	(117,673,260)	(88,715,441)
Profit after Taxation	1,386,258,794	181,451,855
Earnings per share	224.93	29.44
Gross Margin %	21.37 %	13.96 %
Operating Profit %	18.02 %	10.53%

FINANCIAL HIGHLIGHTS

The net turnover of the Company grew by 30.93% from Rs.8.771 billion to 11.484 billion due to higher demand and higher average selling prices. The production expenses increased by 15.71% due to inflation. Finance Costs increased by 5.16% due to increase in long term loans.

Profit after tax for the year ended June 30, 2021 was 1.386 billion and EPS Rs.224.93 per share.

DIVIDEND

The Board of Directors of the Company has recommended following appropriations for the FY-2020-21 for approval of the members at the Annual General Meeting to be held on 27th October, 2021:

Cash Dividend of Rs.50/- Per share, i.e.,500% (2020: Rs 8/- per share, i.e.,80%).

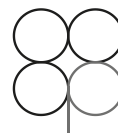
BUSINESS PERFORMANCE HIGHLIGHTS

PRINCIPAL ACTIVITY

The principal activity of the Company is manufacturing of yarn.

PRODUCT DIVERSIFICATION AND IMPROVEMENT

We have acquired Auto Coro Textile machinery due to which we have achieved new standards in energy efficiency and productivity. It has reduced labour costs and improved the quality of the yarn extensively. It has also aided to minimize maintenance costs. Also, we have installed



long frames with Link coners which has helped in improvement in quality and reduction in labour cost considerably.

On the other hand, we are in the process of implementing SAP B-1 to help manage financial operations and achieve business objectives. It will help in achieving efficiency in meeting our information technology needs.

We have increased our human resources strength in order to accelerate performance and to achieve the company objectives in line with its mission and vision statement.

FORWARD LOOKING INFORMATION

After the withdrawal of US from Afghanistan, the world is a different place and, in this backdrop, we are trying to re- align ourselves.

On the one hand, the energy crisis in China is presenting an opportunity to us to step up and grab the extra market share which will become available as a result of the above factors.

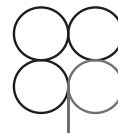
The Pakistan Govt. has shown it's willingness to support the Textile Industry and make it spearhead the growth of Pakistan, this is being done by providing the following facilities

1. Energy pricing at international rates.
2. Concessional finance at reasonable cost for balancing, modernization, and expansion.
3. Improved liquidity due to relatively quick release of funds stuck as sales tax refunds.

We feel that the Textile Industry of Pakistan is poised to take off and we are trying to take maximum advantage by expanding and become more and more cost efficient.

During the year under review following assets have been added:

BUILDING	Rs.104.966 million
MACHINERY	
RING SPINNING FRAME	Rs.760.689 million
CONE WINDER	Rs.396.554 million
ROVING FRAMES	Rs.239.392 million
RECYCLING LINE	Rs.171.325 million
RIETER C75 CARDS/COMBER	Rs.212.037 million
DYEING MACHINES	Rs.158.947 million
DRAW FRAMES	Rs.116.800 million
BLOW ROOM MACHINERY	Rs.104.084 million
DUST & WASTE REMOVAL SYSTEM	Rs. 25.269 million
GENSET (POWER HOUSE)	Rs. 16.670 million



BALE PRESS MACHINE	Rs. 11.708 million
AIR COMPRESSOR & DRYER	Rs. 6.140 million
RO PLANT	Rs. 1.538 million
STEAM LINE	Rs. 1.341 million
OTHER AUXILLARY MACHINES	Rs. 9.172 million
OFFICE EQUIPMENT	Rs. 0.413 million
ELECTRICAL WORKS	Rs. 152.638 million
FURNITURE & FIXTURES	Rs. 0.726 million
VEHICLES	Rs. 43.115 million
COMPUTER EQUIPMENT	Rs. 4.321 million

CORPORATE ENVIRONMENT, HEALTH & SOCIAL RESPONSIBILITY

The Company maintains working conditions which are safe and without risk to the health of all employees and public at large, our focus remains on improving all aspects of safety especially with regards to the safety in production, delivery, storage and handling of materials. Safety equipment's including fire extinguishers have been placed at different places in the Mills as well as registered head office of the company. Regular visit of doctor to mill has been made possible to provide medical advice and treatment.

BOARD COMMITTEES:

The committees of the Board comprise of:

(a) Audit Committee:

Mr. Mohammad Tufail	Chairman
Mr. Mohammad Ali Jaliawala	Member
Ms. Lubna Asif	Member

(b) HR and Remuneration Committee

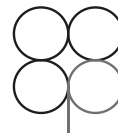
Mr. Mohammad Ali Jaliawala	Chairman
Mr. Mohammad Tufail	Member
Ms. Lubna Asif	Member

CONTRIBUTION TO NATIONAL EXCHEQUER

Premium Textile contributes towards the national economy of account of Taxes & Other levies; during the period under review our company paid Rs.564.88 million as tax & customs duties.

CHARITY AND DONATION

Charity and donation amounting to Rs.10.198 million paid during the period.



RURAL DEVELOPMENT PROGRAMME

As the factory is situated on superhighway near Nooriabad Industrial estate the employment has been awarded to nearest locality persons in the fields of manufacturing, loading, un-loading, packing, security etc. Premium Textile Mills Ltd practices active corporate citizenship through corporate philanthropy, energy conservation, environmental protection measures, community service, consumer protection measures, employment of special persons, occupational health and safety, business ethics, anticorruption measures and contribution to national exchequer.

FUTURE OUTLOOK

By the Grace of Allah your company has shown an excellent performance and made a net profit of Rs 1,380 million by increasing sales and turnover and while costs were not allowed to increase in the same proportion.

Presently we are producing more than 200,000 lbs per day and our exports are also steadily increasing.

Your company has embarked on setting up a socks manufacturing facility and the L/c for 200 brands new Lunati machines has already been established and the construction of building is in process. This project will be 100% export oriented.

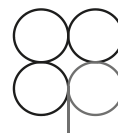
So, after commissioning, we will enter the value addition segment and we hope to reach a target of 600 machines by the end of 2023.

In the end, I would like to appreciate the support extended by our Bankers, Workers, staff, customers, shareholder and well-wishers.

CORPORATE & FINANCIAL REPORTING FRAME WORK

Your company is committed to standards of corporate governance and continually seeking improvements. The company applies the principles contained in the following manner.

- a) The financial statements, prepared by the company, fairly presents its state of affairs in operations, cash flows and changes in equity.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment, of financial statements and any deviation has been adequately disclosed.
- d) International accounting Standards, as applicable in Pakistan, has been followed in preparation.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There has been no deviation from the best practices of corporate governance, as mentioned in the listing regulations.
- g) The Company's record shows growth in terms of quantity and sales of value-added yarn as per plan keeping in view future prospects regarding sales, the company has improved its production performance by making capital expenditure in different departments of mill. This was done in line with the company's objective of providing quality products and value-added yarn.



- h) During the year under review four Board of Directors meetings were held and attended as follows:

<u>NAME OF DIRECTORS</u>	<u>NO. OF MEETING ATTENDED</u>
01- Mr.Aslam Parekh	4
02- Mr.Abdul Kadir Adam	4
03- Mr.M.Yasin Siddik	4
04- Mr.Tufail Sattar	4
05- Mr.M.Ali Jalliawala	4
06- Ms.Lubna Asif *	2
07- Mr.Khizar Yousuf Sattar *	2
08- Mr.Tanzeel Abdul Sattar (NIT Nominee)	4

* Mr.Khizer Sattar resigned and new appointment of Ms. Lubna Asif from February 2021.

- i) During the year under review, trading in shares of the Company by the Directors, CEO and their spouses are as follows:

	Opening	Purchases/	Sale/	Closing
	Balance	Tansfer/Gifted	Gifted	Balance
	<u>01-07-2020</u>			<u>30-06-2021</u>
Mr.Abdul Kadir Adam	19,386	-	-	19,386
Mr. Yasin Siddik	284,075	-	-	284,075
Mrs.Nabila Yasin	121,858	-	-	121,858

AUDITORS

The Present Auditors of the Company M/S Rehman Sarfraz Rahim Iqbal Rafiq (Chartered Accountants) retire and being eligible, offer themselves for reappointment as auditors for the ensuing year.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the company as at June 30, 2021 is annexed.

ACKNOWLEDGEMENT

The Board is pleased to record its appreciation to its bankers for their continued support, its staff Members and workers for their hard work. The Board appreciates the valued shareholders for their Confidence & moral support. The Board also thanks its valued customers for their business and Support to your Company.

On behalf of Board of Directors

Yasin Siddik
Executive Director

04th October, 2021
Karachi.



سربراہ کی رپورٹ

معزز شراکت دار،

کمپنی کے تمام سربراہان ۳۴ ویں سالانہ رپورٹ آڈٹ اکاؤنٹس کے ساتھ برائے سال ۳۰ جون ۲۰۲۱ بڑی خوشی کے ساتھ آپ تمام حضرات کو آپ تمام حضرات کی منظوری کے لئے پیش کر رہے ہیں۔

اجتماعی نتیجہ

۲۰۲۰	۲۰۲۱	
923,344,177	2,069,720,237	منافع
(653,176,821)	(565,788,183)	مالیاتی
270,167,356	1,503,932,054	ٹیکسیشن سے پہلے منافع
(88,715,441)	(117,673,260)	ٹیکسیشن
181,451,895	1,386,258,794	ٹیکسیشن کے بعد منافع
29.44	224.93	فی حصص آمدنی
13.96%	21..37%	مجموعی منافع
10.53 %	18.02 %	منافع

مالیاتی سرخیاں:

کمپنی کا خالص کاروبار Rs. 30.93 فیصد سے بڑھ کر Rs. 8.771 روپے سے بڑھ کر 11.484 زیادہ طلب اور اوسط فروخت کی قیمتوں سے بڑھ گیا ہے۔ مہنگائی کی وجہ سے پیداواری اخراجات میں 15.71 فیصد اضافہ ہوا۔ طویل مدتی قرضوں میں اضافے کی وجہ سے فنانس کی قیمتوں میں 5.16 فیصد اضافہ ہوا۔ 30 جون 2021 کو ختم ہونے والے سال کیلئے ٹیکس کے بعد منافع 1.386 بلین اور EPS 224.93 روپے فی شیئر تھا۔

منافع (ڈیویڈنڈ):

کمپنی کے بورڈ آف ڈائریکٹرز نے 27 اکتوبر 2021 کو ہونے والے سالانہ جنرل اجلاس میں ممبران کی منظوری کے لئے مالی سال 2020-21 کیلئے درج ذیل اختصاص کی سفارش کی ہے۔

Cash Dividend of Rs.50/- Per share, i.e. 500 % (2020: Rs 8/- per share, i.e.80%).



کاروبار کی کارکردگی کی سرخیاں:

بنیادی سرگرمیاں:

کاروبار کی بنیادی سرگرمی دھاگے کو بنانا ہے۔

پروڈکٹ کی تقسیم اور بہتری:

ہم نے آٹو کوریٹیکسٹائل مشینری حاصل کی ہے جس کی وجہ سے ہم نے توانائی کی کارکردگی اور پیداواری صلاحیت میں نئے معیارات حاصل کئے ہیں۔ اس نے مزدوری کے اخراجات کو کم کیا ہے اور سوت کے معیار کو بڑے پیمانے پر بہتر بنایا ہے۔ اس نے دیکھ بھال کے اخراجات کو کم کرنے میں بھی مدد کی ہے۔ نیز ہم نے لنک کونز کے ساتھ لمبے فریم لگائے ہیں جنہوں نے معیار میں بہتری اور مزدوری کی لاگت میں کافی کمی لانے میں مدد کی ہے۔ دوسری طرف ہم SAP B-1 کو نافذ کرنے کے عمل میں ہیں کیونکہ مالی کاموں کا انتظام کرنے اور کاروباری مقاصد کے حصول میں مدد ملے۔ یہ ہماری انفارمیشن ٹیکنالوجی کی ضروریات کو پورا کرنے میں کارکردگی کے حصول میں مددگار ثابت ہوگی۔

کردار کو تیز کرنے کیلئے ہم نے اپنے انسانی وسائل کی طاقت میں اضافہ کیا ہے۔

کمپنی کے مقاصد کو اپنے مشن اور ویژن کو بیان کے مطابق حاصل کرنا۔

فارورڈ لوکنگ انفارمیشن:

امریکہ کے افغانستان سے انخلاء کے بعد دنیا ایک مختلف جگہ پر ہے اور اس کے پس منظر میں ہم اپنے آپ کو دوبارہ ترتیب دینے کی کوشش کر رہے ہیں۔ ایک طرف چین میں توانائی کا بحران ہمارے لئے قدم بڑھانے کا موقع پیش کر رہا ہے۔ اور اضافی مارکیٹ شیئر پر قبضہ کریں جو مذکورہ بالا کے نتیجے میں دستیاب ہوگا۔ عوامل حکومت پاکستان نے ٹیکسٹائل انڈسٹری کو سپورٹ کرنے اور اسے بنانے کیلئے آمادگی ظاہر کی ہے۔ پاکستان کی ترقی کو آگے بڑھانے کیلئے یہ مندرجہ ذیل سہولیات فراہم کر کے کیا جا رہا ہے۔

(۱) بین الاقوامی نرخوں میں توانائی کی قیمتوں کا تعین

(۲) توازن، جدید کاری اور توسیع کیلئے مناسب قیمت پر رعایتی فنڈس

(۳) سیلز ٹیکس ریفرنڈ کے طور پر پھنسے ہوئے فنڈز کی نسبتاً کو یک جلدی ریلیز کی وجہ سے بہتر لیکویڈیٹی۔

ہم محسوس کرتے ہیں کہ پاکستان کی ٹیکسٹائل انڈسٹری اتارنے کیلئے تیار ہے اور ہم اسے لینے کی کوشش کر رہے ہیں۔ زیادہ سے زیادہ فائدہ توسیع اور زیادہ سے زیادہ لاگت موثر بننے سے زیر نظر سال کے دوران درج ذیل اثاثے شامل کئے گئے ہیں۔

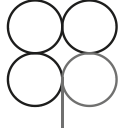


مندرجہ ذیل آٹاٹوں میں اسی سال اضافہ کیا گیا ہے

Rs.104.966Million	بلڈنگ مشینری
Rs. 760.689 million	رنگ اسپنگ فریم
Rs. 396.554 million	کون وندر
Rs. 239.392 million	روونگ فریم
Rs. 171.325 million	ری سائیکلنگ لائن
Rs.212.037 million	ریٹرکارڈ C70 / کمبرس
Rs. 158.947 million	ڈائونگ مشین
Rs. 116.800 million	ڈرافٹ فریم
Rs. 104.084 million	روم مشینری
Rs.25.269 million	ڈسٹ اینڈ ویسٹ ریموویل
Rs. 16.670 million	جن سیٹ
Rs. 11.708 million	بال پریس مشین
Rs. 6.140 million	ایئر کمپر ایئر اینڈ ڈرائیئر
Rs. 1.538 million	آرا و پلانٹ
Rs 1.341 million	اسٹیم لائن
Rs 9.172 million	دوسری اوکسٹری مشین
Rs 0.413 million	آفس ساز و سامان
Rs 152.638million	الیکٹرک ورکس
Rs. 0.726 million	فرنیچر اینڈ فیکچر
Rs. 43.115 million	گاڑی
Rs. 4.321Million	کمپیوٹر آلات

کارپوریٹ ماحول، صحت اور سماجی ذمہ داری:

