PREMIUM TEXTILE MILLS

ANNUAL REPORT 2023

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Results in Brief

	Year 2023 PKR	Year 2022 PKR
Operating income	**3,113,048,051**	4,956,172,338
Profit after taxation	**1,042,643,340**	4,310,377,380
Total assets	**28,019,228,513**	20,942,454,236
Total equity	**9,152,667,700**	8,308,047,637
Dividend paid/proposed (per share)	**PKR 25**	PKR 100

PREMIUM TEXTILE MILLS

Vision

At Premium Textile Mills Ltd, we envisage ourselves as a leading company in the manufacturing of value-added products. 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 customers' needs and by trying to keep abreast of the new developments taking place in the textile world.

Culture

Our company culture is deeply rooted in our rich history and our passion for excellence in textile manufacturing. We foster an environment that embraces innovation, collaboration, and a commitment to producing high-quality yarns and socks. Our culture is characterized by the following core values:

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

At Premium Textile Mills Ltd, we uphold the highest standards of business conduct and ethics. Our Code of Ethics serves as a guiding framework, outlining our commitment to integrity, transparency, and responsible practices. It guides our interactions with customers, employees, partners, and stakeholders, fostering a culture of trust, respect, and accountability.

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.

Conflict 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.

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.

"Our unwavering commitment is to lead by example, upholding the values that define us. We prioritize honesty, transparency, and fairness in everything we do, fostering a culture of trust and respect. Together, we strive to create a business environment where integrity and ethical conduct flourish, ensuring our collective success and making a positive impact on the world around us."

Corporate Information

Board of Directors

Mr. Mohammad Aslam Parekh	Chairman
Mr. Abdul Kadir Adam	Chief Executive
Mr. Mohammad Yasin Siddik	Executive Director
Ms. Naila Hasan	Independent Director
Mr. Mohammad Raziuddin Monem	Independent Director
Ms. Lubna Asif Balagamwala	Independent Director
Mr. Tanzeel Abdul Sattar (NIT Nominee)	Director

Company Secretary
Mr. Hammad Ullah Khan

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 I.I. Chundrigar Road,
Karachi Phone:0213-2271905-6
fdregistrar@yahoo.com

Bankers
Bank Al- Habib limited
Bank Al- Falah limited
Meezan Bank Limited
Habib Bank Limited
Habib Metropolitan Bank
Askari Bank

Audit Committee

Ms. Naila Hasan	Chairperson
Mr. Raziuddin Monem	Member
Ms. Lubna Asif Balagamwala	Member

Human Resources & Remuneration Committee

Mr. Mohammad Raziuddin Monem	Chairman
Ms. Naila Hasan	Member
Ms. Lubna Asif Balagamwala	Member

Website
www.premiumtextile.com

About Premium

From the fibers we spin to the socks we create, we strive to be the vital link that weaves quality, innovation, and everyday essentials into the fabric of people's lives.

Spinning

Est. **1989**

91,455 Spindles & Rotors
(87,863 Ring Frames,
3,400 Rotors AC9s
192 MVS)

Producing
106,594 kg
Yarn/day

Socks

Est. **2021**

208 Lonati Sbys Knitting Machines

Producing **5,500 dozens** pairs/day

PKR 1.042 billion in revenue in fiscal year 2023

All financial amounts are presented in PKR
For the fiscal year beginning 07/01/22 and ending 06/30/2023.

Ever since the inception of Premium Textile Mills Ltd. took place in 1989 the group has successfully diversified into the manufacturing of auto parts and trading. The relentless perseverance of the formative years has been the guiding principle for the group to achieve an annual turnover in excess of Rs.20+ 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 34.590 million kilograms (based on 20/1) with 91,455 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.

Walking an extra mile

At Premium Textile Mills, we strongly believe in a future that promotes sustainable and inclusive growth. That's why we're actively working on important matters like reducing carbon emissions and embracing diversity. We're driven by a clear purpose and dedicated to turning this vision into a reality. Together, we're shaping a better future for everyone.

Environmental, Social, and Governance (ESG)

Environmental Stewardship

We strive to minimize our environmental impact by implementing innovative technologies and processes. From reducing energy consumption and water usage to promoting waste reduction and recycling, we are dedicated to preserving our planet for future generations.

1. Renewable Energy:
   Our PV solar project has been generating 4.5MW of clean electricity. As part of our ambitious goals, we aim to increase our solar energy production to 5MW by 2025. Additionally, our windmill project is underway, set to add another 4.5MW of renewable energy to our portfolio by next year.

2. Low Impact, Sustainable Materials:
   Recognizing the crucial role of sustainable materials, we have prioritized investments in research and development of premium quality products made from recycled materials. Since 2016, we have been recycling 12 tons/day of pre-consumer textile waste, transforming it into high-quality yarn. We source organic, recycled, and low-impact materials, adhering to globally recognized certifications such as GOTS.

3. Organic Cotton Partnership:
   In line with our commitment to the environment, we are proud to announce our partnership with WWF to produce our own organic cotton. This premium organic cotton project will adhere to GOTS and OCS standards, ensuring the highest level of sustainability and responsible practices in cotton production.

4. Water Stewardship:
   Water conservation is of utmost importance to us. To reduce our environmental impact and preserve precious water resources, we have implemented an Effluent Treatment Plant (ETP) that treats 750 m3/day of wastewater. This initiative helps us mitigate our water footprint and promote responsible water stewardship.

5. Innovative Technologies:
   In our continuous pursuit of sustainability, we have embraced innovative technologies. Nano-Bubble technology has been employed in the wet processing of our socks unit, minimizing water consumption and optimizing resource efficiency.

Accreditations and Industry Alliances

Social Responsibility

Through our robust social responsibility initiatives, we strive to empower lives, nurture communities, and foster sustainable development.

1. Enhancing Healthcare Access:
   We prioritize the well-being of our employees by providing comprehensive health insurance coverage, ensuring they have access to quality healthcare and peace of mind. Additionally, we have an on-site doctor who is readily available to provide immediate medical assistance and personalized care, further enhancing the health and wellness support we offer to our valued employees.

2. Sustainable Farming and Employment Creation:
   Through our investment in an organic cotton project, we actively promote sustainable agriculture practices and support local farming communities. This initiative creates employment opportunities, empowering farmers and contributing to the growth of rural economies. We also provide comprehensive training programs to farmers, enhancing their skills and knowledge for sustainable farming practices.

3. Fair Trade and Ethical Sourcing:
   We are committed to fair trade and ethical sourcing practices. We ensure that our supply chain upholds fair labor standards, promotes worker welfare, and prioritizes environmental sustainability. We strive to create a positive impact on both people and the planet through responsible sourcing.

4. Technical Training and Skill Development:
   We believe in the transformative power of education and skill development. Through various technical training programs, we equip individuals with the necessary skills to thrive in the textile industry and beyond. Our initiatives include summer internships that provide valuable hands-on experience, paving the way for long-term employment opportunities.

5. Empowering Women:
   We are dedicated to promoting gender equality and empowering women in the workplace. Our company provides additional benefits and support systems to female employees, ensuring equal work opportunities and fostering an inclusive environment that values diversity and empowers women to reach their full potential.

Governance and Ethics

Under the ESG framework, our company demonstrates a strong commitment to governance and ethics. We have implemented several measures to ensure responsible and transparent practices:

1. Codes of Conduct and Ethics:
   We have robust codes of conduct and ethics policies that outline expected behavior and standards for employees and stakeholders, emphasizing integrity, honesty, and compliance.

2. Shareholder Engagement:
   Our company values shareholder engagement and conducts annual general meetings, providing a platform for shareholders to ask questions, voice concerns, and provide feedback on our performance and governance practices.

3. Diversity and Inclusion:
   We take pride in fostering a diverse and inclusive environment where women excel as top decision-makers in every department. From leadership roles to key strategic positions, women contribute their expertise and insights, shaping our organization's success. Their impactful presence not only showcases gender equality but also brings unique perspectives that drive innovation and growth across the board.

Governance

Board of Directors

Comprised of committed, driven, and seasoned executives, our forward-thinking leadership team collaborates with employees to create positive impacts for all stakeholders. Their expertise and shared vision make a meaningful difference for our global communities, investors, and valued workforce.

Mr. Abdul Kadir Adam

Chief Executive

Mr. Abdul Kadir Adam is the esteemed Chief Executive and founding director of Premium Textile Mills Ltd., a prominent and dynamic organization in the textile spinning industry. With an impressive experience of over 35 years in this field, he possesses a profound understanding of the intricacies of the manufacturing business. Under his visionary leadership, Premium Textile Mills Ltd has witnessed consistent and remarkable growth, expanding its operations tenfold.

Mr. Adam's futuristic approach and unwavering commitment to excellence and deep knowledge of current trends and events have been instrumental in driving the company's success. He has demonstrated remarkable expertise in implementing effective management strategies, enabling the company to thrive in a highly competitive market. Mr. Adam also brings vast experience in diverse sectors such as ship breaking, textile garments, spinning, sugar, and the automotive industry.

Furthermore, Mr. Adam's expertise extends beyond his role at Premium Textile Mills Ltd. He has served on the boards of various companies and trusts, leveraging his wealth of knowledge and experience to contribute to their growth and success. With his exceptional leadership and comprehensive industry knowledge, Mr. Abdul Kadir Adam continues to spearhead Premium Textile Mills Ltd towards new heights of achievement and innovation.

Mr. Mohammad Yasin Siddik

Executive Director

Mr. Siddik holds an MBA degree in International Marketing from the Institute of Business Administration (IBA), Karachi, and has played a pivotal role in propelling Premium Textile Mills Limited towards exceptional growth and success.

As the founding director of Premium Textile Mills Limited, Mr. Siddik's leadership has been pivotal in driving the company's exponential expansion. Under his strategic guidance, the spinning mill has achieved an impressive tenfold growth, complemented by the establishment of a state-of-the-art socks division. This strategic diversification and expansion have propelled the company's annual turnover to surpass the significant milestone of 20 billion.

With over four decades of industry expertise, Mr. Siddik has emerged as a prominent figure in the textile sector. He has held key leadership positions for more than a decade, including the role of Chairman at the All Pakistan Textile Mills Association (APTMA) for both the Sindh Baluchistan region and the national chapter of APTMA Pakistan. His commitment to industry advancement is further evident through his position as Chairman of the Nooribabad Association of Trade & Industry (NATI).

Mr. Yaseen showcases an outstanding academic history throughout his educational journey. Furthermore, he has made significant contributions to academia by serving as a visiting faculty member at IBA, sharing his extensive expertise in the field of International Marketing Research.

Mr. Mohammed Aslam Parekh

Chairman

Mr. Muhammad Aslam Parekh is the esteemed Chairman of Premium Textile Mills Limited, with an extensive track record of corporate governance and exceptional leadership. Since his association with the company in 1990, Mr. Parekh has displayed exemplary skills in steering the organization towards new heights of success. He upholds the highest standards of corporate governance, ensuring transparency, accountability, and ethical practices throughout the company's operations.

With a diverse range of expertise in various segments of the textile sector, Mr. Parekh brings invaluable knowledge to the table. His profound understanding of textile spinning, weaving, and finishing processes, coupled with his strategic foresight, enables him to make informed decisions that drive the company's growth and profitability.

As Chairman of the Board, Mr. Muhammad Aslam Parekh is dedicated to fostering a culture of innovation, excellence, and sustainable growth within Premium Textile Mills Limited. His visionary leadership and unwavering commitment to corporate governance have positioned the company as a respected and trusted player in the textile sector.

Ms. Lubna Asif Balagamwala

Independent Director

Ms. Lubna Asif Balagamwala, an esteemed member of the Board at Premium Textile Mills Limited, brings expertise and leadership to the company. With a Bachelor's degree in Arts from St. Joseph's College, Karachi, she combines education with exceptional skills in driving operational efficiency. Since joining in February 2021, Ms. Balagamwala plays a pivotal role in budget monitoring, suggesting improvements, and developing policies. Her expertise extends to human resources and enhancing the company's culture and marketing strategy.

Ms. Lubna Asif Balagamwala's skills and commitment make her an invaluable asset to Premium Textile Mills Limited. With financial acumen and strategic thinking, she oversees budget management and provides insights for improvement. Additionally, she contributes to policy development, particularly in human resources. Her expertise strengthens the company's foundation, while efforts to enhance culture and marketing strategy & fuel growth. Ms. Balagamwala's presence on the Board adds value, positioning Premium Textile Mills Limited as an industry leader.

Mr. Tanzeel Abdul Sattar

(NIT Nominee Director)

Mr. Tanzeel Abdul Sattar has been associated with NIT. He has over 10 years of experience in Mutual Fund industry and has earned experience of all facets of Finance Division of the Asset Management Company (Trust Accounts/Fund Accounting and Management Company Accounts).

He has been serving as Head of Trust Accounts/Fund Accounting since 2013 with strong background in financial and business management, strategic planning, Business Administration, Audit Co-ordination and Tax planning. Mr. Tanzeel is a Chartered Accountant by profession from The Institute of Chartered Accountants of Pakistan (ICAP) with training from KPMG.

Ms. Naila Hasan

Independent Director

Ms. Naila Hasan, an MBA graduate from Institute of Business Administration (IBA) Karachi, is a highly accomplished professional with over 30 years of diverse experience in the pharmaceutical industry. With a proven track record of success, she has held key positions in renowned pharmaceutical companies, both locally and internationally. Ms. Naila Hasan is also a certified Director by the Pakistan Institute of Corporate Governance (PICG). She also serves on the Board of OLP Modaraba (formerly Orix Modaraba) and Vital Pakistan Trust.

Previously, Ms. Naila Hasan demonstrated exceptional leadership for AstraZeneca Pakistan, where she effectively managed relationships with local distribution partners. She also made significant contributions as the Therapy Area Director at GlaxoSmithKline's Middle East Africa regional office based in Dubai, spearheading the implementation of vital commercial strategies across the Middle East and Africa.

Ms. Naila Hasan’s background includes various roles at GlaxoSmithKline Pakistan, notably as the Marketing Director, overseeing renowned brands in the local pharmaceutical industry. Her wide-ranging skills encompass general management, marketing, business development, commercial operations, market access, distributor management, contract negotiations, coaching/mentoring, and compliance.

Mr. Mohammad Raziuddin Monem

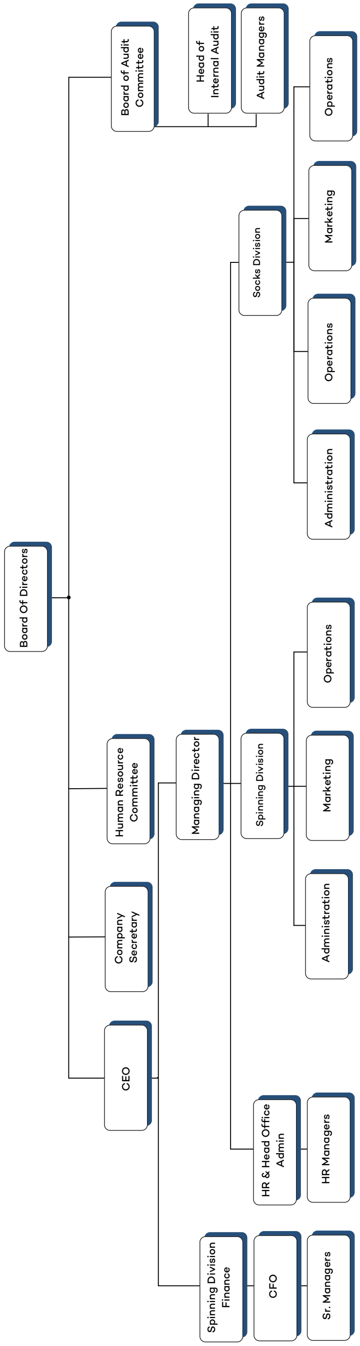
Independent Director

Mr. Monem holds a BS degree in Chemical Engineering from the UET, Lahore is a highly experienced and accomplished professional with over 40 years of expertise in Oilfield Systems Performance Management, with a strong focus on QHSE (Quality, Health, Safety, and Environment) and Team Building. Throughout his career, he held key positions at M-I Drilling Fluids / M-I Overseas Ltd. (a division of SCHLUMBERGER), where he retired as the Country Manager and CEO for Pakistan and Area Operations Manager Middle East. He is a life member of the American Institute of Chemical Engineers and the Society of Petroleum Engineers and a member of the Petroleum Institute of Pakistan. He also served on the OICCI (Overseas Investors Chamber of Commerce and Industry) Energy Sub-committee.

Mr. Monem has also successfully contributed to numerous technical projects in collaboration with renowned industry giants such as Exxon, Shell, Conoco, Union Texas, Petro Canada, British Petroleum, OMV, Eni/Lasmo, and more. He has showcased his expertise by authoring several papers presented at international petroleum seminars and has also served as a co-chair for SPE (Society of Petroleum Engineers) and other industry panel sessions.

He also served as the Chairman of the Patients Behbud Society of AKUH (Aga Khan University Hospital) for 13 years and also held the position of Co-Chairman of the Community Advisory Board of AKUH from 2006. With an extensive corporate background, Mr. Monem has served on the Board of Directors and their committees for several listed companies including Pak Suzuki Motor Company, Ghandara Nissan, and SSGC (Sui Southern Gas Company). He is extremely keen on inculcating a spirit of merit and good corporate governance.

Organogram



Board Of Directors
Board of Audit Committee
Head of Internal Audit
Audit Managers
Socks Division
Operations
Marketing
Operations
Administration
Human Resource Committee
Company Secretary
CEO
Managing Director
Spinning Division
Operations
Marketing
Administration
HR & Head Office Admin
HR Managers
Spinning Division Finance
CFO
Sr. Managers

Board of Directors Committees

1. Audit Committee

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

Ms. Naila Hasan	**Chairperson**
Mr. Mohammad Raziuddin Monem	**Member**
Ms. Lubna Asif Balagamwala	**Member**

The terms of reference of the audit committee are as follows:

1. 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. Review 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 and compliance with regulations and other statutory and regulatory requirements.
3. Facilitate the external audit and discuss with external auditors, 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).
4. At least once a year the committee shall meet:
    - The external auditors without the CFO, Chief Internal Auditor and other executives
    - Chief Internal Auditor and other members of the internal audit function without the CFO and external auditors

5.Review of management letter issued by external auditors and management's response thereto.
6.Ensure coordination between the internal & external auditors of the company.
7. 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.
8. Consider major findings of internal investigations of activities characterized by fraud, corruption, and abuse of power and management's response thereto.
9. Ascertain that 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.
10. Review the risk management framework of the company. Board has delegated the responsibility of monitoring and control of business risk to the management of the company.
11. Institute 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.
12. Monitor compliance with the best practices of corporate governance and identification of significant violations thereof.
13. Consider any other issue or matters as may be assigned by the Board of Directors.
14. Institute special projects, value for money studies, 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.

