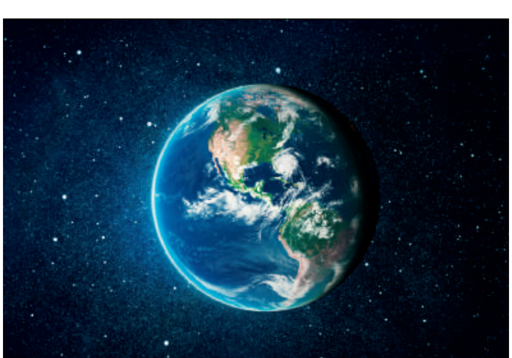
PREMIUM TEXTILE MILLS

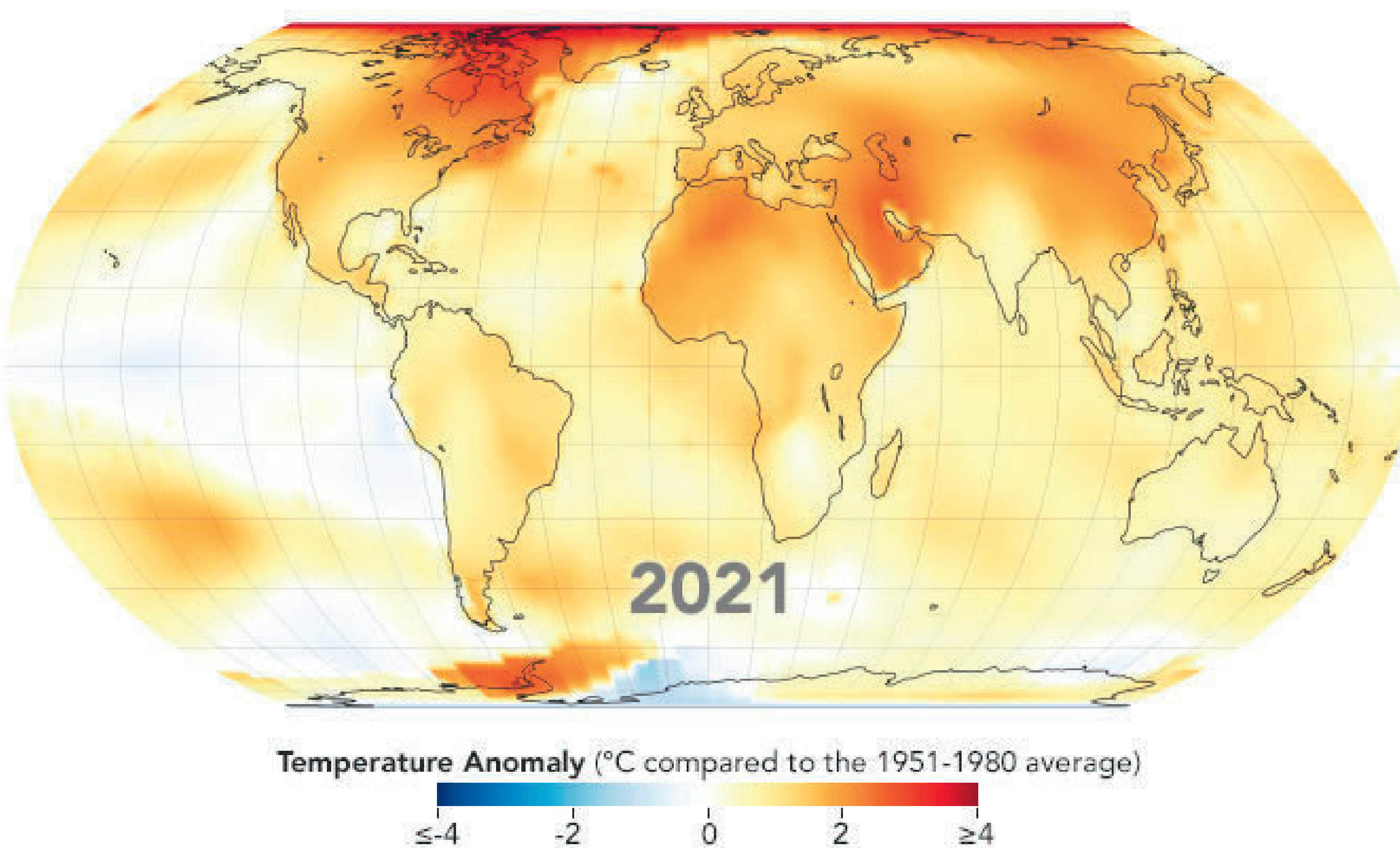
ANNUAL REPORT 2022



About the Cover

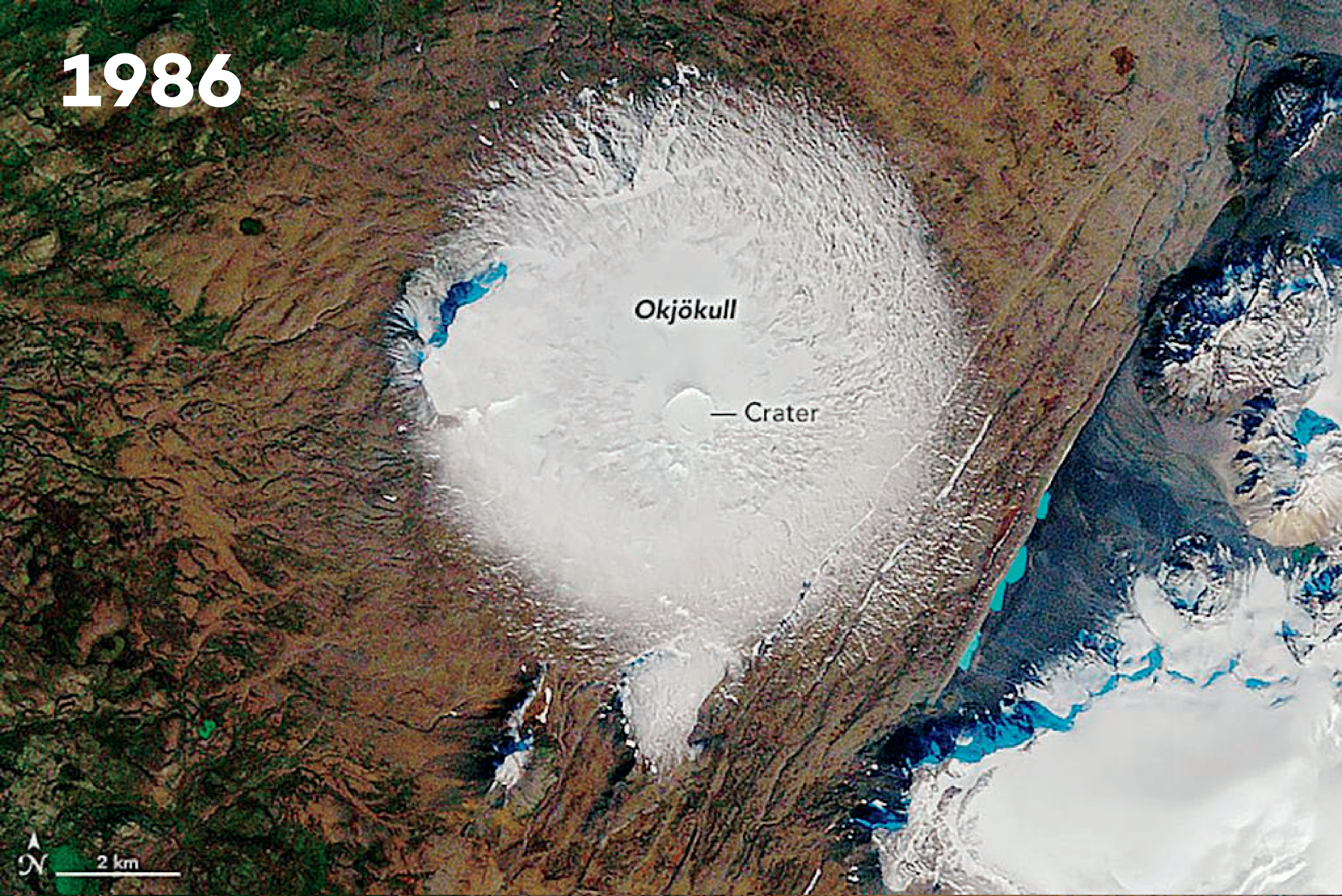
Celebrating Earth! Our planet is very unique in many ways and it's our only home.
But UN report shows human activity has changed the planet forever. We must act now to keep global warming below 1.5° Celsius and avoid the worst impacts of the climate crisis.
We must conserve this beautiful and unique planet.

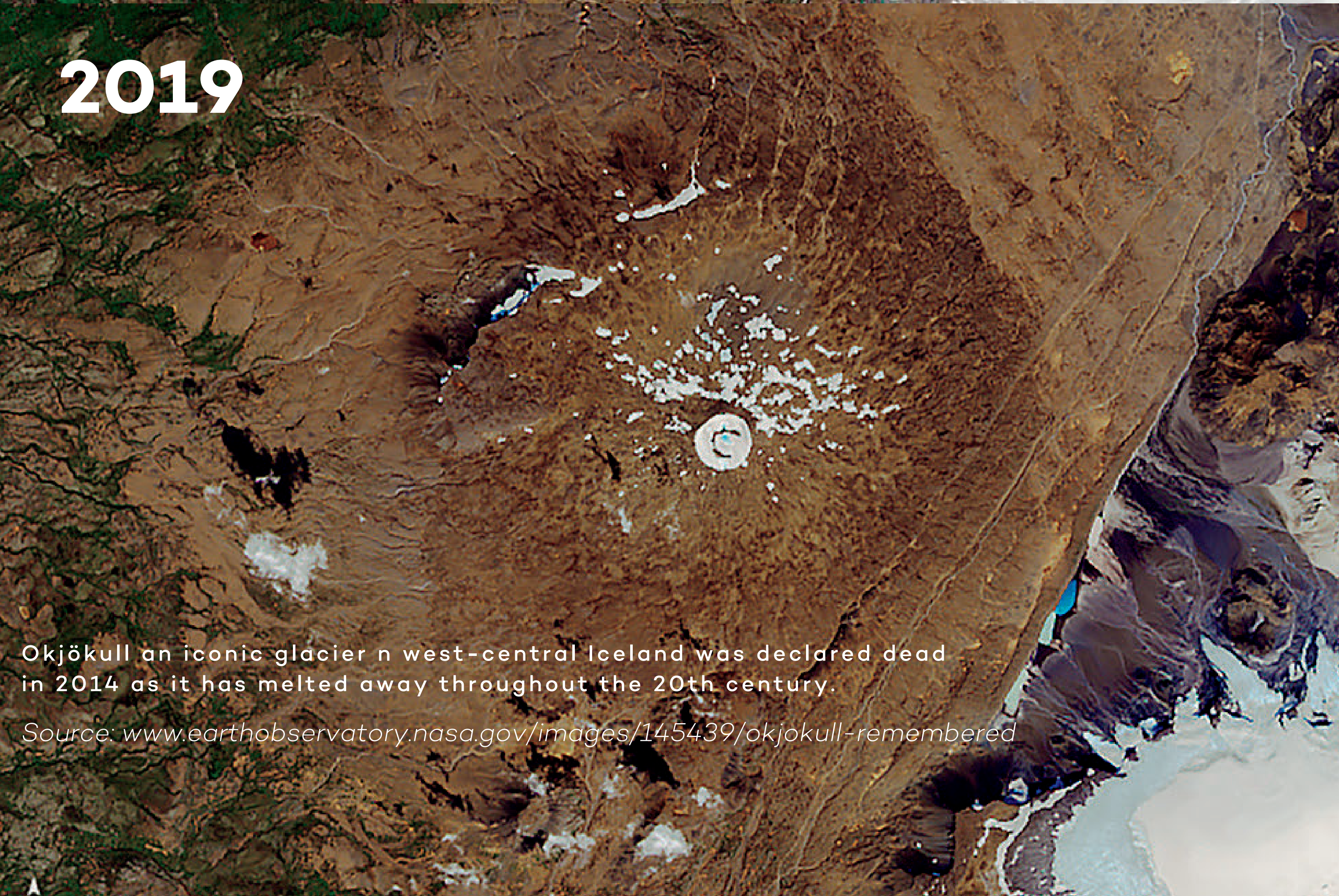
The image below shows global temperature anomalies in 2021, the sixth warmest year on record. Nine of the ten hottest years or records have occurred in the past decade.



A forest is incinerated near Midpines, northeast of Mariposa, as the wildfire ripped through the area.

Source: www.theguardian.com/environment/gallery/2022/jul/25/california-wildfires-in-pictures





Okjökull an iconic glacier n west-central Iceland was declared dead in 2014 as it has melted away throughout the 20th century.

Source: www.earthobservatory.nasa.gov/images/145439/okjokull-remembered

CONTENTS

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.

Culture

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 conduct operations by the principles of good corporate governance, providing safe & healthy working conditions for all employees. We strive to be an integral part of society to fulfill the responsibilities towards the societies and communities in which it operates.

Core Values

Value our customers & employees

Think outside the box

Embrace & integrate accountability in everything we do

Create a welcoming environment for everybody

Care about generations to come

Strive for growth & learning

BUSINESS CONDUCT & CODE OF ETHICS

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.

Respect for the Individual

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

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.

Uphold the Law

Premium Textile Mills Ltd.'s commitment to integrity begins with complying with laws, rules, and regulations where we do business.

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.

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.

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. 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.

Gifts, Gratuities, and Business Courtesies

Premium Textile Mills Ltd. is committed to competing solely on the merit of our products and services. 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.

Accurate Public Disclosures

We will make certain that all disclosures made in financial reports and public documents are full, fair, accurate, timely, and understandable.

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 into our books in accordance with Premium Textile Mills Ltd.'s and other applicable accounting principles.

Confidential and Proprietary Information

We will not disclose confidential and nonpublic information without a valid business purpose and proper authorization.

CORPORATE INFORMATION

Board of Directors

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

Company Secretary

Mr. Iqbal Chappra

Managing Director

Mr. Zaid Siddik

Technical Director

Mr. Ashraf Aziz

Chief Financial Officer

Ms. Shenila Parekh

Head of Internal Audit

Mr. Abdul Wasey Khan

Auditors

Rahman Sarfaraz Rahim
Iqbal Rafiq Chartered
Accountants

Registered and Corporate 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

Share Registrar

FD Registrar Services (SMC-Pvt)
Ltd. 17th floor, Saima Trade Tower
_A 1.1.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
Habib Metropolitan Bank
Askari Bank

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

Website

www.premiumtextile.com

PREMIUM AT A GLANCE

Our Story

Ever since the inception of Premium Textile Mills Ltd. took place in 1989 the group has successfully diversified into the manufacturing of garments & auto parts and trading employing more than 1000 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.19 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 42,257,781 Kg (based on 20/1) with 91,782 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 the 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.