کمپنی تمام ملازمین کی صحت کو مد نظر رکھتے ہوئے حفظان صحت کے اصولوں کے مطابق کام کرتی ہے ہمارا تمام فوکس کمپنی کے تمام ڈپارٹمنٹس کہ جس میں پروڈکشن، ڈیلیوری، اسٹوریج اور خام مال ہے ان تمام ڈپارٹمنٹس میں ملازمین کی سیفٹی کا خاص خیال رکھا جاتا ہے۔ سیفٹی آلات کمپنی کی مختلف جگہوں پر رکھے گئے ہیں اور ساتھ ہی رجسٹرڈ ہیڈ آفس میں بھی رکھے گئے ہیں۔ روزانہ کا ڈاکٹر کا وزٹ جتنا زیادہ ہو سکتا ہے ممکن بنایا جاتا ہے تاکہ میڈیکل ٹریٹمنٹ کی جائے۔



بورڈ کمیٹی:

بورڈ کی کمیٹی مندرجہ ذیل لوگوں پر مشتمل ہے۔

(A) آڈٹ کمیٹی

چیئرمین

جناب محمد طفیل

ممبر

جناب محمد علی جالی والا

ممبر

مس لبنی آصف

(B) ایچ آر اینڈ ریمونیویشن کمیٹی

چیئرمین

جناب محمد علی جالی والا

ممبر

جناب محمد طفیل

ممبر

مس لبنی آصف

محکمہ خزانہ میں حصہ

پریئم ٹیکسٹائل ہر سال اپنا ٹیکس باقاعدگی سے جمع کرواتی ہے تاکہ ملکی خزانہ میں پیسے آتے رہیں اور اس سال ہم نے Rs 564.88 ملین کا ٹیکس اور کسٹم ڈیوٹی ادا کی۔

زکوٰۃ فطرہ

زکوٰۃ اور فطرہ کی مد میں Rs 10.198 ملین ادا کئے گئے۔

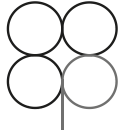
دیہی ترقیاتی پروگرام:

جیسا کہ فیکٹری نوری آباد انڈسٹریل اسٹیٹ کے قریب سپر ہائی وے پر واقع ہے۔ ملازمت مینوفیکچرنگ، لوڈنگ، ان لوڈنگ، پیکنگ، سیکوریٹی وغیرہ کے شعبوں میں قریبی مقامی افراد کو دی گئی ہے۔ انسان دوستی، توانائی کے تحفظ، ماحولیاتی تحفظ کے اقدامات، کمیونٹی سروس، صارفین کے تحفظ کے اقدامات، خصوصی افراد کی ملازمت، پیشہ ورانہ صحت اور حفاظت، کاروباری اخلاقیات، اینٹی کرپشن اقدامات اور قومی خزانہ میں شراکت۔

مستقبل کا نقطہ نظر:

اللہ کے فضل سے آپ کی کمپنی نے بہترین کارکردگی دکھائی ہے اور فروخت اور کاروبار میں اضافہ کر کے 1380 ملین روپے کا خالص منافع کمایا ہے۔ جبکہ اخراجات کو اسی تناسب سے بڑھنے دیا گیا۔ فی الحال ہم پیداوار کر رہے ہیں۔ روزانہ 200,000 پونڈ سے زیادہ اور ہماری برآمدات میں بھی مسلسل اضافہ ہو رہا ہے۔

آپ کی کمپنی نے جرابوں کی تیاری کی سہولت شروع کی ہے اور 200 نئی لوانائی مشینوں کے لئے L/C پہلے ہی قائم ہو چکی ہے۔ اور عمارت کی تعمیر کا عمل جاری ہے۔ یہ منصوبہ 100 فیصد برآمد پر مبنی ہوگا۔ لہذا کمیشن کرنے کے بعد ہم ویلیو ایڈیشن سیکشن میں داخل ہونگے۔ اور ہمیں امید



ہے کہ 2023 کے آخر تک 600 مشینوں کے ہدف تک پہنچ جائیں گے۔ اور اپنے ان خیر خواہ جن میں بینکرز، ورکرز، اسٹاف، کسٹمر، شیئر ہولڈر موجود ہیں ان سب کی حوصلہ افزائی کرتے ہیں۔

کارپوریٹ کی مالی رپورٹنگ فریم ورک:

آپ کی کمپنی کارپوریٹ گورننس کے معیارات کی پابند ہے اور مستقل طور پر بہتری کی تلاش میں ہے۔ کمپنی مندرجہ ذیل طریقے میں موجود اصولوں کا اطلاق کرتی ہے:-

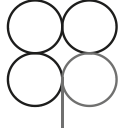
- (۱) کمپنی کے ذریعے تیار کردہ مالی بیانات، کاروائیوں، نقد بہاؤ اور ایکویٹی کی تبدیلی میں اپنی صورتحال کو منصفانہ طور پر پیش کرتے ہیں۔
- (۲) اکاؤنٹس کی مناسب کتابوں کو برقرار رکھا گیا ہے۔
- (۳) مالی بیانات کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے، مالی بیانات اور کسی بھی انحراف کا کافی حد تک انکشاف کیا جاتا ہے۔
- (۴) بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، کی تیاری میں عمل کیا گیا ہے۔
- (۵) اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اس کی موثر انداز میں نافذ اور نگرانی کی گئی ہے۔
- (۶) کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی انحراف نہیں ہوا ہے، جیسا کہ فہرست سازی کے ضوابط میں ذکر کیا گیا ہے۔
- (۷) کمپنی کے ریکارڈ میں فروخت کے حوالے سے مستقبل کے امکانات کو مد نظر رکھتے ہوئے منصوبہ بندی کے مطابق ویلیو سوت (Yarn) کی مقدار اور فروخت کے لحاظ سے نمونہ کو ظاہر کیا گیا ہے، کمپنی مل کے مختلف محکموں میں سرمایہ خرچ کر کے اپنی پیداواری کارکردگی میں بہتری لائی ہے۔ یہ کمپنی کی معیاری مصنوعات اور ویلیو سوت (Yarn) فراہم کرنے کے مقصد کے مطابق کیا گیا ہے۔
- (۸) جائزہ لینے والے سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس ہوئے اور اس میں شرکت کی۔

میٹنگ

نام	
اسلم پارکھ	4
عبدالقادر آدم	4
ایم یاسین صدیق	4
ایم طفیل ستار	4
ایم علی جالی والا	4
مس لبنی آصف	2
خضر یوسف ستار	2
تنزیل عبدالستار (NIT نو مینی)	4

جناب خضر ستار نے استعفیٰ دے دیا اور فروری 2021 سے محترمہ لبنی آصف کو نئی تقرری دی گئی ہے۔

زیر جائزہ سال کے دوران ڈائریکٹرز کے ذریعہ کمپنی کے حصص میں تجارت CEO اور ان کی شریک حیات درج ذیل ہیں۔



کلوزنگ بیلنس	سیل/تھفہ	خرید/ٹرانسفر/تھفہ	اوپنگ بیلنس	
30.6.2021			1.7.2020	
19,386	19,386	جناب عبدالقادر آدم
284,075	284,075	جناب یاسین صدیقی
121,858	121,858	مسز نبیلہ یاسین

آڈیٹرز:

کمپنی کے موجودہ آڈیٹر جناب رحمان سرفراز، رحیم اقبال، رفیق (چارٹرڈ اکاؤنٹنٹ) کو دوبارہ آڈیٹر کیلئے نامزد کیا گیا ہے۔

شیئر ہولڈنگ کا مراسلہ:

کمپنی کی شیئر ہولڈنگ کا نمونہ 30 جون 2021 کو الحاق کر لیا گیا ہے۔

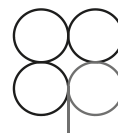
اعتراف:

بورڈ تمام بینکرز کو ان کی مسلسل حمایت، اس کے عملے کے ارکان اور کارکنوں کی محنت کے لئے ان کی تعریف ریکارڈ کرتے ہوئے خوش ہے۔ بورڈ قابل قدر شیئر ہولڈرز کو ان کے اعتماد اور اخلاقی مدد کیلئے سراہتا ہے۔ بورڈ اپنے قابل قدر صارفین کا ان کے کاروبار اور آپ کی کمپنی کو سپورٹ کرنے پر شکریہ بھی ادا کرتا ہے۔

تمام بورڈ آف ڈائریکٹر کی طرف سے

محمد یاسین صدیقی
جنرل ڈائریکٹر

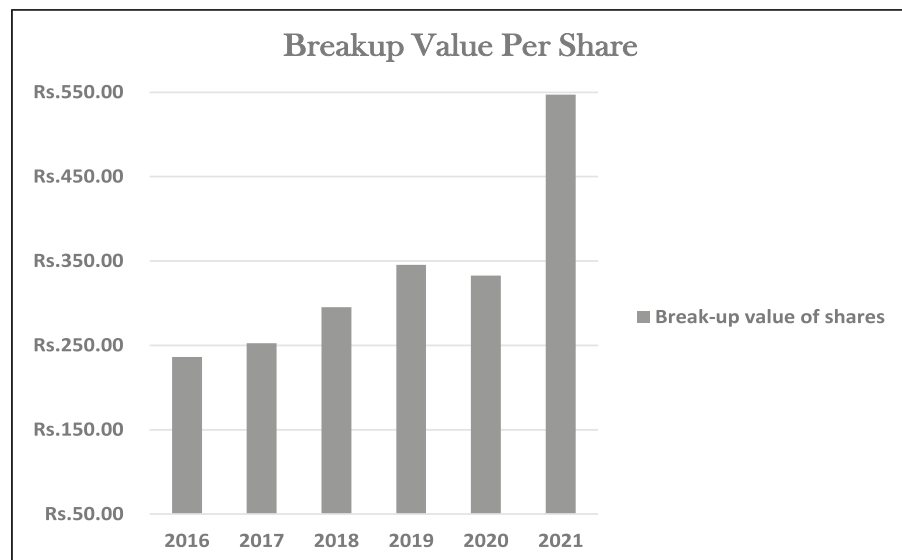
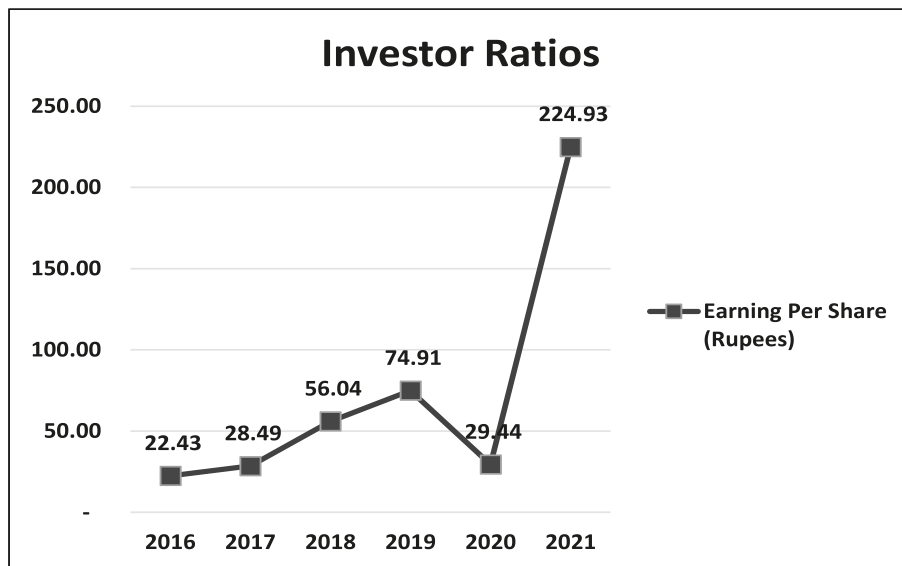
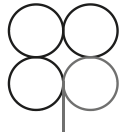
۱۴ اکتوبر، ۲۰۲۱ کراچی

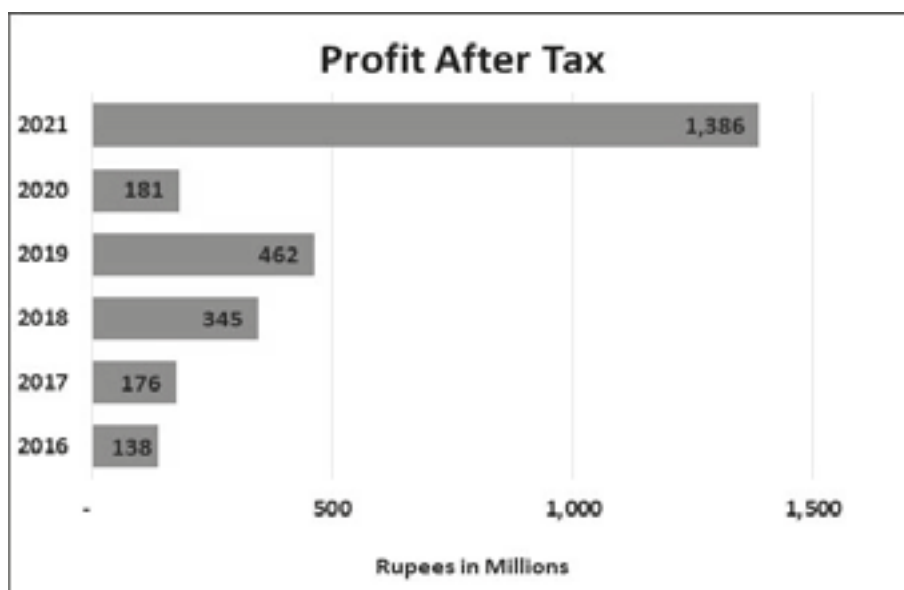
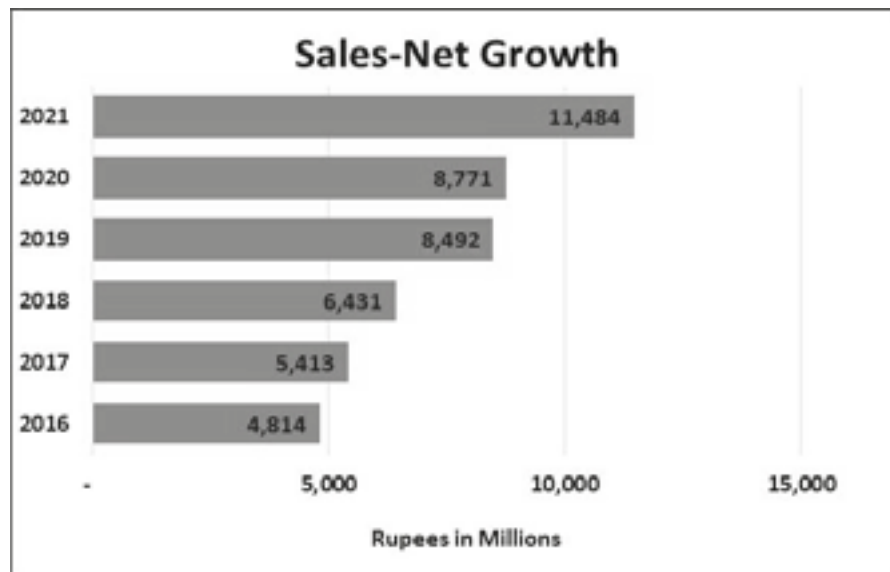
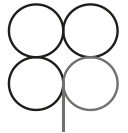