2. Human Resource and Remuneration Committee (HRCC)

The Human Resource and Remuneration (HRCC) Committee has three members comprising a majority of non executive directors including the Chairman of the Committee.

Mr. Mohammad Raziuddin Monem	**Chairman**
Ms. Naila Hasan	**Member**
Ms. Lubna Asif Balagamwala	**Member**

The terms of reference of the HRCC committee are as follows:

1. Review and evaluate the organization's structure to ensure it is optimized for achieving strategic objectives, and recommend any necessary changes to the Board of Directors.
2. Develop and recommend to the Board of Directors a policy framework for determining the remuneration of directors, both executive and non-executive.
3. Ensure that Human Resource Management policies are applicable to the entire workforce, covering recruitment, training, performance management, succession planning, and compensation philosophy.
4. Recommend human resource management policies to the Board of Directors;

5. Recommend to the Board of Directors the selection, evaluation, development, and compensation (including retirement benefits) of the Chief Operating Officer, Chief Financial Officer, Executive Director, Company Secretary, and Head of Internal Audit;

6. Review the credentials of any human resource and remuneration consultants that are appointed and state whether they have any other connection with the company.

Chairman's Review

Dear Shareholders,

I am pleased to present the annual report of Premium Textile Mills Limited for the financial year ended 30th June 2023. It is my honour to serve as the Chairman of this esteemed organization and share with you the performance and achievements of our company during the year.

Board Leadership and Governance:

At Premium Textile Mills Limited, we are proud to have a highly competent and diverse Board of Directors who possess expertise in various fields of the corporate world. Our board members are committed to upholding the highest standards of governance, promoting innovation, and ensuring sustainability throughout the company. We strictly adhere to the relevant laws, regulations, and best industry practices to govern our operations.

Throughout the year, the Board held regular meetings to effectively oversee the company's affairs. We actively monitored our own performance as well as the performance of our sub-committees to ensure the best outcomes for the company. These comprehensive and effective board meetings resulted in sound decisions that align with our mission, vision, and strategic objectives.

Strategic Focus and Financial Performance:

The Board remains dedicated to achieving our set business goals and objectives while maintaining a vigilant approach to our financial performance. We continuously strive for stable and continual growth, ensuring that our products meet the highest quality standards. Ethical behaviour and diversity are also key aspects that we promote within our organization.

During the year, the Board recommended and approved various initiatives, including business strategy for stable and continual growth, strived to maintain a high level of corporate governance, transparency, and corporate value, technological adaptation. To review quarterly and annual financial statements, internal audit reports, appointment of external auditors, and the distribution of dividends. These decisions were made in the best interest of the company and its stakeholders, while upholding transparency and accountability.

Oversight and Risk Management:

The Board maintains a proactive approach to oversight and risk management. We closely monitor the company's financial performance through regular presentations by management and auditors. Additionally, we assess key areas such as the quality of our products, growth strategies, ethical practices, and the development of skilled resources to drive advancement and excellence.

Looking Ahead:

As we move forward, Premium Textile Mills Limited remains committed to our core values of integrity, transparency, and sustainable growth. We will continue to invest in research and development, explore new market opportunities, and optimize our operations to enhance shareholder value.

I would like to express my sincere gratitude to our shareholders, employees, customers, and other stakeholders for their continued support and trust in Premium Textile Mills Limited. Together, we will strive to achieve greater success and create a brighter future for our company.

Thank you.
Muhammad Aslam Parekh
Chairman, Premium Textile Mills Limited

چیئرمین کی جائزہ رپورٹ

محترم شیئر ہولڈرز

مجھے 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے پریمیم ٹیکسٹائل ملز لمیٹڈ کی سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔ یہ میرے لیے اعزاز کی بات ہے کہ میں اس معزز تنظیم کے چیئرمین کی حیثیت سے خدمات انجام دیتا ہوں اور سال کے دوران اپنی کمپنی کی کارکردگی اور کامیابیوں کو آپ کے ساتھ شیئر کرتا ہوں۔

بورڈ کی قیادت اور حکمرانی

پریمیم ٹیکسٹائل ملز لمیٹڈ میں، ہمیں ایک انتہائی قابل اور متنوع بورڈ آف ڈائریکٹرز پر فخر ہے جو کارپوریٹ دنیا کے مختلف شعبوں میں مہارت رکھتے ہیں۔ ہمارے بورڈ ممبران گورننس کے اعلیٰ ترین معیارات کو برقرار رکھنے، اختراع کو فروغ دینے اور پوری کمپنی میں پائیداری کو یقینی بنانے کے لیے پرعزم ہیں۔ ہم اپنے کاموں کو کنٹرول کرنے کے لیے متعلقہ قوانین، ضوابط اور صنعت کے بہترین طریقوں کی سختی سے پابندی کرتے ہیں۔

سال بھر، بورڈ نے کمپنی کے معاملات کی مؤثر نگرانی کے لیے باقاعدہ میٹنگیں کیں۔ کمپنی کے بہترین نتائج کو یقینی بنانے کے لیے ہم نے اپنی کارکردگی کے ساتھ ساتھ اپنی ذیلی کمیٹیوں کی کارکردگی کی بھی نگرانی کی۔ بورڈ کی ان جامع اور موثر میٹنگوں کے نتیجے میں ایسے ٹھوس فیصلے ہوئے جو ہمارے مشن، وژن اور اسٹریٹجک مقاصد کے مطابق ہیں۔

اسٹریٹجک توجہ اور مالی کارکردگی

بورڈ ہماری مالی کارکردگی کے لیے چوکس انداز کو برقرار رکھتے ہوئے ہمارے طے شدہ کاروباری اہداف اور مقاصد کو حاصل کرنے کے لیے وقف ہے۔ ہم اس بات کو یقینی بناتے ہوئے کہ ہماری مصنوعات اعلیٰ ترین معیار پر پورا اتریں، مستحکم اور مسلسل ترقی کے لیے مسلسل کوشش کرتے ہیں۔ اخلاقی رویے اور تنوع بھی کلیدی پہلو ہیں جنہیں ہم اپنی تنظیم میں فروغ دیتے ہیں۔

سال کے دوران، بورڈ نے مختلف اقدامات کی سفارش اور منظوری دی، بشمول مستحکم اور مسلسل ترقی کے لیے کاروباری حکمت عملی، کارپوریٹ گورننس، شفافیت، اور کارپوریٹ قدر، تکنیکی موافقت کے اعلیٰ درجے کو برقرار رکھنے کی کوشش کی۔ سہ ماہی اور سالانہ مالیاتی بیانات، اندرونی آڈٹ رپورٹس، بیرونی آڈیٹرز کی تقرری، اور منافع کی تقسیم کا جائزہ لینے کے لیے۔ یہ فیصلے شفافیت اور احتساب کو برقرار رکھتے ہوئے کمپنی اور اس کے اسٹیک ہولڈرز کے بہترین مفاد میں کیے گئے۔

نگرانی اور رسک منیجمنٹ

بورڈ نگرانی اور خطرہ انتظام کے حوالے سے فعال اقدامات کا خیرمقدم رکھتا ہے۔ ہم کمپنی کی مالی کارکردگی کو منظم طور پر انتظام اور اندراج کارکردگی کی سرکاری پیشکشوں کے ذریعے نزدیکی طریقے سے نظر رکھتے ہیں۔ اس کے علاوہ، ہم اہم شعبے کی تلاش کرتے ہیں جیسے کہ ہمارے مصنوعات کی معیار، نمو کی اسٹریٹیجیز، اخلاقی عمل، اور ماہرین کی تربیت کی تشہیر اور امتیاز کو بڑھانے کے لئے۔

مستقبل

پریمیم ٹیکسٹائل ملز لمیٹڈ اپنے اصولوں کی پختہ پابندی کا حامل رہتا ہے جو ایمانداری، شفافیت، اور پائیداری کی بنیادوں پر ہیں۔ ہم تحقیق اور ترقی میں سرمایہ کاری کرنا جاری رکھیں گے، نئے مارکیٹ کے مواقع کو تلاش کریں گے، اور اپنی کارکردگی کو بچاؤ اور شیئر ہولڈر کی انٹریسٹ کو بڑھانے کے لئے اپٹائمائز کریں گے۔ میں شیئر ہولڈرز، ملازمین، گاہکوں، اور دوسرے اسٹیک ہولڈرز کا دل سے شکریہ ادا کرنا چاہتا ہوں جنہوں نے پریمیم ٹیکسٹائل ملز لمیٹڈ میں اپنی مسلسل سپورٹ اور اعتماد کوقاہم رکھا۔ ہم ایک ساتھ بہتر کامیابی حاصل کرنے اور ہماری کمپنی کے لئے روشن مستقبل پیدا کرنے کی کوشش کریں گے۔

Aslam Pareekh

شکریہ
محمد اسلم پاریکھ
چیئرمین، پریمیم ٹیکسٹائل ملز لمیٹڈ

Notice of annual general meeting

Notice is hereby given that the Annual General Meeting of Premium Textile Mills Limited (the "Company") will be held on Wednesday, October 25, 2023 at 2:30 pm at registered office: 1st Floor, Haji Adam Chamber, Altaf Hussain Road, Karachi and through video link facility to conduct the following business:

Ordinary business:

1. To confirm the minutes of the 35th Annual General Meeting of the Company held on Wednesday, October 26, 2022.
2. To receive, consider and adopt the Audited Financial Statements together with the Director's Report, Auditor's Report and Chairman Review Report of the Company for the year ended June 30, 2023.
3. To approve the payment of Final cash dividend @250% (i.e.Rs.25.00/- per share) as recommended by the Board of Directors.
4. To appoint the external auditors for the next financial year ending June 30, 2024 and to fix their renumeration. The present auditors, M/s Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

Special business:

5.Circulation of Financial Statements Via QR Code & Weblink

To consider, and if deemed appropriate, to pass the following resolutions (with or without modifications) which would enable the Company to circulate the annual audited financial statements by way of QR enabled code and weblink to its shareholders as a part of the notice for annual general meeting.

"RESOLVED THAT subject to passing of a resolution of Premium Textile Mills Limited ("Company") by way of simple majority, permission and approval to the Company be and is hereby accorded for circulation of annual audited financial statements to members through QR enabled code and weblink within and as a part of the notice of general meeting, in line with Securities and Exchange Commission of Pakistan notification number S.R.O. 389(I)/2023, and as a consequence thereof, the practice of circulation of annual audited financial statements through CD be discontinued."

"FURTHER RESOLVED THAT the company shall ensure all times the requirements given in Securities and Exchange Commission Notification S.R.O. 389 (I)/2023 dated March 21, 2023 and all other applicable laws in connection with transmission of Notice of General meeting and circulation of annual report to the members are complied with."

6.Amendment in Articles of Association of Company:

To consider, and if deemed appropriate, to pass the following resolutions (with or without modifications) which would enable the Company to amend clauses of the Articles of Association of the Company.

"RESOLVED THAT the existing Clause 85 of the Articles of Association of the Company be and is hereby replaced accordingly, to read as follows:

The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. A director shall also be paid reasonable travelling and other expenses of and incidental to his/her attendance at such meetings or incurred for any other purpose in connection with the affairs of the Company."

"FURTHER RESOLVED THAT the existing Clauses 81-A and 81-B of the Articles of Association of the Company be and hereby removed subject to approval of members in a general meeting."

"FURTHER RESOLVED THAT the existing Clause 82 of the Articles of Association of the Company be and hereby replaced accordingly, to read as follows, subject to approval of members in general meeting:

The business of the company shall be managed by the directors, who may exercise all such powers allowed by the Memorandum and Articles of the Association and prevailing laws."

7. Increase in Directors Remuneration

To consider, and if deemed appropriate, to pass the following resolution (with or without modifications) which would enable the Company to increase the Directors remuneration:

"RESOLVED THAT the remuneration of the working Directors, namely Mr. Abdul Kadir Adam Chief Executive Officer, and Mr. Yasin Siddik – Executive Director, shall be increased to Rs. 1,575,000 and Rs. 1,250,000 per month, respectively. The increase shall be accompanied by other benefits as per the company's policy."

"FURTHER RESOLVED THAT the remuneration for attending each meeting of the Board and its sub-committees shall be set at Rs. 75,000/- (Pak Rupees Seventy-Five Thousand only)."

8. To transact any other business with the permission of the Chairman.

By order of the Board of Directors

Hammad Ullah Khan

Company Secretary

Karachi: October 2, 2023

STATEMENT OF SPECIAL BUSINESS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out material facts pertaining to the special business to be transacted at the AGM of the Company to be held on October 25, 2023.

Agenda Item No. 5: Circulation of Financial Statements Via QR Code & Weblink

SECP vide SRO 389(I)/2023 dated March 21, 2023, allowed listed companies to circulate the annual audited financial statements to its members through QR-enabled code and web link subject to approval by the shareholders by simple majority.
This facility will assist all members, regardless of their location, in accessing the Company's financial statements. The proposed change seeks to address technological challenges and improve accessibility while preserving members' rights and privileges.
Importantly, it should be noted that this amendment does not impact the existing right of members to receive a printed version of the financial statements, which will continue to be available upon request.

Agenda Item No. 6 : Amendment in Articles of Association of Company

Over the decades, the company's financial obligations and shareholding structure has been significantly changed. These changes coupled with developments in prevailing laws related to listed companies have necessitated a review of certain clauses within our Articles of Association. As a result, there is need to revisit Clause 81-A, 81-B and 82 from the Articles of Association of the company.
Further at present, the remuneration fee for directors' attendance at meetings is specified in the clause 85 of the Articles of Association in Pak Rupees. Any modification in their remuneration necessitates an amendment to the article each time, creating a cumbersome process. To eliminate this inconvenience, it is proposed that the remuneration of directors be approved during the General Meeting whenever necessary in accordance with the company article and other applicable laws.
The existing and proposed Articles of Association of the company can be inspected from the date of the notice till the conclusion of the general meeting of the company. The Directors of the company have no personal interest directly or indirectly in the above Special business.

Agenda Item No. 7 : increase in Directors Remuneration

The Board of Directors, on the recommendations of Board Human Resource and Remuneration Committee, (HRCC) decided to increase the Executive Directors Remuneration. The board also recommends the increase in remuneration for attending each meeting of the Board and its sub-committees.
The decision to increase the remuneration has been made to compensate for the time and efforts required to discharge director's obligations and to value their skills and expertise in managing the affairs of the Board and Board's Committees.
The Directors of the company have no personal interest, directly or indirectly except to the extent of their remuneration.

Notes:

a) The share transfer books of the Company will remain closed from October 19, 2023 to October 25, 2023, (both days inclusive). Transfers received by the Company's share registrar, M/s F.D. Registrar Services (Private) Limited, Room No.1705, 17th Floor, Saima Trade Tower-A, I.I Chundrigar Road, Karachi by the close of business on October 18, 2023 will be considered for entitlement of 250% Final Cash Dividend[i.e., Rs.25/- (Rupees Twenty Five only) per Ordinary Share] for the year ended June 30, 2023 and to attend and vote at the meeting.

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

c) Proxies must be received at the Registered Office of the Company not later than 48 hours before the time of the Meeting.

For Attending the Meeting

- In light of the clarification issued by the Securities and Exchange Commission of Pakistan for ensuring participation of members in general meeting through electronic means as a regular feature, the company has also provided the facility for attending the meeting via video-link to its shareholders. The members are encouraged to participate in the meeting online for following the below guidelines.

- ·To participate in the AGM through video-link arrangement, members are requested to get themselves registered by sending the particulars prescribed in the table below at the following email address hammad@premiumtextile.com by the close of business hours (5:00 pm) on October 23, 2023.

Name of Member	Authorized Representative (in case of corporate member)	CNIC No / NTN No.	CDC Participant No. Folio No.	Cell Number	Email Address

- The Video Conference Link would be emailed to the registered members or their proxies who have provided all the requested information.
- In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the account number at the time of meeting.
- In the case of a corporate entity, a resolution of the Board of Directors / power of attorney with a specimen signature of the nominee should be attached with the proxy form or may be provided at the time of the meeting.

For Appointing Proxies

- In the case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations shall submit the proxy form as per the above requirements.
- The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- In the case of the corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with a proxy form to the Company.

Procedure for E-Voting

- In accordance with the Companies (Postal Ballot) Regulations 2018, amended through Notification dated December 05, 2022, for the purpose of election of directors and approval of any special agenda item at the general meetings, members will be allowed to exercise their vote through postal ballot i.e., by post or e-voting, in the manner and subject to conditions contained in the Companies (Postal Ballot) Regulations, 2018.
- Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the company by the close of business on October 20, 2023.
- The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- Members shall cast vote online at any time from October 21, 2023, 9:00 am to October 24, 2023 at 5:00 pm. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for Voting Through Postal Ballot

- Pursuant to Companies (Postal Ballot) Regulations 2018 ("Regulations"), for the purpose of election of directors and for the purpose of approval of any special agenda item at the general meetings subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post, in accordance with the requirements and procedure contained in the aforesaid Regulations.

- The members shall ensure that the duly filled and signed ballot paper, along with a copy of the Computerized National Identity Card (CNIC) should reach the Chairman through the post at the Company's registered address: 1st Floor, Haji Adam Chamber, Altaf Hussain Road, Karachi, or email at chairman@premiumtextile.com one day before the AGM on or before October 24, 2023, during working hours. Any postal ballot received after this date, will not be considered for voting.
- The signature on the Ballot Paper shall match with signature on the CNIC.
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

Conversion of Physical Share certificate in book entry

- With reference to the provisions of Section 72 of the Companies Act, 2017, Securities and Exchange Commission of Pakistan, through its letter No. CSD/ED/MISC/2016-639-640 dated March 26, 2021, has required listed companies to replace the existing physical shares issued by them into Book Entry Form. In compliance to regulatory requirements, shareholders of company holding physical share certificates are requested to convert their physical share certificates into Book Entry Form.

Mandatory registration detail of shareholders

- According to Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical shareholders are advised to provide their mandatory information such as CNIC number address, email address, contact mobile / telephone number, International Bank Account No (IBAN), etc. to registrar of the company.

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.

Withholding Tax on Dividend Income:

The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment will be as follows:

- 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%.
- In case of joint account, each holder is to be treated individually as appearing in ATL or not appearing in ATL and tax will be deducted on the basis of shareholding of each joint holder as maybe notified by the shareholder, in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.

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

Availability of Financial Statements and Reports on the Website

- In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2023, are available on the Company's website (http://www.premiumtextile.com).

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.

Director's 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, 2023.

Directors' Report

To the Shareholders

Dear Shareholders,

The Directors are pleased to present to you the 36th Annual Report together with the Audited accounts of the Company for the year ended 30th June, 2023 for your consideration and approval.