Product Portfolio

Yarn

- Mélange yarn
- Injection Yarn
- Snow Effect Yarn
- Marled Yarn
- Speckled Yarn
- Heather Grey Yarn
- Open End Recycled Yarn

Socks

- Anti Skid Socks
- Low Cut Socks
- Footlet/Invisible Socks
- Work Boot Socks
- Diabetic Socks
- Thermal Boot Socks
- Men's Dress Socks
- Casual Socks
- Football/Soccer Socks
- Skiing Socks
- Wool Socks

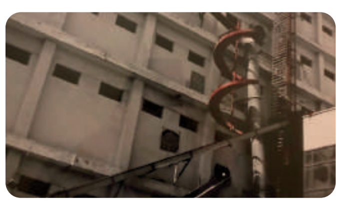
Our Journey

1989-1993

- Started operations with 12,230 spindles
- Introduced the widest range of fancy yarns
- Started Export in the Middle East & Europe
- Established Prudential Enterprises

1994-1998

- Established Premium Knits Pvt Ltd
- Became award winning exporters



1999-2003

- Set up Sampling Facility
- Expanded Export Market in America

2004-2008

- Established second spinning unit with 24,000 spindles
- Added 6,564 spindles

2009-2013

- Added 7,224 Spindles
- Construction of Unit 3

2014-2018

- ·Established Pinnacle Fiber – Pakistan's largest rPET processors
- ·Set up Margasa- Cotton Recycling Plant

2019-2022

- Established Premium Knits Pvt Ltd
- Got the Latest OE & MVS Rotors
- Set Fiber dyeing facility
- Set Yarn Dying facility
- Founded Socks Manufacturing Plant
- Installed 3 MW Grid Tied Solar Power Generation System
- Installed ETP
- Set up Waste Heat Recovery System
- Set up 15MW Power Plant

OUR PRESENCE

Export Destinations

- Korea
- Bangladesh
- Tunisia
- Turkey
- Portugal
- United States
- Guatemala
- Honduras
- Brazil

CORPORATE SUSTAINABILITY INITIATIVES

We're working to deliver a sustainable future by collaborating and innovating to expand our ability to make a positive impact on society and the planet. Our sustainability efforts encompass multiple domains, which include:

Environmental
Environmental sustainability and working towards a better future is an integral parts of our core values. Sustainability is part of every organizational operation at PTML We are investing heavily in sustainable alternatives for manufacturing, power generation, waste management, and water stewardship. We have attained a number of certifications for sustainability and innovation in all phases of the value chain.

Social
Any company's most valued asset is its people. At PTML we continuously stretch our efforts to provide facilities to our workforce. Comfortable accommodation at a factory and in the city, providing a conducive work environment, subsidized meals at the mill, commute services, and conveyance allowance. We have a very comprehensive retirement plan for our employees for a secure retirement. The Company maintains working conditions that are safe and without risk to the health of all employees and the 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 including fire extinguishers has been placed at different places in the Mills as well as the registered head office of the company. Regular visit doctor to the mill has been made possible to provide medical advice and treatment.

Economic
Premium Textile contributes to the national economy on account of Taxes & Other levies; during the period under review, our company paid Rs.562.88 million as tax & customs duties.

Certifications and corporate affiliations for environmental sustainability

CYCLO RECYCLED FIBERS

GLOBAL ORGANIC TEXTILE STANDARD GOTS

RECYCLED 100 claim standard ©TextileExchange

RECYCLED BLENDED claim standard

COTTON USA™ THE COTTON THE WORLD TRUSTS

Global Recycled Standard

BCI Better Cotton Initiative

ORGANIC BLENDED content standard

ORGANIC 100 content standard ©TextileExchange

C-TPAT

INDITEX

U.S. COTTON TRUST PROTOCOL®

OEKO-TEX® INSPIRING CONFIDENCE MADE IN GREEN

OEKO-TEX® CONFIDENCE IN TEXTILES STANDARD 100

COTTON MADE IN AFRICA

SUSTAINABILITY DEVELOPMENT GOALS

We contribute to achieving the SDGs (Sustainable Development Goals) through our business activities in a broad range of markets associated with ocean, land, and air transport.

6 CLEAN WATER AND SANITATION

- Controlled & hygienic water dispensing system
- RO Plant
- Controlled plumbing & sanitation system

7 AFFORDABLE AND CLEAN ENERGY

- Solar PV Capacity 3MW
- Waste Heat Recovery System
- Energy Efficient Motors IE3 & IE4

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Integrated Building Management System (iBMS)
- USGB Leed Certification
- Selection of industry 4.0 machines, equipped with regenerated motors

11 SUSTAINABLE CITIES AND COMMUNITIES

- Implemented policies for inclusion, resource efficiency, & disaster risk reduction
- Green spaces at Mill for workers & their families

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Margasa, textile recycling plant
- Producing Yarn with reclaimed material like r-PET sourced from Pinnacle fibers, a subsidiary of Premium Textile Mills

13 CLIMATE ACTION

- Miyawaki Forest underway; A magnificent and eco-friendly project

14 LIFE BELOW WATER

- ETP 750 m3/day
- Reusing dyeing water discharge for fiber stamping machine
- Minimum dyeing liquor Ratio
- Employment of Nano-Bubble technology in wet processing

15 LIFE ON LAND

Obtained certifications like Cyclo to produce recycled yarn hence preserving natural resources

CEO'S MESSAGE

Our ambition is to drive sustainable long-term growth, build a strong business and help shape a better world for the generations to come.”

Living up to our reputation, we have set goals to cater to our clients’ satisfaction while keeping environmental sustainability in mind.

With our existing textile export, we aspire to expand our international presence by diversifying our business portfolio thus maximizing returns for our shareholders, workers, customers and the community at large. The latest addition to our portfolio is our socks manufacturing unit with the most technologically advanced manufacturing setup of Sbys fully automated machines which do not require any stiching.

Keeping in line with the UN’s Sustainable Development Goals, we are set to establish an educational facility in partnership with The Citizens Foundation (TCF) to provide formal education opportunities to underprivileged students. For our workers and their families, we have maintained open spaces and parks in the mill's vicinity.

Moreover, we are committed to mobilizing finances towards sustainable solutions including low-carbon, renewable energy, and water stewardship initiatives. Our ongoing projects include the expansion of the Solar Power project, an effluent treatment plant with a capacity of 750cubic meters/day. We have recently adopted an urban forest plan to establish a green space within our mill’s vicinity.

We desire to be known as forward-looking, innovative, and leading manufacturers in the textile world.

OUR LEADERSHIP

BOARD OF DIRECTORS

Mr. Abdul Kadir Haji Adam

Chief Executive

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

Mr. Mohammed Yasin Siddik

Executive Director

Education:

- Matric Graduation

St. Patrick's School Karachi (1973) 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 mill based on 12,380 spindles in the Public Listed Sector and gradually increased it now to 91,782 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 I9.9 Billion.
- Have held the office of Chairman APTMA (Sindh Baluchistan.) for 3 years.
- Was elected Chairman APTMA (All Pakistan.) 2013-2014.

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 positions. He actively participates in planning for the new projects and bared in an excellent manner for expansion & development. He attained very good experience in Textile Spinning, weaving & finishing. He has the experience and is competent in business dealing especially for procurement of plant & machinery.

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 for 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 materials & others assets. He has a rich experience in export sales as well as in the 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 in Textile, participating in the planning of expansions and new projects.

Ms. Lubna Asif

Non-Executive Director Independent Director

Ms. Lubna Asif joined the Board in February 2021. She graduated from St. Joseph's 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 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 Independent Director

Mr. Tanzeel Abdul Sattar has been associated with NIT (National Investment Trust Ltd). He has had five 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 COMMITTEE

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, and the provision by the external auditors of any service to the company in addition to the 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 significantly 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 the scope and extent of internal audit and ensure 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)

The Human Resource and Remuneration (HR&R) Committee has three members comprising a majority of non executive directors including the 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:

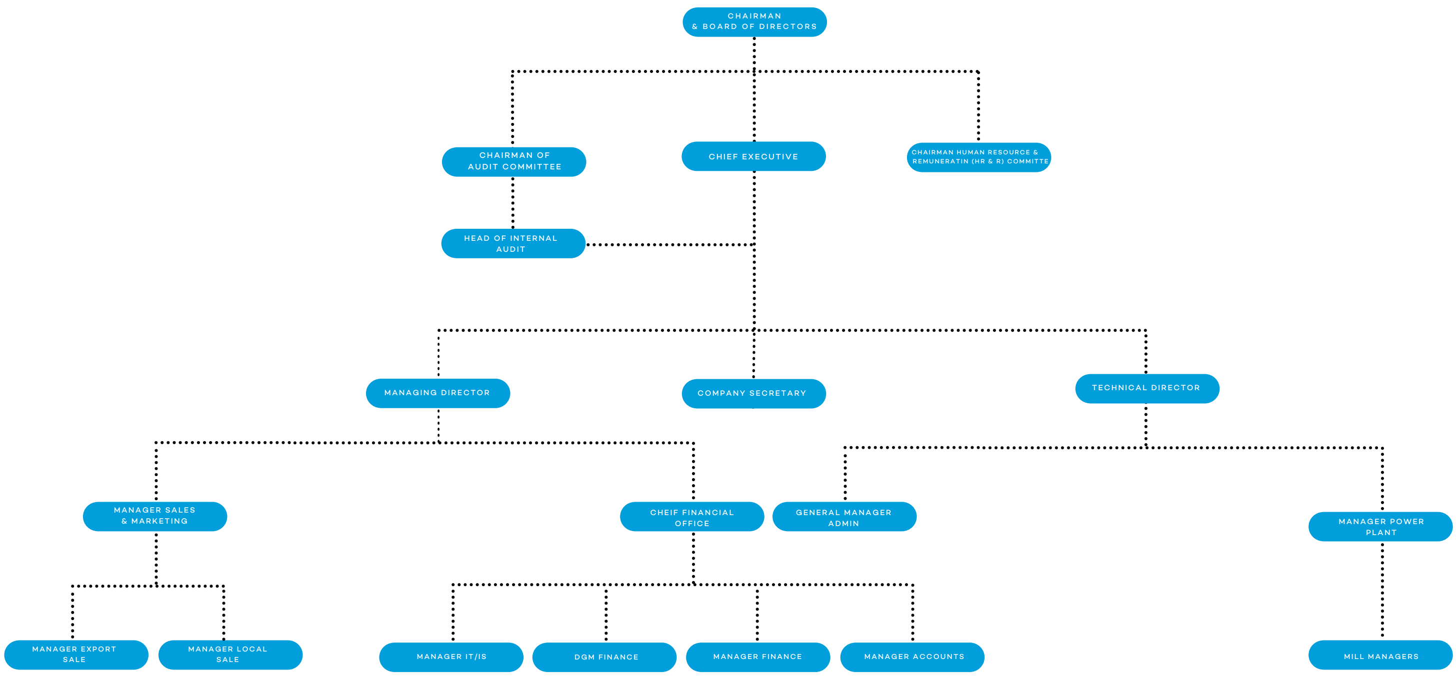
1. Recommending human resource management policies to the board;

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, and compensation (including retirement benefits) of COO, CFO, Company Secretary, and Head internal Audit; and

4. Consideration and approval of recommendations of CEO on such matters for key management positions who report directly to CEO or COO.

ORGANOGRAM



ORGANIZATION STRUCTURE

Mr. Mohammad Aslam (Chairman)
Mr. Abdul Kadir Haji Adam (Chief Executive)
Mr. Mohammad Yasin Siddik (Executive Director)
Mr. Mohammad Ali Jaliawala (Director)
Mr. Mohammad Tufail (Director)
Ms.Lubna Asif (Director)
Mr. Tanzeel Abdul Sattar (NIT) (Director)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that

NOTICE is hereby given that the 35th Annual General Meeting of the Shareholders of PREMIUM TEXTILE MILLS LIMITED will be held on Wednesday the 26th October 2022 at 12:00 noon at Registered Office 1st Floor, Haji Adam Chambers, Altaf Hussain Road, Karachi, to transact the following business:

1. To confirm minutes of the 34thAnnual General Meeting held on October 27, 2021.
2. To receive, consider and adopt the Report of Directors, Auditors, and Audited Accounts of the Company for the year ended 30th June 2022.
3. To approve the payment of the Final cash dividend @ 500% (i.e.Rs 50.00/- per share) as recommended by the Board of Directors. Additionally, the Interim cash dividend @ 500% (i.e Rs. 50/- per share as recommended by the Board of Directors has already been paid.
4. To appoint Auditors for the next year 2022-2023 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 to increase the remuneration of the working Directors”

Chief Executive Mr. Abdul Kadir Adam from Rs.1,015,000 to Rs.1,250,000 and Executive Director Mr. Yasin Siddik from Rs.810,000 to Rs. 1,000,000 per month.

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

By order of the Board of Directors

Karachi:
04th October, 2022

YASIN SIDDIK
Executive Director

Participation in AGM through on line facilities or physical presence:

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..
The shareholders of PTML are encouraged to participate in the 35th 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) I Ltd.at least 48 hours before the meeting time of AGM at fdregistrar@yahoo.com. In order to facilitate the shareholders the company in addition to convening a physical meeting has arranged attendance of shareholders virtually.

The shareholders will be able to login and participate in the 35th 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 11.30 a.m. on October 26, 2022 enabling the participants to join the proceedings which will be started at 12.00 noon 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 35th AGM of the Company at least two working days before the AGM, at fdregistrar@yahoo.com or Whatsapp or SMS on Cell no. 0309-2953146 (timing 9.00 am to 6 pm) 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 20st October 2022 to 26th October 2022 (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 19th October, 2022 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 a cash dividend to its shareholders only through electronic mode directly into a 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 (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 dividends, if the necessary information is not provided by shareholders.
Shares are held in CDC the Electronic Credit Mandate Form must be submitted directly to the shareholder's broker/participant/CDC account services.

7. Withholding Tax on Dividend Income:

The 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.

<table>
<tr><th rowspan="2">Company Name</th><th rowspan="2">Folio/CDC Account No.</th><th rowspan="2">Total Shares</th><th colspan="2">Principal Shareholder</th><th colspan="2">Joint Shareholder(s)</th></tr>
<tr><th>Name & CNIC No.</th><th>Shareholding Proportion(No. of Shares)</th><th>Name & CNIC No.</th><th>Shareholding Proportion (No. of shares)</th></tr>
</table>

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 a valid tax exemption certificate is made available to the Company's Share Registrar by 19th October, 2022.

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, 2022, 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, has allowed circulating 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 a printed copy of the Annual Report 2022 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 the annual general meeting electronically in the future are requested to send their email addresses on the consent form placed on the Company's website (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 a CDC sub-account with any of the brokers or Investor Accounts 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 shares is not permitted as per existing regulations of the Stock Exchange.

DIRECTORS' REPORT

To the Shareholders

The Directors of Premium Textile Mills are pleased to submit the Annual Report along with the audited financial statements of the Company for the year ended 30th June, 2022.

DIRECTORS' REPORT

To the Shareholders

Dear Shareholders,

The Directors are pleased to present to you the 35th Annual Report together with the Audited accounts of the Company for the year ended 30th June 2022 for your consideration and approval.

PKR Million	2022	2021
Operating Profit	4,956,172,338	2,069,720,237
Financial & Others	(346,662,750)	(565,788,183)
Profit before Tax	4,609,509,588	1,503,932,054
Tax	(299,132,208)	(117,673,260)
Profit after tax	**4,310,377,380**	**1,386,258,794**
Earnings per share	699.40	224.93
Gross Margin %	27.94 %	21.37 %
Operating Profit %	24.81 %	18.02%

Dividends:

The Board of Directors of the Company has recommended following final appropriations for the FY-21-22 for approval of the members at the Annual General Meeting to be held on 26th October, 2022:
Interim Cash Dividend of Rs. 50 /- per share i.e 500%
Final Cash Dividend of Rs. 50/- Per share, i.e., 500% (2021: Rs 50/- per share, i.e.,500%).

Financial Highlights

The net turnover of the Company grew by 73.95% from Rs 11.484 billion to 19.977 billion due to higher demand and higher average selling prices. The gross margin increased by 6.57% due to complete capacity utilization, higher sales and effective cost control mechanism. Finance Costs increased by 46.59% due to increase in markup rates and increase in short term borrowings.
Profit after tax for the year ended June 30, 2022 was 4.310 billion and EPS Rs.699.40 per share.

Business Performance Highlights

PRINCIPAL ACTIVITY

The principal activity of the Company is manufacturing of yam .