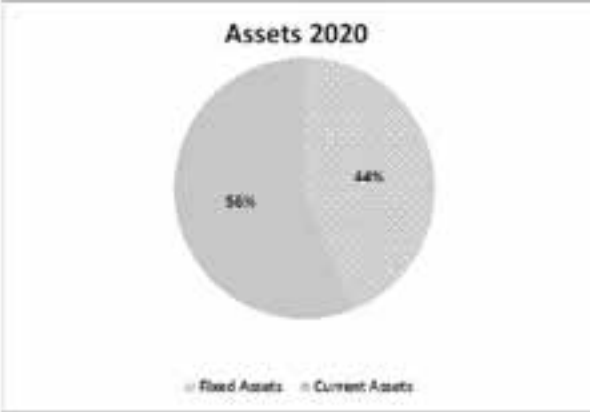
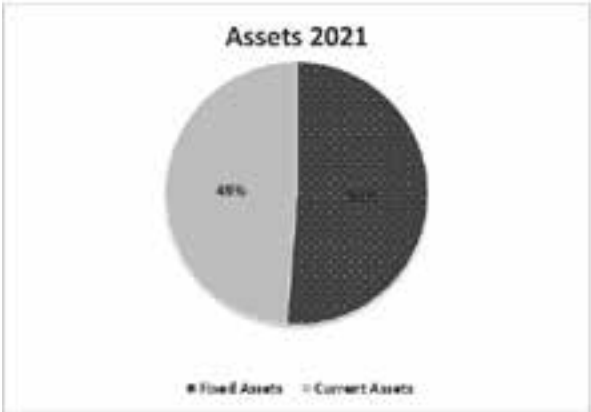
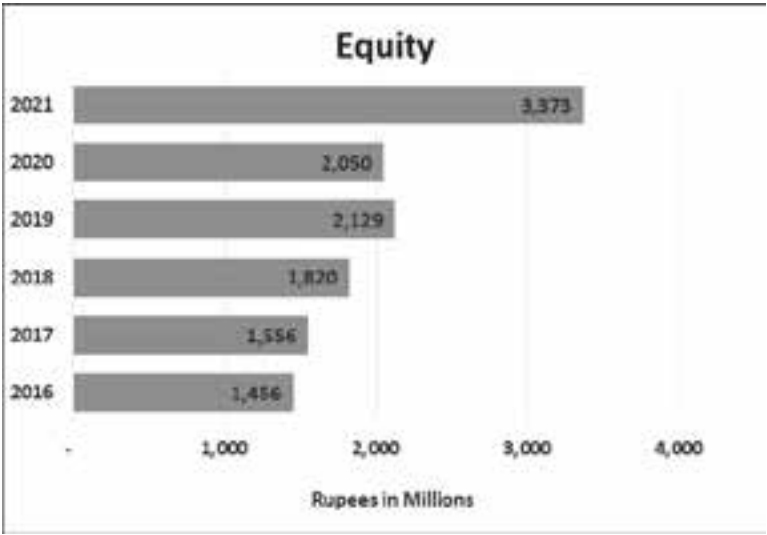
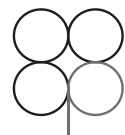
KEY OPERATING AND FINANCIAL RESULTS

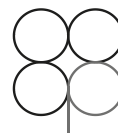
(Rupees in '000)

	2021	2020	2019	2018	2017	2016
OPERATING DATA						
Sales (net)	11,484,466,704	8,771,413,766	8,492,199,066	6,431,373,187	5,413,151,340	4,814,022,320
Cost of Goods Sold	9,030,179,730	7,546,976,748	7,288,305,043	5,714,212,560	4,864,806,065	4,394,521,992
Gross Profit	2,454,286,974	1,224,437,018	1,203,894,023	717,160,627	548,345,275	419,500,328
Operating Profit	2,069,720,237	923,344,117	892,994,355	517,631,815	385,470,596	274,693,333
Financial charges & others	565,788,183	653,176,821	361,655,155	189,992,426	178,548,310	152,597,037
Profit /(Loss) before taxation	1,503,932,054	270,167,296	531,339,200	327,639,389	206,922,286	122,096,296
Profit /(Loss) after taxation	1,386,258,794	181,451,855	461,655,474	345,351,085	175,596,687	138,263,598
FINANCIAL DATA						
Shareholders equity	3,372,572,329	2,050,330,119	2,128,901,862	1,819,827,934	1,555,593,911	1,455,575,745
Long term liabilities	4,309,884,273	2,366,168,168	1,586,434,250	1,403,775,478	805,266,207	857,624,000
Deferred liabilities	976,906,148	311,423,425	261,720,432	8,135,162	31,428,869	33,818,758
Current liabilities	4,596,957,050	4,827,264,420	3,888,638,541	2,435,987,851	2,472,733,116	1,563,596,685
	13,256,319,800	9,555,186,132	7,865,695,085	5,667,726,425	4,865,022,103	3,910,615,188
Fixed Assets	6,788,402,075	4,207,779,137	3,312,870,055	2,791,194,470	2,113,732,135	2,142,794,594
Long Term Deposit	2,768,255	2,149,100	1,999,100	1,999,100	1,504,100	1,504,100
Long Term Investment	-	-	-	-	-	-
Current Assets	6,465,149,470	5,345,257,895	4,550,825,930	2,874,532,855	2,749,785,868	1,766,316,494
	13,256,319,800	9,555,186,132	7,865,695,085	5,667,726,425	4,865,022,103	3,910,615,188
KEY RATIOS						
Gross Margin	21.37%	13.96%	14.18%	11.15%	10.13%	8.71%
Operating Margin	18.02%	10.53%	10.52%	8.05%	7.12%	5.71%
Net Profit	12.07%	2.07%	5.44%	5.37%	3.24%	2.87%
Current Ratio	1.41	1.11	1.17	1.18	1.11	1.13
Earning Per Share (Rupees)	224.93	29.44	74.91	56.04	28.49	22.43
Break-up value of shares	Rs. 547.23	Rs. 332.68	Rs. 345.43	Rs. 295.28	Rs. 252.41	Rs. 236.18
Cash Dividend %	500.00%	80.00%	225.00%	225.00%	125.00%	100.00%
STATISTICS						
Spindles Installed	85,538	81,660	75,540	73,308	77,628	77,628
Spindles Worked	81,348	69,778	68,814	69,291	68,215	58,562
Production Capacity Conversion 20/s in Kgs.	33,349,596	33,620,034	28,966,403	25,656,625	26,507,906	26,507,906
Actual Production Conversion 20/s in Kgs.	31,432,443	28,728,098	25,457,634	24,865,547	20,391,993	19,997,216



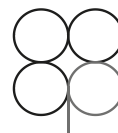






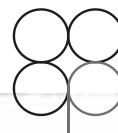
Pattern Of Shareholding as at June 30, 2021

Number Of Share Holders	Share Holding			Total Shares Held
	From		To	
500	1	-	100	36,632
96	101	-	500	31,205
36	501	-	1000	31,886
49	1001	-	5000	131,337
19	5001	-	10000	149,910
4	10001	-	15000	49,040
4	15001	-	20000	73,586
3	20001	-	25000	69,500
1	35001	-	40000	35,400
1	40001	-	45000	40,100
1	45001	-	50000	50,000
1	50001	-	55000	51,800
1	70001	-	75000	74,010
1	85001	-	90000	88,600
2	95001	-	100000	200,000
4	110001	-	115000	442,800
1	120001	-	125000	121,858
1	130001	-	135000	134,600
1	240001	-	245000	240,523
1	280001	-	285000	284,075
1	400001	-	405000	404,250
1	615001	-	620000	615,623
1	2805001	-	2810000	2,806,265
730				6,163,000



**Detail of Categories of Shareholders
As at June 30, 2021**

Shareholders' Category	Shares Held	Percentage
BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS		
NATIONAL BANK OF PAKISTAN	455	
Sub - Total:	455	0.01 %
DIRECTORS, CHIEF EXECUTIVE OFFICER, THEIR SPOUSE, MINOR CHILDREN AND RELATIVES		
MR. MUHAMMAD ASLAM PAREKH	Chairman	11,600
MR. ABDUL KADER HAJI ADAM	Chief Executive	19,386
MR. MOHAMMAD YASIN SIDDIK -	Executive Director	284,075
MR. MOHAMMAD ALI JALIAWALA	Director	3,000
MR. TUFAIL SATTAR	Director	3,000
MRS. NABILA YASIN	w/o Yasin Siddik	121,858
MR. ZAID YASIN	s/o Yasin Siddik	10,000
MS. SAADIA YASIN	d/o Yasin Siddik	10,000
MST. LUBNA ASIF	Director	110,700
MST. RAZIA		110,700
MST. NEELUM SIDDIK		110,700
MST. FARHEEN SIDDIK		110,700
MST. MUNEZA SIDDIK		110,700
Sub - Total:	1,016,419	16.49 %
NIT AND ICP		
CDC - TRUSTEE NATIONAL INVESMENT (UNIT)	615,623	
INVESTMENT CORP. OF PAKISTAN	500	
Sub - Total:	616,123	10.00 %
OTHERS		
TRUSTEES OF ABDUL KADIR ADAM BENEFICIARY	2,806,265	
RAHMAT INVESMENT COMPANY (PVT) LTD	404,250	
TRUSTEES OF NABILA AND ABDUL KADIR ADAM	240,523	
TRUSTEE NATIONAL BANK OF PAKISTAN EMP P F	74,010	
YOUSUF YAQOOB KOLIA & COMPANY (PVT) LTD	35,400	
AL HAYY TRADING (PVT.) LIMITED	24,000	
GOLDEN ARROW SELECTED STOCKS FUND LIMITED	23,400	
PREMIER FESHONS (PVT.) LTD	16,000	
CDC - TRUSTEE AKD OPPORTUNITY FUND	10,000	
SIZA (Private) Limited	6,000	
M/S ABDUL KADIR ADAM BENEFICIARY TRUST	5,000	
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BE FUND	2,597	
PAKISTAN MEMON EDUCATIONAL & WELFARE SOC	2,000	
FREEDOM ENTERPRISES (PVT) LTD	1,000	
MUHAMMAD AHMAD NADEEM SEC (SMC-PVT) LTD.	500	
NCC - Pre Settlement Delivery Account	500	
FIKREES (SMC-PVT) LTD.	381	
MAPLE LEAF CAPITAL LIMITED	1	
Sub - Total:	3,651,827	59.25 %
INDIVIDUAL		
Local - Individuals	878,176	
Sub - Total:	878,176	14.25 %
Grand Total:	6,163,000	100.00 %



Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of M/s. Premium Textile 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 **Premium Textile Mills Limited** ('the Company') for the year ended **June 30, 2021** in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

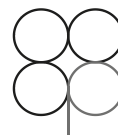
Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June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

Further, we highlight below the Company's explanation for non-compliance with a mandatory requirement of the Code as stated in paragraph 18 of the Statement of Compliance.

S. No.	Nature of the Requirement	Paragraph No.	Description of the Non-Compliance
1	Mandatory	18	<p>As per section 166 of the Companies Act, 2017, "an independent director to be appointed under any law, rules, regulations or code, shall be selected from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by any institute, body or association, as may be notified by the Commission, having expertise in creation and maintenance of such data bank and post on their website for the use by the company making the appointment of such directors."</p> <p>As stated in clause 18 of the Statement of Compliance, as at the date of appointment, the said director was not selected from the databank of independent directors maintained by an institute, body or association notified by the SECP for this purpose, as mentioned in the Companies Act, 2017. However, the said director was registered in the data bank subsequent to the year end.</p>

Karachi.
Date: 04 OCT 2021


Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants



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

FOR THE YEAR ENDED JUNE 30, 2021

M/s. Premium Textile Mills Limited ('the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019, ('the Regulations') in the following manner:

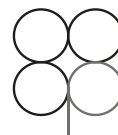
1. The total number of directors of the Company are 7 as follows:

Male:	06
Female:	01

2. The composition of the Board of Directors ('the Board') is as follows:

I) Non-Executive Directors	
a. Independent Directors	Mr. Mohammad Tufail Sattar; Mr. Mohammad Ali Jaliawala; and Ms. Lubna Asif
b. Other Non-Executive Directors	Mr. Mohammad Aslam; and Mr. Tanzeel Abdul Sattar
II) Executive Directors	Mr. Abdul Kader Haji Adam; and Mr. Mohammad Yasin Siddik

3. The directors have confirmed that none of them is serving as a director on more than seven (7) listed companies including the 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 a 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 the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the 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 the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;
8. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Companies Act, 2017 and the Regulations;
9. Up to the end of the reporting period (i.e. June 30, 2021), the Board has arranged Directors' Training Program for the following directors:



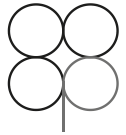
Name of the director	Details of the certification	
	Date of certification	Name of the institute
Mr. Abdul Kader Haji Adam	Qualifies the requisite criteria for exemption	
Mr. Mohammad Yasin Siddik	Qualifies the requisite criteria for exemption	
Mr. Mohammad Aslam	Qualifies the requisite criteria for exemption	
Mr. Mohammad Tufail Sattar	Qualifies the requisite criteria for exemption	
Mr. Mohammad Ali Jaliawala	Qualifies the requisite criteria for exemption	
Ms..Lubna Asif	Training will be completed in 2022 (appointment in February 2021)	
Mr. Tanzeel Abdul Sattar	The training is yet to be acquired	

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

Audit Committee	
Mr. Mohammad Tufail Sattar	Chairman
Mr. Mohammad Ali Jaliawala	Member
Ms. Lubna Asif	Member
HR & Remuneration Committee	
Mr. Mohammad Ali Jaliawala	Chairman
Mr. Mohammad Tufail Sattar	Member
Ms. Lubna Asif	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 meetings of the committees were as follows:

Audit Committee	Quarterly
HR & Remuneration Committee	Annually
15. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and



the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or a 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 Companies Act, 2017, the 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 regulation no. 3, 6, 7, 8, 19, 27, 32, 33 and 36 of the Regulations have been complied with, except for the following:

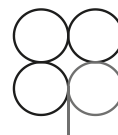
A new independent director (Ms. Lubna Asif) was elected during the year. However, as at the date of appointment, the said director was not selected from the databank of independent directors maintained by an institute, body or association notified by the SECP for this purpose, as mentioned in the Companies Act, 2017. However, the said director was subsequently registered in the databank.

19. There has been no non-compliance with the requirements of non-mandatory provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Mohammad Aslam
Chairman of the Board of Directors

Premium Textile Mills Limited

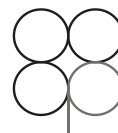
Date: 04th Oct, 2021



FINANCIAL

STATEMENTS

2021



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Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the members of Premium Textile Mills Limited

Report on the Audit of the Financial Statements

Opinion

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

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

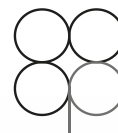
Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the 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 / Institute of Cost and Management Accountants ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

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

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Rahman Sarfaraz Rahim Iqbal Rafiq
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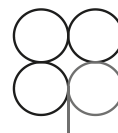
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- 2 -

Following is the Key Audit Matter:

Key audit matter	How the matter was addressed in our audit
<p>Financing under Temporary Economic Refinance Facility (TERF)</p> <p>As disclosed in note 13.3 to the financial statements, during the year, the Company obtained a long term financing facility amounting to Rs. 1.921 billion under the SBP's scheme of Temporary Economic Refinance Facility (TERF). The loan is to be repaid in 10 years and carries mark rate of 2%, which is well below the market interest rate prevailing as on the date of disbursement of funds.</p> <p>The loan was obtained to finance import of new machinery for upgradation and expansion of existing manufacturing facilities.</p> <p>We considered this matter to be of most significance keeping in view the materiality of the amounts involved as well as the fact that its recognition, measurement, presentation and disclosure in the financial statements required the application of significant management judgment which, in turn, required us to apply significant auditors' judgment and, accordingly, devote sufficient time and resources, including the involvement of senior engagement team members, in order to obtain sufficient appropriate audit evidence.</p>	<p>Our audit procedures to address the matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> Inspecting necessary documentary evidence to verify the occurrence and accuracy of the loan proceeds received from commercial bank, and corresponding expenditure incurred on import of machinery; Evaluating the management's conclusion as to why assets imported under the scheme were not regarded as 'qualifying assets' under the applicable financial reporting standard, and, accordingly, no borrowing costs should be included in the cost of the project; Assessing the reasonableness of various factors and assumptions used by management in determining the discount rate used to calculate the value of government grant element embedded in the loan liability. Evaluating management's basis for conclusion explaining why the financing received from the bank was considered to contain an element of government grant which, as per the applicable financial reporting standard, should initially be recognized as deferred income (in the statement of financial position) and subsequently credited to profit or loss of the periods in which the related costs are to be recognized; and Recalculating the carrying amount of loan liability and deferred grant recognized in the statement of financial position (with their corresponding effects recognized in the statement of profit or loss) as well assessing the adequacy of their presentation and disclosure.