PKR Million	2023	2022
Operating Profit	3,113,048,051	4,956,172,338
Financial & Others	(1,718,714,746)	(346,662,750)
Profit before Tax	1,394,333,305	4,609,509,588
Tax	(351,689,965)	(299,132,208)
Profit after tax	1,042,643,340	4,310,377,380
Earnings per share	169.18	699.40
Gross Margin %	17.26 %	27.94 %
Operating Profit %	13.64%	24.81 %

Dividend

The Board of Directors of the Company has recommended following final appropriations for the FY 22-23 for approval of the members at the Annual General Meeting to be held on 25 October, 2023.
Final Cash Dividend of Rs. 25/- Per share, i.e. 250%, (2022: Rs 50/- per share, i.e.,500%).

Financial Highlights

The net turnover of the Company grew by 11.98% (spinning section) due to higher average selling prices. The amount of Rs.22.829 billion consists of sales of 457.731 million pertaining to socks division. The gross margin decreased 10.68% due to higher cost of raw material and higher conversion costs. Finance Costs increased substantially by 155.56% due to increase in markup rates and increase in short term borrowings.
Profit after tax for the year ended June 30, 2023 was 1.043 billion and EPS Rs.169.18 per share.

Business Performance Highlights

PRINCIPAL ACTIVITY

The principal activity of the Company is manufacturing of yarn and socks.

OVERVIEW

Since the last 3 years economic activity in Pakistan has been severely affected by the negative impacts related to COVID-19, uncertain political climate, rising inflation, falling value of the Pak Rupee, rising cost of finance, and rising utility rates .

On the global front, high commodity prices, rising petroleum prices, Ukraine- Russia War have all contributed to the slowing down of economic activity around the world thereby impacting demand for textile products.

On the local economic front the schemes like the TERF AND LTFF have all been withdrawn by the State Bank which is playing a negative role on the export side and the country's exports have decreased. In short Pakistan's economic situation is not stable and it is recording a negative trend in terms of growth and exports both.
After the agreement with IMF, Pak currency is continuously on the downward trend and due to this devaluation, import of raw materials and plant and machinery have become almost impossible so much so that establishing letters of credit for raw materials and spares is also very difficult.

The base gas and electricity tariff has been increased by about 40- 50% thereby distorting the competitiveness of the exporting Industry.
But Alhamdulillah, even in such challenging times your Company has managed to make a handsome profit due to the hard work of its officers and workers.

During the year under review the following assets have been added :

LAND	**Rs. 1.252 Million**
BUILDING	**Rs. 797.654 Million**
MACHINERY	
Socks Knitting Machines	Rs.988.197 million
Socks Pressing Machines	Rs. 49.247 million
Socks Dyeing Machine	Rs. 83.268 million
Ring Spinning frame RX-300 E	Rs. 266.704 million
Draw Frames	Rs. 172.083 million
Dust & Waste Removal	Rs. 160.681 million
Dyeing Plant	Rs. 133.442 million
High Speed Open End Machine	Rs. 100.508 million
Blending Machine	Rs. 53.719 million
Bale Press Machine	Rs. 49.622 million
Boiler	Rs. 26.395 million
Fiber Preparation Machine	Rs. 14.469 million
Spinning Device	Rs. 44.065 million
Precision Cross wound winder	Rs. 42.045 million
Vision Shield	Rs. 68.317 million
Blow Room machinery	Rs. 54.817 million
Automatic Cone winder	Rs. 36.914 million
Soft Waste Plant	Rs. 14.878 million
Yarn Conditioning Machine	Rs. 3.052 million
Auto Bale Plucker	Rs. 3.418 million
Other Auxiliary Machines	Rs. 171.134 million
OFFICE & LAB EQUIPMENT	**Rs. 19.230 million**
ELECTRICAL INSTALLATIONS	**Rs. 611.980 million**
FURNITURE & FIXTURES	**Rs. 20.259 million**
VEHICLES	**Rs. 77.540 million**
COMPUTER EQUIPMENT	**Rs. 10.530 million**

Product Diversification and Improvement

We have recently set up a state of the art machineries for production of socks which are useful for sports, work, leisure and various seasons as well. We have started commercial production and produce upto 165,000 dozens per month .We are also in the process of manufacturing eco friendly socks using organic cotton natural yarns and recycled fibre.

Also our fibre and yarn dyeing setup has the lowest environmental impact there by reducing toxic emissions and avoiding pollution as well.

Furthermore ,in addition to the 3 MW solar power system already in use we are in the process of setting up a solar unit of 2.2 MW to lower operational cost of the factory in Nooriabad. Since we have high energy consumption of electricity through gas generators operating in the factory premises we will benefit from the installation of the solar power system which will help in cost savings, sustainability, and fulfillment of environmental responsibility.

Principle Risks

The principal risks impacting the company 's business are as follows :

- Increase in Production cost due to rising inflation
- Increase in Foreign currency exchange rates due to the devaluation of Pakistan Rupee
- Possibility of Inventory losses resulting in reduction of profit
- Levy of additional taxes on imported items and other levies on power and Gas tariffs
- Increase in Kibor rates causing increase in Financial Costs.

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:

Ms . Naila Hasan	Chairperson
Mr. Mohammad Raziuddin Monem	Member
Ms. Lubna Asif Balagamwala	Member

(b)HR and Remuneration Committee

Mr.Mohammad Raziuddin Monem	Chairman
Ms. Naila Hasan	Member
Ms. Lubna Asif Balagamwala	Member

Director's Remuniration

The remuneration of Directors has been disclosed in note 31 of the Financial statements as at June 30,2023

Contribution To National Exchequer

Premium Textile contributes towards the national economy of account of Taxes & Other levies; during the period under review our company paid Rs. 1,084.48 million as tax & customs duties.

Charity And Donation

Charity and donation amounting to Rs.58.750 million paid during the period.

Rural Development Programe

As the factory is situated on superhighway near Nooriabad Industrial estate the employmenthas 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

What the future holds is, as always a question mark. But, as per our calculations, the devaluation of the Pak Rupee will offset all these other negatives and keep us afloat. But this is not an enviable position, we must establish control over our expenses and improve our balance of payments position so that our reliance on borrowed money is reduced and we can make progress like the other advancing countries.

Corporate & Financial Reporting Frame Work

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

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

NAME OF DIRECTORS	NO. OF MEETING ATTENDED
01- Mr.Aslam Parekh	6
02- Mr.Abdul Kadir Adam	3
03- Mr. M.Yasin Siddik	6
04- Mr. Mohammad Raziuddin Monem	3
05- Ms. Naila Hasan	3
06- Ms.Lubna Asif Balagamwala	6
07- Mr.Tanzeel Abdul Sattar (NIT Nominee)	6
08- Mr.Tufail Sattar	3
09- Mr.M.Ali Jalliawala	3

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, 2023 is annexed

Acknowledgement

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

ON BEHALF OF THE BOARD OF DIRECTORS

Mr. Abdul Kadir Adam
Chief Executive

Mr. Yasin Siddik
Executive Director

September 28th, 2023
Karachi.

06۔محترمہ لبنیٰ آصف بالاگام والا	6
07۔ جناب تنزیل عبدالستار (NITنامزد)	6
08۔ جناب طفیل ستار	3
09۔ جناب محمد علی جلیا والا	3

آڈیٹرز :۔

کمپنی کے موجودہ آڈیٹرز میسرز رحمٰن سرفراز رحیم اقبال رفیق (چارٹرڈ اکاؤنٹس) ریٹائر ہورہے ہیں اور اہل ہونے کے بعد آنے والے سال کے لئے خود کو آڈیٹرز کے طور پر دوبارہ تقرری کے لئے پیش کرتے ہیں ۔

شئیر ہولڈنگ کا پیٹرن :۔

30 جون 2023 تک کمپنی کے شئیر ہولڈنگ کا پیٹرن منسلک ہے ۔

اعتراف:۔

بورڈ کو اپنے بینکرز کی مسلسل حمایت ،کمپنی اس کے عملے کے اراکین اور کارکنوں کو ان کی محنت کے لئے تعریف کرتے ہوئے خوشی ہورہی ہے ۔ بورڈ قابل قدر شئیر ہولڈرز کے اعتماد اور اخلاقی تعاون کی تعریف کرتا ہے بورڈ اپنے قابل قدر صارفین کا ان کے کاروبار اور آپ کی کمپنی کے لئے تعاون کے لئے بھی شکریہ ادا کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

جناب یاسین صدیق
اگیزیکٹو ڈائریکٹر

جناب عبدالقادر آدم
چیف اگیزیکٹو

مورخہ 28 ستمبر 2023
کراچی۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک :۔

آپ کی کمپنی کارپوریٹ گورنس کے معیارات کے لئے پرعزم ہے اور مسلسل بہتری کی تلاش میں ہے کمپنی مندرجہ زیل طریقے سے موجود اصولوں کا اطلاق کرتی ہے ۔

a) کمپنی کی طرف سے تیار کردہ مالیاتی بیانات، کاموں، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں میں اس کی حالت کو اچھی طرح سے پیش کرتے ہیں ۔

b) کھاتوں کی مناسب کتابیں رکھی گئی ہیں۔

c) مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے مالی بیانات کے معقول اور دانشمندانہ فیصلے پر مبنی ہیں اور کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے ۔

d) بین الاقوامی اکاؤنٹنگ معیارات ، جیسا کہ پاکستان میں لاگو ہوتا ہے تیاری میں پیروی کی گئی ہے

e) اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے دُرست ہے اور اسے موثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی گئی ہے ۔ بنیادی مقاصد میں اثاثوں کی حفاظت، قابل اعتماد مالیاتی رپورٹنگ کو یقینی بنانا ، قانونی تقاضوں کی تعمیل کو برقرار رکھنا اور آپریشنل کارکردگی کا حصول شامل ہے ۔

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

g) کمپنی کا ریکارڈ مقدار اور ویلیو ایڈڈ یارن کی فروخت کے لحاظ سے ترقی کو ظاہر کرتا ہے ، یہ کمپنی کے معیاری مصنوعات اور ویلیو ایڈڈ یارن فراہم کرنے کے مقصد کے مطابق کیا گیا تھا۔

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

ڈائریکٹرز کا نام	میٹنگ میں شرکت کی تعداد
01۔ جناب اسلم پاریکھ	6
02۔ جناب عبدالقادر آدم	3
03۔ جناب محمد یاسین صدیق	6
04۔ جناب محمد رضی الدین مونم	3
05۔محترمہ نائلہ حسن	3

(b) ایچ آر اور معاوضہ کمیٹی

چیئرمین	جناب محمد رضی الدین مونم
رکن	محترمہ نائلہ حسن
رکن	محترمہ لبنیٰ آصف بالاگم والا

ڈائریکٹر کا معاوضہ

ڈائریکٹر کے معاوضے کا انکشاف 30 جون 2023 تک مالیاتی بیانات کے نوٹ 31 میں کیا گیا ہے۔

قومی خزانے میں شراکت

زیر جائزہ مدت کے دوران پریمیم ٹیکسٹائل نے ٹیکس اور دیگر محصولات کی مد میں 1,084.48 ملین روپے قومی خزانے میں جمع کروائے ہیں۔

صدقہ اور عطیہ:۔

زیر جائزہ مدت کے دوران چیریٹی اور عطیہ کی رقم 58.750 ملین روپے ادا کی گئی۔

دیہی ترقی کا پروگرام:۔

چونکہ یہ فیکٹری نوری آباد انڈسٹریل اسٹیٹ کے قریب سپر ہائی وے پر واقع ہے۔ یہاں کے قریب ترین مقامی افراد کو مینوفیکچرنگ، لوڈنگ، ان لوڈنگ، پیکنگ، سیکورٹی وغیرہ کے شعبوں میں روزگار دیا گیا ہے۔ 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 شرکت بھی شامل ہے۔

مستقبل کا نکتہ نظر:۔

مستقبل کیا ہے، ہمیشہ کی طرح ایک سوالیہ نشان ہے۔ لیکن ہمارے حساب کے مطابق، پاکستانی روپے کی قدر میں کمی ان تمام دیگر منفیوں کو ختم کردے گی اور ہمیں محفوظ رکھے گی۔ لیکن یہ قابل رشک پوزیشن نہیں ہے ہمیں اپنے اخراجات پر کنٹرول قائم کرنا چاہئے اور ادائیگیوں کے توازن کو بہتر بنانا چاہئے تاکہ اُدھار کے لئے پیسوں پر ہمارا انحصار کم ہو اور ہم دوسرے ترقی پذیر ممالک کی طرح ترقی کرسکیں۔

فائبر کا استعمال کرتے ہوئے ماحول دوست موزے تیار کرنے کے عمل میں بھی ہیں۔
نیز ہمارے فائبر اور یارن رنگنے کا سیٹ اپ زہریلے اخراج کو کم کر کے اور آلودگی سے بھی بچ کر وہاں سب سے کم ماحولیاتی اثرات مرتب کر رہا ہے۔
مزید برآں پہلے سے زیر استعمال 3 میگا واٹ سولر پاور سسٹم کے علاوہ ہم نوری آباد میں فیکٹری کی آپریشنل لاگت کو کم کرنے کے لئے 2.2 میگا واٹ کا سولر یونٹ لگانے کے عمل میں ہیں۔ چونکہ ہمارے پاس فیکٹری کے احاطے میں کام کرنے والے گیس جنریٹرز کے ذریعے بجلی کی زیادہ توانائی کی کھپت ہے، ہم شمسی توانائی کے نظام کی تنصیب سے فائدہ اُٹھائیں گے جو لاگت کی بچت، پائیداری اور ماحولیاتی ذمہ داری کو پورا کرنے میں مدد کرے گا۔

بنیادی خطرات

کمپنی کے کاروبار کو متاثر کرنے والے بنیادی خطرات درج ذیل ہیں:

...... بڑھتی ہوئی مہنگائی کی وجہ سے پیداواری لاگت میں اضافہ۔
...... پاکستانی روپے کی قدر میں کمی کی وجہ سے غیر ملکی کرنسی کی شرح تبادلہ میں اضافہ۔
...... انوینٹری کے نقصانات کے امکان کی وجہ سے منافع میں کمی۔
...... درآمدی اشیاء پر اضافی ٹیکس اور بجلی اور گیس کے نرخوں پر دیگر محصولات۔
...... کائی بور کی شرح میں اضافہ سے مالی اخراجات میں اضافہ۔

کارپوریٹ ماحولیات، صحت اور سماجی ذمہ داری

کمپنی کام کرنے کے حالات جو کہ محفوظ اور تمام ملازمین اور عوام کی صحت کے لئے خطرے کے بغیر ہے کو برقرار رکھتی ہے، ہماری توجہ حفاظت کے تمام پہلوؤں کو بہتر بنانے پر مرکوز ہے خاص طور پر مواد کی پیداوار، ترسیل، اسٹوریج اور ہینڈلنگ میں حفاظت کے حوالے سے آگ بجھانے والے آلات سمیت حفاظتی آلات ملز کے ساتھ ساتھ کمپنی کے حوالے سے آگ بجھانے والے آلات سمیت حفاظتی آلات ملز کے ساتھ ساتھ کمپنی کے رجسٹرڈ ہیڈ آفس میں مختلف معاملات پر رکھے گئے ہیں۔ طبی مشورے اور علاج کی فراہمی کے لئے مل میں ڈاکٹر کا باقاعدہ دورہ ممکن بنایا گیا ہے۔

بورڈ کمیٹیاں:

بورڈ کی مندرجہ ذیل کمیٹیاں ہیں۔

(a) آڈٹ کمیٹی

چیئرپرسن	محترمہ نائلہ حسن
رکن	جناب محمد رضی الدین مونم
رکن	محترمہ لیلیٰ آصف بالاگم والا

(جاری ہے صفحہ نمبر 5)

فریم ڈرا	172.083 ملین	روپے
دھول اور فضلہ ہٹانا	160.681 ملین	روپے
رنگنے کا پلانٹ	133.442 ملین	روپے
تیز رفتار اوپن اینڈ مشین	100.508 ملین	روپے
ملاوٹ والی مشین	53.719 ملین	روپے
گھڑی پریس مشین	49.622 ملین	روپے
بوائلر	26.395 ملین	روپے
فائبر کی تیاری کی مشین	14.469 ملین	روپے
اسپننگ مشین	44.065 ملین	روپے
پریسشن کراس واؤنڈ وائنڈر	42.045 ملین	روپے
ویژن شیلڈ	68.317 ملین	روپے
بلو روم مشینری	54.817 ملین	روپے
خودکار مخروط وانڈر	36.914 ملین	روپے
سافٹ ویسٹ پلانٹ	14.878 ملین	روپے
یارن کنڈیشننگ مشین	3.052 ملین	روپے
آٹو گھڑی Plucker	3.418 ملین	روپے
دیگر معاون مشینیں	171.134 ملین	روپے

آفس اور لیب کا سامان	19.230 ملین	روپے
بجلی کی تنصیبات	611.980 ملین	روپے
فرنیچر اور فکسچر	20.259 ملین	روپے
گاڑیاں	77.540 ملین	روپے
کمپیوٹر کا سامان	10.530 ملین	روپے۔

مصنوعات کی تنوع اور بہتری

ہم نے حال ہی میں جرابوں کی تیاری کے لئے ایک جدید ترین مشینری قائم کی ہے جو کھیلوں، کام، تفریح اور مختلف موسموں کے لئے استعمال ہوتی ہیں۔ہم نے جرابوں کی تجارتی پیداوار شروع کردی ہے اور ہر ماہ 1,65,000 درجن تک پیداوار کرر ہے ہیں۔ ہم نامیاتی کپاس کے قدرتی یارن اور ری سائیکل شدہ

-/25 فی شیئر کا فائنل کیش ڈیویڈنڈ یعنی 250% (2022: روپے -/50 فی شیئر ، یعنی 500%)

کاروباری کارکردگی کی جھلکیاں

پرنسپل سرگرمی

کمپنی کی بنیادی سرگرمی دھاگے اور جرابوں کی تیاری ہے ۔

جائزہ :۔

پاکستان میں گزشتہ 3 سال سے معاشی سرگرمیاں COVID-19 سے متعلق منفی اثرات ، غیر یقینی سیاسی ماحول ، بڑھتی ہوئی مہنگائی، پاکستانی روپے کی گرتی ہوئی قدر، مالیاتی لاگت میں اضافے اور یوٹیلٹی کی بڑھتی ہوئی شرحوں سے بری طرح متاثر ہوئی ہیں۔

عالمی محاذ پر ، اجناس کی اونچی قیمتیں ، پیٹرولیم کی بڑھتی ہوئی قیمتیں ، یوکرین، روس جنگ نے دنیا بھر میں اقتصادی سرگرمیوں کو سست کرنے میں اہم کردار ادا کیا ہے جس سے ٹیکسٹائل مصنوعات کی مانگ متاثر ہوئی ہے۔