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 yam 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 have implemented SAP B-1 to help manage financial operations & 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 & to achieve the company objectives in line with its mission & vision statement.

Forward Looking

The company has set up a socks manufacturing plant considering its passion for innovation as well as its focus on adding value and increasing export % in total production. This achievement was possible with the dedicated team of Premium Textile mills Ltd. In line with the objectives of the company to constantly strive to serve our customers better with products that meet the highest quality standards and parameters. Socks have immense export potential as well as huge growth possibilities.

This project is as of today into trial production and has a capacity to produce 165,000 dozens per month when it starts commercial production.

During the year under review following assets have been added:

LAND	Rs. 7.604 Million
BUILDING	Rs. 182.710 Million
MACHINERY	
Auto Coro -9 (3 SETS)	Rs. 610.339 million
Spinning Assembly and Rings	Rs. 33.868 million
Testing Instruments	Rs. 30.796 million
Waste Recycling Machine	Rs. 30.027 million
Blow Room Machinery	Rs. 19.733 million
Yarn Conditioning Machine	Rs. 19.701 million
Air Conditioning Plant	Rs. 19.128 million
Bale Press	Rs. 12.074 million
Dust & Waste Removal system	Rs. 10.635 million
Cooling Tower	Rs. 8.859 million
Refrigeration Dryer	Rs. 5.767 million
Air Humidification Plant	Rs. 4.705 million
Fibre Glass Duct	Rs 4.310 million
Roving Waste Operating Machine	Rs 3.116 million
Auto Bale Plucker	Rs. 3.6 million
MK -7 Chute Feed	Rs. 2.1 million
Other Auxillary Machines	Rs. 15.406 million
OFFICE & LAB EQUIPMENT	Rs. 8.037 million
ELECTRICAL INSTALLATIONS	Rs 203.424 million
FURNITURE & FIXTURES	Rs. 8.249 million
VEHICLES	Rs. 218.773 million
COMPUTER EQUIPMENT	Rs. 10.574 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

Chairman Member 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 to the national economy of account of Taxes & Other levies; during the period under review, our company paid Rs.562.88-million as tax & customs duties.

Charity and Donation

Charity and donations amounting to Rs.44.235 million were paid during the period.

Rural Development Program

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

The tensions between Russia and Ukraine have continued thereby creating greater global uncertainty.

A substantial increase in prices of fuel products and food items will lead to high inflation levels throughout the world. This, in turn, will put pressure on disposable incomes whereby people will be forced to spend more on food, electricity, and gas for heating and therefore we forecast demand destruction for clothing items.

In such an environment it will be a tough road ahead for the textile industry and it will require a lot more vigilance and cost-cutting for which your company is preparing beforehand by cutting down on costs and increasing efficiency.

Corporate & Financial Reporting Framework

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 present 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 the 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, have 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 a capital expenditure in different departments of the mill. This was done in line with the company's objective of providing quality products and value-added yam.

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

Name of Directors	Meetings
1. Mr.Aslam Parekh	4
2. Mr. Abdul Kadir Adam	4
3. Mr. M.Yasin Siddik	4
4. Mr. Mohammad Tufail	4
5. Mr. Mohammad Ali Jaliawala	4
6. Ms. Lubna Asif	4
7. Mr.Tanzeel Abdul Sattar (NIT Nominee)	4

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

	Opening Balance	Purchases/ Sale/Gifted	Tansfer/Gifted	Closing Balance
	01-07-2021			30-06-2022
Mr.Abdul Kadir Adam	19,386	-	-	19,386
Mr. Yasin Siddik	284,075	12,000	-	296,075
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, 2022 is annexed.

Acknowledgements

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 THE BOARD OF DIRECTORS

Mr. Abdul Kadir Adam
Chief Executive

Mr. Yasin Siddik
Executive Director

04th October, 2022
Karachi.

سر براہ کی رپورٹ

معزز حصص یافتگان

کمپنی کے تمام سربراہان ۳۵ ویں سالانہ رپورٹ آڈٹ اکاؤنٹس کے ساتھ برائے سال ۳۰ جون ۲ ۰ ۲ ۲ بڑی خوشی کے ساتھ آپ تمام حضرات کو آپ تمام حضرات کی منظوری کے لئے پیش کر رہے ہیں ۔

اجتماعی نتیجہ

	۲۰۲۲	۲۰۲۱
منافع	**4,956,172,338**	**2,069,720,237**
مالیاتی	**(346,662,750)**	**(565,788,183)**
ٹیکسیشن سے پہلے منافع	**4,609,509,588**	**1,503,932,054**
ٹیکسیشن	**(299,132,208)**	**(117,673,260)**
ٹیکسیشن کے بعد منافع	**4,310,377,380**	**1,386,258,794**
فی حصص آمدنی	**699.40**	**224.93**
مجموعی منافع	**27.94 %**	**21.37 %**
منافع	**24.81 %**	**18.02%**

مالیاتی سرخیاں:

کمپنی کا خالص کاروبار 73.95 فیصد بڑھ کر 11.484 بلین روپے سے بڑھ کر 19.977 بلین ہو گیا جس کی وجہ زیادہ مانگ اور زیادہ اوسط فروخت کی قیمت ہے۔ مجموعی مارجن میں 6.57 فیصد اضافہ ہوا جس کی وجہ مکمل صلاحیت کے استعمال، زیادہ فروخت اور لاگت پر قابو پانے کے طریقہ کار ہے۔ مارک اپ کی شرح میں اضافے اور مختصر مدت کے قرضوں میں اضافے کی وجہ سے مالیاتی لاگت میں 46.59 فیصد اضافہ ہوا۔

30جون2022کو ختم ہونے والے سال کے دوران بعداز ٹیکس منافع4.310ارب روپے اور ای پی ایس699.40روپے فی شیئر رہا۔

ڈیویڈنڈ

کمپنی کے بورڈ آف ڈائریکٹرز نے26اکتوبر2022کو ہونے والے سالانہ عام اجلاس میں اراکین کی منظوری کے لیےFY-21-22کے لیے درج ذیل حتمی تخصیصات کی سفارش کی ہے:

Interim Cash Dividend of Rs. 50 /- per share i.e 500%

Final Cash Dividend of Rs. 50/- Per share, i.e.,500% (2021: Rs 50/- per share, i.e.,500%).

کاروباری کارکردگی کی سرخیاں

بنیادی سرگرمی

کمپنی کی بنیادی سرگرمی دھاگے کی تیاری ہے۔

مصنوعات کی تقسیم اور بہتری

ہم نے آٹو کورو ٹیکسٹائل مشینری حاصل کی ہے جس کی وجہ سے ہم نے توانائی کی کارکردگی اور پیداواری صلاحیت میں نئے معیارات حاصل کیے ہیں۔ اس نے مزدوری کے اخراجات کو کم کیا ہے اور دھاگے کے معیار کو بڑے پیمانے پر بہتر کیا ہے۔ اس نے دیکھ بھال کے اخراجات کو کم کرنے میں بھی مدد کی ہے۔ اس کے علاوہ، ہم نے لنک کونرز کے ساتھ لمبے فریم لگائے ہیں جس سے معیار میں بہتری اور مزدوری کی لاگت میں کافی حد تک کمی آئی ہے۔

دوسری طرف، ہم مالیاتی آپریشنز کو منظم کرنے اور کاروباری مقاصد کو حاصل کرنے میں مدد کرنے کے لئے SAP -1 کو نافذ کرنے کے عمل میں ہیں. یہ ہماری انفارمیشن ٹیکنالوجی کی ضروریات کو پورا کرنے میں کارکردگی کے حصول میں مددگار ثابت ہوگی ۔

کمپنی کے مقاصد کو اپنے مشن اور وژن کے بیان کے مطابق حاصل کرنے کے لیے۔

فارورڈ لوکنگ انفارمیشن

کمپنی نے جدت طرازی کے جذبے کے ساتھ ساتھ مجموعی پیداوار میں قدر میں اضافے اور برآمدات میں اضافے پر اپنی توجہ مرکوز کرتے ہوئے جرابیں بنانے کا پلانٹ لگایا ہے۔ یہ کامیابی پریمیم ٹیکسٹائل ملز لمیٹڈ کی سرشار ٹیم کے ساتھ ممکن ہوئی۔ کمپنی کے مقاصد کے مطابق مسلسل ہمارے گاہکوں کو اعلیٰ ترین معیار کے معیار اور پیرامیٹرز کو پورا کرنے والی مصنوعات کے ساتھ بہتر خدمت کرنے کی کوشش کریں. جرابوں میں برآمد کی بے پناہ صلاحیت کے ساتھ ساتھ ترقی کے بہت بڑے امکانات بھی ہیں۔ یہ منصوبہ آج آزمائشی پیداوار میں ہے اور تجارتی پیداوار شروع ہونے پر ہر ماہ 165،000 درجن پیدا کرنے کی صلاحیت رکھتا ہے۔

مندرجہ ذیل اثاثوں میں اسی سال اضافہ کیا گیا ہے

زمین	Rs. 7.604 million
بلڈنگ	Rs.182.710 million
مشینری	
آٹوکورو-9 (3 سیٹس)	Rs. 610.339 million
سپننگ اسمبلی اور رنگ	Rs. 33.868 million
ٹیسٹنگ کے آلات	Rs. 30.796 million
ویسٹ ری سائیکلنگ مشین	Rs. 30.027 million
بلوروم مشینری	Rs.19.733 million
سوت کنڈیشنگ مشین	Rs.19.701 million
ایئر کنڈیشننگ پلانٹ	Rs. 19.128 million
بیل پریس	Rs. 12.074 million
دھول اور فضلہ ہٹانے کا نظام	Rs. 10.635 million
کولنگ ٹاور	Rs. 8.859 million
ریفریجریشن ڈرائر	Rs. 5.767 million
ایئر ہیومیڈیفیکیشن پلانٹ	Rs. 4.705 million
فائبر گلاس ڈکٹ	Rs 4.310 million
رووِنگ فضلہ آپریٹنگ مشین	Rs 3.116 million
آٹو بیل پلکر	Rs. 3.6 million
ایم کے-7 چوٹ فیڈ	Rs. 2.1million
دیگر معاون مشینیں	Rs.15.406 million
دفتر اور لیب ایکوئپمنٹ	Rs. 8.037 million
بجلی کی تنصیبات	Rs. 203.42 million
فرنیچر اور فکسچر	Rs. 8.249 million

گاڑیاں	Rs. 218.773 million
کمپیوٹر کا سامان	Rs.10.574 million

کارپوریٹ ماحولیات، صحت اور سماجی ذمہ داری:

کمپنی تمام ملازمین کی صحت کو مد نظر رکھتے ہوئے حفظان صحت کے اصولوں کے مطابق کام کرتی ہے ہما را 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 جا تا ہے۔ سیفٹی آلات کمپنی کی مختلف جگہوں پر رکھے گئے ہیں اور ساتھ ہی رجسٹر ہیڈ آفس میں بھی رکھے گئے ہیں ۔

طبّی مشورے اور علاج کی فراہمی کے لیے مل میں ڈاکٹر کا باقاعدہ دورہ ممکن بنایا گیا ہے۔

بورڈ کمیٹی

بورڈ کی کمیٹیاں درج ذیل افراد پر مشتمل ہوتی ہیں۔

ا۔آڈٹ کمیٹی:

جناب محمد طفیل	چیئرمین
جناب محمد علی جلیاوالا	ممبر
محترمہ لبنیٰ آصف	ممبر

ب۔ایچ آر اور معاوضہ کمیٹی

جناب محمد علی جلیاوالا	چیئرمین
جناب محمد طفیل	ممبر
محترمہ لبنیٰ آصف	ممبر

قومی خزانے میں شراکت

پریمیئم ٹیکسٹائل ہر سال اپنا ٹیکس باقاعدگی سے جمع کرواتی ہے تاکہ ملکی خزانہ میں پیسے آتے رہیں۔اس سال ہماری کمپنی نے ٹیکس اور کسٹم ڈیوٹی کے طور پر 562.88 ملین روپے ادا کیے۔

خیرات اور عطیات

اس سال صدقہ وخیرات اور عطیات کے لیے 44.235 ملین روپے ادا کیے گئے۔

دیہی ترقیاتی پروگرام

چونکہ فیکٹری نوری آباد انڈسٹریل اسٹیٹ کے قریب ایک سپرہائی وے پر واقع ہے اس لئے مینوفیکچرنگ ،لوڈنگ ،ان لوڈنگ ،پیکنگ، سیکیورٹی وغیرہ کے شعبوں میں قریبی علاقے کے افراد کو روزگار فراہم کیا گیا ہے۔ پریمیم ٹیکسٹائل ملز لمیٹڈ کارپوریٹ 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،انسداد بدعنوانی کے اقدامات،اور قومی خزانے میں شراکت کے ذریعے فعال کارپوریٹ شہریت پر عمل کرتا ہے.

مستقبل کا نقطہ نظر

روس اور یوکرین کے درمیان تناؤ جاری ہے جس سے عالمی سطح پر غیر یقینی صورتحال پیدا ہو گئی ہے۔ ایندھن کی مصنوعات اور کھانے پینے کی اشیاء کی قیمتوں میں خاطر خواہ اضافہ پوری دنیا میں مہنگائی کی سطح کو بلند کرنے کا باعث بنے گا۔ اس کے نتیجے میں، ڈسپوزایبل آمدنی پر دباؤ پڑے گا جس کے تحت لوگ خوراک، بجلی اور گیس پر زیادہ خرچ کرنے پر مجبور ہوں گے اور اس وجہ سے ہم لباس کی اشیاء کی مانگ میں شدید کمی کی پیش گوئی کرتے ہیں۔

ایسے ماحول میں ٹیکسٹائل کی صنعت کے لیے یہ ایک مشکل راستہ ہوگا اور اس کے لیے بہت زیادہ چوکسی اور لاگت میں کمی کی ضرورت ہوگی جس کے لیے آپ کی کمپنی اخراجات میں کمی اور کارکردگی میں اضافہ کرکے پہلے سے تیاری کرنا۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

کمپنی کارپوریٹ گورننس کے معیار کے لئے پرعزم ہے اور مسلسل بہتری کی تلاش کر رہی ہے۔ کمپنی مندرجہ ذیل طریقے سے موجود اصولوں کا اطلاق کرتی ہے۔

۱۔ کمپنی کی طرف سے تیار کردہ مالیاتی بیانات، کاموں، نقدی کے بہاؤ، اور ایکویٹی میں تبدیلیوں میں اس کی حالت 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 پرمبنی ہوتا ہے ، مالی بیانات اور کسی بھی انحراف کا کافی حد تک انکشاف کیا جا تا ہے ۔

۴۔بین الاقوامی اکاؤنٹنگ معیارات، جو پاکستان میں لاگو ہوتے ہیں، تیاری کے دوران عمل میں لائے گئے ہیں۔

۵۔اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

۶۔کارپوریٹ گورننس کے بہترین طریقوں سے کوئی انحراف نہیں ہوا ہے، جیسا کہ فہرست سازی کے ضوابط میں ذکر کیا گیا ہے۔

۷۔کی مقدار اور فروخت کے لحاظ (Yarm) کمپنی کے ریکارڈ میں فروخت کے حوالے سے مستقبل کے امکانات کو مد نظر رکھتے ہوئے منصوبہ بندی کے مطابق ویلیو موت سے نموکو ظاہر کیا گیا ہے، کمپنی مل کے مختلف محکموں میں سرمایہ خرچ کر کے اپنی پیداواری کارکردگی میں بہتری لائی ہے ۔

فراہم کرنے کے مقصد کے مطابق کیا گیا ہے۔ جائزہ لینے والے سال کے دوران بورڈ آف ڈائریکٹرز کے چارا جلاس (Yarm) یہ کمپنی کی معیاری مصنوعات اور ویلیوسوت ہوئے اور اس میں شرکت کی ۔

