

THE ART OF TEXTILE

Annual Report 2022





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AUTO SPINNER-33

Schlafhorst & Saurer

KEY HIGHLIGHTS

YEAR ENDED JUNE 30, 2022

Sales

30,704	24,030
2022	2021

Rs. in million

EBITDA

15.53%	13.50%
2022	2021

Percentage

Profit for the year

2,639	1,733
2022	2021

Rs. in million

EPS

85.67	56.24
2022	2021

Rupees

Capital Expenditures

3,046	1,167
2022	2021

Rs. in million

Dividend per Share

40%	75%
2022	2021

Percentage

Break up Value of Share

297.31	196.99
2022	2021

Rupees

Total Assets

27,756	19,312
2022	2021

Rs. in million

GP RATIO

17.72%	14.61%
2022	2021

Percentage

ROCE

20.21%	18.65%
2022	2021

Percentage

Current Ratio

1.02	1.11
2022	2021

Times

Net Profit Ratio

8.6%	7.21%
2022	2021

Percentage



CREDIT RATING RELIANCE WEAVING MILLS LIMITED

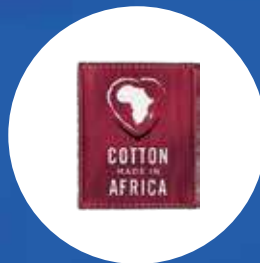
LONG TERM

SHORT TERM

A

A-2

CERTIFICATIONS



COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Faisal Ahmed (Chief Executive Officer)

Non-Executive Directors

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

Independent Directors

Mr. Muhammad Shaukat
Mr. Shahid Aziz

COMMITTEES OF THE BOARD

Audit Committee

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

HR & Remuneration Committee

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

Risk Management Committee

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

Nomination Committee

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

EXECUTIVE MANAGEMENT TEAM

Chief Financial Officer

Mr. Waheed Ahmad

Head of Human Resources

Mr. Asad A. Jan

Acting Company Secretary

Mr. Kamran Ahmad Awan

Head of Internal Audit & Risk Assurance – OB

Mr. Muhammad Akbar Rana

Technical Director Weaving

Mr. Ikram Azeem

GM Marketing

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

GM Spinning (Multan)

Mr. Muhammad Shoaib Alam

GM Spinning (Rawat)

Mr. Salahudin Khattak

AUDITORS & SHARES REGISTRAR

External Auditors

ShineWing Hameed Chaudhri & Co.
Chartered Accountants
HM House, 7-Bank Square, Lahore
E-mail: Ihr@hccpk.com

Shares Registrar

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

BANKERS / FINANCIAL INSTITUTIONS

Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
United Bank Limited
National Bank of Pakistan
Meezan Bank Limited
Soneri Bank Limited
The Bank of Khyber
Habib Metropolitan Bank Limited
JS Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Samba Bank Limited

Al-Baraka Bank Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
The Bank of Punjab
Askari Bank Limited, Islamic Banking Services
Saudi Pak Industrial & Agricultural Investment Company Limited
Pak Brunei Investment Company Limited
Pak China Investment Company Limited
Pak Libya Holding Company (Pvt) Limited
Pakistan Kuwait Investment Company (Pvt) Limited
First Habib Modaraba
Sindh Bank Limited
Summit Bank Limited
Bank Islami Pakistan Limited
Standard Chartered Bank Pakistan Limited
Faysal Bank Limited

SITE ADDRESSES

Unit # 1,2,4 & 5

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

Unit # 3

Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi
Phone & Fax 051-4262494-5 & 051-4611097

BUSINESS OFFICES

Registered Office

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

Head Office

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





VISION

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

MISSION & VALUES

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

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

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

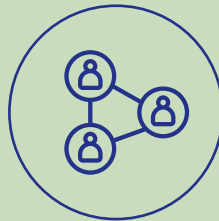
CORPORATE VALUES

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



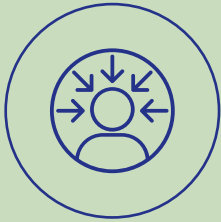
Integrity

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



Teamwork

We work collectively towards a common goal.



Customer Focus

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



Valuing People

We value our people as our greatest resource.



Innovation

We encourage creativity and recognize new ideas.



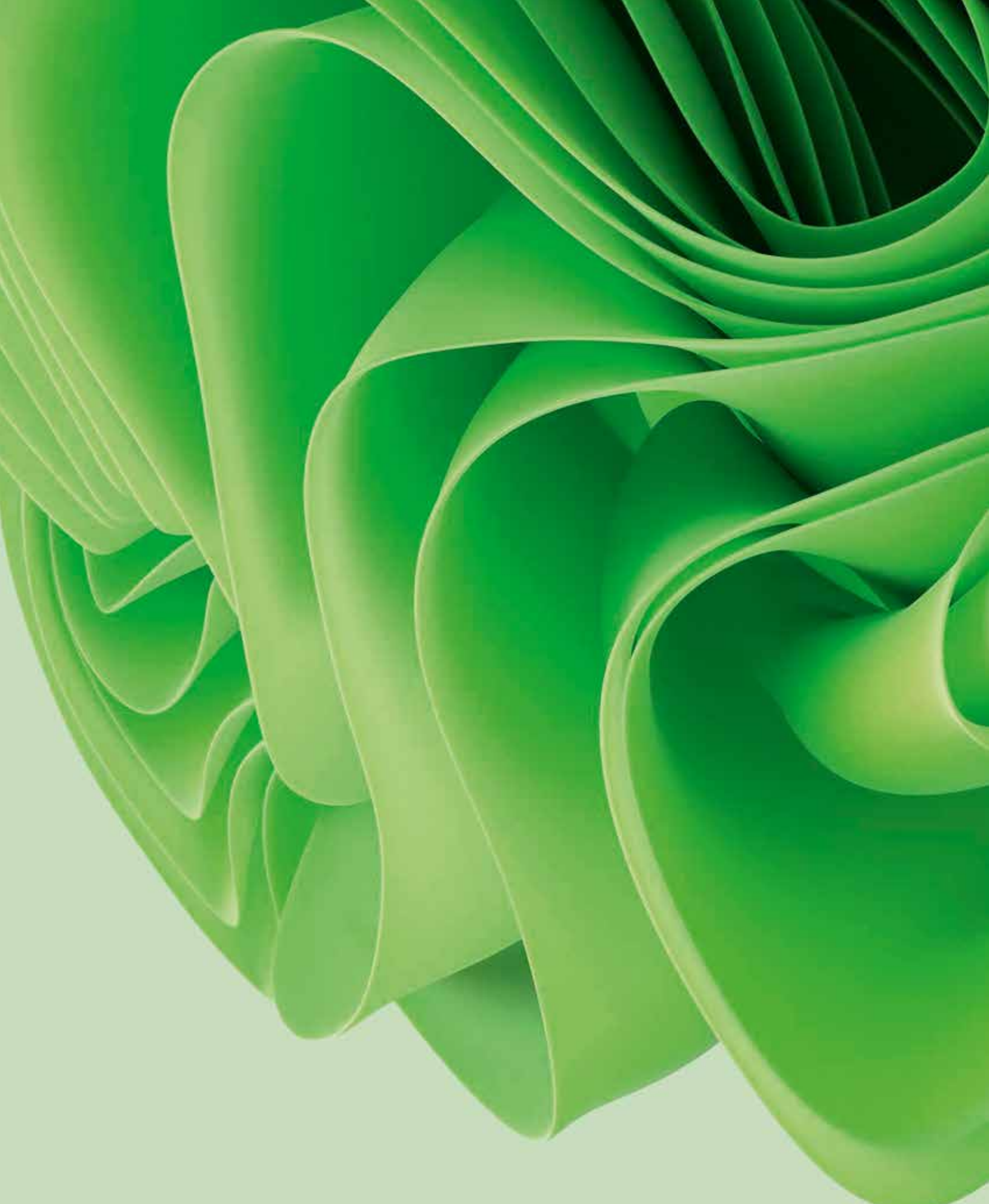
Health, Safety, Environment & CSR

We care for our people and the communities around us.



Excellence

We strive to excel in everything we do.



NOTICE OF THE 32nd ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of the shareholders of Reliance Weaving Mills Limited (the "Company") will be held on Thursday, October 27, 2022, at 03:00 pm at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Extraordinary General Meeting held on June 23, 2022.
2. To receive, consider and adopt the audited financial statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2022.
3. To consider and approve payment of Rs. 4.00 per share i.e. @ 40% as final cash dividend for the financial year ended June 30, 2022, as recommended by Board of Directors.
4. To appoint Auditors for year ending June 30, 2023 and to fix their remuneration.

SPECIAL BUSINESS:

5. To ratify and approve the transactions carried out by the Company with related parties as disclosed in the financial statements for the year ended June 30, 2022 and to pass the following Special Resolution(s), with or without modification(s) in terms of Section 208 of the Companies Act, 2017:

"RESOLVED THAT, related party transactions carried out by the Company during the year in which majority of Directors are interested as disclosed in Note 45 of the financial statements for the year ended June 30, 2022, be and are hereby ratified, approved and confirmed."

6. To authorize the Board of Directors of the Company to approve related party transactions for the financial year ending June 30, 2023, and to pass the following Special Resolution(s), with or without modification(s):

"RESOLVED THAT, the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with related parties on case to case basis for the financial year ending June 30, 2023.

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

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

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

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

FURTHER RESOLVED THAT, any Director/Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of said investment as and when required by above associated companies and to take all steps and actions necessary, incidental and ancillary thereto including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolution."

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

By order of the Board



Place: Multan
Dated: October 06, 2022

KAMRAN AHMAD AWAN
Acting Company Secretary

NOTES:

- The Share Transfer Books will remain closed from October 21, 2022 to October 27, 2022 (both days inclusive). Transfers received in order at the office of our Shares Registrar by the close of the business on October 20, 2022 will be treated in time for the aforesaid purpose.
- Only those persons whose names appear in the Register of Members of the Company as at October 20, 2022 are entitled to attend and vote at the Annual General Meeting.
- The Members are requested to notify the change of address, zakat declaration and tax exemption status with its valid certificate, if any, immediately to our Shares Registrar.

PARTICIPATION IN THE ANNUAL GENERAL MEETING (AGM):

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

CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

FOR ATTENDING THE MEETING:

- i) In case of individuals, the account holder or sub-account holder and their registration details are uploaded as per CDC regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting; and
- ii) In case of corporate entities, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be produced at the time of the meeting.

FOR APPOINTING PROXIES:

- i) In case of individuals, the account holder or sub-account holder and their registration details are uploaded as per CDC regulations, shall submit the Proxy Form as per the above requirement. Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of CNIC or the Passport of beneficial owners and the Proxy shall be furnished with the Proxy Form. The Proxy shall produce his / her original CNIC or original Passport at the time of the meeting;
- ii) In case of corporate entities, the Board of Directors' resolution / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted along with the proxy form to the Company. A corporate entity, being Member, may appoint any person, regardless of whether they are a Member or not, as its proxy.

VIDEO LINK FACILITY:

On the demand of shareholders residing in a city who hold at least ten percent of the total paid-up capital of the Company, the facility of video-link will be provided to such shareholders in that city enabling them to participate in the Annual General Meeting. The demand for video-link facility shall be received by the Company at least 7 days prior to the date of the meeting.

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

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

WITHHOLDING TAX ON DIVIDEND:

The rate of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001, from payment of dividend to a NON-FILER of income tax return is prescribed as 30% and for FILER as 15%. In this regard, all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Shares Registrar by the close of business on October 20, 2022, as per following format:

Folio/CDC A/c. Number	Total Shares	Principal Shareholder		Joint Shareholder(s)	
		Name and CINC Number	Shareholding Proportion (No of Shares)	Name and CINC Number	Shareholding Proportion (No of Shares)

The CNIC/NTN is now mandatory and is required to check the status as per Active Taxpayer List issued and updated by Federal Board of Revenue.

E-VOTING:

Pursuant to Section 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018, Members can exercise their right to poll in the meeting.

PAYMENT OF CASH DIVIDEND ELECTRONICALLY:

The shareholders, who have yet not provided the particulars of their bank accounts are hereby requested to provide the same at the earliest. The Company will be constrained to withhold the payment of cash dividend of those shareholders who have not provided the same in the absence of complete bank account details.

UNCLAIMED SHARE(S) / DIVIDEND(S):

Pursuant to Section 244 of the Companies Act, 2017, the Company has dispatched notice(s), followed by newspaper advertisement, in respect of shares / dividends that remained unclaimed or unpaid to all the shareholders at their last known addresses with the request to lodge the claims. Accordingly, if such claims are not lodged within prescribed time period, the Company shall proceed according to the requirements of the law.

DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS:

As per Section 72 of the Companies Act, 2017, every listed company is required to replace its physical shares with book-entry form. Therefore, the shareholders having physical shares are requested to convert their shares into book-entry form, which would facilitate them in many ways including safe custody and sale of shares.

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

In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2022 are available on the Company's website.

TRANSMISSION OF ANNUAL REPORT ELECTRONICALLY:

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

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

The statement sets out the material facts under Section 134(3) of the Companies Act, 2017 concerning the special business to be transacted at the Annual General Meeting of Reliance Weaving Mills Limited to be held on Thursday, October 27, 2022.

SPECIAL BUSINESS RELATING TO APPROVAL OF RELATED PARTY TRANSACTIONS:

The transactions carried out with the associated companies/related parties have been approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to the provisions of applicable laws. However, the majority of Directors of the Company were interested in certain transactions due to their common directorship or on account of holding of

shares in the associated companies with which such transactions were held. Therefore, due to absence of quorum, the Board has recommended that these transactions be placed before the shareholders of the Company in the general meeting for ratification/approval pursuant to the provisions of the Companies Act, 2017 (the "Act"). These transactions are given in Note 45 of the financial statements for the year ended June 30, 2022.

All the related party transactions for the year ended June 30, 2022 were executed at Arm's Length basis in the normal course of business and there were no departures from the guidelines provided in the Code of Corporate Governance for such transactions. Pursuant to above, these transactions have to be approved/ratified by the shareholders in the General Meeting. The Directors and their relatives do not have any direct or indirect interest in the aforesaid except to the extent of their shareholding/common directorship with related parties.

SPECIAL BUSINESS RELATING TO RELATED PARTY TRANSACTIONS FOR YEAR ENDING JUNE 30, 2023:

The Company shall be conducting transactions with its related parties during the year ending June 30, 2023 on an arm's length basis as per the approved policy with respect to "transactions with the related parties" in the normal course of business. There could be cases where majority of the Directors hold common directorship with these associated companies. In order to promote transparent business practices, it is recommended that the Board of Directors of the Company be authorized to approve transactions with related parties from time-to-time on case to case basis for the year ending June 30, 2023, which transactions shall be deemed to be approved by the shareholders. The nature and scope of related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The directors are interested in the resolution to the extent of their shareholding/common directorship in the companies.