مقامی اقتصادی محاذ پر TERF اور LTFF جیسی اسکیمیں اسٹیٹ بینک نے واپس لے لی ہیں جو کہ برآمدات کی طرف منفی کردار ادا کر رہی ہے اور ملکی برآمدات میں کمی آئی ہے ۔مختصر یہ کہ پاکستان کی معاشی صورتحال مستحکم نہیں ہے اور یہ ترقی اور برآمدات دونوں کے لحاظ سے منفی رجحان ریکارڈ کر رہا ہے ۔

آئی ایم ایف کے ساتھ معاہدے کے بعد پاکستانی کرنسی مسلسل گراوٹ کا شکار ہے اور اس قدر میں کمی کی وجہ سے خام مال اور پلانٹ اور مشینری کی درآمد تقریبًا ناممکن ہوگئی ہے اور خام مال اور اسپئیر کے لئے لیٹر آف کریڈٹ کا قیام بھی بہت مشکل ہے ۔

گیس اور بجلی کے بنیادی نرخوں میں تقریبًا 40 سے 50 فیصد اضافہ کیا گیا ہے جس سے برآمدی صنعت کی مسابقت خراب ہورہی ہے لیکن الحمد اللہ ایسے مشکل وقت میں بھی آپ کی کمپنی اپنے افسران اور کارکنوں کی محنت کی وجہ سے شاندار منافع کمانے میں کامیاب ہوئی ہے ۔

زیرنظر سال کے دوران درج ذیل اثاثے شامل کئے گئے ہیں ۔

زمین	1.252 ملین روپے
عمارت	797.654 ملین روپے

مشینری

جرابیں بنانے والی مشینیں	988.197 ملین روپے
جرابیں پریس کرنے والی مشینیں	49.297 ملین روپے
موزے رنگنے والی مشین	83.268 ملین روپے
رنگ اسپننگ فریم RX-300 E	266.704 ملین روپے

ڈائریکٹرز رپورٹ

پیارے شیئر ہولڈر

ڈائریکٹرز کو آپ کے غور اور منظوری کے لئے 30 جون 2023 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ کھاتوں کے ساتھ 36 ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی ہورہی ہے۔

آپریٹنگ نتیجہ

	2023	2022
آپریٹنگ منافع	3,113,048,051	4,956,172,338
مالیاتی اور دیگر	(1,718,714,746)	(346,662,750)
ٹیکس سے پہلے منافع	1,394,333,305	4,609,509,588
ٹیکس	(351,689,965)	(299,132,208)
ٹیکس کے بعد منافع	1,042,643,340	4,310,377,380
فی شیئر آمدنی	169.18	699.40
مجموعی مارجن %	17.26%	27.94%
آپریٹنگ منافع%	13.64%	24.81%

مالیاتی جھلکیاں

اعلیٰ اوسط فروخت کی قیمتوں کی وجہ سے کمپنی کے خالص کاروبار میں 11.98% (اسپننگ سیکشن) کا اضافہ ہوا۔ 22.829 بلین روپے کی فروخت میں جرابوں کے ڈویژن کی فروخت 457.731 ملین روپے ہے۔ خام مال کی زیادہ قیمت اور تبادلوں کی زیادہ لاگت کی وجہ سے مجموعی مارجن میں 10.68 فیصد کمی واقع ہوئی۔ مارک اپ کی شرح میں اضافے اور مختصر مدت کے قرضوں میں اضافے کی وجہ سے مالیاتی لاگت میں 155.56 فیصد کا خاطرہ خواہ اضافہ ہوا۔

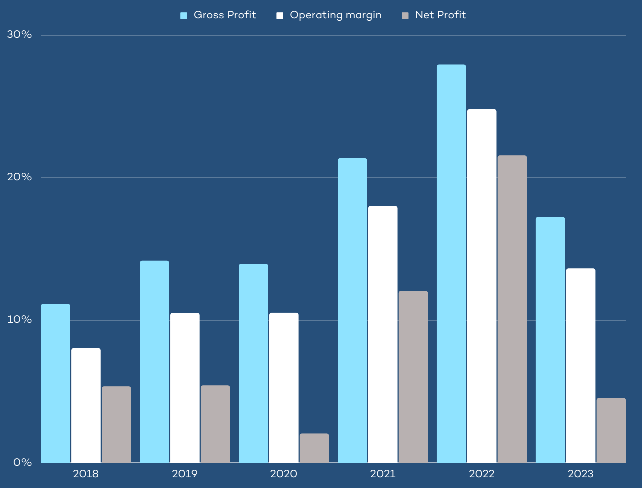
30 جون 2023 کو ختم ہونے والے سال کے لئے بعد از ٹیکس منافع 1.043 بلین اور EPS 169.18 روپے فی شیئر ہے۔

ڈیویڈنڈ

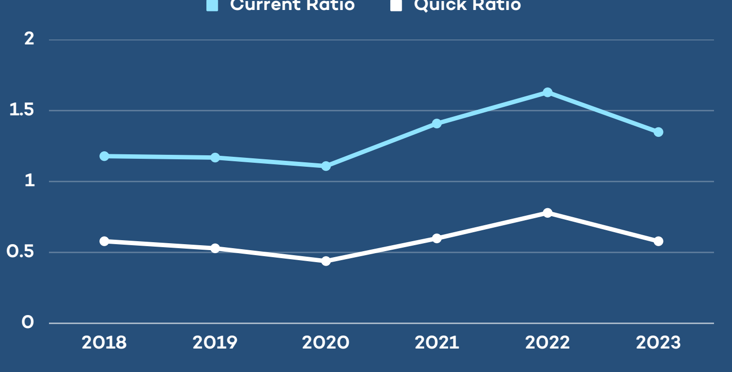
کمپنی کے بورڈ آف ڈائریکٹرز نے 25 اکتوبر 2023 کو ہونے والے سالانہ عام اجلاس میں اراکین کی منظوری کے لئے مالی سال 23-22 کے لئے حتمی تخصیصات کی پیروی کرنے کی سفارش کی ہے۔

Premium In Graphs

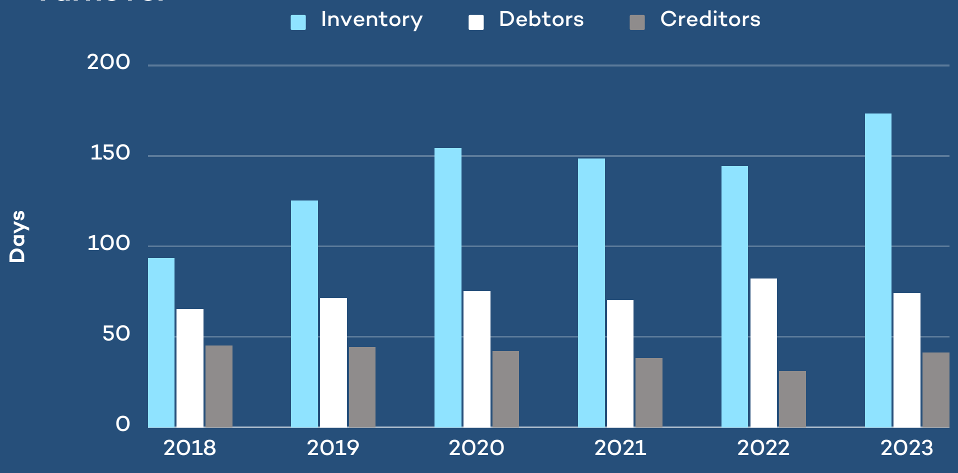
Profitability Ratios



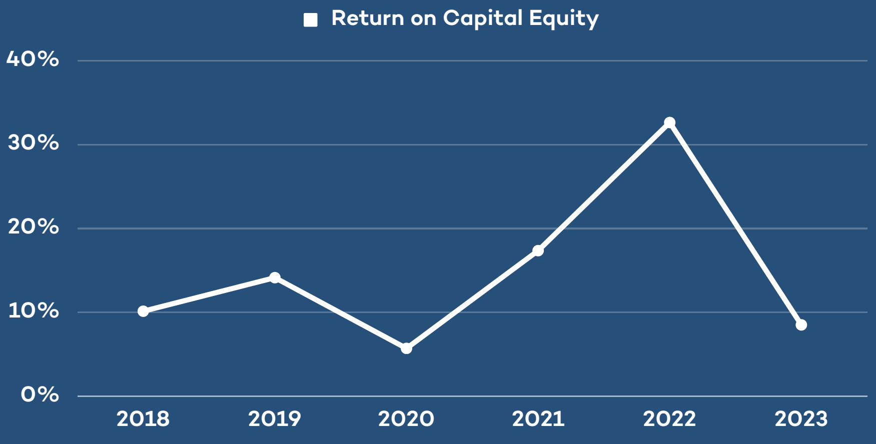
Liquidity Ratio



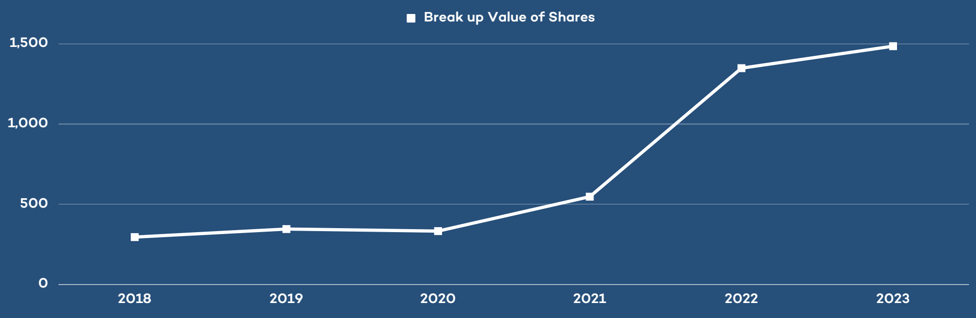
Turnover



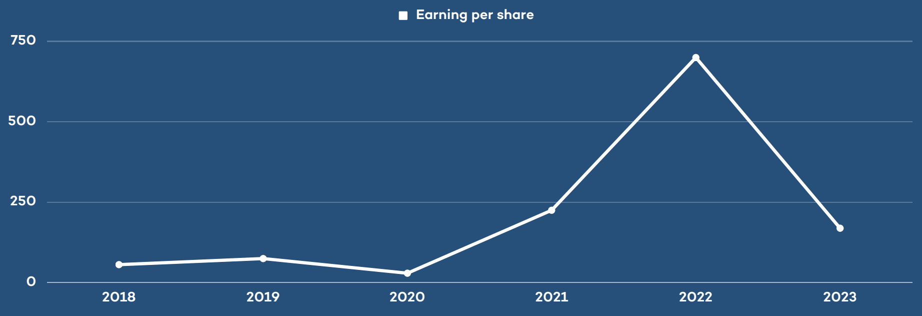
Return on Capital Equity



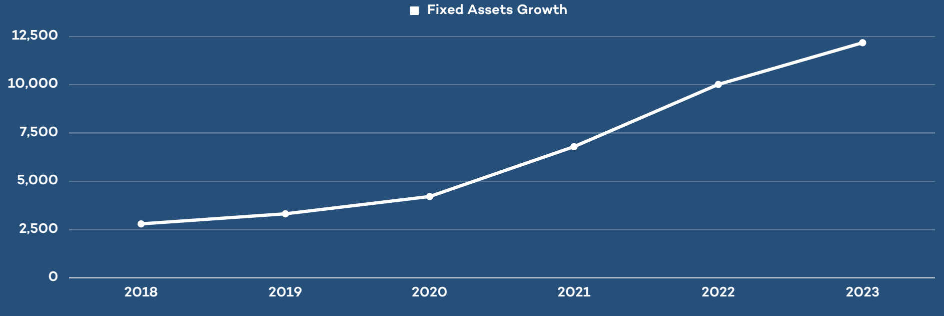
Break up Value of Shares



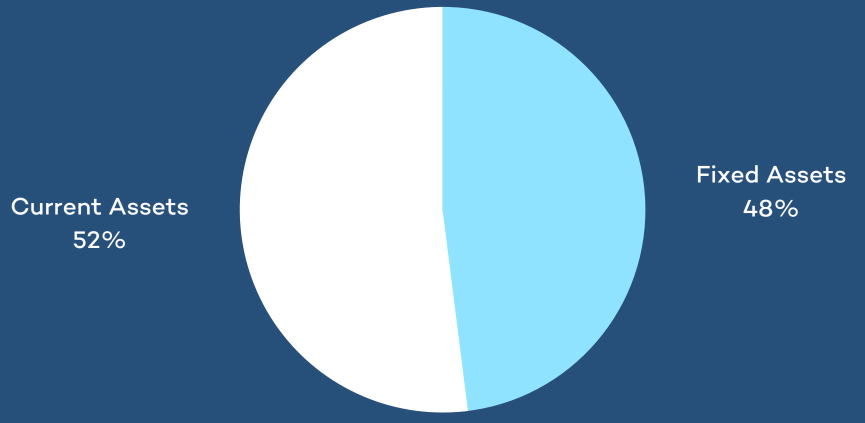
Investor's Ratio



Fixed Assets' Growth



Assets



2022

2023

Key Financial Data

Six Year Overview

	2023	2022	2021	2020	2019	2018
OPERATING DATA						
Sales (net)	22,828,702,999	19,976,813,131	11,484,466,704	8,771,413,766	8,492,199,066	6,431,373,187
Cost of Goods sold	18,889,278,788	14,394,726,682	9,030,179,730	7,546,976,748	7,288,305,043	5,714,212,560
Gross profit	3,939,424,211	5,582,086,449	2,454,286,974	1,224,437,018	1,203,894,023	717,160,627
Operating profit	3,113,048,051	4,956,172,338	2,069,720,237	923,344,117	892,994,355	517,631,815
Financial charges and others	1,718,714,746	346,662,750	565,788,183	653,176,821	361,655,155	189,992,426
Profit/(Loss) before Taxation	1,394,333,305	4,609,509,588	1,503,932,054	270,167,296	531,339,200	327,639,389
Profit/(Loss) After Taxation	1,042,643,340	4,310,377,380	1,386,258,794	181,451,855	461,655,474	345,351,085
FINANCIAL DATA						
Shareholders equity	9,152,667,700	8,308,047,637	3,372,572,329	2,050,330,119	2,128,901,862	1,819,827,934
Long Term Liabilities	5,903,407,449	4,743,782,747	4,309,884,273	2,366,168,168	1,586,434,250	1,403,775,478
Deferred liabilities	1,320,656,892	1,198,268,756	976,906,148	311,423,425	261,720,432	8,135,162
Current Liabilities	11,642,496,472	6,692,355,096	4,596,957,050	4,827,264,420	3,888,638,541	2,435,987,851
	28,019,228,513	**20,942,454,236**	**13,256,319,800**	**9,555,186,132**	**7,865,695,085**	**5,667,726,425**
Fixed Assets	12,188,427,705	10,011,202,510	6,788,402,075	4,207,779,137	3,312,870,055	2,791,194,470
Long term Deposit	31,460,559	19,323,290	2,768,255	2,149,100	1,999,100	1,999,100
Current assets	15,799,340,249	10,911,928,436	6,465,149,470	5,345,257,895	4,550,825,930	2,874,532,855
	28,019,228,513	**20,942,454,236**	**13,256,319,800**	**9,555,186,132**	**7,865,695,085**	**5,667,726,425**
KEY RATIOS						
Gross Profit	17.26%	27.94%	21.37%	13.96%	14.18%	11.15%
Operating margin	13.64%	24.81%	18.02%	10.53%	10.51%	8.05%
Net Profit	4.57%	21.58%	12.07%	2.07%	5.44%	5.37%
Current Ratio	1.36	1.63	1.41	1.11	1.17	1.18
Earning per share (Rupees)	169.18	699.40	224.93	29.44	74.91	56.04
Break up value of shares (Rupees)	1,485.10	1,348.05	547.23	332.68	345.43	295.28
Cash dividend %	250%	1000%	500%	80%	225.00%	225.00%
STATISTICS						
Spindles Installed	91,455	91,782	85,538	81,660	75,540	73,308
Spindles worked	79,440	87,742	81,348	69,778	68,814	69,291
Production capacity 20/s in kgs	34,590,153	42,257,781	33,349,596	33,620,034	28,966,403	25,656,625
Actual Production Conversion 20/s kgs	30,537,955	39,968,903	31,432,443	28,728,098	25,457,634	24,865,547

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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Independent Auditors Review Report

To the members of 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 M/s. Premium textile Mills Limited ('the Company') for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

Karachi.

Date: 02 October, 2023
UDIN: CR202310213YNlbwVErt

Rahman

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

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Russell Bedford International
A global network 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, 2023

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: 05
Female: 02

2.1.The Composition of the Board is as follows:

Independent Directors	Mr. Muhammad Raziuddin Monem Ms. Naila Hasan Ms. Lubna Asif Balagamwala
Non-Executive Directors	Mr. Muhammad Aslam Parekh Mr. Tanzeel Abdul Sattar
Executive Directors	Mr. Abdul Kadir Adam Mr. Muhammad Yasin Siddik

3. The Directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, including this company;

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

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations;

7. The meetings of the Board were presided over by the Chairman, and in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and these Regulations;

9. Up to the date of reporting period (i.e. June 30, 2023), all the Directors have attained Directors training program or they meet the criteria of exemption from Directors Training Program except Mr. Tanzeel Abdul Sattar, he will obtain certification under the Director's Training Program in due course of time as encouraged under the Regulations.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. 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	
Ms. Naila Hasan	Chairperson
Ms. Lubna Asif Balagamwala	Member
Mr. Muhammad Raziuddin Monem	Member

HR & Remuneration Committee	
Mr. Muhammad Raziuddin Monem	Chairman
Ms. Lubna Asif Balagamwala	Member
Ms. Naila Hasan	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 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 their partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or a director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act 2017, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

19. We confirm that there has been no non–compliance with the requirements of the Regulations, other than those covered under Regulations 3, 6, 7, 8, 27, 32, 33 and 36.

On behalf of the Board of Directors.

Mr. Abdul Kadir Adam
Chief Executive

Mr. M. Yasin Siddik
Executive Director

Karachi: September 28, 2023

Financial statements

For the year ended as of

June 30, 2023

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, 2023.

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Independent Auditor's 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, 2023, 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, 2023 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.

Following is the Key Audit Matter:

Key audit matter	How the matter was addressed in our audit
1) Revenue Recognition During the year ended June 30, 2023, the Company recognized net revenue of Rs. 22,828 million as disclosed in note 21 and according to the accounting policy described in Note 2.4 to the financial statements (2022: Rs. 19,976 million). This constituted and increase in revenue by 20% over previous year (refer note 21). When identifying and assessing the risk related to revenue recognition, our focus was whether the sales recorded occurred during the year and were properly recorded in the correct accounting period. Considering the above, we have identified this matter as a key audit matter that required a greater level of audit efforts.	Our audit procedures to address the matter included, but were not limited to, the following: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation, and operating effectiveness of key internal controls over recording of revenue. • Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • Comparing a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • Assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • Considering the appropriateness of disclosures in the financial statements

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.