۸۔زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے اور ان میں مندرجہ ذیل شرکت کی گئی۔

ڈائریکٹرز کے نام	میٹنگ
جناب اسلم پاریکھ	4
جناب عبدالقادر آدم	4
جناب ایم یاسین صدیق	4
جناب طفیل ستار	4
جناب ایم علی جلیاوالا	4
محترمہ لبنیٰ آصف	4
جناب تنظیم عبدالستار (این آئی ٹی نامزد)	4

زیر نظر سال کے دوران، ڈائریکٹرز، سی ای او اور ان کی شریک حیات کی طرف سے کمپنی کے حصص کی تجارت درج ذیل ہے

	او پینگ بینلس	خرید/ٹرانسفر/تحفہ	فروخت/تحفہ	کلوزنگ بیلنس
	01-07-2021			30-06-22
جناب عبدالقادر آدم	19،386	-	-	19،386
جناب ایم یاسین صدیق	284,075	12،000	-	296,075
محترمہ نبیلہ یاسین	121,858	-	-	121,858

آڈیٹرز

کمپنی کے موجودہ آڈیٹر جناب رحمان سرفراز ، رحیم اقبال ،رفیق)چارٹرڈا کا اونٹ کو دوبارہ آڈیٹر کیلئے نامزد کیا گیا ہے۔

شیئر ہولڈنگ کا مراسلہ

کمپنی کی شیئر ہولڈنگ کا نمونہ 30 جون 2022 کوالحاق کرلیا 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 شکر ادا کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

جناب عبدالقادر آدم
چیف ایگزیکٹو

جناب یاسین صدیق
ایگزیکٹو ڈائریکٹر

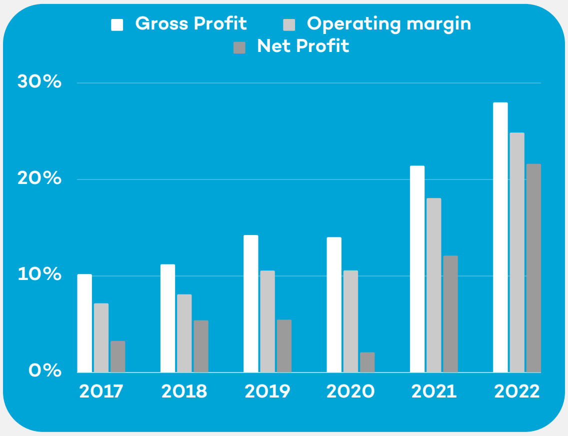
04 اکتوبر 2022
کراچی.

KEY FINANCIAL DATA

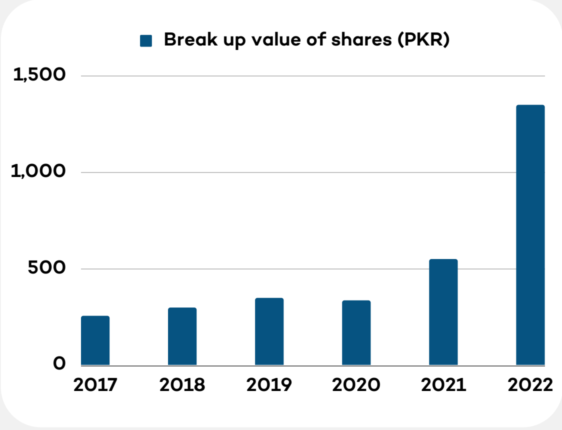
Six Years at a Glance

	2022	2021	2020	2019	2018	2017
OPERATING DATA						
Sales (net)	19,976,813,131	11,484,466,704	8,771,413,766	8,492,199,066	6,431,373,187	5,413,151,340
Cost of Goods sold	14,394,726,682	9,030,179,730	7,546,976,748	7,288,305,043	5,714,212,560	4,864,806,065
Gross profit	5,582,086,449	2,454,286,974	1,224,437,018	1,203,894,023	717,160,627	548,345,275
Operating profit	4,956,172,338	2,069,720,237	923,344,117	892,994,355	517,631,815	385,470,596
Financial charges and others	346,662,750	565,788,183	653,176,821	361,655,155	189,992,426	178,548,310
Profit/(Loss) before Taxation	4,609,509,588	1,503,932,054	270,167,296	531,339,200	327,639,389	206,922,286
Profit/(Loss) After Taxation	4,310,377,380	1,386,258,794	181,451,855	461,655,474	345,351,085	175,596,687
FINANCIAL DATA						
Shareholders equity	8,308,047,637	3,372,572,329	2,050,330,119	2,128,901,862	1,819,827,934	1,555,593,911
Long Term Liabilities	4,743,782,747	4,309,884,273	2,366,168,168	1,586,434,250	1,403,775,478	805,266,207
Deferred liabilities	1,198,268,756	976,906,148	311,423,425	261,720,432	8,135,162	31,428,869
Current Liabilities	6,692,355,096	4,596,957,050	4,827,264,420	3,888,638,541	2,435,987,851	2,472,733,116
	20,942,454,236	**13,256,319,800**	**9,555,186,132**	**7,865,695,085**	**5,667,726,425**	**4,865,022,103**
Fixed Assets	10,011,202,510	6,788,402,075	4,207,779,137	3,312,870,055	2,791,194,470	2,113,732,135
Long term Deposit	19,323,290	2,768,255	2,149,100	1,999,100	1,999,100	1,504,100
Current assets	10,911,928,436	6,465,149,470	5,345,257,895	4,550,825,930	2,874,532,855	2,749,785,868
	20,942,454,236	**13,256,319,800**	**9,555,186,132**	**7,865,695,085**	**5,667,726,425**	**4,865,022,103**
KEY RATIOS						
Gross Profit	27.94%	21.37%	13.96%	14.18%	11.15%	10.13%
Operating margin	24.81%	18.02%	10.53%	10.51%	8.05%	7.12%
Net Profit	21.58%	12.07%	2.07%	5.44%	5.37%	3.24%
Current Ratio	1.63	1.41	1.11	1.17	1.18	1.11
Earning per share (Rupees)	699.40	224.93	29.44	74.91	56.04	28.49
Break up value of shares (Rupees)	1,348.05	547.23	332.68	345.43	295.28	252.41
Cash dividend %	1000%	500%	80%	225.00%	225.00%	125.00%
STATISTICS						
Spindles Installed	91,782	85,538	81,660	75,540	73,308	77,628
Spindles worked	87,742	81,348	69,778	68,814	69,291	68,215
Production capacity 20/s in kgs	42,257,781	33,349,596	33,620,034	28,966,403	25,656,625	26,507,906
Actual Production Conversion 20/s kgs	39,968,903	31,432,443	28,728,098	25,457,634	24,865,547	20,391,993

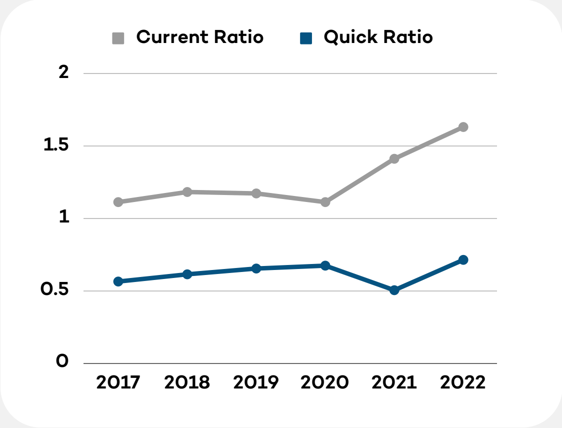
COMPANY PERFORMANCE 2022



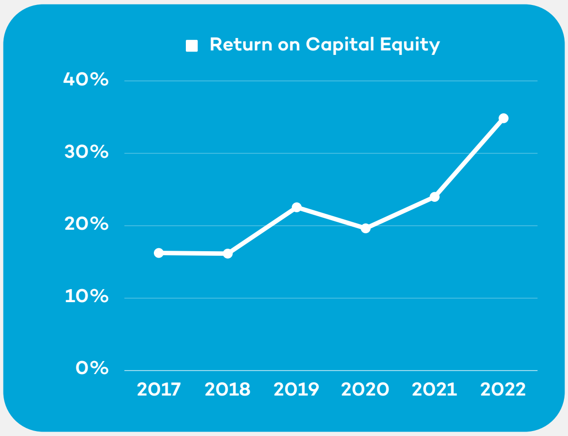
Profitability Ratios



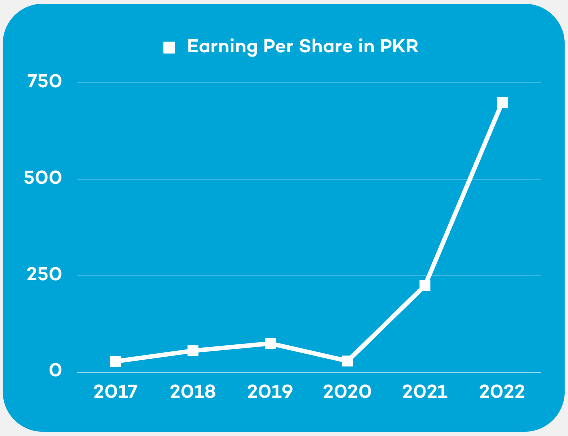
Break up Value of Shares



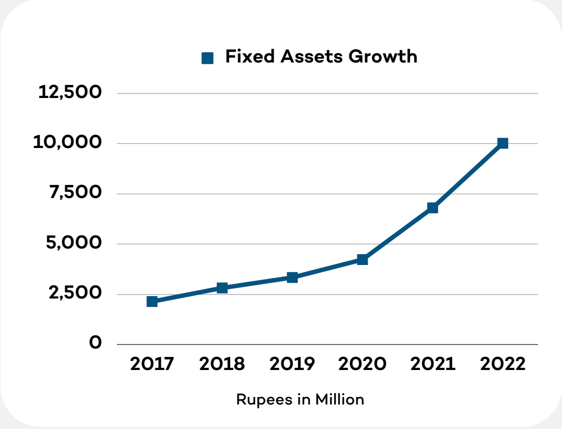
Liquidity Ratio



Return on Capital Equity



Investor's Ratio



Fixed Assets Growth

PATTERN OF SHAREHOLDING

As at June 30, 2022

No. of Shareholders	Shareholdings From		To	Total Shares Held
490	1	-	100	36,400
96	101	-	500	29,802
36	501	-	1000	31,436
54	1001	-	5000	140,872
16	5001	-	10000	128,460
5	10001	-	15000	61,040
3	15001	-	20000	55,886
3	20001	-	25000	67,800
2	35001	-	40000	74,400
1	45001	-	50000	50,000
1	50001	-	55000	51,800
1	70001	-	75000	74,010
1	95001	-	100000	100,000
1	100001	-	105000	100,400
5	110001	-	115000	553,500
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
722				6,163,000

CLASSIFICATION OF SHARES BY CATEGORIES

As at June 30, 2022

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 SPOUSES, MINOR CHILDREN AND RELATIVES			
MR. MUHAMMAD ASLAM PAREKH - CHAIRMAN		12,700	
MR. ABDUL KADER HAJI ADAM - CHIEF EXECUTIVE		19,386	
MR. MOHAMMAD YASIN SIDDIK - EXECUTIVE DIRECTOR		296,075	
MR. MOHAMMAD ALI AKBANI - 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		17,400	
MS. SAADIA YASIN - D/O. YASIN SIDDIK		10,000	
MST. RAZIA		110,700	
MST. NEELUM SIDDIQ		110,700	
MST. FARHEEN SIDDIQ		110,700	
MST. LUBNA SIDDIQ		110,700	
MST. MUNEZA SIDDIQ		110,700	
Sub - Total:		1,036,919	17.35%
NIT AND ICP			
CDC - TRUSTEE NATIONAL INVESMENT (UNIT)		615,623	
INVESTMENT CORP. OF PAKISTAN		500	
	Sub - Total:	616,123	11.80%
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	
CDC - TRUSTEE GOLDEN ARROW STOCK FUND		23,400	
PREMIER FESHONS (PVT.) LTD		18,200	
CDC - TRUSTEE AKD OPPORTUNITY FUND		10,000	
SIZA (Private) Limited		6,500	
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	
FIKREE'S (SMC-PVT) LTD.		381	
MAPLE LEAF CAPITAL LIMITED		1	
	Sub - Total:	3,654,027	59.20%
INDIVIDUAL			
Local - Individuals		855,476	
	Sub - Total:	855,476	11.64%
	Grand Total:	6,163,000	100.00%

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Premium Textile Mills

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
Tel. No. :(021) 34549345-9
E-Mail :info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

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, 2022** in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party 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, 2022.

Karachi

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Date: October 4, 2022
UDIN: CR202210210TaWk5OpHX

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Russell Bedford International
A global netwrok of independent accountancy firms, business consultants and specialist legal advisers.

STATEMENT OF COMPLIANCE

Statement of compliance with listed companies (code of corporate Governance regulations, 2019)

FOR THE YEAR ENDED JUNE 30, 2022

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 has 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, 2022), 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 was completed in Sept 2022	IBA
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 was as follows:

Audit Committee	Quarterly
HR & Remuneration Committee	Annually

15. The Board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is 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 the 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 ca 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 regulations no. 3, 6, 7, 8, 19, 27, 32, 33, and 36 of the Regulations have been complied with.

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

On behalf of the Board of Directors.

Mr. Abdul Kadir Adam
Chief Executive

Mr. Yasin Siddik
Executive Director

FINANCIAL STATEMENTS

For the year ended As of June 30, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements as at June 30, 2022

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
Tel. No. :(021) 34549345-9
E-Mail : info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

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, 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('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, 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the 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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Plot No. 180, Block-A, S.M.C.H.S.
Karachi-74400, PAKISTAN.
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E-Mail : info@rsrir.com
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Following is the Key Audit Matter:

Key audit matter	How the matter was addressed in our audit
Assets obtained under long term financing arrangement As disclosed in note 4.2 to the financial statements, during the year the Company incurred expenditures on various new capital projects amounting, in aggregate, to Rs 2,137 million. Cost of projects completed during the year amounting in aggregate to Rs. 903 million was transferred to operating fixed assets. Such expenditures were mainly financed through long-term financing facilities obtained from commercial banks under the SBP's Temporary Economic Refinance Facility (TERF), Islamic TERF (ITERF) and Financing Scheme for Renewable Energy (refer note 14 to the financial statements). The significant increase represents expansion of existing manufacturing facilities during the year, as well as construction of a socks manufacturing unit under diversification plan of the management. 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.	Our audit procedures to address the matter included, but were not limited to, the following: ▪ Inspecting necessary documentary evidence to verify the occurrence and accuracy of the loan proceeds received from commercial banks, 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 banks 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 as 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.

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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.