INVESTMENT IN ASSOCIATED COMPANIES:

As per requirements of the regulations; the Company is required to seek approval from shareholders every year for providing working capital loan to the associated companies to meet their business requirements.

Considering the average borrowing cost of the Company and the return offered by the banks on term deposits, the Directors of the Company have recommended to invest surplus funds from the retained earnings of the Company to the associated companies as per their request at the interest rate of KIBOR plus 2.50% which shall not be less than the average borrowing cost of the Company.

The repayment of the principal amount of loan and interest thereon shall be made as per terms and conditions of the agreements. The management expects that the transactions are to be beneficial for the Company as this will enhance the return on funds available with the Company.

The Directors of the Company undertake that the proposed investment is being recommended after due diligence and financial health of the borrowing companies are such that these companies have the ability to repay the loan.

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

Description	Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Holding Limited
Registration No. and Date	0076592 15.07.2011	0036107 28.01.1996	0091244 26.12.2014	0002266 14.05.1966	0018591 11.01.2014
Registered Office Address	E-110, Khayaban-e-Jinnah, Lahore-Cantt.	2nd Floor Trust Plaza LMQ Road, Multan	E-110, Khayaban-e-Jinnah, Lahore Cantt.	69/7, Abid Majeed Road, Lahore Cantt.	E-110, Khayaban-e-Jinnah, Lahore Cantt
Authorized Share Capital	PKR 2,200(M)	PKR100 (M)	PKR 1000(M)	PKR 700(M)	PKR 1,180(M)
Paid up Capital	PKR 2,102 (M)	PKR 80.05(M)	PKR 647(M)	PKR 300(M)	PKR 1,172(M)
Basis of Relationship	Common Directorship	Common Directorship	Common Directorship	Common Directorship	Common Directorship

Earnings per share of the associated companies are as under:

PKR					
Year	FSML	RCL	FTCL	FCML	FHL
2020	1.57	36.22	(4.0687)	13.36	5.38
2021	5.79	25.06	(2.5063)	181.06	4.33
2022	3.39	45.52	(0.5583)	161.56	1.40

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

PKR					
Year	FSML	RCL	FTCL	FCML	FHL
2020	18.67	303.53	(0.6551)	694.74	109.74
2021	22.89	292.37	(1.8557)	1093.33	88.90
2022	26.35	337.89	5.2212	1353.26	90.30

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

PKR in million					
Particulars	FSML	RCL	FTCL	FCML	FHL
Paid up Capital	2,101.71	80.05	646.72	300	1,171.55
Un-appropriated Profit/(Loss)	3,421.49	2,210.95	(309.05)	20,487.14	6,273.80
Current Liabilities	3,070.98	7,878.91	213.51	30,769.93	7,523.54
Current Assets	2,733.79	9,826.72	24.68	41,989.07	13,827.19
Sales	11,877.69	2,327.40	51.23	47,608.57	672.47
Gross Profit/(Loss)	1,844.59	404.83	51.23	7,954.62	668.47
Net Profit/Loss	711.80	364.35	(35.82)	4,846.81	163.83

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

		Fatima Transmission Company Limited																																
I	Description of the project and its history since conceptualization	Fatima Transmission Company Limited (FTCL) was incorporated on December 26, 2014 as a public company under the Companies Ordinance, 1984. The principal activity of the Company is to lay down power transmission line. The National Electric Power Regulatory Authority has granted permission to FTCL for constructing and owning transmission facilities in 2015. Under the license, FTCL would setup a 37 km long transmission line for evacuating 120MW electricity from generation facilities to supply to a number of Bulk Power Consumers.																																
II	Starting date and expected date of completion of work	The project was taken over from EPC contractor in May 2017 and duly tested through dispatch from August 2019 to December 2019 under wheeling arrangement. COD is yet to be declared.																																
III	Time by which such project shall become commercially operational	The commercial operations of the Company are directly linked with the operations of the Fatima Energy Limited. As soon as the commercial operations of the Fatima Energy Limited commences; the commercial operations of the FTCL shall also be commenced simultaneously.																																
IV	Expected time by which the project shall start paying return on investment	In addition to above, the management of FTCL expects that it would be able to achieve its optimum capacity in next couple of years, which will enable sufficient cash flows to repay its obligations as well as payout to its shareholders.																																
V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Investment in Preference Shares</th> </tr> <tr> <th style="text-align: left;">Name of Sponsor</th> <th style="text-align: right;">PKR Million</th> </tr> </thead> <tbody> <tr> <td>Reliance Weaving Mills Limited</td> <td style="text-align: right;">73.398</td> </tr> <tr> <td>Fazal Cloth Mills Limited</td> <td style="text-align: right;">127.956</td> </tr> <tr> <td>Fatima Holding Limited</td> <td style="text-align: right;">152.282</td> </tr> <tr> <td>Fazal Holdings (Private) Limited</td> <td style="text-align: right;">14.506</td> </tr> <tr> <td>Fatima Sugar Mills Limited</td> <td style="text-align: right;">48.585</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">416.727</td> </tr> <tr> <td colspan="2" style="padding-top: 10px;">Investment in Ordinary Shares</td> </tr> <tr> <th style="text-align: left;">Name of the Sponsor</th> <th style="text-align: right;">PKR Million</th> </tr> <tr> <td>Reliance Weaving Mills Limited</td> <td style="text-align: right;">71.875</td> </tr> <tr> <td>Fazal Cloth Mills Limited</td> <td style="text-align: right;">55.200</td> </tr> <tr> <td>Fatima Holding Limited</td> <td style="text-align: right;">87.400</td> </tr> <tr> <td>Fazal Holdings (Private) Limited</td> <td style="text-align: right;">15.525</td> </tr> <tr> <td>Directors</td> <td style="text-align: right;">0.000</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">230.000</td> </tr> </tbody> </table>	Investment in Preference Shares		Name of Sponsor	PKR Million	Reliance Weaving Mills Limited	73.398	Fazal Cloth Mills Limited	127.956	Fatima Holding Limited	152.282	Fazal Holdings (Private) Limited	14.506	Fatima Sugar Mills Limited	48.585		416.727	Investment in Ordinary Shares		Name of the Sponsor	PKR Million	Reliance Weaving Mills Limited	71.875	Fazal Cloth Mills Limited	55.200	Fatima Holding Limited	87.400	Fazal Holdings (Private) Limited	15.525	Directors	0.000		230.000
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	230.000																																	

General Disclosures:

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

Requirements	Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Holding Limited
	PKR in million				
Maximum amount of investment	400	200	300	200	200
Any important details necessary for the members to understand the transaction.	Not Applicable				
Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as detailed in preamble.				
Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;	11.82%				
Rate of interest, markup, profit, fees or commission to be charged;	KIBOR+2.50%				
Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	Not Applicable				
If loans carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable:	Not Applicable				
(a) Conversion formula	Not Applicable				
(b) Circumstances in which conversion may take place	Not Applicable				
(c) Time when conversion may be exercisable;	Not Applicable				
Repayment schedule and terms and conditions of loans or advances to be given to Investee companies.	Loan will be paid back by each investee company within one month notice or at maturity.				

COMPANY PROFILE

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

The Company is a fully integrated comprising of yarns and fabrics production facilities, which is located at two sites i.e. Fazalpur Khanewal Road, Multan (Multan Unit) and Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi (Rawat Unit). The Multan Units and its surrounding comprises of 112 acres of land having 228 bachelors' quarters and 24 family quarters for workers and management employees.

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

The Weaving unit comprises of 525 looms of high speed latest air jet machines of Tsudakoma (Japan) & Picanol (Belgium) with total grey cloth production of (109.5 Million Meters per year) (SGM's) is based on 60 picks per inch. We cater for home textiles and apparels from various varieties of yarns blends such as Cotton/Polyester, Cotton/Viscose/ Linen, Fancy Yarns, Stretch Yarns from different natural fibers & synthetic blends. The unit is equipped with latest warping and sizing machine, batchers, complete range fabric inspection and packing machinery installations, well equipped laboratory having complete range yarn and fabric testing facility, LDS system, air compressors, air conditioning / chiller system, boilers and self-gas engine power generation. The weaving facilities can produce plain (basket/mat weave, ribbed warp & weft), twill, satin, sateen weave, variation of basic weave such as creps, pile (cut/ unused) double cloth, gauze (leno), swivel, tappet, dobby, namely jacquard & triaxial.

The Rawat Unit comprises of 33 acres of land having accommodation capacity for 500 workers and 76 rooms for bachelors. The unit consists of 38 Toyoda Japan (RY-5) spinning frame with total annual production capacity of 138,000 bags based on standard count of 20/1 cdd. The unit produces yarns namely Mélange, Marl, Slub, Injection Nappy and Fancy Draw Blend Yarns. We are producing almost all types of Fancy Yarns and Grey Fabrics and have state-of-the-art high speed machines with latest facilities coupled with highly skilled team of dedicated workers and engineers to meet the challenges of textile sector.

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



DIRECTORS' PROFILE



Mr. Fawad Ahmed Mukhtar

Chairman

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

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



Mr. Faisal Ahmed

CEO / Executive Director

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

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



Mr. Fahd Mukhtar

Non-Executive Director

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



Mr. Muhammad Mukhtar Sheikh

Non-Executive Director

Muhammad Mukhtar is the Director of Fatima Group - one of the prominent family businesses in Pakistan - manufacturing Fertilizers, Textiles, Power and Sugar. The Group has an asset base of \$2 billion, employees over 6,300 regular employees and has annual sales of approximately \$1 billion. Over the last 3 decades, Fatima Group progressed to play a significant role in Pakistan's economy.

He is actively involved in several community service initiatives of the Group including the Mukhtar A. Sheikh Welfare Trust, Mukhtar A. Sheikh Hospital, Fatima Fertilizer Trust, Welfare Hospital and Fatima Fertilizer Education Society and School, etc.

Muhammad is an alumni of Babson College, Wellesley, MA Boston, with a degree in entrepreneurship and Strategic Management. He looks forward to spearheading important and state of the art new projects, as Fatima Group continues to diversify. He is also on the Board of Fazal Cloth Mills Limited and Fatima Sugar Mills Limited.



Mr. Muhammad Shaukat

Independent Director

Mr. Muhammad Shaukat has earned his MBA from Institute of Business Administration (IBA) Karachi in the year 1990 and thereafter PhD in Business Administration. He is a certified Corporate Director from the Institute of Chartered Accountants of Pakistan. Presently, he is serving as Vice Chancellor of Government Emerson University, Multan. He has been serving as Dean, Faculty of Commerce, Law & Business Administration, Bahauddin Zakariya University (BZU), Multan, Director, Institute of Banking & Finance, Director Planning & Development, Director HD and Chairman/Member of different statutory bodies of BZU including its Syndicate (Board of Directors) and Finance & Planning Committee. He has also been working as Advisor to Punjab Public Service Commission.

Mr. Shaukat possesses rich experience of about 30 years in the field of Corporate Affairs, Human Resources, Finance and Administration of various renowned Institutions. He has also worked as Director on the Board of Punjab Government owned Multan Waste Management Company for two terms and Member of Monitoring Committee Nishtar Medical College. He has also been Member of Selection and Recruitment Committees of different Institutions and Universities of Pakistan. In addition, Mr. Shaukat is an author of more than 160 research papers published in National & International Journals / Newspapers on various business, economic, political and international. issues. He has presented his research papers at best universities of the world i.e. Oxford, Cambridge & Harvard and got great recognition. He has also won world renowned publisher "Emerald" literal best author Award of his publication in 2018. He has also produced 03 PhD and about 130 MS/MPhil graduates in the field of Business Administration.



Mr. Shahid Aziz

Independent Director

Mr. Shahid Aziz is a graduate from University of Punjab major in Economics. He attended different workshops and courses on the topic of Mutual Funds and Communication Skills. He has also completed workshops on Corporate Governance from LUMS and also a Member of the Pakistan Institute of Corporate Governance. He is a Certified Director from IBA Karachi.

Mr. Shahid possesses vast experience of working in different public and private sector organizations since 1976. He was associated with NIT from 1980 to 2019 and worked as Regional Head of North Region. He represented NIT on the Board of thirteen (13) Listed / Public Sector Companies in the capacity of Nominee / Independent Director on different period of time. Currently, he is Director on the Board of five listed / public sector companies.

At present, he is working as Advisor to Chairman Audit Oversight Board, Ministry of Finance, Islamabad.

BOARD COMMITTEES

AUDIT COMMITTEE



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

HR & REMUNERATION COMMITTEE



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

RISK MANAGEMENT COMMITTEE



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

NOMINATION COMMITTEE



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



MANAGEMENT PROFILE



Mr. Waheed Ahmad

Chief Financial Officer

Mr. Waheed Ahmad is a qualified Chartered Accountant having more than 22 years' experience of handling the Operational, Accounting, Tax and Financial Matters of Listed Companies. He is with Reliance Weaving Mills Limited since August 2008. During his career with the Company, he involved in the strategic and financial planning. He is also Director of Fatima Energy Limited.



Mr. Muhammad Akbar Rana

Head of Internal Audit & Risk Assurance - OB

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



Asad A. Jan

Head of Human Resources

Mr. Asad A. Jan joined Fatima Group in 2010 and has held various senior management positions over the last 12 years within diversified business portfolio of the Group.

In his role as Head of HR – (Energy, Fertilizer, Healthcare, Packaging, Sugar, Steel & Textile) he helped deliver the strong growth mindset by HR integration in overall business strategy. Asad has successful track record of transforming organization while setting up and strengthening – Talent Management and Leadership Development framework.

Asad began his career in 1994 after completing his Masters in Business Administration, besides being an HR Professional, Asad is Registered Lead Auditor for Quality and Environment Management Systems (IRCA-UK, ICQS-Singapore).



Kamran Ahmad Awan

Acting Company Secretary

Mr. Kamran Awan is an experienced Corporate Affairs Management Professional and has a vast and diversified work experience in the field of Corporate Affairs of Fertilizer, Textile, Sugar and Energy Industries within a highly competitive and fast paced environment. Prior to joining The Fatima Group, he was associated with The Dawood Group from 1997 to 2015.

Mr. Awan has earned his MBA from University of Management & Technology, (UMT), Lahore. He has also done MIS Diploma from UMT and attended various seminars and workshops of Communication Skills, Corporate Affairs and Companies Act, 2017. He also possesses Post Graduate Diploma in Corporate Law and Practice from University Law College, University of the Punjab, Lahore. He is the part of Fatima Group since July 2015.

MANAGEMENT PROFILE



Khawaja Sajid

General Manager Marketing

Khawaja Sajid is the General Manager in Marketing Department. He has over 31 years of diversified marketing experience in different products of textile and carries a successful leadership experience in this portfolio. He has worked with the reputed textile companies of Pakistan. He holds the Master Degree in Business Administration from Baha-u-Din Zakariya University, Multan. Mr. Sajid joined Reliance Weaving Mills Limited in 2004 and remains devoted till today.