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

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the financial statements of the company and our auditor's report thereon.

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

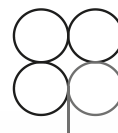
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

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

M



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Rahman Sarfaraz Rahim Iqbal Rafiq
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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

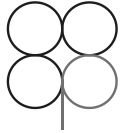
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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

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

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

M



Russell Bedford
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Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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Report on Other Legal and Regulatory Requirements

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

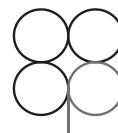
- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together 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;
- 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; and

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Rafiq Dosani**.


✓ **Rahman Sarfaraz Rahim Iqbal Rafiq**
Chartered Accountants

Karachi

Date: 04 OCT 2021



Statement of Financial Position

As at June 30, 2021

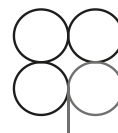
	Note	2021 Rupees	2020
ASSETS			
Non- current assets			
Property, plant and equipment	4	6,788,402,075	4,207,779,137
Long term deposits		2,768,255	2,149,100
		6,791,170,330	4,209,928,237
Current assets			
Stores and spares	5	175,261,221	116,619,021
Stock in trade	6	3,665,535,551	3,193,302,670
Trade debts	7	2,199,212,480	1,792,049,911
Taxation-net	8	159,768,633	138,302,457
Advances, deposits and other receivables	9	171,421,043	69,275,677
Cash and bank balances	10	93,950,542	35,708,159
		6,465,149,470	5,345,257,895
Total assets		13,256,319,800	9,555,186,132
EQUITY AND LIABILITIES			
Share capital and reserves			
<i>Authorized capital</i>			
7,000,000 (2020: 7,000,000) ordinary shares of Rs. 10/- each		70,000,000	70,000,000
Issued, subscribed and paid-up capital	11	61,630,000	61,630,000
<i>Capital reserve</i>			
Surplus on revaluation of plant and equipment	12	2,953,067	3,281,186
<i>Revenue reserve</i>			
Unappropriated profit		3,307,989,262	1,985,418,933
Total equity		3,372,572,329	2,050,330,119
LIABILITIES			
Non-current liabilities			
Long term financing - secured	13	4,309,884,273	2,366,168,168
Deferred liabilities	14	976,906,148	311,423,425
		5,286,790,421	2,677,591,593
Current liabilities			
Trade and other payables	15	945,328,902	866,745,027
Unclaimed dividend		7,084,759	6,826,376
Accrued markup	16	96,507,924	110,141,548
Short term borrowings - secured	17	3,097,913,612	3,652,478,772
Current maturity of long term financing	13	450,121,853	191,072,697
		4,596,957,050	4,827,264,420
Contingencies and commitments	18		
Total equity and liabilities		13,256,319,800	9,555,186,132

The annexed notes from 1 to 35 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer



Statement of Profit or Loss

For the year ended June 30, 2021

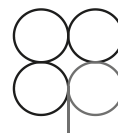
	Note	2021 Rupees	2020
Sales - net	19	11,484,466,704	8,771,413,766
Cost of sales	20	(9,030,179,730)	(7,546,976,748)
Gross profit		2,454,286,974	1,224,437,018
Administrative expenses	21	(189,110,439)	(155,066,242)
Distribution costs	22	(195,456,298)	(146,026,659)
		(384,566,737)	(301,092,901)
Operating profit		2,069,720,237	923,344,117
Finance costs	23	(597,432,888)	(568,086,767)
Other operating expenses	24	(111,462,204)	(21,537,263)
Other income / (expenses) - net	25	143,106,909	(63,552,791)
		(565,788,183)	(653,176,821)
Profit before taxation		1,503,932,054	270,167,296
Taxation	26	(117,673,260)	(88,715,441)
Profit after taxation		1,386,258,794	181,451,855
Earnings per share - basic and diluted	27	224.93	29.44

The annexed notes from 1 to 35 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



Statement of Comprehensive Income

For the year ended June 30, 2021

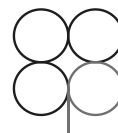
	2021	2020
	Rupees	
Profit after taxation	1,386,258,794	181,451,855
Other comprehensive loss		
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>		
Actuarial loss on defined benefit obligation	(14,712,584)	(8,120,947)
Total comprehensive income for the year	1,371,546,210	173,330,908

The annexed notes from 1 to 35 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



Statement of Changes in Equity
For the year ended June 30, 2021

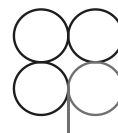
	Issued, subscribed and paid up capital	Revenue reserve Unappropriated profits	Capital reserve Surplus on revaluation of plant and equipment	Sub-total	Total
	Rupees				
Balance as at June 30, 2019	61,630,000	2,063,626,100	3,645,762	2,067,271,862	2,128,901,862
Effect of provision of Gas Infrastructure Development Cess (note 14.2)		(113,235,151)	-	(113,235,151)	(113,235,151)
<i>Total comprehensive income for the year ended June 30, 2020</i>					
- Profit after taxation	-	181,451,855	-	181,451,855	181,451,855
- Other comprehensive loss	-	(8,120,947)	-	(8,120,947)	(8,120,947)
	-	173,330,908	-	173,330,908	173,330,908
Transfer to unappropriated profits on account of incremental depreciation	-	364,576	(364,576)	-	-
<i>Transactions with owners</i>					
Final cash dividend paid @ 225% for the year ended June 30, 2019 (2018: 225%)	-	(138,667,500)	-	(138,667,500)	(138,667,500)
Balance as at June 30, 2020	61,630,000	1,985,418,933	3,281,186	1,988,700,119	2,050,330,119
<i>Total comprehensive income for the year ended June 30, 2021</i>					
- Profit after taxation	-	1,386,258,794	-	1,386,258,794	1,386,258,794
- Other comprehensive loss	-	(14,712,584)	-	(14,712,584)	(14,712,584)
	-	1,371,546,210	-	1,371,546,210	1,371,546,210
Transfer to unappropriated profit on account of incremental depreciation	-	328,119	(328,119)	-	-
<i>Transactions with owners</i>					
Final cash dividend paid @ 80% for the year ended June 30, 2020 (2019: 225%)	-	(49,304,000)	-	(49,304,000)	(49,304,000)
Balance as at June 30, 2021	61,630,000	3,307,989,262	2,953,067	3,310,942,329	3,372,572,329

The annexed notes from 1 to 35 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



Statement of Cash Flows

For the year ended June 30, 2021

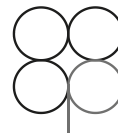
	2021	2020
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,503,932,054	270,167,296
Adjustments for:		
- Depreciation	529,473,690	369,224,275
- (Gain) / loss on disposal of property, plant and equipment	(10,004,329)	12,875,393
- Gain on re-measurement of provision for GIDC	(96,481,874)	
- Provision for staff retirement benefits	25,575,178	22,742,706
- Provision for expected credit losses	15,920,095	4,683,928
- Amortization of deferred government grant	(45,119,260)	299,677
- Provision for gas rate difference	8,166,725	-
- Provision for Workers' Profit Participation Fund	80,769,713	14,585,228
- Provision for Workers' Welfare Fund	30,692,491	6,952,035
- Unrealized exchange gain on export receivables	(1,598,434)	(4,378,474)
- Finance costs	597,432,888	568,086,767
	1,134,826,883	995,071,535
Cash generated from operating activities before working capital changes	2,638,758,937	1,265,238,831
Effect on cash flow due to working capital changes		
(Increase)/decrease in current assets		
- Stores and spares	(58,642,200)	6,298,122
- Stock in trade	(472,232,881)	(692,482,067)
- Trade debts	(421,484,230)	(135,610,965)
- Advances, deposits and other receivables	(102,145,366)	(36,189,932)
- Sales tax payable / (refundable)	-	91,771,904
	128,113,373	166,097,670
Increase/(decrease) in current liabilities		
- Trade and other payables	(926,391,304)	(600,115,268)
Cash generated from operations	1,712,367,633	665,123,563
- Taxes paid	(134,306,889)	(96,658,018)
- Staff retirement benefits	(22,105,147)	(33,778,020)
- Payment of Workers' Profit Participation Fund	(17,174,606)	(44,763,314)
- Finance cost paid	(549,360,725)	(544,133,551)
- Long term deposits - net	(619,155)	(150,000)
Net cash generated from/ (used in) operating activities	988,801,111	(54,359,340)
CASH FLOWS FROM INVESTING ACTIVITIES		
- Acquisition of property, plant and equipment	(3,132,150,890)	(1,292,436,078)
- Proceeds from disposal of property, plant and equipment	32,060,000	15,427,328
Net cash generated (used in) investing activities	(3,100,090,890)	(1,277,008,750)
CASH FLOWS FROM FINANCING ACTIVITIES		
- Repayment of Long term financing (principal portion)	(103,454,866)	(199,404,624)
- Long term financing obtained	2,876,597,805	1,095,629,780
- Dividend paid	(49,045,617)	(137,956,405)
Net cash generated from financing activities	2,724,097,322	758,268,751
Net increase/(decrease) in cash and cash equivalents	612,807,543	(573,099,339)
Cash and cash equivalents at the beginning of the year	(3,616,770,613)	(3,043,671,274)
Cash and cash equivalents at the end of the year	(3,003,963,070)	(3,616,770,613)

The annexed notes from 1 to 35 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer



Notes to the Financial Statements

For the year ended June 30, 2021

1 STATUS AND NATURE OF BUSINESS

1.1 Premium Textile Mills Limited ('the Company') is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 (which has now been repealed by Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of cotton and polyester yarn.

1.2 The geographical location of Company's offices are as follows:

- | | | | |
|---|-----------|------------------------------------|---|
| - | Karachi | Head office
(Registered office) | 1st Floor, Haji Adam Chamber, Altaf Hussain Road, New Challi, Karachi |
| - | Nooriabad | Factory | Plot 58,60,61 and 76,77,78, Nooriabad, District Daddu, Sindh |

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 as applicable in Pakistan comprises of:

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

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

2.2 Basis of measurement

In these financial statements, all items have been measured at their historical cost, except for plant and machinery and electrical instruments and installations which are carried at revalued amounts less accumulated depreciation and impairment loss thereon if any.

2.3 Functional and presentation currency

Items included in these 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 and presentation currency.

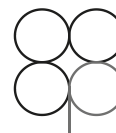
2.4 Use of estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policy are as follows:

Note

- | | |
|--|-----|
| - Useful lives, depreciation methods and residual values of property, plant and equipment; | 3.1 |
| - Provision for slow moving and obsolete stores and spares | 3.2 |
| - Discount rate used to determine the value of government grant element embedded in the following: | |



long term finance under SBP Refinance Scheme for Payment of Wages and Salaries	3.8
long term finance under SBP Temporary Economic Refinance Facility (TERF) for setting up new projects	3.8
long term finance under SBP Scheme for Renewable Energy	3.8
- Provision for staff retirement benefits;	3.10
- Provision for taxation (current and deferred);	3.16

2.5 New accounting pronouncements

2.5.1 Amendments to approved accounting standards and interpretations which became effective during the year June 30, 2021

During the years, certain new accounting and reporting standards / amendments / interpretations became effective and applicable to the Company. However, since such updates were not considered to be relevant to these financial statements, the same have not been reported.

2.5.2 New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after January 01, 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. The application of the amendment is not likely to have an impact on the Company's financial statements.

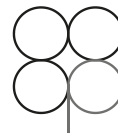
- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after June 01, 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

- a. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b. any reduction in lease payments affects only payments originally due on or before June 30, 2020 ; and
- c. there is no substantive change to the other terms and conditions of the lease.

The above amendments are not likely to affect the financial statements of the Company.

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 01, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the



annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

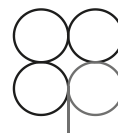
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 01, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.
- Amendments to IFRS 3 'Business Combinations' - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The amendments are not likely to affect the financial statements of the Company.
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The management of the Company is currently in the process of assessing the impact of these amendments on the financial statements.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 includes:
 - a. requiring companies to disclose their material accounting policies rather than significant accounting policies;
 - b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - c. clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

The management is currently in the process of assessing the impact of above amendments on the financial statements.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are



effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments. The amendments are not likely to affect the financial statements of the Company.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted. The amendments are not likely to affect the financial statements of the Company.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.
- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022:
 - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
 - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
 - IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The above amendments are not likely to affect the financial statements of the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. The accounting policies set out below have been applied consistently to all periods presented.

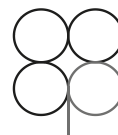
3.1 Property, plant and equipment

Operating assets

These are stated at cost less accumulated depreciation and impairment loss, if any, except for plant and machinery and electrical instruments and installations which are stated at revalued amounts less accumulated depreciation and impairment loss, if any.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

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



Depreciation on all property, plant and equipment is charged using reducing balance method in accordance with the rates specified in note 4.1 to these financial statements. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, At each reporting date. The Company's estimate of residual value of property, plant and equipment as at June 30, 2020 did not require any adjustment. Depreciation on additions is charged from the date when the assets become available for use till the date of disposal.

Any revaluation increase arising on the revaluation of plant and machinery and electrical instruments and installations is recognised in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation to the extent of incremental depreciation charged is transferred to unappropriated profit.

Gains / losses on disposal of property, plant and equipment are charged to the statement of profit or loss.

Capital work - in - progress

Capital work - in - progress is stated at cost less accumulated impairment losses, if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work - in - progress. These are transferred to operating assets as and when the assets are available for use.

3.2 Stores and spares

These are valued under the moving average cost method (less impairment loss if any) other than stores and spares in transit which are valued at cost comprising invoice value plus other charges paid thereon less impairment loss if any.

Provisions are made in the financial statements for obsolete and slow moving inventory based on management's best estimate regarding their future usability.

3.3 Stock-in-trade

Basis of valuation

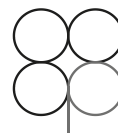
All items of stock-in-trade are valued at the lower of cost and their net realizable value as of the reporting date.

Determination of cost

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of **purchase** of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts and other similar items are deducted in determining the costs of purchase.

The **costs of conversion** of inventories include costs directly related to the quantity of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed production overheads to the costs of conversion is based on the normal operating capacity of the production facilities (ounce per spindle method).



The cost of the items consumed or sold and those held in stock at the reporting date is determined as follows:

Item of stock in trade	Method of valuation
Raw materials-In hand	Weighted average cost determined on a quarterly basis
Raw materials-In transit	At directly attributable cost
Work-in-process and finished goods	At average cost comprising direct cost of raw material, labour and other manufacturing overheads.
Waste material	At net realizable value
Packing material	Weighted average cost determined on a quarterly basis

Determination of net realizable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories may not be recoverable if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs of completion or the estimated costs to be incurred to make the sale have increased.

The Company estimates the net realisable value of inventories based on the most reliable evidence available, at the reporting date, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the reporting period.

Raw materials and other supplies held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished product exceeds net realisable value, the materials are written down to net realisable value. In such circumstances, the replacement cost of the materials is used as the measure of their net realisable value.

3.4 Trade debts

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized when the goods are delivered to customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances and short term borrowings from banks which are repayable on demand and form an integral part of the Company's cash management.