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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: October 4, 2022
UDIN: AR2022102104iWgBETd8

Statement of Financial Position

As at June 30, 2022

	Note	2022	2021
		—Rupees—	
ASSETS			
Non- current assets			
Property, plant and equipment	4	**10,011,202,510**	6,791,611,961
Long term advances and deposits	5	**19,323,290**	18,318,255
		10,030,525,800	6,809,930,216
Current assets			
Stores and spares	6	**208,821,081**	175,261,221
Stock in trade	7	**5,689,599,588**	3,665,535,551
Trade debts - net	8	**4,466,962,934**	2,199,212,480
Taxation-net	9	**121,503,904**	159,768,633
Advances, deposits and other receivables	10	**138,880,056**	152,661,157
Cash and bank balances	11	**286,160,873**	93,950,542
		10,911,928,436	6,446,389,584
Total assets		**20,942,454,236**	13,256,319,800
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
7,000,000 (2021: 7,000,000) ordinary shares of Rs. 10/- each		**70,000,000**	70,000,000
Issued, subscribed and paid-up capital	12	**61,630,000**	61,630,000
Capital reserve			
Surplus on revaluation of plant and electrical instruments	13	**1,246,126,234**	2,953,067
Revenue reserve			
Unappropriated profits		**7,000,291,403**	3,307,989,262
Total equity		**8,308,047,637**	3,372,572,329
LIABILITIES			
Non-current liabilities			
Long term financing - secured	14	**4,743,782,747**	4,309,884,273
Deferred liabilities	15	**1,198,268,756**	976,906,148
		5,942,051,503	5,286,790,421
Current liabilities			
Trade and other payables	16	**1,217,162,511**	945,328,902
Unclaimed dividend		**9,795,974**	7,084,759
Accrued markup	17	**149,164,863**	96,507,924
Short term borrowings - secured	18	**4,745,077,327**	3,097,913,612
Current maturity of long term financing	14	**571,154,421**	450,121,853
		6,692,355,096	4,596,957,050
Contingencies and commitments	19		
Total equity and liabilities		**20,942,454,236**	13,256,319,800

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive Officer	**Director**	**Chief Financial Officer**

Premium Textile Mills Limited

Statement of Profit or Loss

For the year ended June 30, 2022

	Note	2022	2021
		Rupees	
Sales - net	20	**19,976,813,131**	11,484,466,704
Cost of sales	21	**(14,394,726,682)**	(9,030,179,730)
Gross profit		**5,582,086,449**	2,454,286,974
Administrative expenses	22	**(311,318,399)**	(189,110,439)
Distribution costs	23	**(314,595,712)**	(195,456,298)
		(625,914,111)	(384,566,737)
Operating profit		**4,956,172,338**	2,069,720,237
Finance costs	24	**(875,804,470)**	(597,432,888)
Other operating expenses	25	**(341,628,530)**	(111,462,204)
Other income / (expenses) - net	26	**870,770,250**	143,106,909
		(346,662,750)	(565,788,183)
Profit before taxation		**4,609,509,588**	1,503,932,054
Taxation	27	**(299,132,208)**	(117,673,260)
Profit after taxation		**4,310,377,380**	1,386,258,794
Earnings per share - basic and diluted	28	**699.40**	224.93

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive Officer	Director	Chief Financial Officer

Premium Textile Mills Limited

Statement of Comprehensive Income

For the year ended June 30, 2022

	2022	2021
	Rupees	
Profit after taxation	**4,310,377,380**	1,386,258,794
Other comprehensive income		
Items that will not be reclassified subsequently to statement of profit or loss		
Actuarial loss on defined benefit obligation	**(2,582,072)**	(14,712,584)
Revaluation increase during the year	**1,243,980,000**	-
Total comprehensive income for the year	**5,551,775,308**	1,371,546,210

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive Officer	**Director**	**Chief Financial Officer**

Premium Textile Mills Limited

Statement of Changes in Equity

For the year ended June 30, 2022

		Revenue reserve	Capital reserve	
	Issued, subscribed and paid up capital	Unappropriated profits	Surplus on revaluation of plant and equipment	Total
	Rupees			
Balance as at June 30, 2020	61,630,000	1,985,418,933	3,281,186	2,050,330,119
Total comprehensive income for the year ended June 30,2021				
- Profit after taxation	-	1,386,258,794	-	1,386,258,794
- Other comprehensive loss	-	(14,712,584)	-	(14,712,584)
	-	1,371,546,210	-	1,371,546,210
Transfer to unapproppriated profits on account of incremental depreciation	-	328,119	(328,119)	-
Transactions with owners				
Final cash dividend paid @ 80% for the year ended June 30, 2020 (2019: 225%)	-	(49,304,000)	-	(49,304,000)
Balance as at June 30, 2021	61,630,000	3,307,989,262	2,953,067	3,372,572,329
Total comprehensive income for the year ended June 30,2022				
- Profit after taxation	-	**4,310,377,380**	-	**4,310,377,380**
- Other comprehensive (loss) / income	-	**(2,582,072)**	**1,243,980,000**	**1,241,397,928**
	-	**4,307,795,308**	**1,243,980,000**	**5,551,775,308**
Transfer to unapproppriated profit on account of incremental depreciation	-	**568,362**	**(568,362)**	-
Revaluation surplus realized on disposal of fixed assets	-	**238,471**	**(238,471)**	-
Transactions with owners				
Final cash dividend paid @ 500% for the year ended June 30, 2021 (2020: 80%)	-	**(308,150,000)**	-	**(308,150,000)**
Interim cash dividend paid @ 500%	-	**(308,150,000)**	-	**(308,150,000)**
	-	**(616,300,000)**	-	**(616,300,000)**
Balance as at June 30, 2022	**61,630,000**	**7,000,291,403**	**1,246,126,234**	**8,308,047,637**

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive Officer	**Director**	**Chief Financial Officer**

Premium Textile Mills Limited

Statement of Cash Flows
For the year ended June 30, 2022

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		**Rupees**	
Profit before taxation		**4,609,509,588**	1,503,932,054
Adjustments for non cash and other items:			
- Depreciation		**713,684,075**	529,473,690
- Gain on disposal of property, plant and equipment		**(13,114,024)**	(10,004,329)
- Gain on re-measurement of provision for GIDC		**(127,509,447)**	(96,481,874)
- Provision for staff retirement benefits		**93,920,327**	25,575,178
- (Reversal) / provision of expected credit losses		**(14,397,108)**	15,920,095
- Amortization of deferred government grant		**(102,951,929)**	(45,119,260)
- Provision for gas rate difference		**-**	8,166,725
- Provision for Workers' Profit Participation Fund		**247,556,906**	80,769,713
- Provision for Workers' Welfare Fund		**94,071,624**	30,692,491
- Unrealized exchange gain		**(37,190,354)**	(1,598,434)
- Finance costs		**875,804,470**	597,432,888
		1,729,874,540	1,134,826,883
Cash generated from operating activities before working capital changes		**6,339,384,128**	2,638,758,937
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
- Stores and spares		**(33,559,860)**	(58,642,200)
- Stock in trade		**(2,024,064,037)**	(472,232,881)
- Trade debts		**(2,244,562,102)**	(421,484,230)
- Advances, deposits and other receivables		**13,781,101**	(102,145,366)
- Sales tax refundable / payable		**(51,234,405)**	-
Increase / (decrease) in current liabilities			
- Trade and other payables		**48,619,318**	128,113,373
		(4,291,019,985)	(926,391,304)
Cash generated from operations		**2,048,364,143**	1,712,367,633
- Taxes paid	*9.1*	**(203,630,163)**	(134,306,889)
- Taxes refund	*9.1*	**14,569,727**	-
- Staff retirement benefits		**(14,544,587)**	(22,105,147)
- Payment of Workers' Profit Participation Fund		**(97,366,229)**	(17,174,606)
- Payment of Workers' Welfare Fund		**(37,644,526)**	-
- Finance cost paid		**(680,380,699)**	(549,360,725)
- Long term advances and deposits - net		**(1,005,035)**	(619,155)
Net cash generated from operating activities		**1,028,362,631**	988,801,111
CASH FLOWS FROM INVESTING ACTIVITIES			
- Acquisition of property, plant and equipment		**(2,707,526,244)**	(3,132,150,890)
- Proceeds from disposal of property, plant and equipment		**31,345,644**	32,060,000
Net cash used in investing activities		**(2,676,180,600)**	(3,100,090,890)
CASH FLOWS FROM FINANCING ACTIVITIES			
- Repayment of Long term financing (principal portion)		**(399,898,379)**	(103,454,866)
- Long term financing obtained		**1,177,952,639**	2,876,597,805
- Short term borrroiwngs - net		**510,213,703**	299,997,748
- Dividend paid		**(613,588,785)**	(49,045,617)
Net cash generated from financing activities		**674,679,178**	3,024,095,070
Net (decrease) / increase in cash and cash equivalents		**(973,138,791)**	912,805,291
Cash and cash equivalents at the beginning of the year		**(2,703,965,322)**	(3,616,770,613)
Effect of movements in exchange rates on cash held		**28,399,110**	-
Cash and cash equivalents at the end of the year	*29*	**(3,648,705,003)**	(2,703,965,322)

The annexed notes from 1 to 36 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, 2022

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, and from next year, the Company's plan is to manufacture and sell socks under Company's diversification plan.

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 comprise 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 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 Judgments and sources of estimation uncertainty

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

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

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these financial statements is included in the following notes:

Area of judgement	Brief description of the judgement applied
Property, plant and equipment	Whether the consumption of future economic benefits embodied in the Company's fixed assets is reduced over time and, accordingly, whether it is appropriate to use 'diminishing balance method' as the depreciation method.
Timing of revenue recognition	*Local sales revenue:* Whether control of the promised goods is transferred to the customer when the goods are dispatched from the Company's premises;. *Export sales revenue:* Whether **control** of the promised goods is transferred to the customer when the goods are loaded onto the shipping vessel and, as an acknowledgement thereof, a bill of lading is issued by the shipping company.
Financing for payment of wages and salaries / TERF / Renewable energy / ITERF	Whether the financing contains an element of government grant that should be recognized separately as deferred income.

(b) *Assumptions and other major sources of estimation uncertainty*

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Area of estimation uncertainty	Brief description of the assumption or the source of estimation uncertainty
Property, plant and equipment	Estimation of useful lives and residual values of the operating fixed assets
Stores and spares	Estimation of the net realizable value of stores and spares inventory and recognition of the provision for slow-moving items

2.5 New accounting pronouncements

2.5.1 *Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2022.*

During the year, 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:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. 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 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. 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 impacts 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 include:

  a. requiring companies to disclose their material accounting policies rather than their 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 of the Company is currently in the process of assessing the impacts 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 a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 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 company 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 This amendment enables the fair value measurement of biological assets on a post-tax basis.

  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 fixed 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
Raw materials-In transit	At directly attributable cost
Packing material	Weighted average cost
Waste material	At net realizable value
Work-in-process and finsihed goods	At average cost comprising direct cost of raw material, labour and other manufacturing overheads.

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 *(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 34-38 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 local sales

Revenue from sale of goods (yarn) is recegnized 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.

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.

Revenue from export sales

Revenue from sale of goods to foreign customers is recognized when those customers obtain control of the exported goods which is when the goods are loaded onto the shipping vessel and, as an acknowledgement thereof, a bill of lading is issued by the shipping company.

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

The Company comes under Final Tax Regime, having revenue from direct and indirect exports of more than 90% of total revenue. Accordingly, deferred tax is recognized only on export debtors, using the balance sheet liability method.

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	**2022**	2021
		Rupees	
Operating fixed assets	*4.1*	**7,985,418,970**	5,999,819,308
Capital work in progress	*4.2*	**2,025,783,540**	791,792,653

4.1 Operating fixed assets

	Freehold land	Building and godown on free hold land	Plant and machinery	Office, tools, fire fighting and laboratory equipment	Furniture and fixtures	Computer and allied equipment	Vehicles	Electrical instruments and installations	Arms and ammunition	Total
	Rupees									
As at June 30, 2020										
Cost	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 year 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	-	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)
Depreciation for the year	-	(68,886,078)	(387,412,259)	(597,358)	(1,311,160)	(1,758,271)	(14,485,829)	(55,022,549)	(186)	(529,473,690)
Closing 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
As at June 30, 2021										
Cost	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
Movement during the year ended June 30, 2022										
Opening 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**
Additions	**7,603,500**	**35,329,685**	**137,564,878**	**8,037,187**	**8,249,279**	**10,574,455**	**218,773,235**	**144,316,428**	**-**	**570,448,647**
Transfer from CWIP	**-**	**147,380,414**	**696,598,816**	**-**	**-**	**-**	**-**	**59,107,480**	**-**	**903,086,710**
Revaluation surplus recognized	**-**	**-**	**1,094,702,400**	**-**	**-**	**-**	**-**	**149,277,600**	**-**	**1,243,980,000**
Disposals:										
- Cost	**-**	**-**	**(81,130,084)**	**-**	**-**	**-**	**(20,976,417)**	**-**	**-**	**(102,106,501)**
- Accumulated depreciation	**-**	**-**	**70,082,043**	**-**	**-**	**-**	**13,792,838**	**-**	**-**	**83,874,881**
	-	**-**	**(11,048,041)**	**-**	**-**	**-**	**(7,183,579)**	**-**	**-**	**(18,231,620)**
Depreciation for the year	**-**	**(71,989,657)**	**(527,381,575)**	**(501,990)**	**(1,236,412)**	**(1,514,261)**	**(40,387,530)**	**(70,672,483)**	**(167)**	**(713,684,075)**
Closing net book value	**29,668,476**	**796,047,744**	**5,980,657,195**	**12,796,517**	**19,065,236**	**13,568,021**	**254,047,563**	**879,566,712**	**1,506**	**7,985,418,970**
As at June 30, 2022										
Cost	**29,668,476**	**1,383,136,047**	**8,161,825,235**	**24,364,912**	**31,852,701**	**20,100,966**	**360,250,019**	**1,284,226,559**	**37,150**	**11,295,462,065**
Accumulated depreciation	**-**	**(587,088,303)**	**(2,181,168,040)**	**(11,568,395)**	**(12,787,465)**	**(6,532,945)**	**(106,202,456)**	**(404,659,847)**	**(35,644)**	**(3,310,043,095)**
Net book value	**29,668,476**	**796,047,744**	**5,980,657,195**	**12,796,517**	**19,065,236**	**13,568,021**	**254,047,563**	**879,566,712**	**1,506**	**7,985,418,970**
Annual rates of depreciation	**-**	**10%**	**10%**	**10%**	**10%**	**30%**	**20%**	**10%**	**10%**	

			2022	2021
4.1.1	Depreciation for the year has been allocated as under :	*Note*	Rupees	
	Cost of sales	*21.4*	**666,697,765**	518,675,332
	Administrative expenses	*22*	**35,228,688**	10,798,358
	Dyeing and Shoudy departments		**11,757,622**	-
			713,684,075	529,473,690

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

Paricular Of Assets	Cost	Accumulated Depreciation	Book Value	Sales Proceeds	(Gain)/Loss On Disposal	Particulars Of Purchaser	Relation with Buyer	Mode Of Disposal
	Rupees							
S.Cultus BTN-781(2021)	2,175,000	102,496	2,072,504	2,210,000	137,496	Bank Al Habib	None	Negotiation
S.Swift (2017) BHS-619	1,457,750	917,058	540,692	800,000	259,308	Mr MIbtisam	None	Negotiation
Parado BF-7539	7,335,000	5,571,477	1,763,523	4,000,000	2,236,477	Car Deal (show room)	None	Negotiation
S.WagonR BPK-358	1,348,090	672,604	675,486	1,550,000	874,514	Insurance Claim	None	Negotiation
Sets Of Carding Machine MK-5 Lc 219/3	8,039,019	6,332,166	1,706,853	1,125,000	(581,853)	Hanif's Trading Company	None	Negotiation
LC-1542/06 Murata Cone 21-C	12,645,848	9,628,117	3,017,731	3,200,000	182,269	Mubashir Brothers	None	Negotiation
Murat Cone Winder LC-1926/04	12,641,609	10,416,826	2,224,783	576,000	(1,648,783)	Abdul Hameed Traders	None	Negotiation
T.Roving LC-1076/04 (Fl-16)	8,434,971	6,979,236	1,455,735	1,152,000	(303,735)	Abdul Hameed Traders	None	Negotiation
2022	**54,077,287**	**40,619,980**	**13,457,307**	**14,613,000**	**1,155,693**			
2021	75,183,470	53,127,799	22,055,671	32,060,000	10,004,329			

4.1.3

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	104,048

4.1.4 e

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, 2022.