Mr. Aqeel Saifi

General Manager Marketing

Mr. Aqeel Saifi holds Master's degree in Business Administration from Imperial College of Business Studies and B.Sc (hons) Degree in Computer Sciences from FAST – NUCES. He has been attached to the textile industry for over 16 years, working with well reputed textiles organizations of Pakistan. He is with Reliance Weaving Mills Limited since August 2015.



Mr. Muhammad Nasir Iqbal

General Manager Yarn Marketing & Procurement

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



Mr. Salim Ahmed

General Manager Marketing

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



Mr. Ikram Azeem

Technical Director (Weaving)

Mr. Ikram Azeem holds B.Sc (Textile Engineering) degree with specialization in Weaving in year 1996 from National Textile University, Faisalabad. He has total field experience of 27 years by working on different types of looms, (PICANOL Air Jet Loom, Tsudakoma Air Jet Loom and Toyota Air Jet Loom). In addition, he got technical training of TSUDAKOM AIR Jet Loom from Japan and Picanol Air Jet Loom from Belgium. He is a part of this organization since the year 2000.



Mr. Muhammad Shoaib Alam

General Manager (Spinning Multan)

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



Mr. Salahuddin Khattak

General Manager (Spinning Rawat)

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



Mr. Jamal Nasir

Head of IT

Mr. Jamal Nasir is the Head of Information Technology (IT) at Fatima Group (Non-Fertilizer Business). He has done M.Sc. in Applied Mathematics from the University of Punjab. He has also done MS in Computer Science in 2006. He has the honor of doing research and publication of many papers on Data Engineering in different journals. He has served National and International firms like Cotecna Inspection SA prior to joining Fatima Group in 2008.



CHAIRMAN'S REVIEW

FAWAD AHMED MUKHTAR
Chairman

I am contented to present the Annual Report of the Company for the year ended June 30, 2022. The Board of Directors is cognizant and compliant of the Companies Act, 2017, PSX Rule Book and the Listed Companies (Code of Corporate Governance) Regulations, 2019 and has exercised all its powers accordingly. An annual evaluation of the Board of Directors is conducted, which ensures that the statutory and legal requirements are fulfilled and the Board's overall performance and effectiveness is benchmarked against expectations in the context of objectives set for the Company.

During the financial year 2021-22, the Board has effectively set the tone at the top. The achievement is based on an evaluation of integral components, including vision, mission and values; overall corporate strategy; annual business plan; key financial performance indicators and other budgetary targets; monitoring the organization's business activities; the quality and appropriateness of financial reporting and the transparency of disclosures in annual and quarterly financial statements; effectiveness of internal control system; timely dissemination of price sensitive and inside information to relevant regulatory authorities; equitable treatment of all employees and efficiency in carrying out the Board's business.

Your company complies with all the requirements set out in the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures, and meetings of the Board of Directors and its committees. Meeting's agenda and relevant documents were duly made available prior to the Board and its committee meetings. The executive, non-executive and independent Directors are equally involved in important decisions of the board and in the best interest of the Company.

I would like to extend my acknowledgment and gratefulness towards the Board for its positive contribution and continuous commitment and also congratulate all the shareholders and other stakeholders for achieving exceptional financial performance of the Company during the year.

چیز میں کا جائزہ

نواد احمد مختار

چیز میں

آپ کی کمپنی بورڈ آف ڈائریکٹرز اور اس کی کمپنیوں کی ساخت، طریقہ کار اور اجلاس کے حوالے سے لیکچر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی تمام مطلوبہ ضروریات کی مکمل تعمیل کرتی ہے۔ بورڈ اور اس کی کمیٹیوں کے اجلاس سے قبل میٹنگ کے ایجنڈا اور متعلقہ دستاویزات باہم دستیاب ہوتی ہیں۔ ایگزیکٹو، نان ایگزیکٹو اور خود مختار ڈائریکٹرز بورڈ کی فیصلہ سازی اور کمپنی کے وسیع تر مفاد میں کیے گئے تمام اہم فیصلوں میں احسن انداز سے شامل ہوتے ہیں۔

میں مثبت کردار اور مسلسل ثابت قدمی کا مظاہرہ کرنے پر بورڈ کی خدمات کو سراہتا ہوں اور سال کے دوران کمپنی کی شاندار مالی کارکردگی پر تمام شیئر ہولڈرز اور دیگر شراکت داروں کو مبارکباد پیش کرتا ہوں۔

میں 30 جون 2022 کو اختتام پذیر ہونے والے سال کیلئے کمپنی کی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔ بورڈ آف ڈائریکٹرز کی میٹنگ 2017، پاکستان سٹاک ایکسچینج کے قوانین اور لیکچر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 سے مکمل آگاہ اور عمل پیرا ہے اور انہی کے مطابق اپنے اختیارات استعمال کرتا ہے۔ بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ لینے کیلئے ایک سالانہ تشخیصی عمل میں لائی گئی جو اس بات کی عکاس ہے کہ جائزہ اور قانونی تقاضوں پر مکمل عملدرآمد کیا گیا اور کمپنی کے مقاصد کے حصول میں بورڈ کی مجموعی کارکردگی اور تاثیر توقعات کے عین مطابق ہے۔

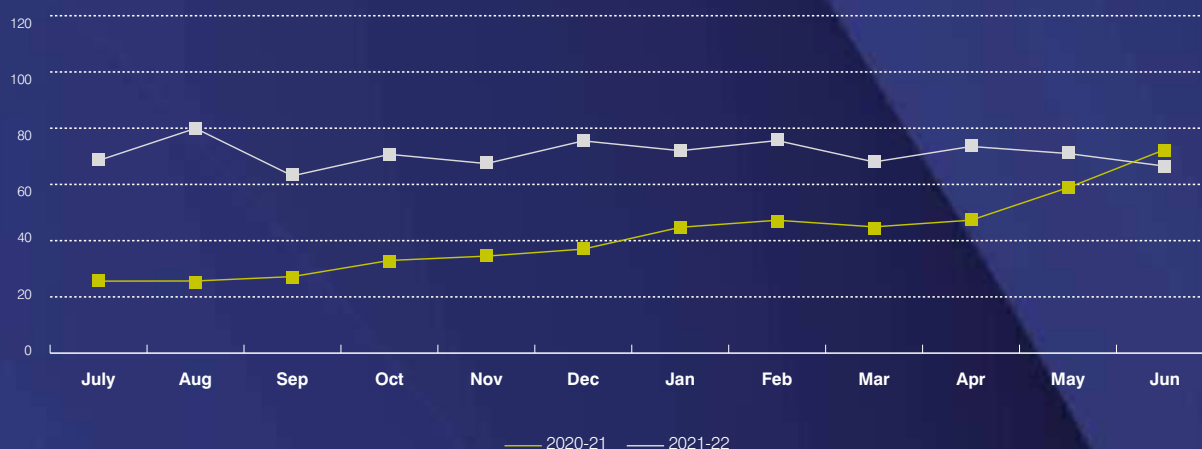
مالی سال 2021-22 کے دوران بورڈ نے موثر انداز میں اپنے فرائض سرانجام دیئے ہیں۔ یہ کامیابی بورڈ کے کاروبار کے دوران نصب العین، مقاصد اور اخلاقی اقدار، مجموعی ادارہ جاتی حکمت عملی، سالانہ کاروباری حکمت عملی، بنیادی مالی کارکردگی کے اعداد و ارقام اور دیگر میزانیہ اہداف؛ ادارہ کے کاروباری امور کی نگرانی؛ مالی رپورٹنگ کی مناسبت اور سالانہ و سہ ماہی مالی گوشواروں میں شفافیت؛ اندرونی کنٹرول سسٹم کے موثر ہونے؛ لاگت سے متعلق حساس اور اندرونی معلومات کی متعلقہ ریگولیٹری اتھارٹی تک رسائی؛ تمام ملازمین سے مساوی برتاؤ اور استعداد کار جیسے عوامل پر مبنی ہے۔

MARKET PRICE DATA

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

Month	2021-22			2020-21		
	High	Low	Close	High	Low	Close
July	73.99	66.51	68.51	26.5	22.06	25.6
August	83.98	67.00	79.93	26.25	24.6	25.65
September	81.50	62.55	63.05	32.35	25.01	27.22
October	73.50	52.13	70.70	34.75	25.1	32.95
November	74.00	65.10	67.41	37	32	34.5
December	75.49	62.05	75.49	39.95	34.51	37
January	75.00	67.00	72.00	49.5	36.11	44.75
February	77.50	71.50	75.60	50.41	40.25	47.26
March	75.01	63.01	67.99	49.7	39	44.9
April	76.74	65.51	73.50	51.9	40	47.29
May	78.47	66.00	70.99	63.5	45	58.84
June	70.00	60.00	66.50	82.3	56.04	72.41

SHARE PRICE ANALYSIS



DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of your Company are pleased to present the Annual Report of the Company along with annual audited financial statements for the year ended June 30, 2022.

FINANCIAL RESULTS

Net profit has increased to Rs. 2,639 M as compared to Rs. 1,733 M for the corresponding period. This profit is highest profit ever earned by the company. The turnover of the company has increased from Rs 24,030 M to Rs 30,704 M which is 28% increase.

The main reasons of increase in profitability of the company are as follows:

- The gross profit of the company has increased from 14% to 17%. The increase in gross profit is mainly buying of cotton at very competitive price. Further, yarn prices increased in international and local market.
- Power and fuel cost increased by Rs 402 M due to increase in RLNG and electricity rate and non-availability of cheap source of power i.e. RLNG.
- Financial cost increased by Rs 385 M which is 42% higher than last year. Financial cost increased due to increase in KIBOR and working capital.
- Ocean freight increased by Rs. 183 M due to sharp rise in freight in international market.

Major financial Indicators are as under:

Description	2022	2021
	Rupees in Million	
Sales	30,704	24,030
Cost of Sales	25,263	20,520
Gross Profit	5,441	3,509
Finance Cost	1,303	918
Profit After Tax	2,639	1,733

FUTURE OUTLOOK

For the textile sector, the fiscal 2021-22 was a year of recovery due to pent up demand effect. However, the same could not be sustained for long due to rising cotton prices and reduction in cotton production. These factors spoiled the prospects of a full recovery in the first half of current financial year. It is apprehended that the same may continue for the rest of the year also amidst uncertainty

and high inflation all over the world. The poor demand from global retail chain in terms of lower orders and prices which do not absorb the rise in raw material prices confirm this apprehension. Accordingly, the textile manufacturers are forced to scale down the production capacities.

The global cotton production outlook especially in USA and Pakistan is not encouraging and may put strain on global cotton supply and cotton prices. To sail through this difficult period we would be optimizing production capacities in sync with demand and improvement in operational efficiencies.

New spinning mill project of fine count of 25,520 spindles is expected to start in 3rd quarter of current year. Further, installation of 3 MW solar panel is also in process which is expected to start at end of 2nd quarter.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board is fully cognizant of its responsibilities with the Corporate & Financial Reporting Framework of SECPs Code of Corporate Governance. The following statements are a manifestation of its commitment towards compliance with the best practices of CCG:

- a. The financial statements prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b. Proper books of accounts of the Company have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures therefrom have been adequately disclosed.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.

- f. There are no significant doubts upon the Company's ability to continue as a going concern.
- g. There has been no material departure from the best practice of Corporate Governance.

MATERIAL CHANGES IN FINANCIAL STATEMENTS

Particulars	Unit	June 30, 2022	June 30, 2021
Gross Profit	%	17.72	14.61
Return on Sales	%	8.60	7.21
Earnings Per Share	Rs.	85.67	56.24
Market Value of a Share	Rs.	66.50	72.41
Balance Sheet Footing	Rs. in Million	27,757	19,312

MARKET CAPITALIZATION

At the close of the year, the market capitalization of the Company stood at Rs. 2,049 Million as against Rs. 2,231 Million last year.

MODERNIZATION & EXPANSION

Your Company is committed to modernize and expand production line according to rapidly changing technology in order to produce international quality products. New spinning mill project of fine count of 25,520 spindles is expected to start in 3rd quarter of current year. Further, installation of 3 MW solar panel is also in process which is expected to start at end of 2nd quarter.

OUTSTANDING TAXES AND DUTIES

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

CONTRIBUTION TO NATIONAL EXCHEQUER

Your Company contributes substantially to the national economy in terms of taxes and duties and the contribution

is increasing as the Company is growing. This year, the Company contributed in the National Exchequer in the form of Federal Excise Duty, Sales Tax, Custom Duties, Income Tax, etc.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

EARNINGS PER SHARE

Your Company's post-tax profit of Rs. 2,639 Million translates into EPS of Rs. 85.67 as against Rs. 56.24 last year.

FINAL CASH DIVIDEND

The Board of Directors are pleased to propose a final cash dividend of PKR 4.00 per share i.e. 40% for the year ended June 30, 2022.

MEETINGS OF THE BOARD OF DIRECTORS

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

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

DIRECTORS' REMUNERATION

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

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

COMPOSITION OF THE BOARD AUDIT COMMITTEE

The Board Audit Committee comprises of three Non-Executive Directors. The Chairperson, being an Independent Non-Executive Director has an experience of over 30 years in financial matters. The Board has determined the Terms of Reference of the Audit Committee and provides adequate resources and authority to carry out its responsibilities effectively. The Committee assists the Board to fulfill its corporate & risk management responsibilities including the entity's financial reporting and internal control system.

Meetings of the Board Audit Committee:

Sr. #	Name of Participants	Designation	Attendance
1	Mr. Shahid Aziz	Chairman	5/5
2	Mr. Muhammad Shaukat	Director	5/5
3	Mr. Fahd Mukhtar	Director	4/5

COMPOSITION OF HUMAN RESOURCE & REMUNERATION COMMITTEE

The Human Resource & Remuneration Committee comprises of Non-Executive Directors. The Board has determined the Terms of Reference of the Committee, which includes recommendation on Human Resource Management, Organizational Development, Training and Management Succession.

The Committee focuses on risks in its area of human resources including assessment of compensation structure and ensure availability of talented functionaries in each area of critical of Company operations.

Meetings of the HR & Remuneration Committee:

Sr. #	Name of Participants	Designation	Attendance
1	Mr. Shahid Aziz	Chairman	1/1
2	Mr. Muhammad Shaukat	Director	1/1
3	Mr. Fahd Mukhtar	Director	-

COMPOSITION OF RISK MANAGEMENT COMMITTEE

The role of Risk Management Committee is to provide entrepreneurial leadership within the framework of prudent and effective controls, which enables the Committee to identify the risk for effective management. The Committee must have strong oversight of Company's specific risk vital to enhance the Company's future through well guided decision making in complex situations in the fields of Marketing, Finance, Operations, IT, Human Resource and Regulatory/Legal Compliance. The Board oversees the Risk Management process primarily through Internal Audit Department, which will monitor the Company's risk management, as and when required.