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

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

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

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

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

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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 Waseem.

Rahman

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Karachi

Date: October 02, 2023
UDIN: AR202310213IXDMG8n0W

Premium Textile Mills Limited

Statement of Financial Position

As at June 30, 2023

	Note	2023	2022
ASSETS		——Rupees——	
Non- current assets			
Property, plant and equipment	4	**12,170,206,485**	10,011,202,510
Intangible asset	5	**18,221,220**	-
Long term advances and deposits	6	**31,460,559**	19,323,290
		12,219,888,264	10,030,525,800
Current assets			
Stores and spares	7	**569,409,130**	208,821,081
Stock in trade	8	**8,973,797,538**	5,689,599,588
Trade debts - net	9	**4,606,616,224**	4,466,962,934
Taxation-net	10	**51,376,127**	121,503,904
Advances, deposits and other receivables	11	**885,943,373**	138,880,056
Cash and bank balances	12	**712,197,857**	286,160,873
		15,799,340,249	10,911,928,436
Total assets		**28,019,228,513**	20,942,454,236
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
7,000,000 (2022: 7,000,000) ordinary shares of Rs. 10/- each		**70,000,000**	70,000,000
Issued, subscribed and paid-up capital	13	**61,630,000**	61,630,000
Capital reserve			
Surplus on revaluation of plant and electrical instruments	14	**1,295,655,749**	1,246,126,234
Revenue reserve			
Unappropriated profits		**7,795,381,951**	7,000,291,403
Total equity		**9,152,667,700**	8,308,047,637
LIABILITIES			
Non-current liabilities			
Long term financing - secured	15	**5,903,407,449**	4,743,782,747
Deferred liabilities	16	**1,320,656,892**	1,074,679,814
		7,224,064,341	5,818,462,561
Current liabilities			
Trade and other payables	17	**2,103,924,888**	1,217,162,511
Unclaimed dividend		**9,770,976**	9,795,974
Accrued markup	18	**505,719,136**	149,164,863
Current maturity of government grant	16	**149,417,152**	123,588,942
Short term borrowings - secured	19	**8,136,883,241**	4,745,077,327
Current maturity of long term financing	15	**736,781,079**	571,154,421
		11,642,496,472	6,815,944,038
Contingencies and commitments	20		
Total equity and liabilities		**28,019,228,513**	20,942,454,236

The annexed notes from 1 to 38 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, 2023

	Note	2023	2022
		Rupees	
Sales - net	21	**22,828,702,999**	19,976,813,131
Cost of sales	22	**(18,889,278,788)**	(14,394,726,682)
Gross profit		**3,939,424,211**	5,582,086,449
Administrative expenses	23	**(528,978,889)**	(311,318,399)
Distribution costs	24	**(297,397,271)**	(314,595,712)
		(826,376,160)	(625,914,111)
Operating profit		**3,113,048,051**	4,956,172,338
Finance costs	25	**(2,238,214,139)**	(875,804,470)
Other operating expenses	26	**(103,339,418)**	(341,628,530)
Other income / (expenses) - net	27	**622,838,811**	870,770,250
		(1,718,714,746)	(346,662,750)
Profit before taxation		**1,394,333,305**	4,609,509,588
Taxation	28	**(351,689,965)**	(299,132,208)
Profit after taxation		**1,042,643,340**	4,310,377,380
Earnings per share - basic and diluted	29	**169.18**	699.40

The annexed notes from 1 to 38 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, 2023

	2023	2022
	Rupees	
Profit after taxation	**1,042,643,340**	4,310,377,380
Other comprehensive income		
Items that will not be reclassified subsequently to statement of profit or loss		
Actuarial loss on defined benefit obligation	**(72,130,435)**	(2,582,072)
Revaluation increase during the year	**182,257,158**	1,243,980,000
Total comprehensive income for the year	**1,152,770,063**	5,551,775,308

The annexed notes from 1 to 38 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, 2023

		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, 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 profits 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: 500%)	**-**	**(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
Total comprehensive income for the year ended June 30,2023				
- Profit after taxation	**-**	**1,042,643,340**	**-**	**1,042,643,340**
- Other comprehensive (loss) / income	**-**	**(72,130,435)**	**182,257,158**	**110,126,723**
	-	**970,512,905**	**182,257,158**	**1,152,770,063**
Transfer to unapproppriated profit on account of incremental depreciation	**-**	**123,721,046**	**(123,721,046)**	**-**
Revaluation surplus realized on disposal of fixed assets	**-**	**9,006,597**	**(9,006,597)**	**-**
Transactions with owners				
Final cash dividend paid @ 500% for the year ended June 30, 2022 (2021: 500%)	**-**	**(308,150,000)**	**-**	**(308,150,000)**
	-	**(308,150,000)**	**-**	**(308,150,000)**
Balance as at June 30, 2023	**61,630,000**	**7,795,381,951**	**1,295,655,749**	**9,152,667,700**

The annexed notes from 1 to 38 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, 2023

	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		——— Rupees ———	
Profit before taxation		**1,394,333,305**	4,609,509,588
Adjustments for non cash and other items:			
- Depreciation		**1,008,708,151**	713,684,075
- Amortization of Intangible Assets		**861,734**	-
- Loss/ (Gain) on disposal of property, plant and equipment		**2,699,799**	(13,114,024)
- Gain on re-measurement of provision for GIDC		**-**	(127,509,447)
- Provision for staff retirement benefits		**137,696,818**	93,920,327
- Provision / (Reversal) of expected credit losses		**19,613,873**	(14,397,108)
- Amortization of deferred government grant		**(147,464,398)**	(102,951,929)
- Provision for Workers' Profit Participation Fund		**74,883,636**	247,556,906
- Provision for Workers' Welfare Fund		**28,455,782**	94,071,624
- Unrealized exchange gain		**(114,664,418)**	(37,190,354)
- Finance cost Charged		**2,238,214,139**	875,804,470
		3,249,005,116	1,729,874,540
Cash generated from operating activities before working capital changes		**4,643,338,421**	6,339,384,128
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
- Stores and spares		**(360,588,049)**	(33,559,860)
- Stock in trade		**(3,284,197,950)**	(2,024,064,037)
- Trade debts		**(156,978,082)**	(2,244,562,102)
- Advances, deposits and other receivables		**(747,063,317)**	13,781,101
- Sales tax refundable / payable		**40,850,208**	(51,234,405)
Increase / (decrease) in current liabilities			
- Trade and other payables		**1,125,494,583**	48,619,318
		(3,382,482,607)	(4,291,019,985)
Cash generated from operations		**1,260,855,814**	2,048,364,143
- Taxes paid	*10.1*	**(322,483,690)**	(203,630,163)
- Taxes refund	*10.1*	**-**	14,569,727
- Staff retirement benefits		**(26,518,698)**	(14,544,587)
- Payment of Workers' Profit Participation Fund		**(248,000,000)**	(97,366,229)
- Payment of Workers' Welfare Fund		**(94,071,624)**	(37,644,526)
- Finance cost paid		**(1,638,176,861)**	(680,380,699)
- Long term advances and deposits - net		**(12,137,269)**	(1,005,035)
Net cash generated from operating activities		**(1,080,532,328)**	1,028,362,631
CASH FLOWS FROM INVESTING ACTIVITIES			
- Acquisition of property, plant and equipment		**(3,022,930,860)**	(2,707,526,244)
- Acquisition of Intangible Assets		**(11,370,664)**	-
- Proceeds from disposal of property, plant and equipment		**27,063,803**	31,345,644
Net cash used in investing activities		**(3,007,237,721)**	(2,676,180,600)
CASH FLOWS FROM FINANCING ACTIVITIES			
- Repayment of Long term financing (principal portion)		**(605,331,797)**	(399,898,379)
- Long term financing obtained		**1,923,132,579**	1,177,952,639
- Short term borrowings - net		**1,520,100,795**	510,213,703
- Dividend paid		**(308,175,000)**	(613,588,785)
Net cash generated from financing activities		**2,529,726,577**	674,679,178
Net (decrease) / increase in cash and cash equivalents		**(1,558,043,472)**	(973,138,791)
Cash and cash equivalents at the beginning of the year		**(3,648,705,003)**	(2,703,965,322)
Effect of movements in exchange rates on cash held		**112,375,337**	28,399,110
Cash and cash equivalents at the end of the year	*30*	**(5,094,373,138)**	(3,648,705,003)

The annexed notes from 1 to 38 form an integral part of these financial statements.

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

1. STATUS AND NATURE OF BUSINESS

1.1 Premium Textile Mills Limited ('the Company') was incorporated in Pakistan on march 03, 1987 as a public listed company under the Companies Ordinance, 1984 (now repealed with the enactment of Companies Act, 2017 on may 30,2017) and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of cotton and polyester yarn. During the year, the Company has established a Sock division which manufactures and sale Socks of different varieties under the management diversification plan.

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

- The Registered office of the Company is located at 1st floor , Haji Adam Chambers ,Altaf Hussain Road, New Challi, Karachi.

- The Company's manufacturing unit is located at plot 58,60,61 & 76,77,78 Main Super Highway , Nooriabad , District Dadu (Sindh), Pakistan.

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 recognized prospectively.

(a) *Judgements*

Judgements made in applying accounting policies that have the most significant effects on the amounts recognized in these financial statements are as follows:

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*

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 are as follows:

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 *New and amended standards and interpretations mandatory for the first time for the financial year beginning July 01, 2022:*

Effective date:
(a) IAS 37 -Onerous contracts **January 01, 2022**

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

(b) IAS 16 - Proceeds before an asset's intended use — **Effective date: January 01, 2022**

Amendment to IAS 16 'Property, Plant and Equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 01, 2022 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 01, 2022 and have not been early adopted by the Company:

(a) IAS 1 - Disclosure of accounting policies — **Effective date: January 01, 2023**

- Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(b) IAS 8 - Definition of accounting estimates — **Effective date: January 01, 2023**

- The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(c) IAS 12 - Deferred tax — **Effective date: January 01, 2023**

- The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

(d) IAS 1 - Classification of liabilities as current or non current — **Effective date: January 01, 2024**

- Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

(e) IFRS 16 - Sale and leaseback transaction — **Effective date: January 01, 2024**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

Other than the aforesaid amendments, the IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

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

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 recognized 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 recognized 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 Intangible Assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably.

Costs associated with maintaining computer software programs are generally recognized as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognized as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any, thereon.

Intangible assets with a definite useful life are amortized on a straight line basis over its useful life. Amortization on all additions in intangible assets is charged from the month in which the asset is available for use and on disposals upto the month of disposal. Amortization charge is regognized in the statement of profit or loss. The rates of amortization are disclosed in note 5.

3.3 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.

3.4 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.

3.5 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.

3.6 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.

3.7 Financial assets

3.7.1 *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 amortized 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.

3.7.2 *Subsequent measurement*

(a) Financial assets measured at amortized cost

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

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

(b) Financial assets at FVOCI

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

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized 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 recognized 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 recognized in other comprehensive income is not reclassified from equity to profit or loss.

3.7.3 *Impairment*

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortized 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 amortized cost are deducted from the gross carrying amount of the assets.

3.7.4 *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.

3.8 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.

3.9 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.

3.10 Government grants

Government grants are not recognized 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 recognized 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.

3.11 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.

Remeasurement of the defined benefit liability (i.e. the actuarial gains or losses) are recognized 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 recognized 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 recognized 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.

3.12 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 recognized in profit or loss in the period in which they arise.

3.13 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 recognized 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 capitalization 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 capitalization by applying a capitalization rate to the expenditures on that asset. The capitalization 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 capitalizing 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 capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

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

3.14 Provisions and contingent liabilities

Provisions

A provision is recognized 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 recognized 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 recognized 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 recognized 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 recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized 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.

3.15 Revenue

Revenue from local sales

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

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.

3.16 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 recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized 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 amortization, if no impairment loss had been recognized. 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.

3.17 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 recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized 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 recognized deferred tax asset to be utilized. 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.

3.18 Dividend distribution

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

4. PROPERTY, PLANT AND EQUIPMENT

	Note	**2023**	2022
		Rupees	
Operating fixed assets	*4.1*	**11,204,624,718**	7,985,418,970
Capital work in progress	*4.2*	**965,581,767**	2,025,783,540
		12,170,206,485	10,011,202,510

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, 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**
Movement during the year ended June 30, 2023										
Opening 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**
Additions	**1,251,700**	**41,922,217**	**522,091**	**19,230,100**	**20,259,496**	**10,530,434**	**77,539,830**	**939,990**	**-**	**172,195,858**
Transfer from CWIP	**-**	**755,731,389**	**2,536,452,795**	**-**	**-**	**-**	**-**	**611,040,301**	**-**	**3,903,224,485**
Revaluation surplus recognized	**-**	**-**	**156,361,948**	**-**	**-**	**-**	**-**	**25,895,210**	**-**	**182,257,158**
Disposals:										
- Cost	**-**	**-**	**(66,014,200)**	**-**	**-**	**-**	**(14,207,155)**	**(1,301,291)**	**-**	**(81,522,646)**
- Accumulated depreciation	**-**	**-**	**44,525,039**	**-**	**-**	**-**	**6,227,378**	**1,006,627**	**-**	**51,759,044**
	-	**-**	**(21,489,161)**	**-**	**-**	**-**	**(7,979,777)**	**(294,664)**	**-**	**(29,763,602)**
Depreciation for the year	**-**	**(102,484,462)**	**(709,732,256)**	**(1,623,707)**	**(2,889,078)**	**(4,743,582)**	**(56,168,629)**	**(131,066,286)**	**(151)**	**(1,008,708,151)**
Closing net book value	**30,920,176**	**1,491,216,888**	**7,942,772,612**	**30,402,910**	**36,435,654**	**19,354,873**	**267,438,987**	**1,386,081,263**	**1,355**	**11,204,624,718**
As at June 30, 2023										
Cost	**30,920,176**	**2,180,789,653**	**10,789,147,869**	**43,595,012**	**52,112,197**	**30,631,400**	**423,582,694**	**1,920,800,769**	**37,150**	**15,471,616,920**
Accumulated depreciation	**-**	**(689,572,765)**	**(2,846,375,257)**	**(13,192,102)**	**(15,676,543)**	**(11,276,527)**	**(156,143,707)**	**(534,719,506)**	**(35,795)**	**(4,266,992,202)**
Net book value	**30,920,176**	**1,491,216,888**	**7,942,772,612**	**30,402,910**	**36,435,654**	**19,354,873**	**267,438,987**	**1,386,081,263**	**1,355**	**11,204,624,718**
Annual rates of depreciation	**-**	**10%**	**10%**	**10%**	**10%**	**30%**	**20%**	**10%**	**10%**	

		Note	2023	2022
			Rupees	
4.1.1	Depreciation for the year has been allocated as under :			
	Cost of sales	*22.4*	**961,144,373**	666,697,765
	Administrative expenses	*23*	**47,563,778**	35,228,688
	Dyeing and Shoudy departments		**-**	11,757,622
			1,008,708,151	713,684,075

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							
Frequency inverter	4,664,102	(3,808,874)	855,228	1,452,991	597,763	Hassan & Co.	None	Negotiation
Ring spinning frame	15,936,657	(12,565,905)	3,370,752	1,020,834	(2,349,918)	Hassan & Co.	None	Negotiation
Ring spinning frame	23,175,196	(13,560,774)	9,614,422	4,000,000	(5,614,422)	Unique Spinning Mills (Pvt) Ltd.	None	Negotiation
Frame and bobin hanger	15,065,726	(9,463,801)	5,601,925	2,000,000	(3,601,925)	Unique Spinning Mills (Pvt) Ltd.	None	Negotiation
Ring spinning frame	4,832,954	(3,455,442)	1,377,512	1,200,000	(177,512)	Unique Spinning Mills (Pvt) Ltd.	None	Negotiation
Pendulum Arm	1,757,885	(1,250,124)	507,761	640,000	132,239	Unique Spinning Mills (Pvt) Ltd.	None	Negotiation
Honda Civic	3,047,640	(1,721,620)	1,326,020	2,300,000	973,980	Saad Saleem	None	Negotiation
Honda Civic	2,742,500	(1,889,073)	853,427	1,524,980	671,553	Fahad Imtiaz	None	Negotiation
Hilux single cabin	4,210,270	(805,268)	3,405,002	7,000,000	3,594,998	EFU Insurance	None	Negotiation
Suzuki alto	2,233,000	(558,499)	1,674,501	2,500,000	825,499	Danish Motors	None	Negotiation
2023	**77,665,930**	**(49,079,380)**	**28,586,550**	**23,638,805**	**(4,947,745)**			
2022	54,077,287	40,619,980	13,457,307	14,613,000	1,155,693			

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

Location	Usage of Immovable Property	Total Area (Square meters)	Covered Area (Square meters)
Nooriabad	Basic accomodation, Machinery halls, Generator rooms, Admin & TD Offices, Main Store & Finished Good Halls	226,624	173,148

4.1.4 The Company measures its plant and machinery and electrical instruments and installations using revaluation model. The latest revaluation of plant and machinery and electrical instruments and installations was carried out by an independent valuer M/s K.G.Traders (Pvt) Ltd on June 27, 2023.

Had there been no revaluation, the net carrying amount of plant and machinery and electrical instruments and installations would have been Rs. 8,033 million (2022: Rs. 5,607 million).

As per the aforesaid valuation, the forced sale value of the plant and machinery and electrical instruments and installations amounted to Rs. 6,528 million.(2022: 3,925 million).