Had there been no revaluation, the net carrying amount of plant and machinery and electrical instruments and installations would have been Rs. 5,607 million (2021: Rs. 5,184 million).

As per the aforesaid valuation, the forced sale value of the plant and machinery and electrical instruments and installations amounted to Rs. 1.057 million.

			2022	2021
4.2	**Capital work in progress**	*Note*	Rupees	
	Opening balance		**791,792,653**	194,186,322
	Additions:			
	- Machinery	*36.3*	**1,401,802,146**	2,688,313,772
	- Civil works		**681,130,223**	150,354,439
	- ERP Software under development		**2,772,380**	4,895,435
	- Solar Renewable Energy		**51,372,848**	21,128,845
			2,137,077,597	2,864,692,491
	Transferred to operating fixed assets		**(903,086,710)**	(2,267,086,160)
			2,025,783,540	791,792,653

Significant additions to CWIP during the year represent purchase of new imported machinery for the Company's existing plants, as well as machinery for a new "Socks Division" under management's diversification plan. The new project is estimated to be fully completed by the end of October 2022.

5.	LONG TERM ADVANCES AND DEPOSITS	Note	Rupees	
	Advances - unsecured			
	- Against vehicles	*36.3*	**16,555,035**	15,550,000
	Deposits			
	- Utilities		**2,535,255**	2,535,255
	- Others		**233,000**	233,000
			2,768,255	2,768,255
			19,323,290	18,318,255
6.	**STORES AND SPARES**			
	In hand		**175,480,762**	173,719,575
	In transit		**33,340,319**	1,541,646
			208,821,081	175,261,221
7.	**STOCK IN TRADE**			
	Raw material			
	- In hand	*21.1*	**4,473,661,596**	2,841,951,125
	- In transit		**818,893,344**	371,611,375
			5,292,554,940	3,213,562,500
	Work in process	*21*	**140,141,739**	91,552,737
	Finished goods		**219,738,944**	339,202,063
	Waste material		**2,097,426**	487,850
		21	**221,836,370**	339,689,913
	Packing materials	*21.3*	**35,066,539**	20,730,401
			5,689,599,588	3,665,535,551
8.	**TRADE DEBTS - net**			
	Local debtors - unsecured	*8.1*	**4,037,091,157**	2,032,239,397
	Foreign debtors - secured		**438,568,942**	190,067,355
			4,475,660,099	2,222,306,752
	Less: Provision for expected credit losses	*8.2*	**(8,697,165)**	(23,094,272)
			4,466,962,934	2,199,212,480

8.1 This includes an amount receivable from M/s. Premium Knits (a related party) amounting to Rs. 263,790,117 as at June 30, 2022 (June 30, 2021: Rs. 423,655). The maximum aggregate amount outstanding during the year calculated by reference to month-end balances was Rs. 263,790,117 (2021: Rs. 55,378,32). The aging analysis of receivable from related parties is as follows:

	2022		2021	
	Gross carrying amount	Life time expected credit	Gross carrying amount	Life time expected credit
	Rupees			
Not past due	57,630,456	-	-	-
Past due 1 to 30 days	41,444,582	-	-	-
Past due 31 to 60 days	86,768,944	4,338,447	-	-
Past due 61 to 90 days	59,616,180	3,717,392	-	-
Past due 91 to 150 days	18,329,955	-	423,655	21,183
	263,790,117	8,055,839	423,655	21,183

8.2 Movement in provision for expected credit losses

	Note	2022	2021
		Rupees	
Opening balance		**23,094,273**	7,174,178
Add: Charge for the year	22.	**-**	15,920,095
Less: Reversal of provision during the year	26.	**(14,397,108)**	-
		8,697,165	23,094,273

9. TAXATION - net

	Note	2022	2021
Income tax refundable	9.1	**70,269,499**	159,768,633
Sales tax refundable		**51,234,405**	-
		121,503,904	159,768,633

9.1 Income tax refundable

	Note	2022	2021
Opening balance		**159,768,633**	138,302,457
Provision for current tax	27	**(278,559,570)**	(112,840,713)
Taxes deducted at source		**203,630,163**	134,306,889
Tax refund during the year		**(14,569,727)**	-
Closing balance		**70,269,499**	159,768,633

10. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	Note	2022	2021
Advances - unsecured			
- Staff		**18,906,979**	5,824,836
- Suppliers	36.3	**86,543,754**	137,158,955
		105,450,733	142,983,791
Deposits			
- Security deposits		**7,592,685**	2,591,384
Prepayments			
- Insurance		**563,053**	-
Other receivables - unsecured			
- Duty drawback receivable		**200,308**	200,308
- Claims receivable	10.1	**24,082,704**	6,558,327
- Other receivables		**990,573**	327,347
		25,273,585	7,085,982
		138,880,056	152,661,157

10.1 These represent claim receivable from suppliers in respect of weight shortage and quality problems.

11. CASH AND BANK BALANCES

	2022	2021
	Rupees	
Cash in hand	**1,929,981**	2,353,103
Cash with banks - current accounts	**284,230,892**	91,597,439
	286,160,873	93,950,542

12. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022	2021			
-------(Number of shares)------				
6,163,000	6,163,000	Ordinary shares of Rs.10/- each fully paid in cash	**61,630,000**	61,630,000

12.1 There are no agreements among shareholders for voting rights, board selection, rights of first refusal and block voting.

			2022	2021
13.	**SURPLUS ON REVALUATION OF PLANT AND ELECTRICAL INSTRUMENTS**	*Note*	Rupees	
	Opening balance		**2,953,067**	3,281,186
	Revaluation increase during the year		**1,243,980,000**	-
	Realized on disposal of assets		**(238,471)**	-
	Incremental depreciation charged during the year		**(568,362)**	(328,119)
			1,246,126,234	2,953,067
14.	**LONG TERM Financing- secured**			
	Bank Al-Habib Limited			
	- Long Term Finance Facility (LTFF)	*14.1*	**1,687,970,674**	1,399,857,850
	- Refinance Scheme for Payment of Wages and salaries	*14.2*	**55,970,110**	165,727,459
	- Temporary Economic Refinance Facility (TERF)	*14.3*	**1,518,659,437**	1,356,339,438
	- Financing Scheme for Renewable Energy	*14.4*	**136,987,189**	50,430,886
	Bank Al-Falah Limited			
	- Long Term Finance Facility (LTFF)	*14.5*	**684,907,046**	789,230,158
	- Temporary Economic Refinance Facility (TERF)	*14.6*	**45,217,971**	-
	Habib Bank Limited			
	- Long Term Finance Facility (LTFF)	*14.7*	**476,708,158**	499,931,335
	Meezan Bank Limited			
	- Long Term Finance Facility (LTFF)	*14.8*	**471,821,121**	498,489,000
	- Islamic Temporary Economic Refinance Facility (ITERF)	*14.9*	**155,465,078**	-
	Habib Metropolitan Bank Limited			
	- Long Term Finance Facility (LTFF)	*14.10*	**72,470,000**	-
	Askari Bank Limited			
	- Long Term Finance Facility (LTFF)	*14.11*	**8,760,384**	-
			5,314,937,168	4,760,006,126
	Current maturity shown under current liabilities		**571,154,421**	450,121,853
	Non-current maturity shown under non-current liabilities		**4,743,782,747**	4,309,884,273
			5,314,937,168	4,760,006,126

14.1 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 September 2031. The loan is secured against registered hypothecation charge over all present and future Plant and Machinery for Rs.556 Million, 1st Equitable Mortgage charge over fixed assets on Plot # 60, 61, 76 and 77 spread over 16 acres at Nooriabad, Sindh, and specific hypothecation charge over specific Machinery imported under this scheme, with 25% Margin. The rate of mark-up is SBP refinance rate plus 1% per annum.

		2022	2021
14.2	**Refinance Scheme for Payment of Wages and Salaries**	Rupees	
	Opening carrying amount - net of deferred grant	**165,727,459**	62,765,122
	Funds borrowed during the year:		
	Loan proceeds received from the bank	-	159,088,925
	Less: Element of government grant recognized as deferred income	-	(9,195,714)
		-	149,893,211
	Interest recognized on unwinding of the liability	**8,497,962**	15,247,309
	Loan installments paid during the year	**(118,255,311)**	(62,178,183)
	Closing carrying amount - net of deferred grant	**55,970,110**	165,727,459
	Current maturity shown under current liabilities	**55,970,110**	113,230,506
	Non-current maturity shown under non-current liabilities	-	52,496,953
		55,970,110	165,727,459

14.2.1 This represents SBP Refinance Wage Loan 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).

	2022	2021
14.3 Financing under Temporary Economic Refinance Facility (TERF)	Rupees	
Opening carrying amount - net of deferred grant	**1,356,339,438**	-
Funds borrowed during the year:		
Loan proceeds received from the bank	**134,462,000**	1,921,032,034
Less: Element of government grant recognized as deferred income	**(55,316,392)**	(603,234,940)
	79,145,608	1,317,797,094
Interest recognized on unwinding of the liability	**120,912,870**	44,707,496
Loan installments paid during the year	**(37,738,479)**	(6,165,152)
Closing carrying amount - net of deferred grant	**1,518,659,437**	1,356,339,438
Current maturity shown under current liabilities	**99,983,682**	36,726,344
Non-current maturity shown under non-current liabilities	**1,418,675,755**	1,319,613,094
	1,518,659,437	1,356,339,438

14.3.1 During the year, the Company obtained a long-term financing facility amounting to Rs. 134 million 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.1.2 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.

(d) The facility is secured against hypothecation charge over all present and future plant and machinery for Rs.556 million, specific hypothecation charge over present and future plant and machinery imported / to be imported under this facility and 1st equitable charge over fixed assets over property at plot # 60, 61, 76 and 77 admeasuring 16 acres at Deh Kale Kohar Tehsil Thana Bola Khan district, Dadu Nooriabad Sindh.

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).

		2022	2021
		Rupees	
14.4	**Financing Scheme for Renewable Energy - secured**		
	Opening carrying amount - net of deferred grant	**50,430,886**	-
	Funds borrowed during the year:		
	Loan proceeds received from the bank	**163,027,498**	56,983,996
	Less: Element of government grant recognized as deferred income	**(77,014,100)**	(6,950,626)
		86,013,398	50,033,370
	Interest recognized on unwinding of the liability	**6,331,992**	834,949
	Loan installments paid during the year	**(5,789,087)**	(437,433)
	Closing carrying amount - net of deferred grant	**136,987,189**	50,430,886
	Current maturity shown under current liabilities	**11,083,980**	5,628,558
	Non-current maturity shown under non-current liabilities	**125,903,209**	44,802,328
		136,987,189	50,430,886

14.4.1 During the year, the Company obtained a long term financing facility amounting to Rs. 163 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. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs.120 million.

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 facility is 10 to 12 years (including 3 months to 2 years moratorium period, commencing from the date of disbursement of the funds); and

(c) Each tranche of the loan is to be repaid in 39 to 40 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).

14.5 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 March, 2028 that is secured against hypothecation charge over plant and machinery of the Company, including 25% margin (1st parri passu charge). The rate of mark-up is SBP refinance rate plus 0.75% to 1% per annum.

		2022	2021
14.6	**Financing under Temporary Economic Refinance Facility (TERF)**	Rupees	
	Funds borrowed during the year:		
	Loan proceeds received from the bank	**84,243,200**	-
	Less: Element of government grant recognized as deferred income	**(40,063,465)**	-
		44,179,735	-
	Interest recognized on unwinding of the liability	**1,038,236**	-
	Loan installments paid during the year	**-**	-
	Closing carrying amount - net of deferred grant	**45,217,971**	-
	Current maturity shown under current liabilities	**2,150,177**	-
	Non-current maturity shown under non-current liabilities	**43,067,794**	-
		45,217,971	-

14.6.1 During the year, the Company obtained a long-term financing facility amounting to Rs. 84 million from M/s. Bank Al Falah Limited (BAFL) 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. 450 million.

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.

(d) The facility is secured against specific charge over the assets imported utilizing the facility amounting Rs. 450 million, as well as, hypothecation charge over plant and machinery of the Company, including 25% margin (1st parri passu charge).

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).

14.7 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 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.

14.8 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 July 2030, that is secured against hypothecation charge over plant and machinery to be imported through HBL including margin of 25%. The rate of mark-up is SBP LTFF rate plus 1.75% per annum. (with Floor of 3% and Cap of 10%).

	2022	2021
14.9 Financing under Islamic Temporary Economic Refinance Facility (ITERF)	——— Rupees ———	
Funds borrowed during the year:		
Loan proceeds received from the bank	**300,000,000**	-
Less: Element of government grant recognized as deferred income	**(146,060,750)**	-
	153,939,250	-
Interest recognized on unwinding of the liability	**1,901,409**	-
Loan installments paid during the year	**(375,581)**	-
Closing carrying amount - net of deferred grant	**155,465,078**	-
Current maturity shown under current liabilities	**4,935,954**	-
Non-current maturity shown under non-current liabilities	**150,529,124**	-
	155,465,078	-

14.9.1 During the year, the Company obtained a long-term financing facility amounting to Rs. 300 million from M/s. Meezan Bank Limited (MBL) under the SBP's scheme of Islamic Temporary Economic Refinance Facility (ITERF) notified vide IH & SMEFD Circular No. 02 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs. 300 million.

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

(a) 90% of the invoice value of the imported machineries shall be financed under this scheme and remaining 10% will be financed by the Company itself;

(b) The applicable markup rate is 2% per annum;

(c) 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

(d) Each tranche of the loan is to be repaid in 32 equal quarterly instalments.

(e) The facility is secured against exclusive charge over the assets imported utilizing the facility.

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).

14.10 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 January 2032. The loan is secured against 1st exclusive charge over specific imported machinery of Rs. 1,334 Million with 25% margin duly insured with bank mortgage clause, to be registered with SECP. Initial drawdown to be allowed against ranking charge which will be upgraded within 120 days. The rate of mark-up is SBP refinance rate plus 1% per annum.

14.11 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 2 years grace period expiring in January 2032, that is secured against First Parri passu charge over present and future fixed assets (Plant and Machinery only), with 25% margin. Disbursement shall be allowed against ranking charge, which is to be upgraded into 1st Parri passu charge within 180 days from the date of first disbursement under the scheme. Markup rate is SBP refinance rate with spread of 1% per annum.

15. DEFERRED LIABILITIES

	Note	2022	2021
		Rupees	
Deferred taxation on export debtors		**42,626,219**	22,053,581
Staff retirement benefits-defined benefits plan (gratuity)	*15.1*	**122,168,372**	40,210,560
Provision Gas Infrastructure Development Cess	*15.2*	**237,488,178**	334,158,798
Deferred income - Government grant	*15.3*	**795,985,987**	580,483,209
		1,198,268,756	976,906,148

15.1 Staff retirement benefits-defined benefits plan (gratuity)

The Company operates an unfunded gratuity scheme for its staff employees. The latest actuarial valuation was carried out as at June 30, 2022, using the Projected Unit Credit Method.