COMPOSITION OF BOARD NOMINATION COMMITTEE

The Board has constituted a Nomination Committee, the primary role of which is to assist the Board by identifying prospective Directors and make recommendations on appointments to the Board and the senior executive management. The Committee is responsible for making recommendations on Board appointments and maintaining a balance of skills and experience on the Board and its Committees. Succession Planning for the Board is a matter, which is devolved primarily to the Nomination Committee, although the Committee's deliberations are reported to and debated by the full Board. The Board itself also regularly reviews more general succession planning for the senior management of the group.

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

The CEO and Directors of the Company does not receive remuneration from the Company. The information required under Companies Act, 2017 in respect of executive employees of the Company is annexed in this report; Note 43.

STATEMENT OF ETHICS & BUSINESS PRACTICES

The Statement of Business Ethics and Core Values provides the framework on which the Company conducts its business. The Board and the employees are the custodians of the excellent reputation for conducting our business according to the highest principles of business ethics.

The following principles constitute the business ethics and core values of the Company:

- Demonstrate honesty, integrity, fairness and ethical behavior when interacting within or outside the organization;
- Compliance with all Laws & Regulations as a good corporate citizen;

- Commitment to run the business in an environment that is sound & sustainable;
- Belief in the principles of reliability, credibility and transparency in business transactions;
- To be an equal opportunity employer;
- Safeguard shareholders interest;
- Ensure Health & Safety Environment to protect our people, neighbors, customers & visitors;
- Encourage the business challenges;
- Investment in Human Capital;
- Proper financial disclosures of the conflict of interest transactions, if any;
- Accountability & responsibility;
- Good & effective public relations;
- Promotion of culture of excellence by exceeding the expectations of all stakeholders;
- Customer satisfaction for continued growth;
- Encourage employees to be creative & innovative;
- Respect for all stakeholders;
- Reliable & dependable supplier, enhancement of profitability to benefit shareholders, employees and the Government.

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

The Company's Risk Mitigation Strategy includes reduction of the likelihood that a risk event will occur and/or reduction of the impact of a risk event if it does occur.

For this purpose, the Board, through its Audit Committee, reviews the potential risks and the adequacy of internal controls and risk management procedures.

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

INTERNAL AUDIT AND RISK ASSURANCE FUNCTION

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

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

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

The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by internal audit function. Internal

Audit also emphasizes the importance of Business Continuity and completeness of Risk Control measures to have seamless operations at entity level.

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

CODE OF CONDUCT

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

HEALTH SAFETY & ENVIRONMENT

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

The HSE Policy is as under:

- The health of its employees, contractors, customers and public is protected;
- All activities are carried out safely;
- Environment is protected;
- Comply with relevant laws and regulations;
- Ensure that all its activities are carried out in accordance with the Company's HSE standards and procedures;
- Ensure that environmental performance meets legislative requirements;
- Require every employee to exercise personal responsibility in preventing harm to self or others and to the environment;
- Maintain public confidence in the integrity of its operations by openly reporting its performance to all stakeholders who work with the Company;

- Provide appropriate HSE training/information to the employees, contractors and other stakeholders who work with the Company;
- Integrate Risk Assessment with all business processes;
- Promote prevention of pollution and proper handling and disposal of wastes; and
- Continuously improve our performance by improving the leadership, capability and capacity of our organization.

INFORMATION TECHNOLOGY

Information Technology Division (ITD) continues to be a key component and provides an extensive range of computing and communication services, backing employees in the execution of their job roles. Oracle E-business suite products are our technological aid in planning, organizing, leading, and controlling the business functions. The vision of ITD involves strengthening decision making using improved analytics and commitment to deployment of latest technology, reducing its paper footprint and increases its reach to customers by deploying latest technology. The goals of ITD are consistent with the goals of the Company.

WHISTLE BLOWING POLICY

Reliance aims to create an environment that encourages its stakeholders and enables them to raise concerns about a contravention of Company's Code of Conduct, to come forward and express these concerns without fear of reprisals, victimization or unfair treatment.

To give guidance on how to raise the concerns, this Whistle Blowing Policy is introduced. The Policy is primarily for concerns where, due to malpractice, fraud, abuse or other inappropriate acts / omissions, the interest of the Company or its employees is at risk.

The purpose of this Whistle Blowing Policy is to provide a framework for:

- a) Guidance on the steps to take when a stakeholder comes across an instance or act that may require raising a concern, including but not limited to, appropriate measures to adopt when one cannot discuss or share details with others.
- b) Sharing the concern(s) raised with the management in a timely manner and the process to be followed thereafter.
- c) Assuring stakeholders that they will be protected from victimization or unfair treatment for disclosing concerns in good faith.
- d) Supporting the culture of openness, accountability and integrity.
- e) Ensuring that a concern(s) raised or any violation of the Code of Conduct is reported and investigated by maintaining confidentiality at all levels.

BUSINESS CONTINUITY PLANNING AND SAFETY PROCEDURES FOR DATA PROTECTION

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

INVESTOR GRIEVANCE POLICY

The Company continuously engages with its investors and responds to their queries, concerns and grievances. The Shares Registrar also timely addresses the investor's grievances.

ANNUAL AND QUARTERLY REPORTS ACCESSIBILITY

Annual and Quarterly Reports are available on the Company's website.

AUDITORS

The existing auditors, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants will retire at the conclusion of the Annual General Meeting and being eligible, have offered themselves for re-appointment. The Audit Committee has recommended their appointment as auditors for the year ended June 30, 2023.

PATTERN OF SHAREHOLDING

A statement of the general pattern of shareholding along with the pattern of shareholding of certain classes of shareholders as at June 30, 2022 whose disclosures is required under the reporting framework is annexed of this report.

BRIEF ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND THE CEO

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

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

OFFICES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

DIRECTORS' TRAINING PROGRAM

Out of seven Directors, three are exempted from Directors Training Program (DTP) and the remaining four Directors have got DTP.

ANNUAL EVALUATION ON BOARD PERFORMANCE

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

The criteria used in evaluation the performance is as under:

- Board Composition and Organization;
- Board's Terms of Reference;
- Skills and Expertise of Board Members;
- Strategic Planning and availability of guideline to the management;
- The efficiency of board meeting and decision making process;
- Regular follow up to measure the impact of Board decisions;

- The quality of communication between the Board and the Company;
- Board Procedure;
- Appropriate constitution of Board Committees with members possessing adequate technical knowhow and experience;
- Split of Chairman and CEO role;
- Quality of management reports received from Board Committees;
- Board & CEO effectiveness; and
- Risk Mitigation.

DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

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

- Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in IAS that continued to apply and other applicable provisions, if any, of the Companies Act, 2017 to the extent applicable. These are in accordance with generally accepted accounting principles in Pakistan. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.
- The policies to ensure uniform accounting treatment are prescribed to the associated companies or subsidiaries, if any.
- Your Company operates in Oracle EBS R-12 an ERP system and has many of its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. Your Company has automated processes to ensure accurate and timely updates of various master data in the underlying ERP system.

- Your Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies, accounting hygiene and accuracy of provisions and other estimates.
- Your Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/ validate them as and when appropriate. The basis of such judgments and estimates are also approved by the Statutory Auditors and Audit Committee.
- The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.
- Your Company has a code of conduct applicable to all its employees along with a Whistle Blowing Policy to report malpractices, if any.

ACKNOWLEDGMENT


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

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

For and on behalf of the Board



Muhammad Shaukat
Independent Director



Faisal Ahmed
Chief Executive Officer

Place: Multan
Dated: September 27, 2022

مالی گوشواروں سے متعلقہ انٹرنل فنانشل کنٹرولز کی تفصیلات:

اعلہا تشکر:

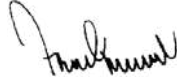
ڈائریکٹر سکیورٹیز اینڈ ایگزیکیوٹو کمیشن آف پاکستان، بینکوں، مالیاتی اداروں، انشورنس کمپنیوں اور شیئر ہولڈرز کی جانب سے کمپنی کے ساتھ مسلسل تعاون، معاونت، اعتماد اور بھروسے پر تہ دل سے مشکور ہیں۔ اس کے ساتھ ساتھ ڈائریکٹر معزز صرافین اور ترسیل کنندگان کے تعاون پر ان کا شکریہ ادا کرتے ہیں۔

ہم کمپنی کی ترقی، خوشحالی اور کامیابی میں کردار ادا کرنے والے ہر شعبہ سے وابستہ ملازمین کے عزم، لگن، وفاداری اور انتھک محنت پر انہیں خراج تحسین پیش کرتے ہیں۔

بورڈ کے لئے اور اس کی طرف سے



محمد شوکت
خود مختار ڈائریکٹر



فیصل احمد
چیف ایگزیکٹو آفیسر

مقام: ملتان

تاریخ: 27 ستمبر، 2022

آپ کی کمپنی نے مالی گوشواروں کے حوالے سے مناسب انٹرنل فنانشل کنٹرولز ترتیب دیئے ہیں، جس میں چند حسب ذیل ہیں:

- آپ کی کمپنی نے IAS میں واضح کردہ نافذ العمل اکاؤنٹنگ معیارات اور کمپنی ایکٹ 2017 کی دیگر نافذ العمل دفعات (اگر ہوتو) کے مطابق اکاؤنٹنگ پالیسیز اپنائی ہیں اور یہ مسلسل لاگو ہیں۔ یہ پاکستان میں منظور شدہ عمومی اکاؤنٹنگ اصولوں کے عین مطابق ہیں۔ ان پالیسیوں میں کسی بھی قسم کی تبدیلی (اگر ہوتو) کی قانونی آڈیٹرز سے مشاورت کے بعد آڈٹ کمیٹی سے منظوری لی جاتی ہے۔

- یکساں اکاؤنٹنگ ٹریٹمنٹ یقینی بنانے کیلئے پالیسیز شراکت دار کمپنیوں یا ذیلی اداروں (اگر کوئی ہو) کو بیان کی گئی ہیں۔

- آپ کی کمپنی نے Oracle EBS R-1 میں ایک ERP سسٹم آپریٹ کرتی ہے اور اپنے زیادہ تر اکاؤنٹنگ ریکارڈز الیکٹرانک شکل میں رکھتی ہے اور وقفے وقفے سے ان کا بیک اپ تیار کیا جاتا ہے۔ ERP سسٹم اکاؤنٹس بکس کے مطابق تمام ٹرانزیکشنز کی غیر محسوس انداز میں انجام دہی کیلئے تشکیل دیا گیا ہے۔ آپ کی کمپنی ERP سسٹم کے تحت مختلف ماسٹر ڈیٹا کی درست اور بروقت اپ ڈیٹس کیلئے خود کار طریقہ رکھتی ہے۔

- آپ کی کمپنی ایک مضبوط ذاتی تشخیص میکانزم کا بیان رکھتی ہے جس کے تحت لائن میجرز اس بات کی تصدیق کرتے ہیں کہ مختلف اکاؤنٹنگ پالیسیز، اکاؤنٹنگ hygiene کی پابندی اور پرویزنڈو دیگر تخمینہ جات درست ہیں۔

- آپ کی کمپنی اپنے مالی گوشواروں کی تیاری میں مضبوط پالیسیز کی بنیاد پر فیصلہ سازی کرتی اور اندازہ لگاتی ہے اور جب مناسب ہو بیرونی ایجنٹس سے ان کی تصدیق/توثیق کرواتی ہے۔ ان فیصلوں اور تخمینوں کی بنیاد کی بھی قانونی آڈیٹرز اور آڈٹ کمیٹی سے منظوری لی جاتی ہے۔

- انتظامیہ آپ کی کمپنی کی مالی کارکردگی کا مختلف پیرامیٹرز کے حساب سے منظور شدہ پلانز کے مطابق وقفہ جاتی بنیادوں پر جائزہ لیتی ہے اور جہاں درکار ہو ضروری اقدامات عمل میں لاتی ہے۔

- آپ کی کمپنی ایک ضابطہ اخلاق رکھتی ہے جو تمام ملازمین پر لاگو ہے جبکہ عملی (اگر کوئی ہو تو) کورپورٹ کرنے کیلئے ایک Whistle Blowing Policy موجود ہے۔

آڈیٹرز:

کا موازنہ کیا جاتا ہے۔ یہ تشخیص بورڈ کو متوازن مہارتوں، تجربے، تنوع اور نقطہ نظر کے جائزہ کا موقع فراہم کرتی ہے۔ بورڈ کا حجم اور ساخت بورڈ کے طریقہ کار کی نگرانی کیلئے موزوں ہے۔

کارکردگی کی تشخیص کیلئے استعمال کیا جانے والا طریقہ کار درج ذیل ہے:

- بورڈ کی ساخت اور تنظیم
- بورڈ کی ٹرینڈ آف ریفرنس
- بورڈ ممبران کی قابلیت اور مہارتیں
- انتظامیہ کو سٹرٹیجک پلاننگ اور ہدایات کی دستیابی
- بورڈ مینٹنگ اور فیصلہ سازی کے طریقہ کار کی استعداد
- بورڈ کے فیصلوں کے اثرات کا جائزہ لینے کیلئے باقاعدگی سے معائنہ
- بورڈ اور کمپنی کے مابین ابلاغ کا معیار
- بورڈ کا طریقہ کار
- مناسب تکنیکی سبھ جو سبھ اور تجربہ رکھنے والے ممبران پر مشتمل موزوں بورڈ کمیٹیوں کا قیام
- چیئر مین اور چیف ایگزیکٹو آفیسر کے کردار میں فرق
- بورڈ کمیٹیوں کی جانب سے موصول ہونے والی مینجمنٹ رپورٹس کا معیار
- بورڈ اور چیف ایگزیکٹو آفیسر کا اثر: اور
- خطرات کی تخفیف

موجودہ آڈیٹرز میسرز شائن ونگ حمید چودھری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے موقع پر بنیاد پر جانچیں گے اور انہوں نے اہل ہونے کے ناطے دوبارہ تعیناتی کیلئے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی نے 30 جون 2023 کو اختتام پذیر ہونے والے سال کیلئے اُنکی دوبارہ تعیناتی کی سفارش کی ہے۔

شیئر ہولڈنگ کا پیئرین:

30 جون 2022 تک شیئر ہولڈنگ کے عمومی پیئرین کا بیان یہ مع شیئر ہولڈنگ کی مخصوص کلاس کیلئے شیئر ہولڈنگ کے پیئرین، جس کا اظہار رپورٹنگ فریم ورک کے تحت لازمی ہے، اس رپورٹ میں شامل کیا گیا ہے۔

چیئر مین اور چیف ایگزیکٹو آفیسر کا کردار اور ذمہ داریاں:

- کوڈ آف کارپوریٹ گورننس 2019 (بشمول کوئی بھی دیگر قانونی شق یا دوبارہ وضع کیے گئے قانون) آپ کی کمپنی کے ڈائریکٹرز اس کی یقین دہانی کرواتے ہیں کہ:
- چیئر مین اور چیف ایگزیکٹو آفیسر کے درمیان بات کی راہنمائی کرتا ہے کہ بورڈ کمپنی کی ہدایت اور حکمت عملی کے مطابق امور کے تعین اور ان پر عملدرآمد میں مکمل طور پر فعال ہے
- بورڈ آف ڈائریکٹرز کے تمام اجلاسوں کی صدارت چیئر مین کرتا ہے جو کہ ایجنڈا کے تعین کا مجاز اور مندرجات پر دستخط کا اختیار رکھتا ہے اور اس کے ساتھ ساتھ وہ بورڈ کی کارروائی میں قائد کی حیثیت رکھتا ہے
- چیف ایگزیکٹو آفیسر اعلیٰ سطح کے انتظامی فیصلوں کے ذریعے کمپنی کی مجموعی کامیابی کی ذمہ داری اٹھاتا ہے

چیئر مین اور چیف ایگزیکٹو آفیسر کے دفاتر:

بہتر گورننس مشقوں کی تعمیل کیلئے بورڈ آف ڈائریکٹرز کے چیئر مین کا عہدہ اور چیف ایگزیکٹو آفیسر کے دفتر کی ذمہ داری دو الگ الگ افراد کو سونپی جاتی ہے اور ان دونوں افراد کی الگ الگ ذمہ داریاں اور فرائض ہوتے ہیں۔

ڈائریکٹرز کا ٹریننگ پروگرام:

سات میں سے تین ڈائریکٹرز، ڈائریکٹرز ٹریننگ پروگرام (ڈی ٹی پی) سے مستفی ہیں اور باقی چار ڈائریکٹرز نے اس پروگرام میں شمولیت اختیار کی ہے۔

بورڈ کی کارکردگی کے بارے میں سالانہ تشخیص:

بورڈ کی مجموعی کارکردگی اور اسکے موثر ہونے کی یقین دہانی کیلئے بورڈ آف ڈائریکٹرز کی جانب سے خود-تشخیصی سوالنامے کی بنیاد پر سالانہ تشخیص کی جاتی ہے اور کمپنی کی متعین کردہ اہداف اور توقعات سے اس

کمپنی کی HSE پالیسی درج ذیل ہے:

اس سلسلہ میں خدشات کے اظہار کیلئے Whistle Blowing Policy متعارف کروائی گئی۔ بنیادی طور پر یہ پالیسی اُن خدشات کیلئے ہے جہاں بے ضابطگی، دھوکہ دہی، بدسلوکی یا دیگر غیر مناسب افعال/غلطیوں کی وجہ سے کمپنی یا اُسکے ملازمین کے مفاد کو خطرات لاحق ہوں۔

- ملازمین، ٹھیکیداروں، صارفین اور عوام کی صحت محفوظ ہے

- تمام سرگرمیاں محفوظ انداز میں سرانجام دی جارہی ہیں

- ماحول کا تحفظ یقینی بنایا گیا ہے

- متعلقہ قوانین اور ضوابط کی پاسداری کی جاتی ہے

- اس بات کی یقین دہانی کہ اس کی تمام سرگرمیاں کمپنی کے HSE معیارات اور طریقہ کار کے تحت سرانجام دی جاتی ہیں

- اس بات کی یقین دہانی کہ ماحولیاتی کارکردگی قانونی ضروریات پر پورا اترتی ہے

- ضروری ہے کہ ہر ایہ پلائی اپنے آپ، دوسروں اور ماحول کو نقصان سے بچانے کی اپنی ذمہ داری نبھارہا ہے

- کمپنی کے ساتھ کام کرنے والے تمام اسٹیک ہولڈرز کے سامنے کارکردگی کی رپورٹ پیش کرنے اپنے اُمور کی سہولت پر عوام کا اعتماد برقرار رکھتا۔

- کمپنی کے ساتھ کام کرنے والے ملازمین، ٹھیکیداروں اور دیگر اسٹیک ہولڈرز کو مناسب HSE ٹریننگ/معلومات فراہم کرنا۔

- تمام کاروباری اُمور کے دوران خطرے کی تشخیص کا نظام

- آلودگی کی روک تھام اور فضلیہ تلف کرنے کیلئے مناسب انتظام کا فروغ، اور

- قیادت، استعداد اور صلاحیت میں بہتری یقینی بنا کر کارکردگی میں بہتری کا تسلسل۔

Whistle Blowing Policy کا مقصد درج ذیل اُمور کیلئے لائحہ عمل طے کرنا ہے:

الف) اُن اقدامات کیلئے راہنمائی جب ایک اسٹیک ہولڈر کو ایسی صورتحال یا عمل کا سامنا ہو جہاں خدشہ کا اظہار ضروری ہو اور وہ مناسب اقدامات اختیار کرنے کیلئے اُسے دیگر کے ساتھ زیر بحث نہ لاسکے اور نہ ہی شیئر کر سکے (اسی تک محدود نہیں ہے)۔

ب) انتظامیہ کے سامنے بروقت خدشات کا اظہار اور اُسکے بعد کا طریقہ کار۔

ج) اسٹیک ہولڈرز کو اس بات کی یقین دہانی کہ اُن کو نیک نتیجی کی بنیاد پر اس کو سامنے لانے پر کسی بھی قسم کی انتقامی کارروائی یا غیر منصفانہ رویے کا سامنا نہیں ہوگا

د) صاف دلی، احتساب اور سہولت کے کلچر کا فروغ

ر) اس بات کی یقین دہانی کہ متعلقہ خدشات یا ضابطہ اخلاق سے روگردانی کی تمام سطحوں پر مکمل رازداری کے ساتھ تحقیق کی جائے گی

کاروباری تسلسل کی حکمت عملی اور ڈیٹا کی حفاظت کا طریقہ کار:

کمپنی مختلف مقامات پر بیک اپ سہولت کے ساتھ ہنگامی صورتحال سے نمٹنے کیلئے ایک جامع حکمت عملی کی حامل ہے۔ یہ نظام کسی بھی ہنگامی صورتحال میں اس سسٹم کی کارکردگی جانچنے کیلئے ریگولر سسٹم چیکس رکھتا ہے۔ کمپنی کے اُمور کیلئے زیادہ پرخطر صورتحال/مقامات پر شیئرڈ آپریٹنگ پروسیجرز اور چیک لسٹس بھی مرتب، واضح اور تشکیل دی گئی ہیں۔ اسی طرح عام معاشی حالات، مقابلہ جاتی حقائق اور ممکنہ منظر نامے کو دیکھتے ہوئے سٹرٹیجک کاروباری خطرات سے ہنرد آزاہونے کیلئے ایکشن پلان تیار کیا گیا ہے اور اس بات کی یقین دہانی کی جاتی ہے کہ پوری کمپنی میں رسک مینجمنٹ کا طریقہ کار اور کچھ شامل ہے۔

سرمایہ کاروں کی شکایت کے بارے میں پالیسی:

کمپنی اپنے سرمایہ کاروں سے مسلسل رابطے میں رہتی ہے اور اُنکے سوالات، خدشات اور شکایات پر فوری جواب دیتی ہے۔ جبکہ شیئر رجسٹر ارسرمایہ کاروں کی شکایات کا بروقت ازالہ یقینی بنانے کی ہر ممکن کوشش کرتا ہے۔

سالانہ اور سہ ماہی رپورٹس تک رسائی:

سالانہ اور سہ ماہی رپورٹس کمپنی کی ویب سائٹ پر بھی دستیاب ہیں۔

انفارمیشن ٹیکنالوجی:

انفارمیشن ٹیکنالوجی ڈویژن ایک اہم جزو کے طور پر اپنی شناخت رکھے ہوئے ہے اور یہ ملازمین کو فرائض کی ادائیگی کے دوران وسیع کمیونٹنگ رینج اور ابلاغی خدمات فراہم کرتا ہے۔ کاروباری فنکشنز میں پلاننگ، دیکھ بھال، راہنمائی اور کنٹرولنگ کیلئے Oracle ای۔ بزنس سوٹ کی پراڈکٹس ہمارے ٹیکنالوجی سے متعلقہ معاونت ہیں۔ آئی ٹی ڈی کا ڈویژن جدید ٹیکنالوجی کے استعمال، پیپر فٹ پرنٹ میں کمی اور زیادہ صارفین تک رسائی کیلئے بہتر تجزیے اور عزم کے ساتھ فیصلہ سازی کو مضبوط بنانا ہے۔ آئی ٹی ڈی کے اہداف کمپنی کے اہداف کے ساتھ مطابقت رکھتے ہیں۔

Whistle Blowing Policy

ریلائنس ایک ایسا ماحول قائم کرنے کیلئے پر عزم ہے جو کمپنی کے ضابطہ اخلاق میں کسی بھی قسم کی خلاف ورزی کی صورت اسٹیک ہولڈرز کی اپنے خدشات کے اظہار میں حوصلہ افزائی کرے اور ان اسٹیک ہولڈرز کو وہ تمام مواقع فراہم کرے کہ وہ آگے بڑھیں اور انتقامی کارروائی، نشانہ بننے اور غیر منصفانہ رویے کے خوف سے بالاتر ہو کر اپنے خدشات کا اظہار کر سکیں۔

انٹرنل آڈٹ فنکشن ایک فعال لائحہ عمل کی پیروی کرتے ہوئے خطرات میں کمی، کاروبار میں زیادہ منافع اور گروپ کی سطح پر باہمی اتفاق کے ذریعے موثر کارپوریٹ گورننس کی پیروی کر کے روایتی طریقہ کار سے ایک کاروباری شرکت دار اور مشاورتی کردار کی جانب ترقی کر رہا ہے۔ بورڈ اپنی آڈٹ کمیٹی کے ذریعے ادارہ میں انٹرنل کنٹرولز کی موثرگی اور موثریت پر انٹرنل آڈٹ فنکشن کی آراء اور سفارشات پر انحصار کرتا ہے اور اس کے مطابق مناسب اقدامات عمل میں لاتا ہے۔

انٹرنل آڈٹ فنکشن اپنے سالانہ پلان کی ترمیم و ترقی اور ادارہ میں تمام فنکشنز/ طریقہ کار کے مختلف وقفہ جاتی جائزوں کے ذریعے انٹرنل کنٹرولز کی مضبوطی کیلئے رسک کنٹرول کے طریقہ کار کو موثر انداز میں زیر استعمال لارہا ہے اور آڈٹ کمیٹی کی منظوری کے مطابق اپنے امور سالانہ آڈٹ پلان کے تحت سرانجام دیتا ہے۔ کمیٹی نے مادی انٹرنل آڈٹ کے نتائج کا جائزہ لیا، جہاں ضروری تھا مناسب ردعمل دیا یا معاملات کو بورڈ کی توجہ کیلئے اس کے سامنے پیش کیا۔

آڈٹ کمیٹی نے انٹرنل آڈٹ فنکشن کی فراہم کردہ یقین دہانی کی بدولت کاروباری، تعمیل، رسک مینجمنٹ، فنانس، رپورٹنگ اور کنٹرول کے مقاصد، کمیٹی کے اثاثہ جات اور شیئر ہولڈرز کے مفاد کے تحفظ میں کامیابی ممکن بنائی۔ انٹرنل آڈٹ کاروباری تسلسل کی اہمیت اور ادارہ جاتی سطح پر امور کی بلا تعطل انجام دہی کیلئے رسک کنٹرول کے اقدامات کی تکمیل پر زور دیتا ہے۔

مزید برآں، حفاظت کے دوسرے طریقہ کار پر ایک انٹرنل آڈٹ رسک مینجمنٹ فنکشن کام کر رہا ہے جو تمام کاروباری خطرات پر نظر اور آڈٹ کیلئے موزوں اور موثر حکمت عملیاں مرتب کرتا ہے۔

ضابطہ اخلاق:

کارپوریٹ گورننس کی ہدایات کے مطابق کمیٹی نے ایک ضابطہ اخلاق ترتیب دیا ہے اور تمام عملہ کو اس سے مطلع کرنے کے ساتھ ساتھ یہ ویب سائٹ پر اپ لوڈ کیا گیا ہے

صحت کی حفاظت اور ماحول:

کمیٹی ایک ذمہ دار ماحول دوست ادارہ ہونے کے ناطے ماحول سے متعلقہ اپنی ذمہ داریوں سے بخوبی آگاہی رکھتی ہے۔ سال کے دوران تمام شعبہ جات کی HSE کارکردگی قابل تعریف رہی۔ پلانٹ ٹیم کے پختہ عزم کی بدولت تمام HSE ایسیٹڈرز کے حصول میں کامیابی ممکن ہوئی۔ جامع نگرانی اور خود تشخیصی کے عمل پر توجہ مرکوز رہی جبکہ اس دوران اندرونی ویرونی آڈٹ کا تعاون شامل رہا۔ مینجمنٹ سیفٹی آڈٹس، ایمرجنسی ریسپانس، پلانٹ Reliability Enhancement پروگرام، پیشہ وارانہ صحت اور صنعتی صفائی اور کسٹما نرڈ ہاؤس کیپنگ آڈٹس قبل ذکر ہیں۔

- مفاد کے نگرانی (اگر کوئی ہو تو) کے معاملے میں مکمل مالی وضاحت

- احتساب اور ذمہ داری

- بہترین اور معیاری تعلقات عامہ

- اسٹیک ہولڈرز کے توقعات سے بڑھ کر اُنکے مفاد کا تحفظ

- دیرپا ترقی کیلئے صارفین کا اطمینان

- جدت اور تخلیق کیلئے ملازمین کی حوصلہ افزائی

- تمام اسٹیک ہولڈرز کیلئے عزت و احترام

- دیرپا اور قابل اعتماد تہ سہل کنندہ، حصص داران، ملازمین اور حکومت کے فائدہ کیلئے منافع میں اضافہ

رسک مینجمنٹ اور انٹرنل کنٹرول:

کمیٹی نے خطرات کی نشاندہی، موزوں پیچیدہ لیول کی تفویض اور ازالہ کیلئے مناسب اقدامات پر مبنی ایک مضبوط نظام قائم کیا ہے جن کی کمیٹی کے تمام مرکزی امور کی انجام دہی کے دوران انتظامیہ کی جانب سے مکمل نگرانی اور پیروی یقینی بنائی جاتی ہے اور آڈٹ کمیٹی کے سامنے معلومات اور جائزے کیلئے پیش کیے جاتے ہیں۔

انٹرنل آڈٹ کمیٹی میں تمام سطحوں پر خطرات سے قابل قبول انداز میں نبرد آزما ہونے کیلئے انٹرنل کنٹرول اور رسک مینجمنٹ فریم ورک کے موثر اور جامع ہونے کی یقین دہانی کا ذمہ دار ہے۔