3.6 Financial assets

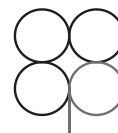
3.6.1 Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

- (a) financial assets measured at amortized cost.
- (b) fair value through other comprehensive income (FVOCI);
- (c) fair value through profit or loss (FVTPL); and

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.



Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment

Such financial assets are initially measured at fair value.

3.6.2 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

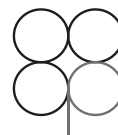
Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.6.3 Impairment

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade receivables, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.



The Company measures expected credit losses on financial assets trade receivables in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.6.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.7 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.8 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the cash flows relating to the financial liability have been substantially modified.

3.9 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

3.10 Employee benefits

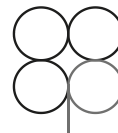
Staff retirement benefits

A defined benefit plan is a post-employment benefit plan under which an entity regularly pays contributions into a separate fund but will continue to have legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the entity.

The Company operates an unfunded gratuity scheme for its employees which is classified as a defined benefit plan.

The Company's obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligation is performed annually by a qualified actuary using the Projected Unit Credit Method.

Remeasurements of the defined benefit liability (i.e. the actuarial gains or losses) are recognised immediately in other comprehensive income. The Company determines the interest expense on the defined benefit liability for the period by



applying the discount rate to the defined benefit liability at the beginning of the annual reporting period, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

Provision for accumulating compensated absences, whether vesting or non-vesting, is recognized as the employees render services that increase their entitlement to future paid absences to extent of maximum 30 days. Such provision is measured as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. Leaves not availed by employees cannot be carried forward to next year.

3.11 Translation of foreign currency transactions and balances

On initial recognition, a foreign currency transaction is recognized, in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate (i.e. the spot exchange rate at the end of the reporting period).

At the end of each reporting period, non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. However, non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

3.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period.

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to all borrowings of the Company that are outstanding during the period. However, the Company excludes from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

The Company begins capitalising borrowing costs as part of the cost of a qualifying asset on the 'commencement date' which is the date when the Company first meets all of the following conditions: (a) it incurs expenditures for the asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

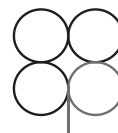
The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

The Company ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.13 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.



Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

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 the Company 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.

3.14 Revenue

Revenue from sale of goods

Revenue from sale of goods (yarn) is recognized when the customer obtains control of the goods, being when the goods are delivered to the customer, the customer has full discretion over the selling price of the goods and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been dispatched from the company premise, the risk of loss has been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have elapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered to customer as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not expect to have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

3.15 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

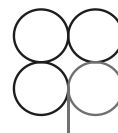
For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of impairment loss for a cash generating unit is allocated to the assets of the unit pro rata with the carrying amounts of those assets. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.



3.16 Taxation

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

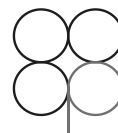
Offsetting

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

3.17 Dividend distribution

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

4	PROPERTY, PLANT AND EQUIPMENT	Note	2021	2020
			————— Rupees —————	————— Rupees —————
	Operating fixed assets	4.1	5,999,819,308	4,013,592,815
	Capital work in progress	4.2	788,582,767	194,186,322
			<u>6,788,402,075</u>	<u>4,207,779,137</u>



4.1 Operating fixed assets

As at June 30, 2019

Gross carrying amount	22,064,976	856,602,969	3,323,130,926	15,914,725	13,342,835	3,765,341	138,030,828	678,842,184	37,150	5,051,731,934
Accumulated depreciation	-	(398,397,904)	(1,136,651,169)	(9,841,269)	(9,355,323)	(2,643,463)	(71,821,773)	(274,216,130)	(35,084)	(1,902,962,115)
Net book value	22,064,976	458,205,065	2,186,479,757	6,073,456	3,987,512	1,121,878	66,209,055	404,626,054	2,066	3,148,769,819

Movement during the year
ended June 30, 2020

Opening net book value	22,064,976	458,205,065	2,186,479,757	6,073,456	3,987,512	1,121,878	66,209,055	404,626,054	2,066	3,148,769,819
Additions / transfers during the year	-	238,855,451	838,738,162	-	9,534,549	1,530,500	6,594,297	167,097,033	-	1,262,349,992
Disposals:										
- Cost	-	-	(24,911,612)	-	-	-	(4,637,545)	(67,051,944)	-	(96,601,101)
- Accumulated depreciation	-	-	20,518,507	-	-	-	3,567,102	44,212,771	-	68,298,380
	-	-	(4,393,105)	-	-	-	(1,070,443)	(22,839,173)	-	(28,302,721)
	-	(47,814,664)	(256,362,846)	(627,778)	(884,570)	(616,950)	(13,955,804)	(48,961,456)	(207)	(369,224,275)
Depreciation for the year	22,064,976	649,245,852	2,764,461,968	5,445,678	12,637,491	2,035,428	57,777,105	499,922,458	1,859	4,013,592,815
Closing net book value										

As at June 30, 2020

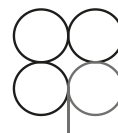
Gross carrying amount	22,064,976	1,095,458,420	4,136,957,476	15,914,725	22,877,384	5,295,841	139,987,580	778,887,273	37,150	6,217,480,825
Accumulated depreciation	-	(446,212,568)	(1,372,495,508)	(10,469,047)	(10,239,893)	(3,260,413)	(82,210,475)	(278,964,815)	(35,291)	(2,203,888,010)
Net book value	22,064,976	649,245,852	2,764,461,968	5,445,678	12,637,491	2,035,428	57,777,105	499,922,458	1,859	4,013,592,815

Movement during the period
ended June 30, 2021

Opening net book value	22,064,976	649,245,852	2,764,461,968	5,445,678	12,637,491	2,035,428	57,777,105	499,922,458	1,859	4,013,592,815
Additions during the period	-	104,967,528	72,017,264	413,000	726,038	4,230,670	43,114,940	45,200,254	-	270,669,694
Transfer from CWIP	-	-	2,159,648,636	-	-	-	-	107,437,524	-	2,267,086,160
Disposals:										
- Cost	-	-	(54,534,151)	-	-	-	(20,649,319)	-	-	(75,183,470)
- Accumulated depreciation	-	-	36,039,259	-	-	-	17,088,540	-	-	53,127,799
	-	-	(18,494,892)	-	-	-	(3,560,779)	-	-	(22,055,671)
	-	(68,886,078)	(387,412,259)	(597,358)	(1,311,160)	(1,758,271)	(14,485,829)	(55,022,549)	(186)	(529,473,690)
Depreciation for the year	22,064,976	685,327,302	4,590,220,717	5,261,320	12,052,369	4,507,827	82,845,437	597,537,687	1,673	5,999,819,308
Closing net book value										

As at June 30, 2021

Cost / revalued amount	22,064,976	1,200,425,948	6,314,089,225	16,327,725	23,603,422	9,526,511	162,453,201	931,525,051	37,150	8,680,053,209
Accumulated depreciation	-	(515,098,646)	(1,723,868,508)	(11,066,405)	(11,551,053)	(5,018,684)	(79,607,764)	(333,987,364)	(35,477)	(2,680,233,901)
Net book value	22,064,976	685,327,302	4,590,220,717	5,261,320	12,052,369	4,507,827	82,845,437	597,537,687	1,673	5,999,819,308
Annual rates of depreciation	-	10%	10%	10%	10%	30%	20%	10%	10%	



	Note	2021	2020
		Rupees	
4.1.1	Depreciation for the year has been allocated as under :		
Cost of sales	20.4	518,675,332	359,083,978
Administrative expenses	21	10,798,358	10,140,297
		529,473,690	369,224,275

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

Particular Of Assets	Cost	Accumulated Depreciation	Book Value	Sales Proceeds	(Gain)/Loss On Disposal	Particulars Of Purchaser	Relation with Buyer	Mode Of Disposal
Rupees								
4-Set Simplex A-415	17,994,668	9,678,828	8,315,840	4,000,000	(4,315,840)	Shadab Textile	None	Negotiation
Mach 21C Cuto Con	10,898,297	8,951,100	1,947,197	5,000,000	3,052,803	Samira Industries	None	Negotiation
Sale Mach 21C Auto Cone	10,890,725	8,872,336	2,018,389	7,000,000	4,981,611	Fag Textile	None	Negotiation
Sale 2-Simplex F116	14,750,461	8,536,995	6,213,466	2,000,000	(4,213,466)	Zaitoon Textile	None	Negotiation
Honda City (Bcm-894)	1,845,640	1,343,530	502,110	1,200,000	697,890	Mr. Muzzamil	None	Negotiation
Motor Bike (Kjt-7765)	47,000	27,354	19,646	25,000	5,354	Mr. Shakeel Ahmed	None	Negotiation
Honda 70.Khz3804(2015)A.Latif	67,500	49,066	18,434	35,000	16,566	Mr Hammad	None	Negotiation
Toyota Gili-2014 Bcq-573 Ys.Sold	1,839,000	1,397,513	441,487	1,800,000	1,358,513	Mrs Hina	None	Negotiation
Civic-2014 Bej-473Ys Sold	2,640,137	1,754,663	885,474	2,500,000	1,614,526	Mrs Lubna	None	Negotiation
Civic-15.Bdy-208	2,544,790	1,704,859	839,931	2,100,000	1,260,069	Mr Syed Ullah	None	Negotiation
Mercedes Benz 2005 Ajr 774	9,702,147	9,103,071	599,076	4,500,000	3,900,924	Mr Tariq	None	Negotiation
Corola 2011 Awm-692.Qs.Res.Sold	1,963,105	1,708,484	254,621	1,900,000	1,645,379	Wali Ullah	None	Various
2021	75,183,470	53,127,799	22,055,671	32,060,000	10,004,329			
2020	96,601,101	68,298,380	28,302,721	15,427,328	(12,875,393)			

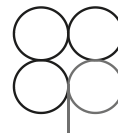
4.1.3 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of Immovable Property	Total Area (Square meters)	Covered Area (Square meters)
Nooriabad	Basic accomodation, Machinery halls, Generator rooms, Admin & TD Offices, Main Store & Finished Good Halls	226,624	94,076

4.1.4 The Company measures its plant and machinery and electrical instruments and installations using revaluation model. The latest revaluation of plant and machinery and electrical instruments and installations was carried out by an independent valuer M/s K.G.Traders (Pvt) Ltd on June 30, 2021. Based on the revaluation, there is no material change between the carrying amount and fair values of these items as at the date of revaluation.

Had there been no revaluation, the net carrying amount of plant and machinery and electrical instruments and installations would have been amounting to Rs. 5,184 million (2020:Rs 3,261 million).

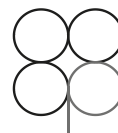
As per the aforesaid valuation carried out in June 2021, the forced sale value of the plant and machinery and electrical instruments and installations amounted to Rs. 3,631 million.



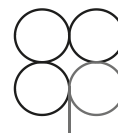
		2021	2020
	Note	Rupees	
4.2 Capital work in progress			
Opening balance		194,186,322	164,100,236
Additions:			
- Machinery		2,685,103,886	972,576,064
- Civil works		150,354,439	204,946,579
- ERP Software under development		4,895,435	8,409,974
- Solar Renewable Energy		21,128,845	-
		2,861,482,605	1,185,932,617
Transferred to operating fixed assets		(2,267,086,160)	(1,155,846,531)
		<u>788,582,767</u>	<u>194,186,322</u>
5 STORES AND SPARES			
In hand		173,719,575	99,045,001
In transit		1,541,646	17,574,020
		<u>175,261,221</u>	<u>116,619,021</u>
6 STOCK IN TRADE			
Raw material			
- In hand	20.1	2,841,951,125	2,531,014,613
- In transit		371,611,375	29,647,849
		3,213,562,500	2,560,662,462
Work in process		91,552,737	77,198,657
Finished goods		339,202,063	539,628,817
Waste material		487,850	705,003
		339,689,913	540,333,820
Packing materials		20,730,401	15,107,731
		<u>3,665,535,551</u>	<u>3,193,302,670</u>
7 TRADE DEBTS			
Local debtors - unsecured	7.1	2,032,239,397	1,700,122,896
Foreign debtors - secured		190,067,355	99,101,193
		2,222,306,752	1,799,224,089
Less: Provision for expected credit losses	7.2	(23,094,272)	(7,174,178)
		<u>2,199,212,480</u>	<u>1,792,049,911</u>

- 7.1** This includes an amount receivable from M/s. Premium Knits (a related party) amounting to Rs. 423,655 as at June 30, 2021 (June 30, 2020: Rs. 41,798,524). The maximum aggregate amount due from related parties at any point in time during the year was Rs. 55,378,32 (2020: Rs. 41,798,524). The age analysis of receivable from related parties is as follows:

	2021		2020	
	Gross carrying amount	Life time expected credit losses	Gross carrying amount	Life time expected credit losses
	Rupees			
Not past due	-	-	17,097,019	-
Past due 1 to 30 days	-	-	18,073,873	-
Past due 61 to 90 days	-	-	1,316,952	-
Past due 91 to 150 days	423,655	21,183	30,685	-



		2021	2020
		Rupees	
7.2	Movement in provision for doubtful debts		
	Opening balance	7,174,178	2,490,250
	Add: provision for the year	15,920,095	4,683,928
		<u>23,094,272</u>	<u>7,174,178</u>
8	TAXATION - net		
	Opening balance	138,302,457	132,646,743
	Provision for current tax	(112,840,713)	(87,184,394)
	Taxes deducted at source	134,306,889	92,840,108
	Closing balance	<u>159,768,633</u>	<u>138,302,457</u>
9	ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
	Advances - considered good:		
	- Staff	5,824,836	4,429,779
	- Suppliers	155,918,841	38,039,385
		161,743,677	42,469,164
	Security deposits	2,591,384	4,493,993
	Duty drawback receivable	200,308	200,308
	Claims receivable	6,558,327	21,845,586
	Other receivables	327,347	266,626
		<u>9,677,366</u>	<u>26,806,513</u>
		<u>171,421,043</u>	<u>69,275,677</u>
9.1	These represent claim receivable from suppliers in respect of weight shortage and quality problems.		
10	CASH AND BANK BALANCES	2021	2020
		Rupees	
	Cash in hand	2,353,103	1,950,900
	Cash with banks - current accounts	91,597,439	33,757,259
		<u>93,950,542</u>	<u>35,708,159</u>
11	ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
	2021	2020	
	----- (Number of shares) -----		
		Ordinary shares of Rs.10/-	
	<u>6,163,000</u>	<u>6,163,000</u>	each fully paid in cash
		<u>61,630,000</u>	<u>61,630,000</u>
11.1	There are no agreements among shareholders for voting rights, board selection, rights of first refusal and block voting.		
12	SURPLUS ON REVALUATION OF PLANT AND EQUIPMENT	2021	2020
		Rupees	
	Opening balance	3,281,186	3,645,762
	Incremental depreciation charged during the year	(328,119)	(364,576)
		<u>2,953,067</u>	<u>3,281,186</u>



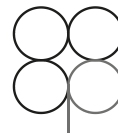
		2021	2020
		Rupees	
13 LONG TERM Financing- secured	<i>Note</i>		
Bank Al-Habib Limited			
- Long Term Finance Facility (LTFF)	13.1	1,399,857,850	1,187,322,000
- Refinance Scheme for Payment of Wages and salaries	13.2	165,727,459	62,765,122
- Temporary Economic Refinance Facility (TERF)	13.3	1,356,339,438	-
- Financing Scheme for Renewable Energy	13.4	50,430,886	-
Bank Al-Falah Limited			
- Long Term Finance Facility (LTFF)	13.5	789,230,158	818,233,408
Habib Bank Limited			
- Long Term Finance Facility (LTFF)	13.6	499,931,335	350,431,335
Meezan Bank Limited			
- Long Term Finance Facility (LTFF)	13.7	498,489,000	138,489,000
		<u>4,760,006,126</u>	<u>2,557,240,865</u>
Current maturity shown under current liabilities		450,121,853	191,072,697
Non-current maturity shown under non-current liabilities		<u>4,309,884,273</u>	<u>2,366,168,168</u>
		<u>4,760,006,126</u>	<u>2,557,240,865</u>

- 13.1** This represents long term finance facility (LTFF), under LTFF scheme of the State Bank of Pakistan, for import of machineries, to be repaid within 10 years, starting subsequent to the 2 year moratorium, and expiring in March 2024. The loan is secured against registered specific hypothecation charge over imported machineries for installation at factory premises at plot # 60, 61, 76 and 77 spread over 16 acres at Nooriabad, Sindh. The rate of mark-up is SBP refinance rate plus 0.75% to 1% per annum.