15.1.1 Movement in defined benefit obligation

	2022	2021
	Rupees	
Opening defined benefit obligation	**40,210,560**	22,027,945
Current service cost	**90,617,375**	24,642,271
Interest cost	**3,302,952**	932,907
Benefits paid	**(14,544,587)**	(22,105,147)
Remeasurements	**2,582,072**	14,712,584
Closing defined benefit obligation	**122,168,372**	40,210,560

15.1.2 Expense recognized in the statement of profit or loss

	2022	2021
Current service cost	**90,617,375**	24,642,271
Interest cost on defined benefit obligation	**3,302,952**	932,907
	93,920,327	25,575,178

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

	2022	2021
Actuarial losses / (gains) on defined benefit obligation due to:		
- Changes in demographic assumptions	**-**	(565,005)
- Changes in financial assumptions	**3,889,604**	(167,899)
- Experience adjustments	**(1,307,532)**	15,445,488
	2,582,072	14,712,584

15.1.4 Year end sensitivity analysis on defined benefit obligation

	2022	2021
Discount Rate + 100 bps	**119,700,143**	39,338,303
Discount Rate - 100 bps	**125,141,751**	41,129,340
Salary increment rate + 100 bps	**125,391,969**	41,226,533
Salary increment rate -100 bps	**119,412,059**	39,228,991

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

15.1.6 Principal actuarial assumptions used

	2022	2021
	Rupees	
Discount rate used for interest cost in profit and loss	**10.00%**	8.50%
Discount rate used for year end obligation	**13.25%**	10.00%
Expected rate of increase in salary level (per annum)	**13.25%**	8.00%
Mortality rates	**SLIC 2001-05**	SLIC 2001-2005

15.2	Provision for Gas Infrastructure Development Cess	Note	2022	2021
			Rupees	
	Opening balance		**334,158,798**	389,833,965
	Effect of unwinding of the provision recognized during the year	24	**30,838,827**	36,130,908
	Charge for the year recognised in profit or loss		**-**	4,675,799
	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	15.2.2	**(127,509,447)**	(31,324,725)
	Closing balance		**237,488,178**	334,158,798
	Current maturity shown under current liabilities		**-**	-
	Non-current maturity shown under non-current liabilities		**237,488,178**	334,158,798
			237,488,178	334,158,798

15.2.1 During the year ended June 30, 2021, the Supreme Court (SC) passed two judgements; one dated August 13, 2020, thereby upholding the levy of GIDC imposed vide GIDC Act, 2015, and stopping further levy with effect from August 13, 2020. The other judgement dated November 2, 2020 directed payment of amount levied till that date in 48 instalments instead of 24 instalments allowed in order dated August 13, 2020. In view of these judgments of the Apex Court, the Company has recognized a provision based on units consumed at applicable rates amounting to Rs. 441 million (calculated on an undiscounted basis).

15.2.2 In 2021, payment of cess was expected to commence from September 2022, however, this matter could not be taken up by the government due to political uncertainties. Management now expects payment of cess to commence from September 2024. Accordingly, the effect of change in date of commencement of payment amounting to Rs. 127.5 million has been recognized during the year in these financial statements.

Further, in 2021, 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.

15.3	Deferred income - Government grant	Note	2022	2021
			Rupees	
	Opening balance		**580,483,209**	6,221,189
	Add: Grant recognized in respect of loan proceeds received during the year		**318,454,707**	619,381,280
	Less: Amortization for the year	26	**(102,951,929)**	(45,119,260)
	Closing balance		**795,985,987**	580,483,209

	Note	2022	2021
		——— Rupees ———	

16. TRADE AND OTHER PAYABLES

	Note	2022	2021
Creditors	36.3	**215,537,738**	185,287,130
Accrued liabilities	36.3	**324,833,458**	248,429,874
Provision for gas rate difference	16.3	**183,054,309**	183,054,309
Provision for Sindh Infrastructure Cess	16.4	**79,000,000**	79,000,000
Advance from customers		**204,578**	23,381,804
Workers' Profits Participation Fund	16.1	**247,556,906**	80,769,713
Workers Welfare Fund	16.2	**115,824,703**	59,397,605
Withholding tax payable		**26,104,679**	10,243,485
Sales tax payable		**-**	61,519,217
Other payable	36.3	**25,046,140**	14,245,765
		1,217,162,511	945,328,902

16.1 Workers' Profit Participation Fund

	Note	2022	2021
Opening balance		**80,769,713**	14,585,229
Add:			
- Charge for the year		**247,556,906**	80,769,713
- Interest accrued	24	**16,596,516**	2,589,377
		264,153,422	83,359,090
Less: Payment made during the year		**(97,366,229)**	(17,174,606)
		247,556,906	80,769,713

16.2 Workers' Welfare Fund

	2022	2021
Opening balance	**59,397,605**	28,705,114
Add: Contribution for the year	**94,071,624**	30,692,491
Less: Payment made during the year	**(37,644,526)**	-
	115,824,703	59,397,605

16.3 On August 31, 2015, the Oil and Gas Regulatory Authority (OGRA) issued S.R.O. 876(I)/2015 whereby, with effect from September 01, 2015, the sale price of natural gas for gas consumers falling under the category 'Industrial' was increased to Rs. 600 per MMBTU (as against the previously applicable tariff of Rs. 488.23 per MMBTU notified vide S.R.O. 01(I)/2013 dated January 01, 2013). The said notification was widely challenged by companies operating in the textile industry (including the Company vide Suit No. 129 of 2017) before the Sindh High Court (SHC). In its interim order dated January 18, 2017, SHC held that, till its further orders, the gas consumers shall continue to deposit their monthly bills at the rate of Rs. 488.23 per MMBTU and the differential amount of Rs. 111.77 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, the Company continued to pay its monthly gas bills at the rate of Rs. 488.23 per MMBTU and recognized a provision for the differential liability amounting to Rs. 174.88 million.

Further, the Company made and an additional provision of Rs. 8.17 million in 2021 (being the difference between Rs. 786/MMBTU at which payments were made based on SHC order dated May 25, 2021, and Rs. 819/MMBTU notified by OGRA for 'general industry' category), making a total provision of Rs. 183 million as at June 30, 2022. During the current year, all payments have been made at billed rate of Rs. 819/MMBTU.

16.4 This represents provision for Sindh Infrastructure Cess, introduced through an Act passed by the Sindh provincial assembly in 2017, related to years 2019 and prior. The Company is submitting bank guarantees each year in respect of unpaid cess, based on SC's order dated September 19, 2021 (refer note 19.1.1).

			2022	2021
17.	**ACCRUED MARKUP**	*Note*	——— Rupees ———	
	Markup accrued on:			
	- Long term Financing Facility (LTFF)		**25,376,762**	21,496,967
	- Short term borrowings		**123,788,101**	75,010,957
			149,164,863	96,507,924

18.	**SHORT TERM BORROWINGS - secured**			
	Bank Al-Habib Limited			
	- Running finance	*18.1*	**3,761,705,130**	2,565,306,408
	- Istisna finance (Hypo)	*18.2*	**135,800,000**	-
			3,897,505,130	2,565,306,408
	Meezan Bank Limited			
	- Istisna finance (Hypo)	*18.3*	**200,616,750**	199,997,748
	- Istisna finance (Pledge)	*18.4*	**473,794,701**	-
			674,411,451	199,997,748
	MCB Islamic Bank Limited			
	- Financing Musharka	*18.5*	**-**	100,000,000
	Bank Al-Falah Limited			
	- Running finance	*18.6*	**158,226,942**	116,463,310
	Habib Bank Limited			
	- Running finance	*18.7*	**14,933,804**	116,146,146
		18.8	**4,745,077,327**	3,097,913,612

18.1 This represents short term running finance facility amounting to Rs. 1 billion (2021: 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 0.5% (2021: 1 month KIBOR plus 0.75% per annum) and is secured by registered hypothecation charge over stock and book debts for Rs. 4,112 billion (2021: 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 , personal guarantees amounting to Rs.6.0 billion from each director named as Mr. Abdul Kadir Adam and Mr. Yasin Siddik.

18.2 This represents short term Istisna finance facility obtained during the year amounting to Rs. 135 million from M/s. Bank Al Habib Limited to facilitate the manufacturing of different types of yarn. The facility carries mark up at the rate of 6 months KIBOR plus 0.75% per annum and is secured by Registered ranking hypothecation charge primarily over book debts for Rs. 3 Billion and over moveables for Rs. 3 Billion. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs.1 billion.

18.3 This represents short term Istisna finance facility having a limit of Rs. 350 million (2021 : 350 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 pledge of Local and Imported raw Cotton under effective control of Mucaddam and charge with approved margin duly registered with SECP with 10% margin at factory of the company situated at Plot# 58, 60 , 61 and 76, 77, 78 main super highway Nooriabad.

18.4 This represents short term Istisna finance facility amounting to Rs. 500 million (2021: Rs. 200 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 and is secured by Parri passu charge over current assets (stock and receivables) of Rs. 934 million, with 25% margin registered with SECP.

18.5 This represents short term Financing Musharikah 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), and overall registered hypothecation charge will be of Rs. 133.33 million according to 25% margin.

18.6 This represents short term running finance facility amounting to Rs. 200 million (2021: Rs. 200 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% (2021: 1 month KIBOR plus 1%) and is secured by first pari passu charge over stocks and receivables with 25% margin, amounting to Rs. 533.34 million. Disbursement to be allowed against ranking charge over stock and book debts of the company which shall be upgraded into 1st Parri passu within 120 days from the date of disbursement.

18.7 This represents short term running finance facility amounting to Rs. 125 million (2021: 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% (2021: 1 month KIBOR plus 0.50%) and is secured by first pari passu hypothecation charge over stocks and book debts with 25% margin, amounting to Rs. 166.67 million.

18.8 As at June 30, 2022, the Company had unavailed short term financing facilities amounting to Rs. 2.054 billion (2021: Rs. 2.077 billion).

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 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 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 an arguable case and there is no likelihood of unfavourable outcome. Hence, in view of the above, no provision for the infrastructure cess payable, amounting to Rs. 181 million (2021: Rs.81 million) has been recognized in these financial statements.

19.1.2 The Company has not recognized the additional amount of cess in respect of GIDC amounting to Rs. 295.6 million (being the difference of Rs. 441 million recognized in books as mentioned in note 15.2.1, and Rs. 736.8 million as notified to the Company through monthly gas bills upto July 2020).

19.1.3 The Company has not recognized provision for gas rate differential between Rs. 819 / MMBTU (for export oriented 'general industry' category) and Rs. 852 / MMBTU (for 'captive units') arising out of a notification issued by OGRA in October 2020, amounting to Rs. 81 million in these financial statements.

19.1.4 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 is likely be decided in favour of the Company, and therefore, no provision has been made in these financial statements.

		Note	2022	2021
			Rupees	
19.2	**Commitments**			
	Commitments in respect of capital expenditure		**1,032,543,700**	951,400,600
	Letter of credit to Sui Southern Gas Company Limited		**77,900,000**	77,900,000
	Letters of guarantee		**269,642,340**	175,942,340
	Letters of credit issued in respect of purchase of raw materials		**3,578,773,100**	211,320,300
20.	**SALES - net**			
	Local sales	*20.1*	**470,033,084**	370,348,732
	Export sales - indirect	*20.2*	**15,229,495,519**	9,280,469,117
	Export sales - direct		**3,865,648,085**	1,906,024,278
	Wastage sales	*20.3*	**14,949,231**	11,817,033
	Raw material sales	*20.4*	**613,390,934**	47,340,418
			20,193,516,853	11,615,999,578
	Less:			
	Commission and brokerage		**(209,543,096)**	(116,368,787)
	Discount and claims		**(7,160,626)**	(15,164,087)
			(216,703,722)	(131,532,874)
			19,976,813,131	11,484,466,704
20.1	**Local Sales**			
	Gross sales		**547,618,655**	433,314,358
	Less: sales tax		**(77,585,571)**	(62,965,626)
			470,033,084	370,348,732
20.2	**Export sales - indirect**			
	Gross sales		**17,817,394,611**	10,857,001,480
	Less: sales tax		**(2,587,899,092)**	(1,576,532,363)
			15,229,495,519	9,280,469,117
20.3	**Wastage sales**			
	Gross sales		**17,490,603**	13,825,928
	Less: sales tax		**(2,541,372)**	(2,008,895)
			14,949,231	11,817,033
20.4	**Raw material sales**			
	Gross sales		**717,516,943**	55,397,147
	Less: Sales tax		**(104,126,009)**	(8,056,729)
			613,390,934	47,340,418
21.	**COST OF SALES**			
	Raw materials consumed	*21.1*	**11,072,416,911**	6,454,879,468
	Stores and spares consumed	*21.2*	**382,306,734**	327,804,543
	Packing materials consumed	*21.3*	**213,429,268**	134,756,570
	Conversion costs	*21.4*	**2,386,053,266**	1,884,916,759
			14,054,206,179	8,802,357,340
	Work in process:			
	- Opening stock		**91,552,737**	77,198,657
	- Closing stock	*7*	**(140,141,739)**	(91,552,737)
			(48,589,002)	(14,354,080)
	Cost of goods manufactured		**14,005,617,177**	8,788,003,260
	Cost of goods purchased for sale	*21.5*	**271,255,962**	41,532,563
	Opening stock of finished goods and waste material		**339,689,913**	540,333,820
	Cost of goods available for sale		**14,616,563,052**	9,369,869,643
	Closing stock of finished goods and waste material	*7*	**(221,836,370)**	(339,689,913)
			14,394,726,682	9,030,179,730

		Note	2022	2021
			Rupees	
21.1	**Raw materials consumed**			
	Opening stock - in hand		**2,841,951,125**	2,531,014,613
	Purchases		**12,975,383,344**	6,803,792,715
			15,817,334,469	9,334,807,328
	Sale of raw materials		**(271,255,962)**	(37,976,735)
	Closing stock - in hand	*7*	**(4,473,661,596)**	(2,841,951,125)
			11,072,416,911	6,454,879,468
21.2	**Stores and spares consumed**			
	Opening stock - in hand		**173,719,575**	99,045,001
	Purchases		**384,067,921**	402,479,117
			557,787,496	501,524,118
	Closing stock - in hand		**(175,480,762)**	(173,719,575)
			382,306,734	327,804,543
21.3	**Packing materials consumed**			
	Opening stock		**20,730,401**	15,107,731
	Purchases		**227,765,406**	140,379,240
			248,495,807	155,486,971
	Closing stock	*7*	**(35,066,539)**	(20,730,401)
			213,429,268	134,756,570
21.4	**Conversion costs**			
	Salaries, wages and other benefits	*21.4.1*	**857,253,478**	631,949,333
	Fuel and power		**754,375,424**	646,137,781
	Depreciation	*4.1.1*	**666,697,765**	518,675,332
	Insurance		**51,408,109**	24,416,757
	Vehicle running and maintenance		**21,429,159**	16,553,547
	Repairs and maintenance		**18,332,234**	11,708,950
	Water charges		**13,927,975**	10,964,475
	Other manufacturing expenses		**2,629,122**	24,510,584
			2,386,053,266	1,884,916,759

21.4.1 This includes an amount of Rs. 71,143,788 (2021: Rs. 18,594,970) in respect of staff retirement benefits.

		2022	2021
		Rupees	
21.5	**Cost of goods procured for sale**		
	Trading cost - sale of raw material	**271,255,962**	37,976,735
	Purchase of yarn	**-**	1,766,000
	Purchase of hard - waste	**-**	1,789,828
	Purchase of comber - waste	**-**	-
		271,255,962	41,532,563

	Note	2022	2021
		Rupees	

22. ADMINISTRATIVE EXPENSES

	Note	2022	2021
Salaries, allowances and other benefits	*22.1*	**127,434,622**	75,406,490
CEO and Directors' remuneration	*36.3*	**20,000,000**	16,200,000
Charity and donations	*22.3*	**44,235,000**	10,198,000
Depreciation	*4.1.1*	**35,228,688**	10,798,358
Travelling and conveyance		**15,132,282**	321,486
Insurance		**12,100,544**	10,117,693
Repairs and maintenance		**11,930,546**	9,878,150
Fees and subscription		**11,514,991**	9,476,859
Vehicle running and maintenance		**7,299,940**	7,741,336
Utilities		**3,629,830**	5,212,646
Auditors' remuneration	*22.3*	**2,596,800**	1,691,250
Entertainment expense		**2,166,736**	1,191,180
Printing and stationery		**2,019,243**	982,061
Postage and telephone		**1,587,692**	1,594,862
Legal and professional		**1,248,483**	2,766,146
Meeting fees		**840,000**	700,000
Advertisement		**569,256**	397,244
Newspaper and periodicals		**89,399**	90,566
Provision for doubtful debt	*8.2*	**-**	15,920,095
Others		**11,694,347**	8,426,017
		311,318,399	189,110,439