کمیٹی کی خطرات کے ازالہ کی حکمت عملی میں خطرات کے رونما ہونے کے امکانات میں کمی اور/یا خطرہ ظاہر ہونے کی صورت میں اس کے اثرات میں کمی شامل ہے۔ اس مقصد کیلئے بورڈ اپنی آڈٹ کمیٹی کے ذریعے ممکنہ خطرات اور انٹرنل کنٹرول اور رسک مینجمنٹ کے طریقہ کار کے موثر ہونے کا جائزہ لیتا ہے۔

کمیٹی کا انٹرنل کنٹرول سسٹم اس بات کی مناسب یقین دہانی کرواتا ہے کہ تمام اثاثہ جات چوری اور غیر مجاز استعمال سے محفوظ، تمام کاروباری لین دین اور ایپوائنٹس ریکارڈ پر موجود اور تمام حسابات کے ریکارڈ بالکل درست اور تمام قوانین و ضوابط پر عملدر کیا گیا ہے۔

کمیٹی کا اندرونی کنٹرول سسٹم ڈیٹا کے حساب سے مضبوط ہے اور اس کے موثر اور موزوں ہونے کی باقاعدگی سے تشخیص کی گئی ہے۔

انٹرنل آڈٹ اور رسک Assurance فنکشن:

انٹرنل آڈٹ فنکشن کوڈ آف کارپوریٹ گورننس اور بورڈ کی آڈٹ کمیٹی کی جانب سے وضع کردہ ہدایات کے مطابق بہترین انداز میں نافذ العمل ہے تاکہ گورننس، رسک مینجمنٹ اور کنٹرول کی سرگرمیوں کے موثر ہونے کے بارے میں ایک خود مختار اور اہداف پر مبنی تشخیص فراہم کی جاسکے۔

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کیے گئے مشاہرے کی تفصیلات مالی گوشواروں کے نوٹ 43 میں درج ہیں۔

کا مستقبل مزید درخشاں بنایا جاسکے۔ بورڈ انٹرنل آڈٹ ڈیپارٹمنٹ کے ذریعے رسک مینجمنٹ پرائسز کی نگرانی کرتا ہے جو کہ جب لازمی ہوگئی کی رسک مینجمنٹ پر نگاہ رکھتا ہے۔

بورڈ کی آڈٹ کمیٹی کی ساخت:

بورڈ نامی نیشن کمیٹی کی ساخت:

بورڈ کی آڈٹ کمیٹی تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ چیئر پرسن، ایک خود مختار نان ایگزیکٹو ڈائریکٹر ہونے کے ناطے مالی معاملات میں 30 سالہ تجربہ کے حامل ہیں۔ بورڈ نے آڈٹ کمیٹی کی ٹرمز آف ریفرنس کا تعین کر لیا ہے اور اس کی ذمہ داریوں کو موثر انداز میں انجام دینے کیلئے اسے تمام مناسب وسائل اور اختیار دیئے گئے ہیں۔ کمیٹی اپنی ادارہ جاتی اور رسک مینجمنٹ کی ذمہ داریوں بشمول کمپنی کی فنانشل رپورٹنگ اور انٹرنل کنٹرول سسٹم کی انجام دہی کیلئے بورڈ کی معاونت کرتی ہے۔

بورڈ نے ایک نامی نیشن کمیٹی تشکیل دی ہے جس کا بنیادی کردار مکمل ڈائریکٹرز کی نشاندہی کیلئے بورڈ کی معاونت اور تعیناتوں کے سلسلہ میں بورڈ اور سینئر ایگزیکٹو مینجمنٹ کو سفارشات پیش کرنا ہے۔ کمیٹی کی ذمہ داری بورڈ میں تعیناتیوں کیلئے سفارشات کی تیاری اور بورڈ اور اس کی کمیٹیوں میں متوازن مہارتیں اور تجربہ برقرار رکھنا ہے۔ بورڈ کی تشکیل کیلئے مسلسل حکمت عملی ایک ایسا معاملہ ہے جو کہ ابتدائی طور پر نامی نیشن کمیٹی کے سپرد کیا جاتا ہے تاہم کمیٹی کی مشاورت رپورٹ کی جاتی ہے اور مکمل بورڈ کی جانب سے اسے زیر بحث لایا جاتا ہے۔ بورڈ بھی گروپ کی سینئر مینجمنٹ کیلئے عمومی حکمت عملی کا باقاعدگی سے جائزہ لیتا ہے۔

بورڈ آڈٹ کمیٹی کے اجلاس:

نمبر شمار	شرکاء کے نام	عہدہ	حاضری
1	محترم شاہد عزیز	چیئر مین	5/5
2	محترم محمد شوکت	ڈائریکٹر	5/5
3	محترم فہد مختار	ڈائریکٹر	4/5

ڈائریکٹرز، کلیدی انتظامیہ کے معاوضے اور ملازمین کے کوائف کا بیان:

چیف ایگزیکٹو آفیسر کمیٹی سے معاوضہ وصول نہیں کرتا۔ کمیٹی کے ایگزیکٹو ملازمین سے متعلقہ کمپنیز ایکٹ، 2017 کے تحت درکار معلومات اس رپورٹ کے نوٹ 43 میں بیان کیا گیا ہے۔

اخلاقیات اور کاروباری امور کا بیان:

کاروباری اخلاقیات اور بنیادی اقدار کا بیان یہ وہ فریم ورک مہیا کرتا ہے جس کی بنیاد پر کمیٹی اپنے امور سرانجام دیتی ہے۔ بورڈ اور کمیٹی کے ملازمین کاروباری اخلاقیات کے سنبھلنے والے اصولوں پر عمل پیرا رہتے ہوئے ہمارے کاروباری امور کی انجام دہی کیلئے اچھی ساکھ کے محافظ ہیں۔

ہیومن ریسورس اور ریویژن کمیٹی کی ساخت:

ہیومن ریسورس اور ریویژن کمیٹی نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ بورڈ نے کمیٹی کے ٹرمز آف ریفرنس طے کر لیے ہیں جس میں ہیومن ریسورس مینجمنٹ، ادارہ جاتی ترقی، تربیت و انتظامیہ تسلسل کے بارے میں سفارشات شامل ہیں۔

مندرجہ ذیل اصول کمیٹی کی کاروباری اخلاقیات اور بنیادی اقدار کا مرکزی تہذو ہیں:

- ادارہ کے اندر اور باہر معاملات کی انجام دہی کے دوران ایمانداری، سہولیت، انصاف اور اخلاقی رویے کا پرچار
- اچھے کارپوریٹ ادارہ ہونے کے ناطے تمام قوانین و ضوابط کی پیروی
- محفوظ اور پائیدار ماحول میں کاروباری امور چلانے کے عزم کا اظہار
- کاروباری لین دین میں اعتماد، بھروسے اور شفافیت کے اصولوں پر یقین
- بلا تفریق یکساں ملازمت کے مواقع
- حصص داران کے مفاد کا تحفظ
- اپنے لوگوں، ہمسایوں، صارفین اور مہمانوں کی حفاظت کیلئے صحت مند اور محفوظ ماحول کی فراہمی
- کاروباری چیلنجز سے تہ ذرا زما ہونے کیلئے حوصلہ افزائی
- انسانی وسائل میں سرمایہ کاری

کمیٹی ہیومن ریسورس کے معاملات بشمول معاوضوں کا تعین اور کمیٹی کے امور کیلئے باصلاحیت کارکنان کی دستیابی پر توجہ مرکوز کرتی ہے۔

ہیومن ریسورس اور ریویژن کمیٹی کے اجلاس:

نمبر شمار	شرکاء کے نام	عہدہ	حاضری
1	محترم محمد شوکت	چیئر مین	1/1
2	محترم شاہد عزیز	ڈائریکٹر	1/1
3	محترم فہد مختار	ڈائریکٹر	-

رسک مینجمنٹ کمیٹی کی ساخت:

رسک مینجمنٹ کمیٹی کا کردار منظم اور موثر کنٹرولز کے فریم ورک میں رہتے ہوئے کاروباری لیڈرشپ فراہم کرنا ہے جو انتظامی معاملات کی موثر انداز میں انجام دہی کیلئے کمیٹی کو خطرات سے آگاہ کرتی ہے۔ کمیٹی کو کمیٹی کو درپیش بنیادی خطرات سے مکمل آگاہی ہونی چاہیے تاکہ مارکیٹنگ، فنانش، آپریشنز، آئی ٹی، ہیومن ریسورس اور ریگولیٹری/قانونی ذمہ داری سے متعلقہ پیچیدہ معاملات میں بہترین فیصلہ سازی ممکن بنا کر کمیٹی

مالیاتی معاملات میں مواد کی تبدیلی:

مندرجات	یونٹ	30 جون 2021	30 جون 2022
کل منافع	فیصد	14.61	17.72
فروخت پر واپسی	فیصد	7.21	8.60
فی شیئر آمدن	روپے	56.24	85.67
شیئر کی مارکیٹ ویلیو	روپے	72.41	66.50
بیلنس شیٹ	ملین روپے	19,312	27,757

آپ کی کمپنی سوسائٹی کی بہتری کیلئے رضا کارانہ طور پر حصہ ڈالنے اور ایک ذمہ دار ادارہ ہونے کا ثبوت پیش کرنے کیلئے سی ایس آر کو ایک بنیادی پائیدار کاروباری مشق کے طور پر دیکھتی ہے۔ ہم نے صحت عامہ اور تعلیم کے فروغ کیلئے ہمیشہ پختہ عزم اور تعاون کا مظاہرہ کیا ہے۔ کمپنی اچھی ساکھ کے حامل مختلف خیراتی اداروں کی مستقل ڈونر ہے جس میں سے ایک مختار اے۔ شیخ ٹرسٹ ہے جو کہ محروم افراد کی بھلائی کیلئے ہسپتال اور میڈیکل کمپس قائم کرتے ہیں۔ ملک کے ایسے مقامات پر میڈیکل کمپس لگائے جاتے ہیں جہاں صحت عامہ کی سہولیات تک رسائی بہت مشکل ہے۔ ان میڈیکل کمپس کی بدولت ان علاقوں کے مستحق افراد کو چیک اپ کے ساتھ ساتھ ادویات بھی مفت فراہم کی جاتی ہیں۔

شیئرز پر منافع:

آپ کی کمپنی نے 2,639 ملین روپے بعد از ٹیکس منافع حاصل کیا جو کہ 85.67 روپے فی شیئر آمدن پر منتج ہوا۔ گزشتہ سال یہ آمدن 56.24 روپے فی شیئر تھی۔

مارکیٹ میں حصہ داری:

سال کے اختتام پر کمپنی کی مارکیٹ میں حصہ داری 2,049 ملین روپے ہے جو کہ گزشتہ سال 2,231 ملین روپے تھی

حتمی کیش ڈیویڈنڈ:

بورڈ آف ڈائریکٹرز نے 30 جون 2022 کو ختم ہونے والے سال کیلئے 4.00 روپے فی شیئر (40 فیصد) کے حتمی کیش ڈیویڈنڈ کی تجویز دی ہے۔

جدت و توسیع:

آپ کی کمپنی عالمی معیار کی مصنوعات کی تیاری کیلئے اس تیزی سے بدلتی ٹیکنالوجی کے مطابق اپنی جدت و توسیع کیلئے پرعزم ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس:

سال کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے اور ان میں حاضری حسب ذیل رہی:

نمبر شمار	شرکاء کے نام	عہدہ	حاضری
1	محترم فواد احمد مختار	چیئر مین	4/6
2	محترم فیصل احمد	چیف ایگزیکٹو آفیسر	6/6
3	محترم فہد مختار	ڈائریکٹر	6/6
4	محترم محمد مختار شیخ	ڈائریکٹر	2/6
5	محترم شاہد عزیز	ڈائریکٹر	6/6
6	محترم محمد شوکت	ڈائریکٹر	6/6
7	محترمہ فاطمہ فضل	ڈائریکٹر	3/6

ڈائریکٹرز کا معاوضہ:

کمپنی ڈائریکٹرز کو معاوضہ درجہ بندی (ایگزیکٹو ڈائریکٹر، آن۔ ایگزیکٹو ڈائریکٹر اور خود مختار ڈائریکٹر سے قطع نظر ہو کر) انہیں کرے گی ماسوائے خود مختار ڈائریکٹرز کو اجلاس کی فیس بشمول ہر قسم کے سفری اور بورڈ ویبٹوں کے اجلاس میں شرکت کیلئے رہائشی دیگر ضروری اخراجات اور کمپنی کی جانب سے دی گئی گاڑیوں کا مفت استعمال۔

ادارہ جاتی سماجی ذمہ داری (CSR):

کمپنی سماجی انسان دوست سرگرمیوں، ماحولیاتی تحفظ کے اقدامات، طبقاتی سرمایہ کاری اور علاقہ سیکسوں، صارف کے تحفظ کیلئے اقدامات، پسماندہ طبقات کی بھلائی پر اخراجات، صنعتی تعلقات، سوشل افرادی ملازمت کی حوصلہ افزائی، پیشہ وارانہ تحفظ و صحت، کاروباری اصولوں و کرپشن کے خاتمے کیلئے اقدامات، قومی مفاد کیلئے عطیات، قومی خزانے میں حصہ داری اور دیہی ڈویلپمنٹ پروگرامز کے ذریعے بطور ادارہ سماجی ذمہ داریاں احسن طریقے سے سرانجام دیتی ہے۔

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2022 کو اختتام پذیر ہونے والے سال کیلئے کمپنی کی سالانہ رپورٹ مع سالانہ آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے فخر محسوس کر رہے ہیں

مالی نتائج:

خالص منافع میں 2,639 ملین روپے تک اضافہ ہوا جو کہ گزشتہ مدت میں 1,733 ملین روپے تھا۔

یہ کمپنی کی جانب سے کمایا گیا سب سے زیادہ منافع ہے اور کمپنی کا ٹرن اور 28 فیصد اضافہ کے ساتھ 24,030 ملین روپے سے بڑھ کر 30,704 ملین روپے ہو چکا ہے۔

کمپنی کے منافع میں اضافہ کی بنیادی وجوہات درج ذیل ہیں:

- کمپنی کا گراس منافع 14 فیصد سے بڑھ کر 17 فیصد ہو چکا ہے۔ اس منافع میں اضافہ کی بنیادی وجہ کاٹن کی انتہائی اچھی قیمت خرید ہے۔ مزید برآں عالمی اور مقامی منڈیوں میں سوت (یارن) کی قیمت میں اضافہ ہوا۔
- آرائل این جی اور ایکسٹریٹیو کے ریٹ میں اضافہ اور توانائی کے سستے وسائل؛ آرائل این جی کی عدم دستیابی کی وجہ سے بجلی اور تیل کی لاگت میں 402 ملین روپے کا اضافہ ہوا
- مالی لاگت میں 385 ملین روپے اضافہ ہوا جو کہ گزشتہ سال سے 2 فیصد زیادہ ہے۔ KIBOR اور ورکنگ کیپٹل میں اضافہ کی وجہ سے مالی لاگت بھی بڑھ گئی۔
- عالمی منڈی میں مال برداری کے کرایوں میں اضافہ کی وجہ سے سمندری مالی برداری کا کرایہ 183 ملین سے بڑھ گیا۔

تفصیل	2021	2022
روپے ہزاروں میں		
بیلز	24,030	30,704
بیلز کی لاگت	20,520	25,263
گراس منافع	3,509	5,441
مالی لاگت	918	1,303
منافع بعد از ٹیکس	1,733	2,639

مستقبل کا جائزہ عمل:

قیمتیں ان خدشات پر مہر ثبت کر رہی ہیں۔ اسی طرح ٹیکسٹائل میں فیکچررز اپنی پیداواری صلاحیت محدود کرنے پر مجبور ہیں۔ عالمی سطح بالخصوص امریکا اور پاکستان میں روٹی کی پیداوار کا تخمینہ ہرگز حوصلہ افزا نہیں ہے اور یہ روٹی کی سپلائی اور اس کی قیمتوں میں تناؤ کا موء جب بن سکتا ہے۔ اس مشکل مرحلہ کو عبور کرنے کیلئے ہم طلب کو دیکھتے ہوئے پیداواری صلاحیتوں میں اصلاح اور عملی استعداد میں بہتری یقینی بنائیں گے۔

25,520 سپنڈلز فائن کاؤنٹ کا حامل نیا سپنڈنگ مل پراجیکٹ موجودہ سال کی تیسری سہ ماہی میں شروع ہونے کی توقع ہے۔ جبکہ 3 میگا واٹ صلاحیت کا حامل سولر پینل سسٹم تنصیب کرنے پر بھی کام جاری ہے جو کہ دوسری سہ ماہی میں شروع ہونے کی توقع ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

بورڈ سیکریٹریز اینڈ ایگزیکٹو کمیشن آف پاکستان کے کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک کی بابت اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہے۔ درج ذیل بیان اس کے کوڈ آف کارپوریٹ گورننس پر عملدرآمد کے عزم پر روشنی ڈالتا ہے:

- کمپنی انتظامیہ کی طرف سے تیار کردہ مالی گوشوارے کمپنی کے معاملات، کاروباری سرگرمیوں کے نتائج، کیش فلوا اور ایکویٹی میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی نے باضابطہ طور پر اکاؤنٹس کے کھاتے مرتب کر رکھے ہیں۔
- ان مالیاتی گوشواروں کی تیاری میں ضروری اکاؤنٹنگ پالیسیوں کی پیروی کی گئی ہے اور اکاؤنٹنگ کے تخمینے انتہائی منطقی اور محتاط اندازے پر مبنی ہیں۔

ان مالیاتی گوشواروں کی تیاری میں بین الاقوامی فنانشل رپورٹنگ اسٹینڈرڈ کی (جہاں تک وہ پاکستان میں قابل اطلاق ہیں) کی پیروی کی گئی ہے اور ان سے کسی بھی قسم کی روگردانی واضح کی گئی ہے۔

اندرونی کنٹرول کا نظام اپنے ذیوائن کے اعتبار سے مستحکم ہے اور اس کا موثر اطلاق اور نگرانی کی جاتی ہے۔

کمپنی کے مستقبل میں کام جاری رکھنے کی اہلیت پر کوئی شکوک و شبہات نہیں ہیں۔

متعین شدہ اصول و ضوابط میں درج کارپوریٹ گورننس کے رہنما اصولوں سے انحراف نہیں کیا گیا۔

طلب میں اضافہ کی وجہ سے ٹیکسٹائل کے شعبہ کیلئے سال 2021-22 بحالی کا سال رہا۔ تاہم یہ بحالی کا یہ سفر روٹی کی قیمتوں میں اضافے اور اسکی پیداوار میں کمی کے باعث زیادہ دیر نہ چل سکا۔ ان عوامل نے رواں مالی سال کی پہلی ششماہی میں مکمل بحالی کے تاثر کو زائل کر دیا۔ یہ توقع کی جارہی ہے کہ عالمی سطح پر غیر یقینی صورتحال اور مہنگائی کی بلند ترین شرح کی وجہ سے یہ سلسلہ باقی سال بھی جاری رہے گا۔ عالمی ریشیل چین میں کم آرڈرز کی بدولت دکھائی دینے والی طلب کی کمی اور خام مال کی قیمتوں سے عدم مطابقت رکھنے والی

CSR ACTIVITIES

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

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

For us Social responsibility is a duty the management has to perform so as to maintain a balance between the economy and the ecosystems.

With our talented team we aim to help drive, creation of shared economic and social values across Pakistan. Corporate Social Responsibility (CSR) is one of core values and an integral part of the Company's overall mission.

Reliance Weaving Mills Limited has donated around Rs. 36 million this year for charitable purposes.

Reliance Weaving Mills Limited has taken up its CSR activities both directly as well as through Mukhtar A. Sheikh Trust and Fatima Group CSR plans.





HEALTH CARE CSR ACTIVITIES SPONSERED THROUGH FATIMA GROUP

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

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

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

SPRING CLINIC AND INSTITUTE OF PSYCHIATRY

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

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





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

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

- **Neurosurgery Services**

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

SPECIALIZED SERVICES AT MASH

In addition to the General Healthcare, Diagnostic & Surgical Services, MASH is successfully providing:

- **Cochlear Implant Surgeries at MASH**
MASH conducted successful Cochlear Implant





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

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

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





DIRECTLY SPONSORED CSR ACTIVITIES BY RELIANCE WEAVING MILLS LIMITED

Donations to different charity organizations:

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

MUKHTAR A. SHEIKH TRUST (MAST)

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

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





Key Focus Areas of the Trust are:

I) Education

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

A- Formal Education Center

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

B- Vocational Education Centers

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

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

II) Healthcare

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

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

Five free dispensaries have been established under the TRUST since year 2000 with the team of experienced doctors, LHVs and medical staff.

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

Facilities provided to patients include:

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



VERTICAL ANALYSIS

Statement of Financial Position

PKR in 000"	2022		2021		2020		2019		2018		2017	
	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%
Non current assets												
Property, plant and equipment	10,687,018	38.50%	7,994,970	41.40%	6,393,392	40.41%	6,227,003	37.04%	5,633,486	42.46%	5,371,086	47.52%
Intangible asstes	-	0.00%	835	0.00%	1,781	0.01%	2,728	0.02%	3,674	0.03%	4,620	0.04%
Long term investments	1,849,425	6.66%	-	0.00%	35,635	0.23%	763,601	4.54%	837,700	6.31%	855,744	7.57%
Long term deposits	29,046	0.10%	28,776	0.15%	28,776	0.18%	20,216	0.12%	21,019	0.16%	19,725	0.17%
Deferred tax assets	143,178	0.52%	133,229	0.69%	135,874	0.86%	71,221	0.42%	66,140	0.50%	55,179	0.49%
Total non current assets	12,708,667	45.79%	8,157,810	42.24%	6,595,458	41.69%	7,084,769	42.15%	6,562,019	49.46%	6,306,354	55.79%
Current assets												
Stores, spares and loose tools	365,569	1.32%	391,392	2.03%	268,499	1.70%	204,856	1.22%	220,724	1.66%	182,141	1.61%
Stock in trade	7,788,806	28.06%	5,050,742	26.15%	4,669,118	29.51%	5,944,942	35.37%	3,222,131	24.29%	3,009,201	26.62%
Trade debts	4,485,550	16.16%	2,850,837	14.76%	1,827,071	11.55%	2,281,363	13.57%	2,005,913	15.12%	603,771	5.34%
Loans and advances	607,867	2.19%	1,151,545	5.96%	974,612	6.16%	401,679	2.39%	263,590	1.99%	308,055	2.73%
Prepayments and other receivables	195,192	0.70%	125,191	0.65%	75,941	0.48%	35,474	0.21%	27,214	0.21%	30,944	0.27%
Short term investments	393,031	1.42%	696,751	3.61%	782,192	4.94%	137,331	0.82%	106,535	0.80%	109,921	0.97%
Tax refunds and export rebate due from the government	1,077,988	3.88%	792,116	4.10%	585,410	3.70%	606,596	3.61%	779,696	5.88%	656,267	5.81%
Cash and bank balances	134,208	0.48%	96,013	0.50%	42,972	0.27%	113,073	0.67%	79,087	0.60%	96,630	0.85%
Total current assets	15,048,210	54.21%	11,154,587	57.76%	9,225,814	58.31%	9,725,316	57.85%	6,704,890	50.54%	4,996,930	44.21%
Total assets	27,756,877	100%	19,312,396	100%	15,821,272	100%	16,810,085	100%	13,266,909	100%	11,303,284	100%
Share capital and reserves												
Issued, subscribed and paid up capital	308,109	1.11%	308,109	1.60%	308,109	1.95%	308,109	1.83%	308,109	2.32%	308,109	2.73%
Reserves	115,253	0.42%	115,253	0.60%	161,050	1.02%	165,798	0.99%	175,935	1.33%	179,321	1.59%
Fair value (loss) / gain on short term investments	434,413	1.57%	(127,452)	-0.66%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Unrealised loss on forward foreign exchange contracts	(10,981)	-0.04%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Revaluation surplus on freehold land	1,708,083	6.15%	1,708,083	8.84%	949,486	6.00%	949,486	5.65%	949,486	7.16%	634,325	5.61%
Unappropriated profit	6,605,654	23.80%	4,065,588	21.05%	2,458,268	15.54%	2,467,192	14.68%	1,968,262	14.84%	1,737,649	15.37%
Total capital and reserve	9,160,531	33.00%	6,069,581	31.43%	3,876,913	24.50%	3,890,584	23.14%	3,401,792	25.64%	2,859,404	25.30%
Non-current liabilities												
Long term finances	3,401,153	12.25%	2,766,492	14.32%	2,663,635	16.84%	1,826,835	10.87%	1,199,425	9.04%	1,762,343	15.59%
Lease liabilities	69,265	0.25%	66,081	0.34%	58,229	0.37%	8,829	0.05%	14,404	0.11%	1,270	0.01%
Staff retirement benefits- gratuity	370,195	1.33%	281,948	1.46%	258,432	1.63%	241,279	1.44%	267,705	2.02%	184,911	1.64%
Deferred liabilities	57,842	0.21%	109,429	0.57%	5,662	0.04%	-	0.00%	-	0.00%	-	0.00%
Total Non-current liabilities	3,898,455	14.05%	3,223,950	16.69%	2,985,957	18.87%	2,076,942	12.36%	1,481,534	11.17%	1,948,524	17.24%
Current liabilities												
Trade and other payables	4,156,100	14.97%	1,648,605	8.54%	1,684,521	10.65%	2,012,704	11.97%	1,322,614	9.97%	871,920	7.71%
Unclaimed dividend	11,502	0.04%	10,559	0.05%	8,523	0.05%	17,336	0.10%	16,216	0.12%	5,060	0.04%
Accrued mark-up	368,528	1.33%	260,439	1.35%	266,274	1.68%	309,363	1.84%	159,678	1.20%	132,681	1.17%
Short term borrowings	8,707,411	31.37%	6,894,241	35.70%	6,658,070	42.08%	7,816,016	46.50%	6,080,170	45.83%	4,581,656	40.53%
Current portion of non-current liabilities	977,981	3.52%	913,806	4.73%	143,401	0.91%	529,479	3.15%	669,476	5.05%	833,443	7.37%
Taxation	476,369	1.72%	291,213	1.51%	197,612	1.25%	157,660	0.94%	135,429	1.02%	70,596	0.62%
Total Current liabilities	14,697,891	52.95%	10,018,865	51.88%	8,958,402	56.62%	10,842,558	64.50%	8,383,582	63.19%	6,495,356	57.46%
Total equity and liabilities	27,756,877	100%	19,312,396	100%	15,821,272	100%	16,810,085	100%	13,266,909	100%	11,303,284	100%