	2021	2020
	Rupees	
13.2 Refinance Scheme for Payment of Wages and Salaries		
Opening carrying amount - net of deferred grant	62,765,122	-
Funds borrowed during the year:		
Loan proceeds received from the bank	159,088,925	68,889,625
Less: Element of government grant recognized as deferred income	(9,195,714)	(6,424,180)
	149,893,211	62,465,445
Interest recognized on unwinding of the liability	15,247,309	299,677
Loan installments paid during the year	(62,178,183)	
Closing carrying amount - net of deferred grant	<u>165,727,459</u>	<u>62,765,122</u>
Less: Current maturity shown under current liabilities	113,230,506	17,502,449
Non-current maturity shown under non-current liabilities	<u>52,496,953</u>	<u>45,262,673</u>
	<u>165,727,459</u>	<u>62,765,122</u>

- 13.2.1** During the year, the Company obtained a long term facility amounting to Rs. 159.08 million (2020: Rs. 68.9 million) from M/s Bank Al-Habib Limited under the State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries, to the Workers and Employees of Business Concerns notified vide IH & SMEFD Circular No. 7 of 2020 dated April 10, 2020. The principal terms and conditions of the facility are as follows:

- (a) The applicable markup rate is 3% per annum; (2020: 3% per annum);
- (b) The tenor of the each tranche of the facility is 2.5 years (including 6-month grace period commencing from the date of disbursement of the funds); and
- (c) Each tranche of the loan is to be repaid in 8 equal quarterly instalments.
- Since the facility carries an interest rate of 3% p.a. which is well below the market interest rate prevailing as on the date of disbursement of funds, therefore, in accordance with Circular 11 of 2020 dated August 17, 2020 issued by the Institute of



Chartered Accountants of Pakistan (ICAP), the financing is considered to contain an element of government grant as per the International Accounting Standard (IAS) 20 *Accounting for Government Grants and Disclosure of Government Assistance* (the standard). Accordingly, the Company measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the bank and the said fair value, as deferred income in the statement of financial position. This deferred income is being shall be recognized as other income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

	2021	2020
	Rupees	
13.3 Financing under Temporary Economic Refinance Facility (TERF)		
Loan proceeds received from the bank	1,921,032,034	-
Less: Element of government grant recognized as deferred income	(603,234,940)	-
	1,317,797,094	-
Interest recognized on unwinding of the liability	44,707,496	-
Loan installments paid during the year	(6,165,152)	-
Closing carrying amount - net of deferred grant	1,356,339,438	-
Less: Current maturity shown under current liabilities	(36,726,344)	-
Non-current maturity	1,319,613,094	-

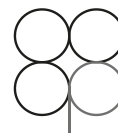
13.3.1 During the year, the Company obtained a long-term financing facility amounting to Rs. 1.921 billion from M/s. Bank Al Habib Limited (BAHL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs.2.13 billion.

The principal terms and conditions of the facility are as follows:

- (a) The applicable markup rate is 2% per annum;
- (b) The tenor of the each tranche of the facility is 10 years (including 2-year moratorium period, commencing from the date of disbursement of the funds); and
- (c) Each tranche of the loan is to be repaid in 32 equal quarterly instalments.

Since the facility carries the markup rate of 2% which is well below the market interest rate prevailing as on the date of disbursement of funds, therefore, in accordance with technical opinion issued by the Accounting Standards Board of the Institute of Chartered Accountants of Pakistan (ICAP) in November 2020, the financing is considered to contain an element of government grant as per the IAS 20 *'Accounting for Government Grants and Disclosure of Government Assistance'*. Accordingly, at initial recognition, the Company measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the bank and the said fair value, as deferred government grant in the statement of financial position. Subsequently, a portion of this deferred grant shall be recognized as income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

	2021	2020
	Rupees	
13.4 Financing Scheme for Renewable Energy - secured		
Loan proceeds received from the bank	56,983,996	-
Less: Element of government grant recognized as deferred income	(6,950,626)	-
	50,033,370	-
Interest recognized on unwinding of the liability	834,949	-
Loan installments paid during the year	(437,433)	-
Closing carrying amount - net of deferred grant	50,430,886	-
Less: Current maturity shown under current liabilities	(5,628,558)	-
Non-current maturity	44,802,328	-



- 13.4.1** During the year, the Company obtained a long term financing facility amounting to Rs. 56.983 million from M/s. Bank Al Habib Limited under the State Bank of Pakistan's (SBP) Financing Scheme for Renewable Energy (REFF) notified vide IH & SMEFD Circular No. 10 of 2019 dated July 26, 2019. The facility is secured by charge over fixed assets of the Company.

The principal terms and conditions of the facility are as follows:

- (a) The applicable markup rate is 2% per annum;
- (b) The tenor of the each tranche of the facility is 10 years (including 2-year moratorium period, commencing from the date of disbursement of the funds); and
- (c) Each tranche of the loan is to be repaid in 39 equal quarterly instalments.

Since the facility carries an interest rate which is well below the market interest rate prevailing as on the date of disbursement of funds, the financing is considered to contain an element of government grant as per the IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Accordingly, the Company measured the loan liability at its fair value (determined on a present value basis) and recognized the difference between the disbursement proceeds received from the bank and the said fair value as deferred income in the statement of financial position. This deferred income is being recognized as other income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

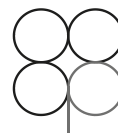
- 13.5** This represents long term finance facility (LTFF), under LTFF scheme of State Bank of Pakistan, for the import of machineries and financing for a period of 10 years against the purpose of retiring the import LC's of machinery. The loan amount is to be repaid in 10 years expiring in September 2027 to December, 2029 that is secured against hypothecation charge over plant and machinery of the Company, including 25% margin (initially ranking charge will be registered and upgraded to 1st parri passu charge within 60 days from date of first disbursement). The rate of mark-up is SBP refinance rate plus 0.75% to 1% per annum.
- 13.6** This represents long term finance facility (LTFF), under LTFF scheme of State Bank of Pakistan, for the import of machineries and financing for a period of 10 years against the purpose of retiring the import LC's of machinery. The loan amount is to be repaid in 10 years expiring in March 2029, that is secured against hypothecation charge over plant and machinery to be imported through HBL including margin. The rate of mark-up is SBP refinance rate plus 0.6% per annum.
- 13.7** This represents long term finance facility (LTFF), under LTFF scheme of State Bank of Pakistan, for the import of machineries and financing for a period of 10 years against the purpose of retiring the import LC's of machinery. The loan amount is to be repaid in 10 years including 1-1.5 years grace period expiring in June 2030, that is secured against exclusive charge over plant and machinery including 25% margin to be imported through MBL. The rate of mark-up is SBP refinance rate plus 1.75% (floor 3% and cap 10%) per annum.

14	DEFERRED LIABILITIES	Note	2021	2020
			Rupees	
	Deferred taxation on export debtors		22,053,581	17,221,034
	Staff retirement benefits-defined benefits plan (gratuity)	14.1	40,210,560	22,027,945
	Provision Gas Infrastructure Development Cess	14.2	334,158,798	265,953,257
	Deferred income - Government grant	14.3	580,483,209	6,221,189
			<u>976,906,148</u>	<u>311,423,425</u>

14.1 Staff retirement benefits-defined benefits plan (gratuity)

The Company operates a unfunded gratuity scheme for its staff employees. The latest actuarial valuation was carried out as at June 30, 2021, using the Projected Unit Credit Method.

14.1.1	Movement in defined benefit obligation	2021	2020
		Rupees	
	Opening defined benefit obligation	22,027,945	24,942,312
	Current service cost	24,642,271	21,595,110
	Interest cost	932,907	1,147,596
	Benefits paid	(22,105,147)	(33,778,020)
	Remeasurements	14,712,584	8,120,947
	Closing defined benefit obligation	<u>40,210,560</u>	<u>22,027,945</u>



14.1.2 Expense recognized in the statement of profit or loss

Current service cost	24,642,271	21,595,110
Interest cost on defined benefit obligation	932,907	1,147,596
	25,575,178	22,742,706

14.1.3 Remeasurement losses / (gains) recognised in other comprehensive income

Actuarial losses / (gains) on defined benefit obligation due to:		
- Changes in demographic assumptions	(565,005)	1,463,194
- Changes in financial assumptions	(167,899)	(574,381)
- Experience adjustments	15,445,488	7,232,134
	14,712,584	8,120,947

14.1.4 Year end sensitivity analysis on defined benefit obligation

Discount Rate + 100 bps	39,338,303	21,830,945
Discount Rate - 100 bps	41,129,340	22,229,946
Salary increment rate + 100 bps	41,226,533	22,330,003
Salary increment rate -100 bps	39,228,991	21,728,586

14.1.5 As of the reporting date, the weighted-average duration of the defined benefit obligation was 1 year.

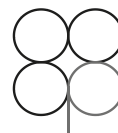
14.1.6 Principal actuarial assumptions used

	2021	2020
Discount rate used for interest cost in profit and loss	8.50%	14.25%
Discount rate used for year end obligation	10.00%	8.50%
Expected rate of increase in salary level (per annum)	8.00%	7.50%
Mortality rates	SLIC 2001-2005	SLIC 2001-2005

14.2 Provision for Gas Infrastructure Development Cess

	2021	2020
Opening balance	389,833,965	221,088,133
Effect of change in accounting estimate recognised directly in unappropriated profits:		-
- Increase in provision as on July 01, 2019	-	81,545,459
- Effect of unwinding of the provision recognized during the year	-	31,689,692
	-	113,235,151
	389,833,965	334,323,284
Effect of unwinding of the provision recognized during the year	36,130,908	-
Charge for the year recognised in profit or loss	4,675,799	55,510,681
Effect of change in accounting estimate due to change in number of installment	(65,157,149)	-
Effect of change in accounting estimate due to change of date of 1st Installment	(31,324,725)	-
Closing balance	334,158,798	389,833,965
Current maturity shown under current liabilities	-	123,880,708
Non-current maturity shown under non-current liabilities	334,158,798	265,953,257
	334,158,798	389,833,965

14.2.1 During the year, the Supreme Court (SC) passed two judgements, one dated August 13, 2020, and the other dated November 2, 2020, upholding the levy of GIDC imposed vide GIDC Act, 2015, stopping further levy with effect from August 13, 2020 and payment of amount levied till that date in 48 instalments as against 24 instalments allowed in order dated August 13, 2020.

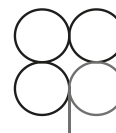


In the year 2020, the Company recognized its obligation payable in 24 instalments as industrial user to the extent of undisputed bills of Rs. 435 million, which was increased to Rs. 441 million as at June 30, 2021 based on cess of Rs. 5.96 million billed in July 2020. The remaining disputed amount of Rs. 295.6 million (being the difference of Rs. 441 million recognized in books, and Rs. 736.8 million as notified to the Company through monthly gas bills upto July 2020) has been shown as a contingent liability.

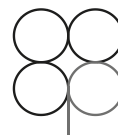
During the year, the effect of change in number of instalments from 24 to 48 has been taken into account to record this liability, which has been measured at its present value under the applicable financial reporting standard, as the effect of discounting was considered to be material to the financial statements.

During the year, the Company also filed a petition with the Sindh High Court (SHC) claiming that they fall within the category of gas consumers who have not passed on the burden of cess to their customers. SHC vide its order dated September 29, 2020, restrained the defendants from taking any coercive action against the plaintiffs for non-payment of installments of GIDC arrears and also from disconnection of gas connections, based on which the Company is not making payments for the disputed amount as mentioned above.

		2021	2020
		Rupees	
14.3 Deferred income - Government grant	<i>Note</i>		
Opening balance		6,221,189	-
Add: Grant recognized in respect of loan proceeds received during the year		619,381,280	6,424,180
Less: Amortization for the year	25	(45,119,260)	(202,991)
Closing balance		580,483,209	6,221,189
		2021	2020
		Rupees	
15 TRADE AND OTHER PAYABLES	<i>Note</i>		
Creditors		199,532,895	337,016,318
Accrued liabilities		327,429,874	139,407,809
Withholding tax payable		10,243,485	5,149,592
Advance from customers		23,381,804	17,670,411
Workers' Profits Participation Fund	15.1	80,769,713	14,585,228
Workers Welfare Fund	15.2	59,397,605	28,705,114
Provision for gas rate difference	18.1.2	183,054,309	174,887,584
Current maturity of Gas Infrastructure Development Cess	14.2	-	123,880,708
Sales tax payable		61,519,217	25,442,263
		945,328,902	866,745,027
15.1 Workers' Profit Participation Fund			
Opening balance		14,585,228	28,535,940
Add:			
- Charge for the year		80,769,713	14,585,228
- Interest accrued		2,589,377	16,227,374
		83,359,090	30,812,602
Less: Payment made during the year		(17,174,606)	(44,763,314)
		80,769,712	14,585,228
15.2 Workers' Welfare Fund			
Opening balance		28,705,114	25,570,989
Add: Contribution for the year		30,692,491	6,952,035
Less: Adjusted against advance tax		-	(3,817,910)
		59,397,605	28,705,114



		2021	2020
	Note	Rupees	
16 ACCRUED MARKUP			
Markup accrued on:			
- Long term Financing Facility-(LTFF)		21,496,967	17,022,697
- Short term borrowings		75,010,957	93,118,851
		<u>96,507,924</u>	<u>110,141,548</u>
17 SHORT TERM BORROWINGS - secured			
Bank Al-Habib Limited			
- Running finance	17.1	2,565,306,408	3,154,591,467
Meezan Bank Limited			
- Istisna finance (Hypo)	17.2	199,997,748	-
- Istisna finance (Pledge)	17.3	-	100,000,000
- Musawamah finance (Import)	17.4	-	201,141,882
		199,997,748	301,141,882
MCB Bank Limited			
- Financing Musharka	17.5	100,000,000	-
Bank Al-Falah Limited			
- Running finance	17.6	116,463,310	75,927,836
Habib Bank Limited			
- Running finance	17.7	116,146,146	120,817,587
	17.8	<u>3,097,913,612</u>	<u>3,652,478,772</u>
17.1	This represents short term running finance facility amounting to Rs. 3,700 million (2020: Rs. 3,700 million) obtained from M/s. Bank Al-Habib Limited to meet working capital requirements of the Company. The facility carries markup at the rate of 1 month KIBOR plus 0.75% (2020: 1 month KIBOR plus 0.75% per annum) and is secured by registered hypothecation charge over stock and book debts for Rs. 3 billion (2020: Rs. 3 billion), first equitable Pari Passu Mortgage charge over fixed assets (including land, building and machinery) amounting to Rs 3.542 billion over property located at Plot # 60,61,76 and 77, spread over 16.0 acres at Deh Kale Kohar, Tehsil Thana Bola Khan, district Dadu, Noiriaabad, Sindh and personal guarantees amounting to Rs.6.0 billion from each director named as Mr. Abdul Kadir Adam and Mr. Yasin Siddik		
17.2	This represents short term Istisna finance facility having a limit of Rs. 200 million from M/s. Meezan Bank Limited to meet working capital requirements of the Company, The facility carries mark up at the rate of 6 months KIBOR plus 0.50% per annum and is secured by first pari passu charge over stocks and receivables amounting to on Rs 267 million with 25% margin.		
17.3	This represents short term Istisna finance facility amounting to Rs. 500 million (2020: Rs. 500 million) obtained from M/s. Meezan Bank Limited to meet working capital requirements of the Company. The facility carries markup at the rate of respective KIBOR plus 0.50% per annum. (2020: respective KIBOR plus 0.75% per annum) and is secured by charge over raw cotton, polyester staple fibre, yarn and viscos at 10% margin.		
17.4	This represents short term Musawamah finance facility amounting to Rs. 350 million (2020: Rs. 350 million) obtained from M/s. Meezan Bank Limited to meet working capital requirements of the Company. The facility carries markup at the rate of respective KIBOR plus 0.50% per annum (2020: respective KIBOR plus 0.75% per annum) and is secured by charge over raw cotton, polyester staple fibre, yarn and viscose at 10% margin.		
17.5	This represents short term Financing Musharikhah finance facility amounting to Rs. 100 million obtained from M/s. MCB Islamic Bank Ltd to meet working capital requirements of the Company. The facility carries markup at the rate of 3 months KIBOR plus 0.75% p.a. and is secured by 1st hypothecation charge over current assets (stocks and book debts). initial disbursement against hypothecation charge over stocks/book debts (first charge over current assets) and the same will be perfected within 180 days from the date of IDA. Overall registered hypothecation charge will be of Rs. 133.33 million according to 25% Margin.		
17.6	This represents short term running finance facility amounting to Rs. 200 million (2020: Rs. 100 million) obtained from M/s. Bank Al-Falah Limited to finance the working capital requirements of the Company. The facility carries markup at the rate of 1 month KIBOR plus 1% (2020: 1 month KIBOR plus 1.25%) and is secured by first pari passu charge over stocks and receivables with 25% margin.		