22.1 This includes an amount of Rs. 22,776,539 (2021: Rs. 6,980,708) in respect of staff retirement benefits.

22.2 None of the directors or their spouse had any interest in the donees. Further, the particulars of the parties to whom donation paid exceeds Rs. 1 million or 10% of the total donation, whichever is higher, are as follows:

	2022	2021
	Rupees	
Bantva Memon Hospital	**12,250,000**	-
Patients' Aid Foundation	**10,000,000**	2,000,000
The Citizens Foundation	**3,000,000**	-
Descon Technical Institute	**2,500,000**	-
The Indus Hospital	**2,000,000**	2,200,000
Saylani Welfare International	**2,000,000**	-
Patient Behbud Society of AKUH	**1,500,000**	-
Akhuwat and Jamal Noor Hospital	**1,500,000**	-
Shaukat Khanum Cancer Hospital	**1,000,000**	1,500,000
Sindh Institute of Urology and Transplant	**1,000,000**	1,500,000
Patel Hospital	**1,000,000**	-
Agha Khan University Hospital	**1,000,000**	-

	2022	2021
	Rupees	

22.3 Auditors' remuneration

	2022	2021
Audit fee	**2,000,000**	1,297,604
Half yearly review fee	**500,000**	305,646
Out of pocket expenses	**96,800**	88,000
	2,596,800	1,691,250

23. DISTRIBUTION COSTS

	Note	2022 Rupees	2021 Rupees
Freight and handling charges:			
- Local		**92,062,100**	75,658,362
- Export		**193,098,327**	80,607,828
		285,160,427	156,266,190
Salaries, allowances and other benefits		**27,297,349**	27,851,889
Packing charges		**2,137,936**	11,338,219
		314,595,712	195,456,298

24. FINANCE COSTS

	Note	2022	2021
Markup and interest charges on:			
- Long term finances		**237,925,040**	154,207,370
- Short term borrowings		**548,885,890**	368,134,151
- Workers' Profit Participation Fund	*16.1*	**16,596,516**	2,589,377
Unwinding of Gas Infrastructure Cess Provision	*15.2*	**30,838,827**	36,130,908
Bank charges on export receipts		**20,658,198**	12,486,092
Bank charges		**20,899,999**	23,884,990
		875,804,470	597,432,888

25. OTHER OPERATING EXPENSES

	Note	2022	2021
Workers' Welfare Fund		**94,071,624**	30,692,491
Workers' Profit Participation Fund		**247,556,906**	80,769,713
		341,628,530	111,462,204

26. OTHER INCOME / (EXPENSES) - net

	Note	2022	2021
Exchange gain/ (loss) on export receivables:			
- Realized		**108,144,405**	(10,290,380)
- Unrealized		**8,791,244**	1,598,434
		116,935,649	(8,691,946)
Unrealized exchange gain on bank balance		**28,399,110**	-
Realized gain on dealing in foreign commodity markets	*26.1*	**378,050,201**	-
Realized exchange gain on import of fixed assets and raw material		**79,373,377**	193,392
Gain on re-measurement of Gas Infrastructure Development Cess provision		**127,509,447**	96,481,874
Amortization of deferred government grant	*15.3*	**102,951,929**	45,119,260
Reversal of provision for expected credit losses	*8.2*	**14,397,108**	-
Gain on disposal of fixed assets		**13,114,024**	10,004,329
Income against customs		**9,939,405**	-
Others		**100,000**	-
		870,770,250	143,106,909

26.1 This represents gain realised through transactions entered into for purchase of cotton in the commodities market in New York, and selling it at higher prices.

27. TAXATION

	Note	2022 Rupees	2021 Rupees
Current	*27.1*	**278,559,570**	112,840,713
Deferred		**20,572,638**	4,832,547
		299,132,208	117,673,260

27.1 The income tax assessments of the Company have been finalised up to and including the tax year 2021. 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.

		2022	2021
28.	**EARNINGS PER SHARE - BASIC AND DILUTED**	Rupees	

28.1 Basic earnings per share

	2022	2021
	Rupees	
Profit after taxation	**4,310,377,380**	1,386,258,794
	Number	
Weighted average number of ordinary shares outstanding	**6,163,000**	6,163,000
Earnings per share - basic and diluted	**699.40**	224.93

28.2 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, 2022 and June 30, 2021.

29. 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	2022	2021
		Rupees	
Cash and bank balances	*11*	**286,160,873**	93,950,542
Short term borrowings - running finance	*18*	**(3,934,865,876)**	(2,797,915,864)
		(3,648,705,003)	(2,703,965,322)

30. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

30.1

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees							
Managerial remuneration	**7,413,336**	6,000,000	**5,920,000**	4,800,000	**26,496,249**	27,039,928	**39,829,585**	37,839,928
House rent	**2,961,730**	2,396,400	**2,364,400**	1,916,400	**10,567,600**	10,765,572	**15,893,730**	15,078,372
Conveyance allowance	**3,600**	3,600	**3,600**	3,600	**45,300**	50,400	**52,500**	57,600
Utilities	**741,334**	600,000	**592,000**	480,000	**2,649,625**	2,703,992	**3,982,959**	3,783,992
Fuel allowance	-	-	-	-	**1,538,067**	-	**1,538,067**	-
Other benefits	-	-	-	-	**97,800**	1,134,024	**97,800**	1,134,024
	11,120,000	9,000,000	**8,880,000**	7,200,000	**41,394,641**	41,693,916	**61,394,641**	57,893,916
Number of persons	**1**	1	**1**	1	**15**	14		

31. PLANT CAPACITY AND ACTUAL PRODUCTION

	2022	2021
	Number	
Number of spindles / rotors installed	**91,782**	85,538
Number of spindles / rotors operated	**87,742**	81,348
Installed capacity in Kgs. after conversion into 20 single count	**42,257,781**	33,349,596
Actual production of yarn in Kgs. after conversion into 20 single count	**39,968,903**	31,432,443
Number of shifts worked during the year	**1,092**	1,092

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

32. FINANCIAL INSTRUMENTS

32.1 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

32.1.1 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:

		June 30, 2022		June 30, 2021	
		Canying amount	Maximum exposure	Carrying amount	Maximum exposure
	Note	(Rupees)			
Long term deposits		2,768,255	2,768,255	2,768,255	2,768,255
Trade debts	(a)	4,466,962,934	4,466,962,934	2,199,212,480	2,199,212,480
Deposit and other receivables		32,665,962	32,665,962	9,477,058	9,477,058
Cash and bank balances	(b)	284,230,892	284,230,892	91,597,439	91,597,439
		4,786,628,043	4,786,628,043	2,303,055,232	2,303,055,232

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:

	2022		2021	
	Gross carrying amount	Life time expected credit losses	Gross carrying amount	Life time expected credit losses
Not past duc	3,412,133,551	-	1,696,505,344	-
Past due 1 to 30 days	609,800,134	-	422,621,379	-
Past due 31 to 60 days	291,125,908	4,707,191	89,580,236	13,388,840
Past due 61 to 90 days	131,371,381	3,721,403	4,462,779	1,115,695
Past due 91 to 150 days	24,590,550	5,760	1,094,555	547,278
Past due 151 to 365 days	5,218,379	11,089	3,886,311	3,886,311
Past due 366 to 730 days	166,260	832	2,694,543	2,694,543

Over two years	1,253,936	250,890	1,461,605	1,461,605
	4,475,660,099	8,697,165	2,222,306,752	23,094,272

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 / other institutions	Short term rating	Credit rating agency	2022	2021
			Rupees	
Meezan Bank Limited	A-1+	JCR-VIS	**35,463,785**	28,167,720
Habib Metropolitan Bank Limited	A-1+	PACRA	**7,901,305**	45,837,885
Bank Al-Habib Limited	A-1+	PACRA	**232,340,433**	15,436,825
National Bank of Pakistan	A-1+	PACRA	**5,904,935**	1,945,928
MCB Bank Limited	A-1+	PACRA	**992,019**	188,467
Bank of Khyber	A-1	PACRA	**20,010**	20,614
Askari Bank Limited	A-1+	PACRA	**1,603,405**	-
Central Depository Company	-	-	**5,000**	-
			284,230,892	91,597,439

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. The Company is exposed to concentration of credit risk in respect of balance with one major bank and one major foreign customer.

32.1.2 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):

2022	Carrying amount	Contractual cash flows	Twelve months or less	More than One years
	Rupees			
Non-derivative financial liabilities				
Long term financing	**5,314,937,168**	**6,416,160,982**	**598,595,008**	**5,817,565,974**
Trade and other payables	**565,417,336**	**565,417,336**	**565,417,336**	-
Accrued markup	**149,164,863**	**149,164,863**	**149,164,863**	-
Short term borrowings	**4,745,077,327**	**4,745,077,327**	**4,745,077,327**	-
	10,774,596,694	**11,875,820,508**	**6,058,254,534**	**5,817,565,974**

2021	Carrying amount	Contractual cash flows	Twelve months or less	More than One years
	Rupees			
Non-derivative financial liabilities				
Long term financing	4,760,006,126	5,826,342,539	515,993,328	5,310,349,211
Trade and other payables	447,962,769	447,962,769	447,962,769	-
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	-
	8,402,390,431	9,468,726,844	4,158,377,633	5,310,349,211

32.1.3

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. The Company's exposure to foreign currency risk is as follows:

Exposure to foreign currency risk

The Company, as at reporting date, is exposed to foreign currency risk on trade debts and bank balances that are denominated in a currency other than the respective functional currency of the Company. Those transactions are denominated in US Dollars.

	June 30, 2022		June 30, 2021	
	Rupees	US Dollars	Rupees	US Dollars
Trade debts	438,568,942	$ 2,150,902.12	190,067,355	$ 1,217,267
Bank balance	212,036,407	$ 1,039,903.91	-	-

The following significant exchange rates applied during the year:

	2022		2021	
	Average rate	Reporting date rate	Average rate	Reporting date rate
	Rupees			
US Dollar	179.13	203.90	162.71	157.54

Sensitivity analysis

As of the reporting date, 5% strengthening / (weakening) of the Pak Rupee against the US Dollars would have decreased / (increased) the profit before tax of the Company by the amount shown below. This analysis assumes that all other variables, in par cular interest rates, remain constant.

	Effect on profit before tax
	Rupees
As at June 30, 2022	32,530,267
As at June 30, 2021	9,588,412

(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:

	2022	2021	2022	2021
	Effective interest rate (%)		Carrying amount (Rs.)	
Financial liabilities				
Short term borrowings	7.54% to 14.87%	7.48% to 8.38%	4,745,077,327	3,097,913,612

(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.

32.1.4 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market.

Level 2: Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Presently, items in the financial statements that are carried at fair value are plant and machinery and electrical installations. The Company engages an independent external valuer to carry out a fresh revaluation of these operating fixed assets to ensure that their carrying amounts in the financial statements do not differ materially from that which would be determined using fair value at the end of the reporting period. Such valuation usually involves the use of observable and unobservable inputs; however, the weightage of observable inputs used is considered as significant. Accordingly, the Company classifies the aforesaid classes of operating fixed assets within Level 2 of the fair value hierarchy.

The management considers that the carrying amount of all other assets and liabilities recognised in the financial statements approximate their fair value.

32.1.5 Financial instruments by categories

	2022	2021
	Rupees	
FINANCIAL ASSETS - at amortised cost		
Long term deposits	**2,768,255**	2,768,255
Trade debts	**4,466,962,934**	2,199,212,480
Deposits and other receivables	**32,665,962**	9,477,058
Cash and bank balances	**286,160,873**	93,950,542
	4,788,558,024	2,305,408,335
FINANCIAL LIABILITIES- at amortised cost		
Long term financing	**5,314,937,168**	4,760,006,126
Trade and other payables	**565,417,336**	447,962,769
Accrued markup	**149,164,863**	96,507,924
Short term borrowings	**4,745,077,327**	3,097,913,612
	10,774,596,694	8,402,390,431

33. 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:

Borrowings:		
Long term financing	**5,314,937,168**	4,760,006,126
Short term borrowings	**4,745,077,327**	3,097,913,612
	10,060,014,495	7,857,919,738
Shareholders' equity:		
- Issued, subscribed and paid up capital	**61,630,000**	61,630,000
- Unappropriated profit	**7,000,291,403**	3,307,989,262
	7,061,921,403	3,369,619,262
Total capital managed by the Company	**17,121,935,898**	11,227,539,000

34. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of associated companies, 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 and Director is disclosed in note 30 to these 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	Transactions during the year and year end balances	2022	2021
		Rupees	
Premium Knits	*Transaction during the year*		
	Sale of goods	**299,063,642**	47,685,211
	Balance at the year end		
	Trade receivable	**263,790,117**	423,655
Pinnacle Fibre (Pvt) Ltd.	*Transaction during the year*		
	Purchase of goods	**534,487,693**	281,831,803
	Balance at the year end		
	Trade payable	**7,845,123**	-

35. 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 96.89% (2021 : 99.49%) of the total revenue of the Company.

(b) 97.54% (2021: 96.72%) of gross sales of the Company relates to indirect exporters and foreign customers.

(c) As at June 30, 2022 and June 30, 2021 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. 4,836 million during the year ended 30 June 2022 (2021: 1,459 million).

36. GENERAL

36.1 Non - adjusting event after balance sheet date

The Board of Directors in their meeting held on October 4, 2022 has proposed a final cash dividend of Rs. 50 per share (2021: Rs. 50 per share) for approval of the members at the Annual General Meeting to be held on October 26, 2022. The financial statements do not reflect this appropriation.

36.2 Number of employees

	2022	2021
	Number	
Total employees of the Company at the year end	**1,097**	990
Average employees of the Company during the year	**970**	1,006

36.3 Reclassification of corresponding figures

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purpose of comparison and better presentation. Following reclassifications have been made in these financial statements.

Reclassified from component	Reclassified to component	Amount (Rupees)
Advance to suppliers *(Advances, deposits and other receivables)*	Capital work in progress *(Property, plant and equipment)*	**3,209,886**
Advance to suppliers *(Advances, deposits and other receivables)*	Advances *(Long term advances and deposits)*	**15,550,000**
Accrued liabilities *(Trade and other payables)*	Provision for Sindh Infrastructure Cess *(Trade and other payables)*	**79,000,000**
Creditors *(Trade and other payables)*	Other payable *(Trade and other payables)*	**14,245,765**
CEO and Directors' remuneration *(Administrative expenses)*	Salaries, allowances and other benefits *(Administrative expenses)*	**28,696,536**
Executive remuneration *(Distribution costs)*	Salaries, allowances and other benefits *(Distribution costs)*	**12,997,380**

36.4 Date of authorization for issue of the financial statements

These financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on October 4,2022.

36.5 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 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 a bank mandate. In this regard, you are required to provide bank mandate details with IBANs otherwise future dividends could be withheld according to 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. 17th 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

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	
Shareholder's details	

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.

FORM OF PROXY

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 neeting of the Company to be held on October 26, 2022 at 12:00 noon at 1st Floor, Haji Adam Chamber, Altaf Hussain Road, New Challi, Karachi.

Signed this__________________________ day of _____________________________________ 2022 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 effecive, 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 deosited 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 bebeficial owners. Representatives of Corporate members should bring the usual documents required for such purpose.

(v) In case of CDC Accounts Holders, attested copies if CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.