		2023	2022
		Rupees	
4.2	**Capital work in progress**		
	Opening balance	**2,025,783,540**	791,792,653
	Additions:		
	- Machinery	**2,173,399,468**	1,401,802,146
	- Civil works	**658,423,949**	681,130,223
	- ERP Software under development	**5,579,290**	2,772,380
	- Solar Renewable Energy	**13,332,295**	51,372,848
		2,850,735,002	2,137,077,597
	Transferred to operating fixed assets	**(3,903,224,485)**	(903,086,710)
	Transferred to Intangible Assets	**(7,712,290)**	-
		965,581,767	2,025,783,540

		Note	2023	2022
			——— Rupees ———	
5.	**INTANGIBLE ASSETS**			
	Computer Softwares	*5.1*	**18,221,220**	-

5.1. Computer Softwares

	2023	2022
Cost		
Opening balance	-	-
Additions during the year	19,082,954	-
Closing balance	**19,082,954**	-
Accumulated amortization		
Opening balance	-	-
Charge for the year	(861,734)	-
Closing balance	**(861,734)**	-
Net book value as at June 30 2023	**18,221,220**	-
Amortisation rate	**5-10%**	-

5.2 The amortisation charge for the year has been allocated as follows:

	Note	2023	2022
		——— Rupees ———	
Admin Expenses	*23*	**126,778**	-
Cost of Sales	*22.4*	**734,956**	-
		861,734	-

		Note	2023	2022
6.	**LONG TERM ADVANCES AND DEPOSITS**			
	Advances - unsecured			
	- Against vehicles		**28,000,000**	16,555,035
	Deposits			
	- Utilities		**2,837,559**	2,535,255
	- Others		**623,000**	233,000
			3,460,559	2,768,255
			31,460,559	19,323,290
7.	**STORES AND SPARES**			
	In hand		**328,195,519**	175,480,762
	In transit		**241,213,611**	33,340,319
			569,409,130	208,821,081
8.	**STOCK IN TRADE**			
	Raw material			
	- In hand	*22.1*	**7,093,123,489**	4,473,661,596
	- In transit		**278,513,200**	818,893,344
			7,371,636,689	5,292,554,940
	Work in process	*22*	**124,088,920**	140,141,739
	Finished goods		**1,378,620,339**	219,738,944
	Waste material		**10,260,822**	2,097,426
		22	**1,388,881,161**	221,836,370
	Packing materials	*22.3*	**89,190,768**	35,066,539
			8,973,797,538	5,689,599,588

	Note	2023	2022
		——— Rupees ———	

9. TRADE DEBTS - net

	Note	2023	2022
Local debtors - unsecured	9.1	**4,196,985,592**	4,037,091,157
Foreign debtors - secured		**437,941,670**	438,568,942
		4,634,927,262	4,475,660,099
Less: Provision for expected credit losses	9.2	**(28,311,038)**	(8,697,165)
		4,606,616,224	4,466,962,934

9.1 This includes an amount receivable from M/s. Premium Knits (a related party) amounting to Rs. Zero as at June 30, 2023 (June 30, 2022: Rs. 263,790,117). The maximum aggregate amount outstanding during the year calculated by reference to month-end balances was Rs. 403,128,503 (2022: Rs. 263,790,117). The aging analysis of receivable from related party is as follows:

	2023		2022	
	Gross Carrying Amount	Lifetime expected credit loss	Gross Carrying Amount	Lifetime expected credit loss
	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	-
	-	-	**263,790,117**	**8,055,839**

	Note	2023	2022
		——— Rupees ———	

9.2 Movement in provision for expected credit losses

	Note	2023	2022
Opening balance		**8,697,165**	23,094,273
Add: Charge for the year	23	**19,613,873**	-
Less: Reversal of provision during the year	27	**-**	(14,397,108)
		28,311,038	8,697,165

10. TAXATION - net

	Note	2023	2022
Income tax refundable	10.1	**40,991,930**	70,269,499
Sales tax refundable		**10,384,197**	51,234,405
		51,376,127	121,503,904

10.1 Income tax refundable

	Note	2023	2022
Opening balance		**70,269,499**	159,768,633
Provision for current tax	28	**(351,761,259)**	(278,559,570)
Taxes deducted at source		**309,908,717**	203,630,163
Tax Paid During the Year		**12,574,973**	-
Tax refund during the year		**-**	(14,569,727)
Closing balance		**40,991,930**	70,269,499

	Note	2023	2022
		Rupees	
11. ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Advances - unsecured			
- Staff		**50,573,592**	18,906,979
- Suppliers		**823,718,447**	86,543,754
		874,292,039	105,450,733
Deposits			
- Security deposits		**2,391,099**	7,592,685
Prepayments			
- Insurance		**2,840,570**	563,053
Other receivables - unsecured			
- Duty drawback receivable		**200,308**	200,308
- Claims receivable	*11.1*	**5,059,928**	24,082,704
- Other receivables		**1,159,429**	990,573
		6,419,665	25,273,585
		885,943,373	138,880,056

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

	2023	2022
	Rupees	
12. CASH AND BANK BALANCES		
Cash in hand	**951,522**	1,929,981
Cash with banks - current accounts	**711,246,335**	284,230,892
	712,197,857	286,160,873

13. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022			
-------(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

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

	2023	2022
14. SURPLUS ON REVALUATION OF PLANT AND ELECTRICAL INSTRUMENTS	Rupees	
Opening balance	**1,246,126,234**	2,953,067
Revaluation increase during the year	**182,257,158**	1,243,980,000
Realized on disposal of assets	**(9,006,597)**	(238,471)
Incremental depreciation charged during the year	**(123,721,046)**	(568,362)
	1,295,655,749	1,246,126,234

15. LONG TERM Financing- secured

	Note	2023	2022
		Rupees	
Bank Al-Habib Limited			
- Long Term Finance Facility (LTFF)	*15.1*	**1,517,777,818**	1,687,970,674
- Refinance Scheme for Payment of Wages and salaries		**-**	55,970,110
- Temporary Economic Refinance Facility (TERF)	*15.2*	**1,592,198,789**	1,518,659,436
- Financing Scheme for Renewable Energy	*15.3*	**152,166,846**	136,987,191
- Term Finance	*15.4*	**929,519,327**	-
Bank Al-Falah Limited			
- Long Term Finance Facility (LTFF)	*15.5*	**575,703,047**	684,907,046
- Temporary Economic Refinance Facility (TERF)	*15.6*	**252,955,077**	45,217,971
Habib Bank Limited			
- Long Term Finance Facility (LTFF)	*15.7*	**422,584,462**	476,708,158
Meezan Bank Limited			
- Long Term Finance Facility (LTFF)	*15.8*	**413,175,361**	471,821,121
- Islamic Temporary Economic Refinance Facility (ITERF)	*15.9*	**175,599,449**	155,465,078
Habib Metropolitan Bank Limited			
- Long Term Finance Facility (LTFF)	*15.10*	**229,356,000**	72,470,000
- Term Finance	*15.11*	**107,059,500**	-
Askari Bank Limited			
- Term Finance	*15.12*	**263,692,852**	8,760,384
- Long Term Finance Facility (LTFF)	*15.13*	**8,400,000**	-
		6,640,188,528	5,314,937,169
Current maturity shown under current liabilities		**736,781,079**	571,154,421
Non-current maturity shown under non-current liabilities		**5,903,407,449**	4,743,782,747
		6,640,188,528	5,314,937,169

15.1 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.

15.2 Financing under Temporary Economic Refinance Facility (TERF)

	2023	2022
	Rupees	
Opening carrying amount - net of deferred grant	**1,518,659,437**	1,356,339,438
Funds borrowed during the year:		
Loan proceeds received from the bank	-	134,462,000
Less: Element of government grant recognized as deferred income	-	(55,316,392)
	-	79,145,608
Interest recognized on unwinding of the liability	**177,080,042**	120,912,870
Loan installments paid during the year	**(103,540,690)**	(37,738,479)
Closing carrying amount - net of deferred grant	**1,592,198,789**	1,518,659,437
Current maturity shown under current liabilities	**271,598,515**	99,983,682
Non-current maturity shown under non-current liabilities	**1,320,600,274**	1,418,675,755
	1,592,198,789	1,518,659,437

15.2.1 The Company has obtained a long-term financing facility from M/s. Bank Al Habib Limited (BAHL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs.2.01 billion (2022: 2.1 billion) and the drawn down amount is Rs. 1.99 billion (2022: Rs. 2.05 billion).

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

(a) The applicable markup rate is 2% per annum (2022: 2%) ;

(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 (2022:556 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 measures the loan liability at its fair value (determined on a present value basis) and recognizes 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 is 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).

	2023	2022
15.3 Financing Scheme for Renewable Energy - secured	Rupees	
Opening carrying amount - net of deferred grant	**136,987,189**	50,430,886
Funds borrowed during the year:		
Loan proceeds received from the bank	**22,827,000**	163,027,498
Less: Element of government grant recognized as deferred income	**(11,797,342)**	(77,014,100)
	11,029,658	86,013,398
Interest recognized on unwinding of the liability	**9,377,159**	6,331,992
Loan installments paid during the year	**(5,227,160)**	(5,789,087)
Closing carrying amount - net of deferred grant	**152,166,846**	136,987,189
Current maturity shown under current liabilities	**14,452,463**	11,083,980
Non-current maturity shown under non-current liabilities	**137,714,383**	125,903,209
	152,166,846	136,987,189

15.3.1 During the year ended June 30, 2023 , the Company has obtained a long term financing facility amounting to Rs. 22.8 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.232 million (2022: 318 million) and the drawn down amount is Rs. 231 million (2022: Rs. 214 million).

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

(a) The applicable markup rate is 2% per annum (2022:2%) ;

(b) The tenor of the facility is 10 to 12 years (including 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 equal quarterly instalments.

(d) The facility is secured against First Equitable charge over all fixed assets of the company for Rs.3,542 million (2022:3,542 million) , registered hypothecation charge over the procured machinery imported / to be imported under this facility .

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 measures the loan liability at its fair value (determined on a present value basis) and recognizes at initial recogition, the difference between the disbursement proceeds received from the bank and the said fair value as deferred income in the statement of financial position. Subsequently, this deferred income is 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).

15.4 This term finance facility has been sanctioned by Bank Al-Habib Limited amounting to Rs. 1,500 million specifically for retirement of LCs opened for enhancement in the production capacity through the additions in Property, Plants and Equipments. The Company has utilized Rs. 929 million against sanctioned limit of the facility. The tenor of the loan is ten years inclusive of 2 years grace period and are repayable in equal quarterly installments commencing from the date of first disbursement. This term loan is secured by way of Specific Hypothecation charge (Amounting to Rs. 556 million) over present and future fixed assets of the Company imported through the bank al Habib. The rate of markup is equal to 3M KIBOR plus 1%. The facility is expiring on Nov 2034.

15.5 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 March 2029 to October 2029 that is secured against hypothecation charge (amounting to Rs. 228.9 million) 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.

	2023	2022
15.6 Financing under Temporary Economic Refinance Facility (TERF)	Rupees	
Opening carrying amount - net of deferred grant	**45,217,971**	-
Funds borrowed during the year:		
Loan proceeds received from the bank	**365,755,900**	84,243,200
Less: Element of government grant recognized as deferred income	**(184,693,390)**	(40,063,465)
	181,062,510	44,179,735
Interest recognized on unwinding of the liability	**33,949,619**	1,038,236
Loan installments paid during the year	**(7,275,023)**	-
Closing carrying amount - net of deferred grant	**252,955,077**	45,217,971
Current maturity shown under current liabilities	**12,830,502**	2,150,177
Non-current maturity shown under non-current liabilities	**240,124,575**	43,067,794
	252,955,077	45,217,971

15.6.1 During the year ended June 30, 2023 , the has Company obtained a long-term financing facility amounting to Rs. 365.7 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 (2022:450 million).

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

(a) The applicable markup rate is 2% per annum (2022:2%) ;

(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, including 25% margin.

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 measures the loan liability at its fair value (determined on a present value basis) and recognizes 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 is 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).

15.7 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 (amounting to Rs. 555.6 million) over plant and machinery to be imported through HBL including 10% margin. The rate of mark-up is SBP refinance rate plus 0.6% per annum.

15.8 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 December 2030, that is secured against hypothecation charge (amounting to Rs. 671 million) over plant and machinery to be imported through MBL including margin of 25%. The rate of mark-up is SBP LTFF rate plus 1.75% per annum.

	2023	2022
15.9 Financing under Islamic Temporary Economic Refinance Facility (ITERF)	Rupees	
Opening carrying amount - net of deferred grant	**155,465,078**	-
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	**20,134,371**	1,901,409
Loan installments paid during the year	-	(375,581)
Closing carrying amount - net of deferred grant	**175,599,449**	155,465,078
Current maturity shown under current liabilities	**13,831,816**	4,935,954
Non-current maturity shown under non-current liabilities	**161,767,633**	150,529,124
	175,599,449	155,465,078

15.9.1 The Company has obtained a long-term financing facility 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 (2022:Rs. 300 million) and the drawn down amount is Rs. 300 million (2022:Rs. 300 million).

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

(a) The applicable markup rate is 2% per annum (2022: 2%) ;

(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 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 measures the loan liability at its fair value (determined on a present value basis) and recognizes 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 is 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).

15.10 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 (2022:1,334 million) with 25% margin . The rate of mark-up is SBP refinance rate plus 1% per annum.

15.11 This term finance facility has been sanctioned by Habib Metropolitan Bank Limited amounting to Rs. 1,000 million specifically for retirement of LCs opened for enhancement in the production capacity through the additions in Property, Plants and Equipments. The Company has utilized Rs. 107 million against sanctioned limit of the facility. The tenor of the loan is ten years inclusive of 2 years grace period and are repayable in equal quarterly installments commencing from the date of first disbursement. This term loan is secured by way of first exclusive charge over specific imported machinery of Rs. 1,334 million with 25% margin. The rate of markup is equal to 3M KIBOR plus 1%. The facility is expiring in May 2033.

15.12 This term finance facility has been sanctioned by Askari Bank Limited amounting to Rs. 273 million specifically for retirement of LCs opened for enhancement in the production capacity through the additions in Property, Plants and Equipments. The Company has utilized Rs. 8.4 million against sanctioned limit of the facility. The tenor of the loan is ten years inclusive of 2 years grace period and are repayable in equal quarterly installments commencing from the date of first disbursement. This term loan is secured by way of first pari passu charge over present and future fixed assets the Company with 25% margin. The rate of markup is equal to 1M KIBOR plus 1%. The facility is expiring in May 2033.

15.13 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, the loan is secured against First Parri passu charge over present and future fixed assets of the company along with 25% margin. Markup rate is SBP refinance rate with spread of 1% per annum.

16. DEFERRED LIABILITIES

	Note	2023	2022
		Rupees	
Deferred taxation on export debtors		**42,554,925**	42,626,219
Staff retirement benefits-defined benefits plan (gratuity)	*16.1*	**305,476,927**	122,168,372
Provision for Gas Infrastructure Development Cess	*16.2*	**277,029,873**	237,488,178
Deferred income - Government grant	*16.3*	**695,595,167**	672,397,045
		1,320,656,892	1,074,679,814

16.1 Staff retirement benefits-defined benefits plan (gratuity)

The Company operates an unfunded gratuity scheme for its staff employees. The latest actuarial valuation has been carried out as at June 30, 2023, using the Projected Unit Credit Method.

16.1.1 Movement in defined benefit obligation

	2023	2022
	Rupees	
Opening defined benefit obligation	**122,168,372**	40,210,560
Current service cost	**71,344,164**	90,617,375
Past Service Cost	**51,922,208**	-
Interest cost	**14,430,446**	3,302,952
Benefits paid	**(26,518,698)**	(14,544,587)
Remeasurement	**72,130,435**	2,582,072
Closing defined benefit obligation	**305,476,927**	122,168,372

16.1.2 Expense recognized in the statement of profit or loss

	2023	2022
Current service cost	**71,344,164**	90,617,375
Interest cost on defined benefit obligation	**14,430,446**	3,302,952
Past Service Cost	**51,922,208**	-
	137,696,818	93,920,327

16.1.3 Remeasurement losses / (gains) recognized in other comprehensive income

	2023	2022
Actuarial losses / (gains) on defined benefit obligation due to:		
- Changes in demographic assumptions	**-**	-
- Changes in financial assumptions	**-**	3,889,604
- Experience adjustments	**72,130,435**	(1,307,532)
	72,130,435	2,582,072

16.1.4 Year end sensitivity analysis on defined benefit obligation

	2023	2022
Discount Rate + 100 bps	**349,007,389**	119,700,143
Discount Rate - 100 bps	**342,897,851**	125,141,751
Salary increment rate + 100 bps	**358,171,697**	125,391,969
Salary increment rate -100 bps	**352,062,158**	119,412,059

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

16.1.6 Principal actuarial assumptions used

	2023	2022
Discount rate used for interest cost in profit and loss	**13.25%**	10.00%
Discount rate used for year end obligation	**16.25%**	13.25%
Expected rate of increase in salary level (per annum)	**16.25%**	13.25%
Mortality rates	**SLIC 2001-05**	SLIC 2001-05

		Note	2023	2022
			Rupees	
16.2	**Provision for Gas Infrastructure Development Cess**			
	Opening balance		**237,488,178**	334,158,798
	Effect of unwinding of the provision recognized during the year	25	**39,541,695**	30,838,827
	Effect of change in accounting estimate due to change of date of 1st Installment		**-**	(127,509,447)
	Closing balance		**277,029,873**	237,488,178
	Current maturity shown under current liabilities		**-**	-
	Non-current maturity shown under non-current liabilities		**277,029,873**	237,488,178
			277,029,873	237,488,178

16.2.1 In December 2011, the federal government, for the first time, imposed the levy of GIDC (the cess) through the promulgation of gas infrastructure development cess Act, 2011 (GIDC Act, 2011), which subsequently, was widely challenged on several legal grounds. In June 2013, the high court of Peshawar, passed judgement whereby it struck down the GIDC Act , 2011 declaring the said law as unconstitutional. Subsequent to the decision , the GIDC Ordinance 2014 was promulgated which expired in May 2015. In the same month, the Supreme Court of Pakistan upheld the said judgement. Following the judgement of Apex court, the GIDC ordinance ,2014 received presidential assent after having been passed by both the houses of parliament as GIDC Act, 2015. The GIDC Act,2015, provided for retrospective levy of cess for the period from January 2011 to May 2015.(as imposed under the struck down GIDC Act, 2011 and GIDC Ordinance, 2014) with different cess rates prescribed for each sector.

The Company along with several other petitioners filed review petitions before the Supreme Court of Pakistan challenging the applicability of the GIDC on the Company including the amount to be recovered including its retrospective application from the year 2011. The Supreme Court was pleased to clarify that the question as to the retrospective applicability of GIDC from 2011 to 2015 would remain open to be decided by the High Courts.

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 July 2020, Sui Southern Gas Company vide its gas bill charged an amount of Rs. 736.8 million against GIDC. the Company has recognized a provision based on the units consumed at applicable rates amounting to Rs. 441 million (2022:441 million) and remaining amount of Rs. 295.6 million (2022:295.6 million) has not been acknowledged as debt.(refer note 20.1.2).