17.7 This represents short term running finance facility amounting to Rs. 125 million (2020: Rs. 125 million) obtained from M/s. Habib Bank Limited to finance the working capital requirements of the Company. The facility carries markup at the rate of 1 month KIBOR plus 0.50% (2020: 1 month KIBOR plus 0.50%) and is secured by first pari passu hypothecation charge over stocks and book debts with 25% margin.

17.8 As at June 30, 2021, the Company had unavailed financing facilities amounting to Rs. 2.077 billion (2020: Rs. 4.866 billion).

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 In April 2017, the Provincial Assembly of Sindh passed the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 ('the Act') whereby, with effect from July 01, 1994, a cess was levied on the goods entering or leaving the Province of Sindh from or outside the country by air or sea, at the rate determined on the basis of their value, net weight and distance in accordance with the Schedule annexed to the Act.

The constitutionality of the Act was challenged by the Company, along with several other petitioners, before the Honorable Sindh High Court ('SHC'). In the instant petitions, SHC passed interim orders whereby the concerned authority was restrained from taking any coercive action against the petitioners.

On June 4, 2021, SHC passed an order whereby it declared the Act as a valid law within the competence of the Provincial Legislature under the Constitution which is applicable retrospectively, and disposed off all listed petitions, and allotted 90 day period for encashment of bank guarantees deposited by the plaintiffs (including the Company).

However, the Company filed an appeal against SHC's decision in the Honourable Supreme Court (SC), which, vide its order dated September 19, 2021, granted interim relief, based on its opinion that the law, prima facie, suffers from constitutional and legal defects including competence of provincial legislature to legislate on the subject, and directed that till further orders, operation of the impugned judgement of SHC dated June 04, 2021 and recovery of impugned levy shall remain suspended. Further, the petitioners shall keep the bank guarantees already submitted by them pursuant to the orders of SHC valid, operative and enforceable, and shall furnish fresh bank guarantees equivalent to the amount of levy claimed by the respondents, against release of future consignments of imported goods.

In the opinion of the legal counsel representing the Company in the suit, the Company has a good arguable case and there is no likelihood of unfavourable outcome. Hence, in view of the above, no provision for the infrastructure payable, amounting to Rs. 81 million (2020: Rs.56 million) has been recognized in these financial statements.

18.1.2 As explained in note 14.2.1, Company has not recognized the additional amount of cess in respect of GIDC amounting to Rs. 295.6 million, as notified to the Company through monthly gas bills upto July 2020.

18.1.3 The Company has not recognized provision for price differential between Rs. 819 / MMBTU and Rs. 852 / MMBTU amounting to Rs. 81 million in these financial statements, arising out of a notification issued by OGRA in October 2020, whereby gas tariff for export oriented general industry category was Rs. 819 per MMBTU and for captive units was Rs. 852 per MMBTU.

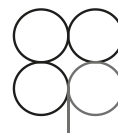
However, the Company earlier recognized a provision of Rs. 174.88 million (being the difference between Rs. 488.23/MMBTU and Rs. 600/MMBTU). During the year, the Company also recognized an additional provision of Rs. 8.66 million (being the difference between Rs. 786/MMBTU at which payments are being made based on SHC order dated May 25, 2021, and Rs. 819/MMBTU that was earlier notified by OGRA for 'general industry' category).

18.1.4 On November 11, 2020, the Company received an order from Collector of Customs creating a demand of Rs. 27.498 million (with a penalty of Rs. 500,000 in respect of tax credit on import of machinery. The Company filed an appeal before the Customs Appellate Tribunal (Karachi) which is pending adjudication. Earlier, the Company had also filed a constitutional petition with Sindh High Court (SHC), which vide its order dated December 24, 2019 had directed that no adverse action be taken against the petitioner. The legal counsel of the Company is of the opinion that the case will be decided in favour of the Company, and therefore, no provision has been made in these financial statements.

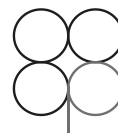
18.2 Commitments

Commitments in respect of capital expenditure
Letter of credit to Sui Southern Gas Company Limited
Letter of guarantees
Letters of credit issued in respect of purchase of raw materials

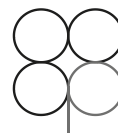
	2021	2020
	Rupees	
	951,400,600	1,045,306,900
	77,900,000	70,700,000
	175,942,340	291,889,035
	211,320,300	919,472,700



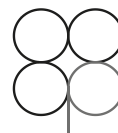
	Note	2021	2020
		Rupees	
19 SALES - net			
Gross local sales		433,314,358	329,474,115
Less: sales tax		(62,965,626)	46,056,655
Local sales - net		370,348,732	283,417,460
Gross export sales - indirect		10,857,001,480	7,955,436,626
Less: sales tax		(1,576,532,363)	(1,159,203,803)
Export sales - indirect net		9,280,469,117	6,796,232,823
Export sales - direct		1,906,024,278	1,745,698,723
		11,556,842,127	8,825,349,006
Wastage sales		13,825,928	17,940,021
Less: sales tax		(2,008,895)	(2,606,670)
		11,817,033	15,333,351
Raw material sales		55,397,147	36,108,148
Less: sales tax		(8,056,729)	(5,246,483)
		47,340,418	30,861,665
Less: Commission and brokerage		(116,368,787)	(94,221,335)
Discount and claims		(15,164,087)	(5,908,921)
		(131,532,874)	(100,130,256)
		11,484,466,704	8,771,413,766
20 COST OF SALES			
Raw materials consumed	20.1	6,454,879,468	5,778,727,586
Stores and spares consumed	20.2	327,804,543	221,696,287
Packing materials consumed	20.3	134,756,570	111,201,946
Production expenses	20.4	1,884,916,759	1,599,954,343
		8,802,357,340	7,711,580,162
Work in process:			
Opening		77,198,657	68,933,015
Closing		(91,552,737)	(77,198,657)
		(14,354,080)	(8,265,642)
Cost of goods manufactured		8,788,003,260	7,703,314,520
Opening stock of finished goods		540,333,820	357,187,284
Add: trading and purchase cost		41,532,563	26,808,764
Cost of goods available for sale		9,369,869,643	8,087,310,568
Closing stock of finished goods		(339,689,913)	(540,333,820)
		9,030,179,730	7,546,976,748
20.1 Raw material consumed			
Opening stock		2,531,014,613	1,982,587,681
Purchases		6,803,792,715	6,347,611,706
		9,334,807,328	8,330,199,387
Cost of raw materials sold		(37,976,735)	(20,457,188)
Closing stock- in hand		(2,841,951,125)	(2,531,014,613)
		6,454,879,468	5,778,727,586
20.2 Stores and spares consumed			
Opening stock		99,045,001	122,917,143
Purchases		402,479,117	197,824,145
		501,524,118	320,741,288
Closing stock- in hand		(173,719,575)	(99,045,001)
		327,804,543	221,696,287



		2021	2020
	Note	Rupees	
20.3 Packing materials consumed			
Opening stock		15,107,731	12,599,695
Purchases		140,379,240	113,709,982
		155,486,971	126,309,677
Closing stock		(20,730,401)	(15,107,731)
		134,756,570	111,201,946
20.4 Production expenses			
Salaries, wages and other benefits	20.4.1	631,949,333	537,587,711
Fuel and power		646,137,781	601,293,486
Depreciation	4.1.1	518,675,332	359,083,978
Insurance		24,416,757	22,677,841
Vehicle running and maintenance		16,553,547	11,202,626
Repairs and maintenance		11,708,950	31,607,903
Water charges		10,964,475	11,027,625
Other manufacturing expenses		24,510,584	25,473,173
		1,884,916,759	1,599,954,343
20.4.1	This includes an amount of Rs. 18,594,970 (2020: Rs. 16,190,205) in respect of staff retirement benefits.		
20.5 Trading and purchase cost			
Trading cost - sale of raw material		37,976,735	20,457,188
Purchase of yarn		1,766,000	4,355,246
Purchase of hard - waste		1,789,828	
Purchase of comber - waste		-	1,996,330
		41,532,563	26,808,764
21 ADMINISTRATIVE EXPENSES			
Directors' and executives' remuneration		44,896,536	38,569,437
Salaries, allowances and other benefits	21.1	46,709,954	44,003,171
Meeting fees		700,000	675,000
Insurance		10,117,693	6,975,157
Charity and donations	21.3	10,198,000	3,980,000
Depreciation	4.1.1	10,798,358	10,140,297
Repairs and maintenance		9,878,150	5,806,296
Fees and subscription		9,476,859	12,402,175
Vehicle running and maintenance		7,741,336	3,961,560
Utilities		5,212,646	3,281,696
Legal and professional		2,766,146	1,052,850
Auditors' remuneration	21.2	1,691,250	1,537,500
Entertainment expense		1,191,180	1,122,195
Postage and telephone		1,594,862	1,461,090
Travelling and conveyance		321,486	9,160,276
Printing and stationery		982,061	865,236
Advertisement		397,244	311,636
Newspaper and periodicals		90,566	78,028
Provision for doubtful debt		15,920,095	4,683,928
Others		8,426,017	4,998,714
		189,110,439	155,066,242
21.1	This includes an amount of Rs. 6,980,708 (2020: Rs. 6,552,501) in respect of staff retirement benefits.		



		2021	2020
		Rupees	
21.2	Auditors' remuneration		
	Audit fee	1,297,604	1,179,640
	Half yearly review fee	305,646	277,860
	Out of pocket expenses	88,000	80,000
		<u>1,691,250</u>	<u>1,537,500</u>
21.3	None of the directors or their spouses has any interest in the donee institutions. Further, the name of the parties to whom donation exceeding Rs. 1.019 million (being 10% of the total amount of donations) have been made include Patients' Aid Foundation Rs. 2 million, The Indus Hospital Rs. 2.2 million, Shaukat Khanum Cancer Hospital Rs. 1.5 million and Sindh Institute of Urology and Transplant Rs. 1.5 million.		
	Note	2021	2020
		Rupees	
22	DISTRIBUTION COSTS		
	Executives' remuneration	12,997,380	2,420,265
	Salaries, allowances and other benefits	14,854,509	18,420,859
	Packing charges	11,338,219	10,562,763
	Freight and handling charges		
	- Local	75,658,362	50,116,045
	- Export	80,607,828	64,506,727
		<u>195,456,298</u>	<u>146,026,659</u>
23	FINANCE COSTS		
	Markup and interest charges on:		
	- Long term finances	154,207,370	68,136,019
	- Short term borrowings	368,134,151	421,632,764
	- Workers' Profit Participation Fund	2,589,377	16,227,374
	Unwinding of Gas Infrastructure Cess Provision	36,130,908	-
	Bank charges on export receipts	12,486,092	35,474,075
	Bank charges	23,884,990	26,616,535
		<u>597,432,888</u>	<u>568,086,767</u>
24	OTHER OPERATING EXPENSES		
	Workers' Welfare Fund	30,692,491	6,952,035
	Workers' Profit Participation Fund	80,769,713	14,585,228
		<u>111,462,204</u>	<u>21,537,263</u>
25	OTHER INCOME / (EXPENSES) - net		
	Exchange gain/ (loss) on export receivable:		
	- Realized	(10,290,380)	(3,873,038)
	- Unrealized	1,598,434	4,378,474
		<u>(8,691,946)</u>	<u>505,436</u>
	Gain / (loss) on disposal of fixed assets	10,004,329	(12,875,393)
	Amortization of deferred government grant	45,119,260	202,991
	Exchange loss on import loan	193,392	(51,385,825)
	Gain on re-measurement of Gas Infrastructure Development Cess provision	96,481,874	-
		<u>143,106,909</u>	<u>(63,552,791)</u>
26	TAXATION		
	Current	26.1 112,840,713	87,184,394
	Deferred	4,832,547	1,531,047
		<u>117,673,260</u>	<u>88,715,441</u>



- 26.1** The income tax assessments of the Company have been finalised up to and including the tax year 2020. Tax returns are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select the deemed assessment order for the purpose of issuing an amended assessment order.

	2021	2020
	Rupees	
27 EARNINGS PER SHARE - BASIC AND DILUTED		
27.1 Basic earnings per share		
Profit after taxation	<u>1,386,258,794</u>	<u>181,451,855</u>
	Number	
Weighted average number of ordinary shares outstanding	<u>6,163,000</u>	<u>6,163,000</u>
Earnings per share - basic and diluted	<u>224.93</u>	<u>29.44</u>

27.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Company, since there were no potential outstanding convertible instruments in issue as at June 30, 2021 and June 30, 2020.

28 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	Note	2021	2020
		Rupees	
Cash and bank balances	10	93,950,542	35,708,159
Short term borrowings	17	<u>(3,097,913,612)</u>	<u>(3,652,478,772)</u>
		<u>(3,003,963,070)</u>	<u>(3,616,770,613)</u>

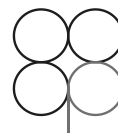
29 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees							
Managerial remuneration	6,000,000	5,000,000	4,800,000	4,000,000	27,039,928	17,781,919	37,839,928	26,781,919
House rent	2,396,400	1,996,400	1,916,400	1,596,400	10,765,572	7,080,368	15,078,372	10,673,168
Conveyance allowance	3,600	3,600	3,600	3,600	50,400	32,400	57,600	39,600
Utilities	600,000	500,000	480,000	400,000	2,703,992	816,822	3,783,992	1,716,822
Fuel allowance	-	-	-	-	-	1,778,193	-	1,778,193
Other benefits	-	-	-	-	1,134,024	-	1,134,024	-
	<u>9,000,000</u>	<u>7,500,000</u>	<u>7,200,000</u>	<u>6,000,000</u>	<u>41,693,916</u>	<u>27,489,702</u>	<u>57,893,916</u>	<u>40,989,702</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>14</u>	<u>9</u>		

- 29.1** The Chief Executive and Director have also been provided with free use of the Company maintained cars and residential telephones.