		Note	2023	2022
16.3	**Deferred income - Government grant**		Rupees	
	Opening balance		**795,985,987**	580,483,209
	Add: Grant recognized in respect of loan proceeds received during the year		**196,490,732**	318,454,707
	Less: Amortization for the year	27	**(147,464,398)**	(102,951,929)
			845,012,321	795,985,987
	Less: Current maturity shown under current liabilities	38	**149,417,152**	123,588,942
	Closing balance		**695,595,169**	672,397,045

17.	TRADE AND OTHER PAYABLES	Note	2023	2022
			Rupees	
	Creditors		**1,240,032,623**	215,537,738
	Accrued liabilities		**341,904,477**	324,833,458
	Retention money payable		**6,891,267**	-
	Workers' Profits Participation Fund	*17.1*	**74,440,542**	247,556,906
	Workers Welfare Fund	*17.2*	**50,208,861**	115,824,703
	Provision for gas rate difference	*17.3*	**249,230,298**	183,054,309
	Provision for Sindh Infrastructure Cess	*17.4*	**79,000,000**	79,000,000
	Advance from customers		**29,142,988**	204,578
	Withholding tax payable		**22,131,099**	26,104,679
	Other payable		**10,942,733**	25,046,140
			2,103,924,888	1,217,162,511

17.1 Workers' Profit Participation Fund

	Note	2023	2022
Opening balance		**247,556,906**	80,769,713
Add:			
- Charge for the year		**74,883,636**	247,556,906
- Interest accrued	25	**101,735,715**	16,596,516
		176,619,351	264,153,422
Less: Payment made during the year		**(349,735,715)**	(97,366,229)
		74,440,542	247,556,906

17.2 Workers' Welfare Fund

	2023	2022
Opening balance	**115,824,703**	59,397,605
Add: Contribution for the year	**28,455,782**	94,071,624
Less: Payment made during the year	**(94,071,624)**	(37,644,526)
	50,208,861	115,824,703

17.3 This includes differential amount of Rs.66.17 million provided during the year for the period from July 2021 to January 2023 as per the rate of Rs.852/MMBTU notified by OGRA for Export Oriented Captive Units under which the company is categorized as against the provision made by the company for the said period at the rate of Rs.819/MMBTU notified for General Industry. The provision for the following months is made as per bill raised by the gas company @ Rs1,100 per MMBTU as per OGRA Notification dated February 2023.

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 at June 30, 2022.

The litigations finally ended with the dismissal of all the suits by the SHC vide its order dated February 18,2023. As per the order of the court, the provision for the year of Rs.66.17 million is recorded by the management. The company has submitted post dated cheques to the Nazir of the Court.

17.4 This represents provision for Sindh Infrastructure Cess, introduced through an Act passed by the Sindh provincial assembly in 2017, upto the year 2019. The Company has submitted bank guarantees in respect of unpaid cess, based on SC's order dated September 19, 2021 (refer note 20.1.1).

18.	ACCRUED MARKUP	2023	2022
		Rupees	
	Markup accrued on:		
	- Long term Financing	**89,267,115**	25,376,762
	- Short term borrowings	**416,452,021**	123,788,101
		505,719,136	149,164,863

		Note	2023	2022
19.	**SHORT TERM BORROWINGS - secured**		Rupees	
	Bank Al-Habib Limited			
	- Running finance	*19.1*	**5,459,952,918**	3,761,705,130
	- Istisna finance (Hypo)	*19.2*	**136,000,000**	135,800,000
	- Export refinance facility	*19.3*	**2,788,000**	-
			5,598,740,918	3,897,505,130
	Meezan Bank Limited			
	- Running finance	*19.4*	**129,985,125**	-
	- Istisna finance (Hypo)	*19.5*	**399,556,986**	200,616,750
	- Istisna finance (Pledge)	*19.6*	**299,718,225**	473,794,701
	- Export refinance facility	*19.7*	**59,124,054**	-
			888,384,390	674,411,451
	MCB Islamic Bank Limited			
	- Financing Musharka	*19.8*	**100,000,000**	-
	Bank Al-Falah Limited			
	- Running finance	*19.9*	**93,334,656**	158,226,942
	- Finance Against Imported Merchandise	*19.10*	**735,396,981**	-
	- Export refinance facility	*19.11*	**100,000,000**	-
			928,731,637	**158,226,942**
	Habib Bank Limited			
	- Running finance	*19.12*	**123,298,296**	14,933,804
	Habib Metropolitan Bank			
	- Finance Against Imported Merchandise	*19.13*	**497,728,000**	-
			8,136,883,241	4,745,077,327

19.1 This represents short term running finance facility amounting to Rs. 5.7 billion (2022: Rs. 4.7 billion) 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% (2022: 1 month KIBOR plus 0.75%) per annum and is secured by registered hypothecation charge over stock and book debts of the company amounting to Rs. 9.670 billion (2022: Rs. 4.112 billion). Facility is further secured by the personal guarantees of directors Mr. Abdul Kadir Adam and Mr. Yasin Siddik amounting to Rs.6 billion (2022:6 billion) .

19.2 This represents short term Istisna finance facility of Rs. 136 million (2022: 135.8 million) obtained from M/s. Bank Al Habib Limited Islamic to facilitate the manufacturing of different types of yarn. The facility carries mark up at the rate of 6 months KIBOR plus 0.75% (2022: 6 months KIBOR plus 0.75%) per annum and is secured by Registered ranking hypothecation charge over book debts and moveables of the company amounting to Rs. 3 billion each. As at the reporting date, the facility available to the Company under the scheme amounted to Rs.1 billion (2022: Rs. 1 billion) .

19.3 This represents short term finance facility amounting to Rs. 2.8 million obtained from M/s. Bank Al Habib Limited for processing of export orders and to finance Usance period of export bills sent on Collection under the EFS scheme of the State Bank of Pakistan announced vide SBP IH&SMEFD Circular No. 03 of 2022 dated February 16,2022. The facility carries mark up at the rate of SBP Refinance Rate Plus 1 % per annum and is secured by Lien over Export Documents under LC Sight /Usance /DP /DA / including documents prior to acceptance.

19.4 This represents short term Running finance facility having a limit of Rs. 300 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 Pari Passu Charge on current Assets (Stock and book debt) of the company with 25% margin expiring on 31 December 2023.

19.5 This represents short term Istisna finance (hypo) having a limit of Rs. 500 million (2022: Rs. 350 million) obtained from M/s. Meezan Bank Limited to meet working capital requirements of the Company. The facility carries markup at the rate of 6 months KIBOR plus 0.5% (2022: 6 months KIBOR plus 0.5%) per annum and is secured by Parri passu charge over current assets (stock and receivables) with 25% Margin.

19.6 This represents Istisna finance (pledge) facility amounting to Rs. 700 million (2022:Rs. 500 million) obtained from M/s. Meezan Bank Limited for manufacturing of goods of the Company. The facility carries markup at the rate of 6 months KIBOR plus 0.5% (2022: 6 months KIBOR Plus 0.5%) per annum and is secured by pledge of Local 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.

19.7 This represents short term finance facility amounting to Rs. 60 million obtained from M/s. Meezan bank limited for working capital requirements of the company under the EFS scheme of the State Bank of Pakistan announced vide SBP IH&SMEFD Circular No. 03 of 2022 dated February 16,2022. The facility carries mark up at the rate of SBP Refinance Rate Plus 0.5 % per annum and is secured by Lien over export documents and pari passu charge on current assets (stock and book debt) of the company with 25% margin expiring on December 2023. as at the reporting date, the facility available to the company under the scheme amounted to Rs.300 Million.

19.8 This represents Running Finance Musharika facility amounting to Rs. 100 million obtained from M/s. MCB Islamic bank limited to finance the working capital requirements of the Company. The facility carries markup at the rate of 3 month KIBOR plus 0.75% and is secured by first pari passu hypothecation charge over stocks and book debts with 25% margin, amounting to Rs. 133.33 million.

19.9 This represents short term running finance facility amounting to Rs. 200 million (2022: 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% (2022: 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 (2022:Rs. 533.34 million).

19.10 This represents Finance Against Imported Merchandise facility amounting to Rs. 800 million obtained from M/s. Bank Alfalah for the retirement of LCs opened for raw material. The facility carries markup at the rate of 1 month KIBOR plus 1% and is secured by pledge of local cotton/ imported cotton/ polyester / fiber with 10% margin amounting to Rupees 1.2 Billion on market value for local cotton and invoiced value for imported cotton to be kept in pucca godown under the custody of Bank's approved Muccadum and to be released only against the cash payment through delivery orders.

19.11 This represents short term finance facility amounting to Rs. 100 million obtained from M/s. Bank Alfalah for Working Capital Requirements under the EFS scheme of the State Bank of Pakistan announced vide SBP IH&SMEFD Circular No. 03 of 2022 dated February 16,2022. The facility carries mark up at the rate of SBP Refinance Rate Plus 0.5 % per annum and is secured by 1st Pari Passu charge amounting to rupees 533.34 million on current assets (stock and book debts) of the company with 25% margin expiring on January 2024.

19.12 This represents short term running finance facility amounting to Rs. 125 million (2022: 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% (2022: 1 month KIBOR plus 0.50%) and is secured by first pari passu hypothecation charge over stocks and book debts of the company with 25% margin, amounting to Rs. 166.67 million (2022: 166.67 million) .

19.13 This represents short term finance facility amounting to Rs. 1,000 million obtained from M/s. Habib Metropolitan Bank for Retirement of Raw material LCs of the Company. The facility carries markup at the rate of 3 month KIBOR plus 0.5% and is secured by pledge charge over imported/ Local raw materials amounting to Rs. 1,112 million with 10% margin.

19.14 As at June 30, 2023, the Company had Unavailed short term financing facilities amounting to Rs. 2.888 billion (2022: Rs. 2.054 billion).

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 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 announced in 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 view of the Supreme Court's above order, since 2019 no provision for the infrastructure cess payable, amounting to Rs. 454 million (2022: Rs.181 million) has been recognized in these financial statements.

20.1.2 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 16.2.1, and Rs. 736.8 million as notified to the Company through monthly gas bills upto July 2020).

Previously reported contingent liabilities that were resolved during the year

20.1.3 The Company had been reporting contingency (refer note no. 19.1.4 of the previous year financial statement) in respect of 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 had filed an appeal before the Customs Appellate Tribunal (Karachi) against the said demand. During the year, Customs Appellate Tribunal (Karachi) has ordered in favor of the company and impugned orders have been set aside. Hence there is no contingency related to that to be disclosed in these financial statements.

20.2 Commitments

	Note	**2023**	2022
		Rupees	
Commitments in respect of capital expenditure		**1,725,828,700**	1,032,543,700
Letter of credit to Sui Southern Gas Company Limited		**130,160,700**	77,900,000
Letters of guarantee against:			
- Provision of Sindh infrastructure development cess.	*17*	**79,000,000**	79,000,000
- Contingent liability of Sindh infrastructure development cess	*20.1.1*	**453,844,015**	181,942,340
- Others.		**8,700,000**	8,700,000
Letters of credit issued in respect of purchase of raw materials		**717,025,300**	3,578,773,100

		Note	2023	2022
			Rupees	
21.	**SALES - net**			
	Local sales	*21.1*	**731,373,179**	470,033,084
	Export sales - indirect	*21.2*	**18,000,466,785**	15,229,495,519
	Export sales - direct	*21.3*	**4,316,488,932**	3,865,648,085
	Wastage sales	*21.4*	**21,573,880**	14,949,231
	Raw material sales	*21.5*	**48,280,939**	613,390,934
			23,118,183,715	20,193,516,853
	Less:			
	Commission and brokerage		**(268,672,660)**	(209,543,096)
	Discount and claims		**(20,808,056)**	(7,160,626)
			(289,480,716)	(216,703,722)
			22,828,702,999	19,976,813,131

21.1 Local Sales

	2023	2022
Gross Sales		
- Yarn	**855,834,406**	547,618,655
- Socks	**2,019,015**	-
	857,853,421	547,618,655
Less: sales tax	**(126,480,242)**	(77,585,571)
	731,373,179	470,033,084

21.2 Export sales - indirect

	2023	2022
Gross sales (*Yarn*)	**21,023,100,674**	17,817,394,611
Less: sales tax	**(3,022,633,889)**	(2,587,899,092)
	18,000,466,785	15,229,495,519

21.3 Export sales - direct

	2023	2022
- Yarn	**3,858,757,989**	3,865,648,085
- Socks	**457,730,943**	-
	4,316,488,932	3,865,648,085

21.4 Wastage sales

	2023	2022
Gross sales	**24,873,628**	17,490,603
Less: sales tax	**(3,299,748)**	(2,541,372)
	21,573,880	14,949,231

21.5 Raw material sales

	2023	2022
Gross sales	**56,454,679**	717,516,943
Less: Sales tax	**(8,173,740)**	(104,126,009)
	48,280,939	613,390,934

22. COST OF SALES

	Note	2023	2022
		Rupees	
Raw materials consumed	22.1	**15,494,589,375**	11,072,416,911
Stores and spares consumed	22.2	**621,385,241**	382,306,734
Packing materials consumed	22.3	**364,721,830**	213,429,268
Conversion costs	22.4	**3,505,507,453**	2,386,053,266
		19,986,203,899	14,054,206,179
Work in process:			
- Opening stock		**140,141,739**	91,552,737
- Closing stock	8	**(124,088,920)**	(140,141,739)
		16,052,819	(48,589,002)
Cost of goods manufactured		**20,002,256,718**	14,005,617,177
Cost of goods purchased for sale		**54,066,861**	271,255,962
Opening stock of finished goods and waste material		**221,836,370**	339,689,913
Cost of goods available for sale		**20,278,159,949**	14,616,563,052
Closing stock of finished goods and waste material	8	**(1,388,881,161)**	(221,836,370)
		18,889,278,788	14,394,726,682

22.1 Raw materials consumed

	Note	2023	2022
Opening stock - in hand		**4,473,661,596**	2,841,951,125
Purchases		**18,168,118,129**	12,975,383,344
		22,641,779,725	15,817,334,469
Sale of raw materials		**(54,066,861)**	(271,255,962)
Closing stock - in hand	8	**(7,093,123,489)**	(4,473,661,596)
		15,494,589,375	11,072,416,911

22.2 Stores and spares consumed

	Note	2023	2022
Opening stock - in hand		**175,480,762**	173,719,575
Purchases		**774,099,998**	384,067,921
		949,580,760	557,787,496
Closing stock - in hand		**(328,195,519)**	(175,480,762)
		621,385,241	382,306,734

22.3 Packing materials consumed

	Note	2023	2022
Opening stock		**35,066,539**	20,730,401
Purchases		**418,846,059**	227,765,406
		453,912,598	248,495,807
Closing stock	8	**(89,190,768)**	(35,066,539)
		364,721,830	213,429,268

22.4 Conversion costs

	Note	2023	2022
Salaries, wages and other benefits	22.4.1	**1,335,674,907**	857,253,478
Fuel and power	22.4.2	**1,016,844,083**	754,375,424
Depreciation	4.1.1	**961,144,373**	666,697,765
Amortisation	5.1	**734,956**	-
Insurance		**62,198,062**	51,408,109
Vehicle running and maintenance		**45,458,093**	21,429,159
Repairs and maintenance		**25,154,452**	18,332,234
Water charges		**26,576,486**	13,927,975
Other manufacturing expenses		**31,722,041**	2,629,122
		3,505,507,453	2,386,053,266

22.4.1 This includes an amount of Rs. 121,612,470 (2022: Rs. 71,143,788) in respect of staff retirement benefits.

		Note	2023	2022
			Rupees	
22.4.2	**Fuel and power**			
	Sui Gas		**791,230,329**	626,938,414
	Electricity		**216,272,064**	113,120,910
	Others		**9,341,690**	14,316,100
			1,016,844,083	754,375,424

		Note	2023	2022
23.	**ADMINISTRATIVE EXPENSES**			
	Salaries, allowances and other benefits	*23.1*	**247,508,135**	127,434,622
	CEO and Directors' remuneration	*31*	**25,300,000**	20,000,000
	Charity and donations	*23.2*	**58,750,000**	44,235,000
	Depreciation	*4.1.1*	**47,563,778**	35,228,688
	Amortisation	*5.1*	**126,778**	-
	Travelling and conveyance		**22,364,140**	15,132,282
	Rent Expense		**1,163,180**	-
	Insurance		**11,889,095**	12,100,544
	Repairs and maintenance		**6,694,329**	11,930,546
	Fees and subscription		**23,323,399**	11,514,991
	Vehicle running and maintenance		**13,511,682**	7,299,940
	Utilities		**4,674,775**	3,629,830
	Auditors' remuneration	*23.3*	**3,332,000**	2,596,800
	Entertainment expense		**5,166,408**	2,166,736
	Printing and stationery		**3,448,093**	2,019,243
	Postage and telephone		**2,866,300**	1,587,692
	Legal and professional		**4,972,126**	1,248,483
	Meeting fees		**2,319,000**	840,000
	Advertisement		**495,260**	569,256
	Newspaper and periodicals		**90,030**	89,399
	Provision for doubtful debt	*9.2*	**19,613,873**	-
	Others		**23,806,508**	11,694,347
			528,978,889	311,318,399

23.1 This includes an amount of Rs. 16,084,348 (2022: Rs. 22,776,539) in respect of staff retirement benefits.

23.2 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:

	2023	2022
	Rupees	
Bantva Memon Hospital	**21,500,000**	12,250,000
The Hunar Foundation	**10,000,000**	-
Saylani Welfare International	**8,500,000**	2,000,000
The Citizens Foundation	**5,000,000**	3,000,000
Prime Minister's Flood Relief Fund	**5,000,000**	-
Kiran Patient Welfare	**2,500,000**	-
Behbud Association Karachi	**2,000,000**	-
Bait-ul-Salam Welfare Trust	**1,250,000**	-
Patients' Aid Foundation	**1,000,000**	10,000,000
Descon Technical Institute	**1,000,000**	2,500,000
Memon Medical Institute	**1,000,000**	-
The Indus Hospital	**-**	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
Sindh Institute of Urology and Transplant	**-**	1,000,000
Patel Hospital	**-**	1,000,000
Agha Khan University Hospital	**-**	1,000,000

		Note	2023	2022
			Rupees	
23.3	**Auditors' remuneration**			
	Audit fee		**2,614,000**	2,000,000
	Half yearly review fee		**600,000**	500,000
	Out of pocket expenses		**118,000**	96,800
			3,332,000	2,596,800
24.	**DISTRIBUTION COSTS**			
	Freight and handling charges:			
	- Local		**124,754,116**	92,062,100
	- Export		**114,059,198**	193,098,327
			238,813,314	285,160,427
	Salaries, allowances and other benefits		**45,793,760**	27,297,349
	Packing charges		**-**	2,137,936
	Marketing Expense		**4,722,502**	-
	Sampling Expense		**5,843,603**	-
	Other Expenses		**2,224,092**	-
			297,397,271	314,595,712
25.	**FINANCE COSTS**			
	Markup and interest charges on:			
	- Long term finances		**467,777,723**	237,925,040
	- Short term borrowings		**1,572,031,983**	548,885,890
	- Workers' Profit Participation Fund	*17.1*	**101,735,715**	16,596,516
	Unwinding of Gas Infrastructure Cess Provision	*16.2*	**39,541,695**	30,838,827
	Bank charges on export receipts		**24,895,072**	20,658,198
	Bank charges		**32,231,951**	20,899,999
			2,238,214,139	875,804,470
26.	**OTHER OPERATING EXPENSES**			
	Workers' Welfare Fund		**28,455,782**	94,071,624
	Workers' Profit Participation Fund		**74,883,636**	247,556,906
			103,339,418	**341,628,530**
27.	**OTHER INCOME / (EXPENSES) - net**			
	Exchange gain/ (loss) on export receivables:			
	- Realized		**191,557,218**	108,144,405
	- Unrealized		**2,289,081**	8,791,244
			193,846,299	116,935,649
	Unrealized exchange gain on bank balance		**112,375,337**	28,399,110
	Realized gain on dealing in foreign commodity markets		**-**	378,050,201
	Realized exchange gain on import of fixed assets and raw material		**167,327,625**	79,373,377
	Gain on re-measurement of Gas Infrastructure Development Cess provision		**-**	127,509,447
	Amortization of deferred government grant	*16.3*	**147,464,398**	102,951,929
	Reversal of provision for expected credit losses		**-**	14,397,108
	(Loss) /Gain on disposal of fixed assets		**(2,699,799)**	13,114,024
	Income against customs		**1,743,537**	9,939,405
	Others		**2,781,414**	100,000
			622,838,811	870,770,250
28.	**TAXATION**			
	Current	*28.1*	**351,761,259**	278,559,570
	Deferred		**(71,294)**	20,572,638
			351,689,965	299,132,208

28.1 The income tax assessments of the Company have been finalised up to and including the tax year 2022. 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.

	2023	2022
29. EARNINGS PER SHARE - BASIC AND DILUTED	Rupees	

29.1 Basic earnings per share

	2023	2022
Profit after taxation	**1,042,643,340**	4,310,377,380
	Number	
Weighted average number of ordinary shares outstanding	**6,163,000**	6,163,000
Earnings per share - basic and diluted	**169.18**	699.40

29.2 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, 2023 and June 30, 2022.

30. 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	**2023**	2022
		Rupees	
Cash and bank balances	*12*	**712,197,857**	286,160,873
Short term borrowings - running finance		**(5,806,570,995)**	(3,934,865,876)
		(5,094,373,138)	(3,648,705,003)

31. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES		TOTAL	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	Rupees							
Managerial remuneration	**9,373,333**	7,413,336	**7,493,333**	5,920,000	**51,318,436**	26,496,249	**68,185,102**	39,829,585
House rent	**3,745,734**	2,961,730	**2,993,734**	2,364,400	**20,454,774**	10,567,600	**27,194,242**	15,893,730
Conveyance allowance	**3,600**	3,600	**3,600**	3,600	**72,600**	45,300	**79,800**	52,500
Utilities	**937,333**	741,334	**749,333**	592,000	**5,131,844**	2,649,625	**6,818,510**	3,982,959
Fuel allowance	-	-	-	-	**4,942,029**	1,538,067	**4,942,029**	1,538,067
Other benefits	-	-	-	-	**332,500**	97,800	**332,500**	97,800
	14,060,000	11,120,000	**11,240,000**	8,880,000	**82,252,183**	41,394,641	**107,552,183**	61,394,641
Number of persons	**1**	1	**1**	1	**21**	15		

31.1 The Chief Executive, Director and certain executives have also been provided with free use of the Company maintained cars and residential telephones.

32. PLANT CAPACITY AND ACTUAL PRODUCTION	2023	2022
	Number	
32.1 Spinning Division		
Number of spindles / rotors installed	**91,455**	91,782
Number of spindles / rotors operated	**79,440**	87,742
Installed capacity in Kgs. after conversion into 20 single count	**34,590,153**	42,257,781
Actual production of yarn in Kgs. after conversion into 20 single count	**30,537,955**	39,968,903
Number of shifts worked during the year	**1,092**	1,092
32.2 Sock Division		
Number of Knitting Machines installed	**208**	-
Number of Knitting Machines operated	**208**	-
Installed capacity of socks in Dozen	**2,160,000**	-
Actual production of socks in Dozen	**719,221**	-
Number of shifts worked during the year	**637**	-

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

33. FINANCIAL INSTRUMENTS

33.1 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

33.1.1 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, 2023		June 30, 2022	
		Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
	Note	(Rupees)			
Long term deposits		**3,460,559**	3,460,559	**2,768,255**	2,768,255
Trade debts	*(a)*	**4,606,616,224**	4,606,616,224	**4,466,962,934**	4,466,962,934
Deposit and other receivables		**8,610,456**	8,610,456	**32,665,962**	32,665,962
Bank balances	*(b)*	**711,246,335**	711,246,335	**284,230,892**	284,230,892
		5,329,933,574	**5,329,933,574**	**4,786,628,043**	**4,786,628,043**

Note (a) - Credit risk exposure on trade debts

To reduce the exposure, the Company closely evaluates the credit risk of customers and follows up for over due payments. 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		2022	
	Gross carrying amount	**Life time expected credit losses**	Gross carrying amount	Life time expected credit losses
Not past due	**451,344,800**	-	3,412,133,551	-
Past due 1 to 30 days	**1,646,389,706**	-	609,800,134	-
Past due 31 to 60 days	**1,593,967,019**	**13,631,372**	291,125,908	4,707,191
Past due 61 to 90 days	**567,555,839**	**7,188,944**	131,371,381	3,721,403
Past due 91 to 150 days	**276,336,330**	**294,958**	24,590,550	5,760
Past due 151 to 365 days	**99,333,568**	**7,195,764**	5,218,379	11,089
Past due 366 to 730 days	-	-	166,260	832
Over two years	-	-	1,253,936	250,890
	4,634,927,262	**28,311,038**	4,475,660,099	8,697,165

Note (b) - Credit risk exposure on bank balances

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

Banks / other institutions	**Short term rating**	**Credit rating agency**	**2023**	2022
			Rupees	
Meezan Bank Limited	A-1+	JCR-VIS	**7,229,377**	35,463,785
Habib Metropolitan Bank Limited	A-1+	PACRA	**20,982,069**	7,901,305
Bank Al-Habib Limited	A-1+	PACRA	**677,956,529**	232,340,433
National Bank of Pakistan	A-1+	JCR-VIS	**858,325**	5,904,935
MCB Bank Limited	A-1+	PACRA	**27,375**	992,019
Bank of Khyber	A-1	JCR-VIS	**-**	20,010
Askari Bank Limited	A-1+	PACRA	**4,187,660**	1,603,405
Central Depository Company	-	-	**5,000**	5,000
			711,246,336	284,230,892

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.

33.1.2 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 balances and the availability of adequate funds through committed credit facilities. 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):

	2023			
	Carrying amount	**Contractual cash flows**	**Twelve months or less**	**More than One years**
	Rupees			
Non-derivative financial liabilities				
Long term financing (including markup)	**6,729,455,643**	**7,834,097,277**	**840,104,614**	**6,993,992,663**
Trade and other payables	**1,628,914,088**	**1,628,914,088**	**1,628,914,088**	-
Accrued markup on short term borrowings	**416,452,021**	**416,452,021**	**416,452,021**	-
Short term borrowings	**8,136,883,241**	**8,136,883,241**	**8,136,883,241**	-
	16,911,704,993	**18,016,346,627**	**11,022,353,964**	**6,993,992,663**

	2022			
	Carrying amount	Contractual cash flows	Twelve months or less	More than One years
Non-derivative financial liabilities	Rupees			
Long term financing (including markup)	5,340,313,930	6,441,537,744	623,971,770	5,817,565,974
Trade and other payables	565,417,336	565,417,336	565,417,336	-
Accrued markup on short term borrowings	123,788,101	123,788,101	123,788,101	-
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

33.1.3 Market risk

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

(a) Foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currency. 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, 2023			June 30, 2022		
	Rupees	**EURO**	**US Dollars**	Rupees	EURO	US Dollars
Trade debts	**437,941,670**	**EUR 1,772**	**$ 1,526,119**	438,568,938	-	$ 2,150,902.10
Bank balance	**679,988,729**	**EUR 8,026.00**	**$ 2,363,820.00**	212,036,407	-	$ 1,039,903.91

The following significant exchange rates applied during the year:

	2023		2022	
	Average rate	**Reporting date rate**	**Average rate**	**Reporting date rate**
		Rupees		
US Dollar	**252.58**	**286.60**	179.13	203.90
EURO	**266.64**	**313.72**	189.19	215.23

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 particular interest rates, remain constant.

	Effect on profit before tax
	—— Rupees ——
As at June 30, 2023	**55,896,520**
As at June 30, 2022	32,530,267

(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. At the reporting date, the interest rate profile of the Company's interest-bearing variable rate financial instruments was as follows:

	2023	2022	2023	2022
	Effective interest rate (%)		Carrying amount (Rs.)	
Financial liabilities				
Short term borrowings	**15.32% to 21.98%**	**7.54% to 14.87%**	**8,136,883,241**	4,745,077,327
Long term borrowings	**15.32% to 21.98%**	**7.54% to 14.87%**	**2,229,791,006**	-

Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit before tax by Rs. 103.667 million (2022: Rs. 47.45 million). This analysis assumes that all other variables remain constant.

(c) Price risk

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

34 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 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, the only item 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.

34.1 Financial instruments by categories

	2023	2022
	Rupees	
FINANCIAL ASSETS - at amortized cost		
Long term deposits	**3,460,559**	2,768,255
Trade debts	**4,606,616,224**	4,466,962,934
Deposits and other receivables	**8,610,456**	32,665,962
Cash and bank balances	**712,197,857**	286,160,873
	5,330,885,096	4,788,558,024
FINANCIAL LIABILITIES- at amortized cost		
Long term financing	**6,640,188,528**	5,314,937,169
Trade and other payables	**1,592,879,833**	565,417,336
Accrued markup	**505,719,136**	149,164,863
Short term borrowings	**8,136,883,241**	4,745,077,327
	16,875,670,738	10,774,596,695

35. 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:

	2023	2022
Borrowings:	Rupees	
Long term financing	**6,640,188,528**	5,314,937,169
Short term borrowings	**8,136,883,241**	4,745,077,327
	14,777,071,769	10,060,014,496
Shareholders' equity:		
- Issued, subscribed and paid up capital	**61,630,000**	61,630,000
- Unappropriated profit	**7,795,381,951**	7,000,291,403
	7,857,011,951	7,061,921,403
Total capital managed by the Company	**22,634,083,720**	17,121,935,899

36. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of associated companies, key management personnel of the Company (including directors) and their close family members. Remuneration of the Chief Executive and Director is disclosed in note 31 to these financial statements. Transactions entered into and balances held, with related parties during the year, are as follows:

Name of the related party	Transactions during the year and year end balances	2023	2022
		Rupees	
Premium Knits	*Transaction during the year*		
	Sale of goods	**162,729,339**	299,063,642
	Balance at the year end		
	Trade receivable	-	263,790,117
Pinnacle Fiber (Pvt) Ltd.	*Transaction during the year*		
	Purchase of goods	**382,909,603**	534,487,693
	Balance at the year end		
	Trade payable	**50,754,403**	7,845,123

37. OPERATING SEGMENT RESULTS

	Spinning		Socks		Premium Textile Mills Limited	
	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Sales - net	**22,369,086,067**	19,976,813,131	**459,616,932**	-	**22,828,702,999**	19,976,813,131
Cost of sales	**(18,478,787,243)**	(14,394,726,682)	**(410,491,545)**	-	**(18,889,278,788)**	(14,394,726,682)
Gross profit	**3,890,298,824**	5,582,086,449	**49,125,387**	-	**3,939,424,211**	5,582,086,449
Administrative expenses	**(402,134,001)**	**(311,318,399)**	**(126,844,888)**	-	(528,978,889)	(311,318,399)
Distribution costs	**(266,274,939)**	**(314,595,712)**	**(31,122,332)**	-	(297,397,271)	(314,595,712)
Operating Resuls	**3,221,889,884**	**4,956,172,338**	**(108,841,833)**	-	**3,113,048,051**	**4,956,172,338**

	Spinning		Sock		Premium Textile Mills Limited	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Segment Assets	**25,227,376,061**	20,942,454,236	**2,791,852,452**	-	**28,019,228,513**	20,942,454,236
Unallocated Assets	-	-	-	-	-	-
Segment Liabilites	**18,601,055,907**	12,634,406,599	**265,504,906**	-	**18,866,560,813**	12,634,406,599
Unallocated Liabilities	-	-	-	-	-	-

37.1 *Note: Inter unit current account balances of respective businesses have been eliminated from the total.*

37.2 **Depreciation and Amortisation - note 4.1.1 and 5.2**

895,690,310	713,684,075	113,879,575	-	**1,009,569,885**	713,684,075

38. GENERAL

38.1 Non - adjusting event after balance sheet date

The Board of Directors in their meeting held on 28 September,2023 has proposed a final cash dividend of Rs. 25 per share (2022: Rs. 50 per share) for approval of the members at the Annual General Meeting to be held on 25 October, 2023. The financial statements do not reflect this appropriation.

		2023	2022
38.2	**Number of employees**	Number	
	Total employees of the Company at the year end	**1,197**	1,097
	Average employees of the Company during the year	**1,147**	970

38.3 Reclassification of corresponding figures

In these financial statements, the following corresponding figures have been rearranged and reclassified, for the purposes of comparison and better presentation.

Reclassified from component	**Reclassified to component**	**Rupees**
Deferred income - Government grant (Non-current liabilities)	Current maturity of government grant (Current liabilities)	123,588,942

38.4 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 September 28, 2023.

38.5 Level of rounding

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

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

Pattern of Shareholding

As at June 30, 2023

No. of Shareholders	Shareholdings From		To	Total Shares Held
512	1	-	100	37,744
108	101	-	500	33,981
41	501	-	1000	35,112
54	1001	-	5000	140,423
17	5001	-	10000	134,210
5	10001	-	15000	61,040
3	15001	-	20000	58,086
2	20001	-	25000	48,400
1	35001	-	40000	35,400
1	40001	-	45000	41,000
1	45001	-	50000	50,000
1	50001	-	55000	51,800
1	70001	-	75000	74,010
1	95001	-	100000	100,000
1	100001	-	105000	101,100
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
761				6,163,000

Classification Of Shares By Categories

As at June 30, 2023

BANKS/DFIS,NBFIS			
NATIONAL BANK OF PAKISTAN		455	
	Sub-total	455	0.01%
DIRECTORS,CHIEF EXECUTIVE OFFICER, THEIR SPOUSES, MINOR CHILDREN AND RELATIVES			
ABDUL KADIR ADAM		19,386	
FARHEEN		110,700	
GHAZALA MONEM		101,100	
LUBNA ASIF BALAGAMWALA		110,700	
MOHAMMAD RAZIUDDIN MONEM		3,450	
MUHAMMAD ASLAM PAREKH		12,700	
MUHAMMAD YASIN SIDDIK		297,075	
MUHAMMAD ZAID		17,400	
MUNIZA IRFAN		110,700	
NABILA YASIN SIDDIK		121,858	
NAILA HASSAN		1,000	
NEELAM ASLAM PAREKH		110,700	
RAZIA ALTAF ADAM		110,700	
SAIRA ADAM		100,000	
	Sub-total	1,227,469	19.92%
NIT AND ICP			
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		615,623	
INVESTMENT CORP. OF PAKISTAN		500	
	Sub-total	616,123	10.00%
OTHERS			
AL HAYY TRADING (PRIVATE) LIMITED		25,000	
AL-RAHIM TRADING COMPANY (PRIVATE) LIMITED		550	
CDC - TRUSTEE AKD OPPORTUNITY FUND		10,000	
CDC - TRUSTEE GOLDEN ARROW STOCK FUND		23,400	
FIKREES (PRIVATE) LIMITED		381	
FREEDOM ENTERPRISES (PVT) LTD		1,000	
M/S ABDUL KADIR ADAM BENEFICIARY TRUST		5,000	
MAPLE LEAF CAPITAL LIMITED		1	
MRS. NASREEN LIAQAT		2,000	
MUHAMMAD AHMAD NADEEM SEC(SMC-PVT)LTD (ISB)		500	
PAKISTAN MEMON EDUCATIONAL & WELFARE SOC		2,000	
PREMIER FASHIONS (PVT) LTD		6,800	
RAHMAT INVESTMENT COMPANY (PVT) LTD		404,250	
SIZA (PRIVATE) LIMITED		4,150	
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST		2,597	
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND		74,010	
TRUSTEES OF ABDUL KADIR ADAM BENEFICIARY TRUST		2,806,265	
TRUSTEES OF NABILA AND ABDUL KADIR ADAM BENEFICIARY TRUST		240,523	
YOUSUF YAQOOB KOLIA AND COMPANY (PVT) LTD		35,400	
	Sub-total	3,643,827	59.12%
INDIVIDUAL			
Local - Individuals		675,126	
	Sub-total	675,126	10.95%
	Grand-total	6,163,000	100%

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.

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

Annual General Meeting

The Company Secretary
Premium Textile Mills Limited
1st Floor, Haji Adam Chamber,
Altaf Hussain Road, New Challi,
Karachi

I/We__________________________ of _____________________ being member(s) of Premium Textile Mills Limited holding _______________ Ordinary shares as per Register Folio No/CDC /A/c No. _______________ hereby appoint _____________________________ of _________________________ or failing him _________________________ of

_______________________ of as my / our proxy to attend, act and vote for me / us and on my / our behalf at the Extra Ordinary General Meeting of the Company to be held on October 25, 2023 and / or any adjournment thereof.

As witness my / our hand / seal this ____ day of __________ 2023 signed by _______________________ in the presence of (name & address)

Witness:

1. Name: ___________________________

Address ___________________________

CNIC or ___________________________

Passport No. ___________________________

Signature ___________________________

Signature on Rs. 5/-
Revenue Stamp

The Signature should agree with the specimen registered with the Company

Witness:

2. Name: ___________________________

Address ___________________________

CNIC or ___________________________

Passport No. ___________________________

Signature ___________________________

Important Note:

A member of the Premium Textile Mills Limited ("Company") entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her.

The proxy form, duly completed and signed, must be received at the registered office of the company situated at 1st Floor, Haji Adam Chamber, Altaf Hussain Road, New Challi, Karachi not less than 48 hours before the time of holding the meeting.

No person shall act as proxy unless he / she himself is a member of the Company, except that a corporation may appoint a person who is not a member.

If a member appoints more than one proxy and / or more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

The Form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, address and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the Passport of the beneficial owner and the proxy. In case of a corporate entity, the Board of Directors' Resolution / Power of Attorney along with the specimen signature shall be submitted (unless it has been provided earlier along with the proxy form to the Company).


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