	2021	2020
	Number	
30 PLANT CAPACITY AND ACTUAL PRODUCTION		
Number of spindles installed	<u>85,538</u>	<u>81,660</u>
Number of spindles operated	<u>81,348</u>	<u>69,778</u>
Installed capacity in Kgs. after conversion into 20 single count	<u>33,349,596</u>	<u>33,620,034</u>
Actual production of yarn in Kgs. after conversion into 20 single count	<u>31,432,443</u>	<u>28,728,098</u>
Number of shifts worked during the year	<u>1,092</u>	<u>1,080</u>

- 30.1** Actual production is less than the installed capacity due to planned maintenance shut down and gap between market demand and supply.



31 FINANCIAL INSTRUMENTS

31.1 Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

31.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company's internal credit management purposes, a financial asset is considered as defaulted when it is past due for 90 days or more.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

Maximum exposure to credit risk

The maximum exposure to credit risk at the reporting date is as follows:

Note	June 30, 2021		June 30, 2020	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
	(Rupees in '000)			
Long term loan and advances	2,768,255	2,768,255	2,149,100	2,149,100
Trade debts (a)	2,199,212	2,199,212,000	1,792,049,911	1,792,049,911
Deposit and other receivables	9,477,058	9,477,058	26,606,205	26,606,205
Bank balances (b)	91,597,439	91,597,439	33,757,259	33,757,259
	2,303,055	2,303,055	1,854,561,475	1,854,562,475

Note (a) - Credit risk exposure on trade debts

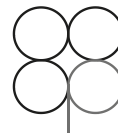
To reduce the exposure to credit risk the Company has developed a policy of obtaining advance payments from its customers. Except for customers relating to the Government and certain small and medium sized enterprises, the management strictly adheres to this policy. For any balances receivable from such small and medium sized enterprises, the management continuously monitors the credit exposure towards them and makes provisions against those balances considered doubtful of recovery.

As of the reporting date, the ageing analysis of trade debts was as follows:

	2021		2020	
	Gross carrying amount	Life time expected credit losses	Gross carrying amount	Life time expected credit losses
Not past due	1,696,505,344	-	1,327,534,539	-
Past due 1 to 30 days	422,621,379	-	178,061,659	-
Past due 31 to 60 days	89,580,236	13,388,840	125,799,841	628,999
Past due 61 to 90 days	4,462,779	1,115,695	21,876,473	109,382
Past due 91 to 150 days	1,094,555	547,278	132,689,884	663,449
Past due 151 to 365 days	3,886,311	3,886,311	4,996,764	24,984
Past due 361 to 730 days	2,694,543	2,694,543	1,522,886	761,443
Over two years	1,461,605	1,461,605	6,742,043	4,985,921
	2,222,306,752	23,094,272	1,799,224,089	7,174,178

Note (b) - Credit risk exposure on bank balances

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:



Banks	Short term rating	Credit rating agency	2021	2020
			Rupees	
Bank Al-Habib Limited	A-1+	PACRA	15,436,825	5,441,234
Bank of Khyber	A-1	PACRA	20,614	21,503
Habib Metropolitan Bank Limited	A-1+	PACRA	45,837,885	21,553,143
MCB Islamic Bank Limited	A-1+	PACRA	188,467	1,567,264
Meezan Bank Limited	A-1+	JCR-VIS	28,167,720	3,950,841
National Bank of Pakistan	A-1+	PACRA	1,945,929	1,223,275
			91,597,439	33,757,259

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability 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. As of the reporting date, the Company was not exposed to any major concentrations of credit risk.

31.1.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of financial liabilities, including estimated interest payments (in case of long term loan):

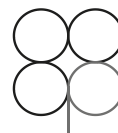
	2021			
	Carrying amount	Contractual cash flows	Twelve months or less	More than One years
	Rupees			
Non-derivative financial liabilities				
Long term loan	4,760,006,126	5,826,342,539	515,993,328	5,310,349,211
Trade and other payables	526,962,769	(526,962,769)	(526,962,769)	-
Accrued markup	96,507,924	(96,507,924)	(96,507,924)	-
Short term borrowings	3,097,913,612	(3,097,913,612)	(3,097,913,612)	-
	8,481,390,431	2,104,958,234	(3,205,390,977)	5,310,349,211
	2020			
	Carrying amount	Contractual cash flows	Twelve months or less	More than One years
	Rupees			
Non-derivative financial liabilities				
Long term loan	2,557,240,865	(3,099,768,984)	(370,478,161)	(2,729,290,823)
Trade and other payables	792,862,830	(792,862,830)	(792,862,830)	-
Accrued markup	110,141,548	(110,141,548)	(110,141,548)	-
Short term borrowings	3,652,478,772	(3,652,478,772)	(3,652,478,772)	-
	7,112,724,015	(7,655,252,134)	(4,925,961,311)	(2,729,290,823)

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 three types of risk: currency risk, interest rate risk and other price risk.

(a) Foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currency. Currently, the Company is exposed to currency risk on trade debts that are denominated in a currency other than the respective functional currency of the Company. The currency in which these transactions are denominated is US Dollars. The Company's exposure to foreign currency risk is as follows:



2021		2020	
US Dollars	Rupees	US Dollars	Rupees
<u>1,217,267</u>	<u>190,067,355</u>	<u>590,352</u>	<u>99,101,193</u>

Average rates		Reporting date rate		
2021	2020	2021	2020	
----- Rupees -----				
US Dollars	<u>162.71</u>	<u>163.94</u>	<u>157.54</u>	167.87

Sensitivity analysis

A 5 percent strengthening / (weakening) of the Rupee against US Dollars at June 30 would have (decreased) / (increased) profit before tax by the amounts shown below. This analysis assumes that all the other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020.

	Effect on profit or loss
As at June 30, 2021	
Effect of US Dollars	9,588,412
As at June 30, 2020	
Effect of US Dollars	4,955,120

A 5 percent weakening of the Rupee against US Dollars at June 30 would have equal but opposite on the basis that all the other variables, in particular interest rates, remain constant.

(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 changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks and term deposits with banks. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2021	2020	2021	2020
	Effective interest rate (%)		Carrying amount (Rs.)	
Financial liabilities				
Short term borrowings	7.48% to 8.38%	8.83% to 14.01%	3,097,913,612	3,652,478,772

Sensitivity analysis

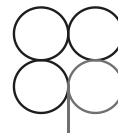
A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit before tax by Rs. 78.62 million (2020: Rs. 62.10 million). This analysis assumes that all other variables remain constant.

(c) Price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. As of the reporting date, the Company was not exposed to any price risk.

31.1.3 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company measures fair value of its financial and non-financial assets that are measured at fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:



Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair values of assets that are traded in active markets are based on quoted market prices. For all other assets the Company determines fair values using valuation techniques unless the instruments do not have a market \ quoted price in an active market and whose fair value cannot be reliably measured.

	2021	2020
	Rupees	
31.1.4 Financial instruments by categories		
<i>FINANCIAL ASSETS - at amortised cost</i>		
Long term deposits	2,768,255	2,149,100
Trade debts	2,199,212,480	1,792,049,911
Deposits and other receivables	9,477,058	26,606,205
Cash and bank balances	93,950,542	35,708,159
	2,305,408,335	1,856,513,375
<i>FINANCIAL LIABILITIES- at amortised cost</i>		
Long term Financing	4,760,006,126	2,557,240,865
Trade and other payables	526,962,769	798,012,422
Accrued markup	96,507,924	110,141,548
Short term borrowings	3,097,913,612	3,652,478,772
	8,481,390,431	7,117,873,607

32 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders.

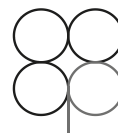
The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Following is the quantitative analysis of what the Company manages as capital:

	2021	2020
	Rupees	
Borrowings:		
Long term financing	4,760,006,126	2,557,240,865
Short term borrowings	3,097,913,612	3,652,478,772
	7,857,919,738	6,209,719,637
Shareholders' equity:		
- Issued, subscribed and paid up capital	61,630,000	61,630,000
- Unappropriated profit	3,307,989,262	1,985,418,933
	3,369,619,262	2,047,048,933
Total capital managed by the Company	11,227,539,000	8,256,768,570

33 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel of the Company and directors and their close family members. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Remuneration of the Chief Executive, Directors and executives is disclosed in note 29 to the financial statements. Transactions entered into and balances held, with related parties during the year, other than those disclosed elsewhere in these financial statements, are as follows:



Name of the related party	Relationship	Transactions during the year and year end balances	2021	2020
			Rupees	
Premium Knits	Associate by virtue of common directorship	<i>Transactions during the year</i>		
		Sale of goods	47,685,211	54,252,038
		<i>Balance outstanding at year end</i>		
		Trade receivable	423,655	41,798,524
Pinnacle Fibre (Pvt) Ltd.	Associate by virtue of common directorship	<i>Transactions during the year</i>		
		Purchase of goods	281,831,803	488,016,142

34 SEGMENT INFORMATION

These financial statements have been prepared on the basis of single reportable segment i.e. sale and manufacturing of yarn. The entity-wide disclosures required by IFRS 8 'Operating Segments' are given below:

- (a) Revenue from sale of yarn represents 99.49% (2020 : 99.48%) of the total revenue of the Company.
- (b) 96.72% (2020: 96.28%) of gross sales of the Company relates to indirect exporters and foreign customers.
- (c) As at June 30, 2021 and June 30, 2020 all non-current assets of the Company were located in Pakistan.
- (d) Revenue earned from one major customer having sales excluding sales tax and federal excise duty of more than 10% of total sales amounted to Rs. 1,458,945,266 during the year ended 30 June 2021 (2020: 1,499 million).

35 GENERAL

35.1 Non - adjusting event after balance sheet date

The Board of Directors in their meeting held on October 4, 2021 has proposed a final cash dividend of Rs. 50 per share (2020: Rs. 8 per share) for approval of the members at the Annual General Meeting to be held on October 27, 2021. The financial statements do not reflect this appropriation.

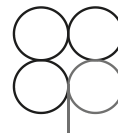
35.2 Number of employees	2021	2020
	Number	
Total employees of the Company at the year end	990	925
Average employees of the Company during the year	1006	950

35.3 Impact of COVID-19 on the financial statements

The COVID-19 pandemic put pressure on sales volume and bottom line of the Company. It also caused extra ordinary and unprecedented curtailment in economic and social activities since its spread in Pakistan from March 2020. This pandemic posed a big threat to business and financial challenges across various sectors of the economy in Pakistan. The Company complied with the SOPs prescribed by Federal and Provincial Governments. Sales and production activities were affected during lockdown.

In connection with the accounting and reporting obligations as required in circular 26 of 2020 issued by SECP, the management of the company assessed the impact of COVID-19 related events on its financial statements particularly its impact on the appropriateness of the use of the going concern assumption. This included assessment of both financial (debt covenant compliance concerns, renegotiation of debt agreements, liquidity and funding concerns) and non-financial (disruption of supply chain, logistics, fluctuating demand, workforce management and employee health issue) considerations. In addition to this, the assumptions used and estimates associated with measurement of various assets and liabilities were also assessed. COVID-19 pandemic was a significant event during the year. However, the Company remained up to date in all its financial commitments. The management believes that going concern assumption of the Company remains valid. Manpower, materials and other necessary resources which are available at factory site are continuously working on projects.

Management believes that the Company's operations, financial position and results have not been significantly impacted due to the pandemic.



35.4 Reclassification of corresponding figures

Corresponding figures have been rearranged and reclassified, wherever considered necessary and for the purpose of comparison and better presentation, as follows:

Reclassified from component	Reclassified to component	Amount (Rupees)
Creditors (Trade and other payables)	Accrued liabilities (Trade and other payables)	<u>79,000,000</u>

35.5 Date of authorization for issue

These financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on October 4, 2021.

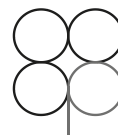
35.6 Level of rounding

Figures in these financial statements have been rounded off to the nearest rupee.

Chief Executive Officer

Director

Chief Financial Officer



Mr./ Mrs. / M/s _____

Dear Shareholder,

ELECTRONIC PAYMENT OF CASH DIVIDENDS INSTEAD OF PHYSICAL DIVIDEND WARRANTS

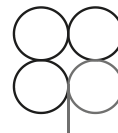
Pursuant to Section 242 of the Companies Act-2017 and notification by the Security Exchange Commission of Pakistan (SECP) that all listed companies must pay future cash dividends through electronically mode into the bank accounts of the shareholders instead of issuing physical dividend warrants.

We have reviewed and found that you have not yet provided bank mandate. In this regard, you are required to provide bank mandate details with IBANs otherwise future dividend could be withheld according as per the section 242 and directives of SECP.

CDC shareholders may submit their bank mandate details to their investor account services or their brokers where shares are placed electronically.

For any query/ problem/information, the investors may contact the company, and / or the Share Registrar at the following phone Numbers, email address:

F.D.Registrar Services (SMC-Pvt) Ltd. 17 th Floor, Saima Trade Tower-A, I.I.Churdrigar Road, Karachi. Ph-0213-2271905-6	Premium Textile Mills Pvt Ltd. 1 ST Floor, Haji Adam Chamber Altaf Hussain Road, New Challi, Karachi.74000. Tel: 32400405-8, 32416380 Fax: 32417908 e-mail: premhead@premiumtextile.com
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M/s.Premium Textile Mills Ltd,
1st floor, Haji Adam Chamber,
Altaf Hussain Road,New Challi,
Karachi.

Bank Mandate Form

I Mr. / Ms./Mrs. _____ S/o, D/o, w/o, _____ hereby authorize Premium Textile Mills Ltd to send /directly credit cash dividends declared by it, in my bank account as detailed below:

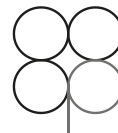
(i) Shareholder's details	
Name of the Shareholder	
Participant & Account # CDC Investor #	
CNIC NO. / NTN	
Passport No. (in case of foreign shareholder)	
Landline / Cell Number of the Shareholder	

(ii) Shareholder's Bank detail	
Bank's Name	
Branch Name and Address	
Branch Code Number.	
Title of Bank Account	
Account Number	
IBAN	

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company/ Share Registrar informed in case of any changes in the said particulars in future.

Signature of the shareholder

Note: Bank mandate details must be verified by the concerned Bank Branch to avoid any error.



PROXY FORM

PREMIUM TEXTILE MILLS LIMITED

1st Floor, Haji Adam Chambers,
Altaf Hussain Road,
New Challi,
Karachi

Please quote Reg. CDC Number

I/WE _____
of _____
being a member of Premium Textile Mills Limited and holder of _____
Ordinary Shares hereby appoint _____
of _____

or failing him/her _____
of _____

as my/our proxy in my / our absence to attend and vote for me/us on my/our behalf at the Annual general meeting of the Company to be held on October 27th, 2021 at 03.30 p.m. at 1st Floor, Haji Adam Chamber, Altaf Hussain Road, New Challi, Karachi.

Signed this _____ day of _____ 2021 in the presence of _____

(Witness Signature)

Affix
Five Rupees
Revenue Stamp

(Signature of Proxy)

(Member's Signature)

- Note: (i) This form of proxy, in order to be effective, must be deposited duly completed with the Company not less than 48 hours before the time for holding the meeting.
- (ii) The proxy must be signed across a Rs. 5/- Revenue Stamp.
- (iii) Signature should agree with the specimen registered with the Company.
- (iv) Proxies granted by shareholders who have deposited their shares into Central Depository Company of Pakistan Limited must be accompanied with attested copies of the Computerized National Identity card (CNIC) or the Passport of the beneficial owners. Representatives of Corporate members should bring the usual documents required for such purpose.
- (v) In case of CDC Accounts Holders, attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.