HORIZONTAL ANALYSIS

Statement of Financial Position

	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18	2018	18 vs 17	2017	17 vs 16
PKR in 000"	PKR	Change	PKR	Change	PKR	Change	PKR	Change	PKR	Change	PKR	Change
Non current assets												
Property, plant and equipment	10,687,018	33.67%	7,994,970	25.05%	6,393,392	2.67%	6,227,003	10.54%	5,633,486	4.89%	5,371,086	3.97%
Intangible asstes	-	-100.00%	835	-53.12%	1,781	-34.69%	2,728	-25.76%	3,674	-20.48%	4,620	-17.00%
Long term investments	1,849,425	100.00%	-	-100.00%	35,635	-95.33%	763,601	-8.85%	837,700	-2.11%	855,744	7.55%
Long term deposits	29,046	0.94%	28,776	0.00%	28,776	42.34%	20,216	-3.82%	21,019	6.56%	19,725	26.67%
Deffered tax assets	143,178	7.47%	133,229	-1.95%	135,874	90.78%	71,221	7.68%	66,140	19.86%	55,179	8.29%
Total non current assets	12,708,667	55.79%	8,157,810	23.69%	6,595,458	-6.91%	7,084,769	7.97%	6,562,019	4.05%	6,306,354	4.52%
Current assets												
Stores, spares and loose tools	365,569	-6.60%	391,392	45.77%	268,499	31.07%	204,856	-7.19%	220,724	21.18%	182,141	-0.24%
Stock in trade	7,788,806	54.21%	5,050,742	8.17%	4,669,118	-21.46%	5,944,942	84.50%	3,222,131	7.08%	3,009,201	28.25%
Trade debts	4,485,550	57.34%	2,850,837	56.03%	1,827,071	-19.91%	2,281,363	13.73%	2,005,913	232.23%	603,771	14.31%
Loans and advances	607,867	-47.21%	1,151,545	18.15%	974,612	142.63%	401,679	52.39%	263,590	-14.43%	308,055	-21.42%
Prepayments and other receivables	195,192	55.92%	125,191	64.85%	75,941	114.07%	35,474	30.35%	27,214	-12.06%	30,944	-0.49%
Short term investments	393,031	-43.59%	696,751	-10.92%	782,192	469.56%	137,331	28.91%	106,535	-3.08%	109,921	-0.59%
Tax refunds and export rebate due from the government	1,077,988	36.09%	792,116	35.31%	585,410	-3.49%	606,596	-22.20%	779,696	18.81%	656,267	18.60%
Cash and bank balances	134,208	39.78%	96,013	123.43%	42,972	-62.00%	113,073	42.97%	79,087	-18.15%	96,630	24.86%
Total current assets	15,048,211	34.91%	11,154,587	20.91%	9,225,814	-5.14%	9,725,316	45.05%	6,704,890	34.18%	4,996,930	18.37%
Total assets	27,756,877	43.73%	19,312,396	22.07%	15,821,272	-5.88%	16,810,085	26.71%	13,266,909	17.37%	11,303,284	10.22%
Share capital and reserves												
Issued, subscribed and paid up capital	308,109	0.00%	308,109	0.00%	308,109	0.00%	308,109	0.00%	308,109	0.00%	308,109	0.00%
Reserves	115,253	0.00%	115,253	-28.44%	161,050	-2.86%	165,798	-5.76%	175,935	-1.89%	179,321	-0.36%
Fair value (loss) / gain on short term investments	434,413	440.84%	(127,452)	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Unrealised loss on forward foreign exchange contracts	(10,981)	-100.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Revaluation surplus on freehold land	1,708,083	0.00%	1,708,083	79.90%	949,486	0.00%	949,486	0.00%	949,486	49.68%	634,325	0.00%
Unappropriated profit	6,605,654	62.48%	4,065,588	65.38%	2,458,268	-0.36%	2,467,192	25.35%	1,968,262	13.27%	1,737,649	5.24%
Total capital and reserve	9,160,531	50.93%	6,069,581	56.56%	3,876,913	-0.35%	3,890,584	14.37%	3,401,792	18.97%	2,859,404	3.09%
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Long term finances and other payables	3,401,153	22.94%	2,766,492	3.86%	2,663,635	45.81%	1,826,835	52.31%	1,199,425	-31.94%	1,762,343	-9.33%
Lease liabilities	69,265	4.82%	66,081	13.48%	58,229	559.53%	8,829	-38.71%	14,404	1034.16%	1,270	-56.98%
Staff retirement benefits- gratuity	370,195	31.30%	281,948	9.10%	258,432	7.11%	241,279	-9.87%	267,705	44.77%	184,911	19.40%
Deferred liabilities	57,842	-47.14%	109,429	1832.72%	5,662	100.00%	-	0.00%	-	0.00%	-	0.00%
Total Non-current liabilities	3,898,455	20.92%	3,223,950	8.18%	2,980,295	43.49%	2,076,942	40.19%	1,481,534	-23.97%	1,948,524	-7.28%
Current liabilities												
Trade and other payables	4,156,100	152.10%	1,648,605	-2.13%	1,684,521	-16.31%	2,012,704	52.18%	1,322,614	51.69%	871,920	0.91%
Unclaimed dividend	11,502	8.93%	10,559	23.89%	8,523	-50.84%	17,336	6.91%	16,216	220.47%	5,060	2.39%
Accrued mark-up	368,528	41.50%	260,439	-2.19%	266,274	-13.93%	309,363	93.74%	159,678	20.35%	132,681	28.39%
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Current portion of non-current liabilities	977,981	7.02%	913,806	537.24%	143,401	-72.92%	529,479	-20.91%	669,476	-19.67%	833,443	12.02%
Taxation	476,369	63.58%	291,213	47.37%	197,612	25.34%	157,660	16.41%	135,429	91.84%	70,596	-32.14%
Total Current liabilities	14,697,891	46.70%	10,018,865	11.84%	8,958,402	-17.38%	10,842,558	29.33%	8,383,582	29.07%	6,495,356	20.73%
Total equity and liabilities	27,756,877	43.73%	19,312,396	22.11%	15,815,610	-5.92%	16,810,085	26.71%	13,266,909	17.37%	11,303,284	10.22%

VERTICAL ANALYSIS

Statement of Profit or Loss

PKR in 000"	2022		2021		2020		2019		2018		2017	
	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%
Sales - net	30,703,659	100.00%	24,030,100	100.00%	17,275,166	100.00%	16,605,159	100.00%	13,913,861	100.00%	11,341,734	100.00%
Cost of sales	(25,262,980)	-82.28%	(20,520,175)	-85.39%	(15,214,366)	-88.07%	(14,822,654)	-89.27%	(12,568,217)	-90.33%	(10,357,639)	-91.32%
Gross profit	5,440,679	17.72%	3,509,925	14.61%	2,060,800	11.93%	1,782,505	10.73%	1,345,644	9.67%	984,095	8.68%
Distribution and marketing expenses	(495,954)	-1.62%	(298,163)	-1.24%	(233,553)	-1.35%	(155,954)	-0.94%	(143,633)	-1.03%	(116,530)	-1.03%
Administrative expenses	(314,229)	-1.02%	(206,171)	-0.86%	(195,566)	-1.13%	(188,640)	-1.14%	(166,022)	-1.19%	(146,018)	-1.29%
Other operating income	173,972	0.57%	102,441	0.43%	129,290	0.75%	323,765	1.95%	99,348	0.71%	23,333	0.21%
Other operating expenses	(388,039)	-1.26%	(135,496)	-0.56%	(355,078)	-2.06%	(68,117)	-0.41%	(50,012)	-0.36%	(25,574)	-0.23%
Profit from operations	4,416,430	14.38%	2,972,536	12.37%	1,405,893	8.14%	1,693,558	10.20%	1,085,325	7.80%	719,306	6.34%
Share of loss from associate	-	0.00%	(35,635)	-0.15%	(91,663)	-0.53%	(70,781)	-0.43%	(21,670)	-0.16%	(12,001)	-0.11%
Finance cost	(1,302,995)	-4.24%	(917,653)	-3.82%	(1,166,615)	-6.75%	(991,464)	-5.97%	(622,204)	-4.47%	(539,521)	-4.76%
Profit before tax	3,113,436	10.14%	2,019,248	8.40%	147,615	0.85%	631,313	3.80%	441,451	3.17%	167,784	1.48%
Taxation	(473,956)	-1.54%	(286,441)	-1.19%	(86,345)	-0.50%	(128,508)	-0.77%	(130,872)	-0.94%	(66,566)	-0.59%
Profit after tax	2,639,480	8.60%	1,732,807	7.21%	61,270	0.35%	502,805	3.03%	310,579	2.23%	101,218	0.89%

HORIZONTAL ANALYSIS

Statement of Profit or Loss

PKR in 000"	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18	2018	18 vs 17	2017	17 vs 16
	PKR	Change	PKR	Change	PKR	Change	PKR	Change	PKR	Change	PKR	Change
Sales - net	30,703,659	27.77%	24,030,100	39.10%	17,275,166	4.03%	16,605,159	19.34%	13,913,861	22.68%	11,341,734	12.86%
Cost of sales	(25,262,980)	23.11%	(20,520,175)	34.87%	(15,214,366)	2.64%	(14,822,654)	17.94%	(12,568,217)	21.34%	(10,357,639)	13.04%
Gross profit	5,440,679	55.01%	3,509,925	70.32%	2,060,800	15.61%	1,782,505	32.46%	1,345,644	36.74%	984,095	10.96%
Distribution and marketing expenses	(495,954)	66.34%	(298,163)	27.66%	(233,553)	49.76%	(155,954)	8.58%	(143,633)	23.26%	(116,530)	9.18%
Administrative expenses	(314,229)	52.41%	(206,171)	5.42%	(195,566)	3.67%	(188,640)	13.62%	(166,022)	13.70%	(146,018)	0.18%
Other operating income	173,972	69.83%	102,441	-20.77%	129,290	-60.07%	323,765	225.89%	99,348	325.78%	23,333	-11.18%
Other operating expenses	(388,039)	186.38%	(135,496)	-61.84%	(355,078)	421.28%	(68,117)	36.20%	(50,012)	95.56%	(25,574)	109.26%
Profit from operations	4,416,430	48.57%	2,972,536	111.43%	1,405,893	-16.99%	1,693,558	56.04%	1,085,325	50.88%	719,306	10.93%
Share of loss from associate	-	-100.00%	(35,635)	-61.12%	(91,663)	29.50%	(70,781)	226.63%	(21,670)	80.57%	(12,001)	8.77%
Finance cost	(1,302,995)	41.99%	(917,653)	-21.34%	(1,166,615)	17.67%	(991,464)	59.35%	(622,204)	15.33%	(539,521)	1.76%
Profit before tax	3,113,436	54.19%	2,019,248	1267.92%	147,615	-76.62%	631,313	43.01%	441,451	163.11%	167,784	56.49%
Taxation	(473,956)	65.46%	(286,441)	231.74%	(86,345)	-32.81%	(128,508)	-1.81%	(130,872)	96.60%	(66,566)	-36.01%
Profit after tax	2,639,480	52.32%	1,732,807	2728.15%	61,270	-87.81%	502,805	61.89%	310,579	206.84%	101,218	3070.99%

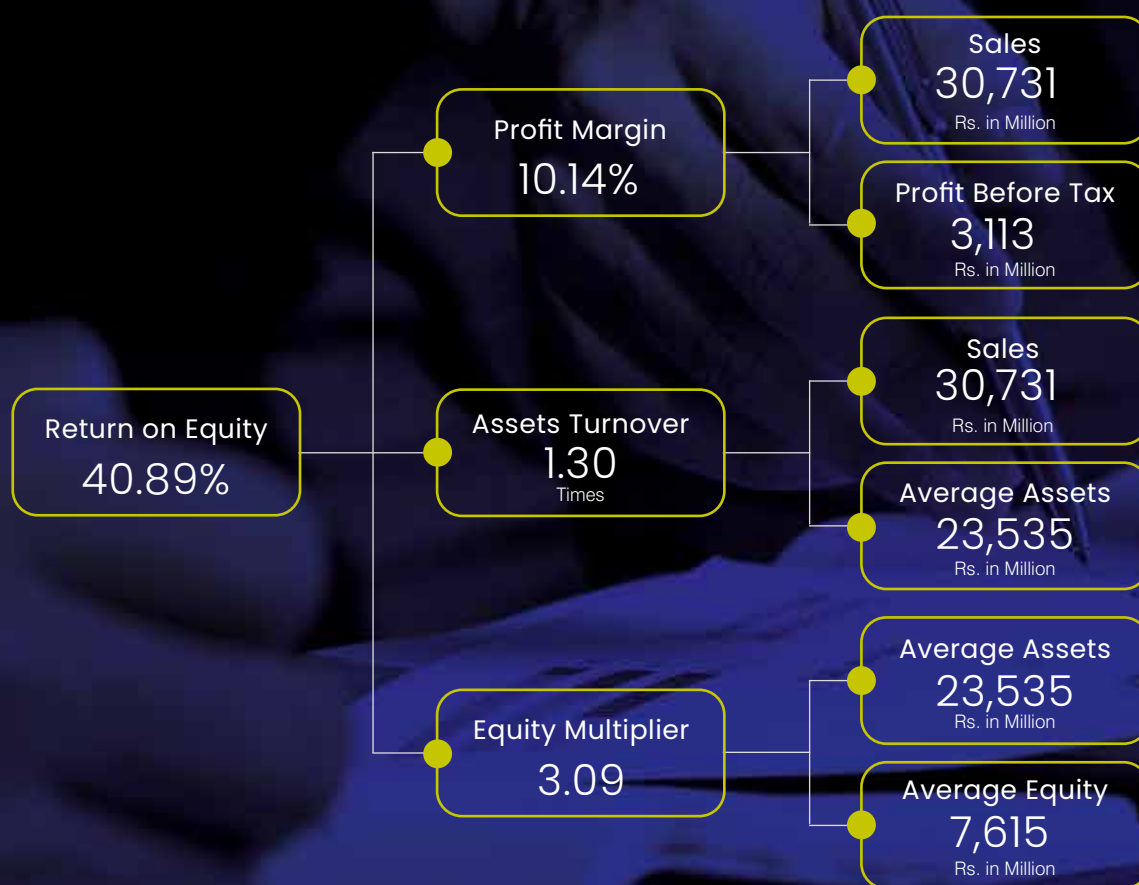
RATIO ANALYSIS

	2022	2021	2020	2019	2018	2017
Profitability Ratios						
Gross Profit Ratio	17.72%	14.61%	11.93%	10.73%	9.67%	8.68%
Net Profit Ratio	8.60%	7.21%	0.35%	3.03%	2.23%	0.89%
EBITDA margin to sales	15.53%	13.50%	9.24%	11.31%	9.44%	8.30%
Return on Equity	28.81%	28.55%	1.58%	12.92%	9.13%	3.54%
Return on Capital Employed	20.21%	18.65%	0.89%	8.43%	6.36%	2.11%
Liquidity Ratios						
Current Ratio	1.02	1.11	1.03	0.90	0.80	0.77
Quick / Acid Test Ratio	0.47	0.57	0.48	0.33	0.39	0.28
Cash to current liabilities	0.01	0.01	0.00	0.01	0.01	0.01
Cash flow form operations to sales	0.08	0.06	0.15	(0.02)	0.01	0.02
Activity / Turnover Ratios						
Inventory Turnover ratio	3.72	3.95	2.74	3.23	4.03	3.87
No of days in inventory	98.22	92.41	133.21	112.87	90.48	94.36
Receivables turnover ratio	8.37	10.27	8.41	7.75	10.66	20.04
No of days in receivables	43.61	35.53	43.40	47.12	34.23	18.21
Total assets turnover ratio	1.11	1.24	1.06	1.10	1.13	1.06
Fixed assets turnover ratio	2.42	2.95	2.74	2.80	2.53	2.15
Investment / Market Ratios						
Earnings per share	85.67	56.24	1.99	16.32	10.08	3.29
Price earning ratio	0.78	1.29	11.56	1.50	3.02	13.86
Dividend yield	6%	10%	0%	14%	7%	3%
Dividend pay-out ratio	40%	75%	0%	35%	22.5%	15%
Dividend cover ratio	21.42	7.5	0	4.7	4.5	2.2
Cash dividend per share	4	7.5	0	3.5	2.25	1.5
Market value per share						
- Closing	66.50	72.41	23	24.49	30.49	45.60
- High	83.98	82.3	24.98	25.99	28.00	45.60
- Low	52.13	22.06	22.4	23.61	30.79	45.60
Break up value per share	297.31	196.99	125.83	126.27	110.41	92.80
Capital structure Ratios						
Long term Debt to Equity	0.48	0.61	0.72	0.61	0.55	0.91
Interest cover ratio	3.39	3.20	1.13	1.64	1.71	1.31

CASH FLOWS ANALYSIS

Rs. in '000'	2022	2021	2020	2019	2018	2017
Cash (used in) / generated from operations	2,465,472	1,415,896	2,562,617	(271,803)	90,275	261,873
Finance cost paid	(1,185,571)	(922,867)	(1,205,442)	(840,120)	(594,853)	(519,322)
Workers' (profit) participation payments	(106,897)	(12,032)	(35,073)	(23,608)	(9,796)	(19,615)
Taxes paid - net	(293,173)	(239,745)	(130,127)	(104,923)	(28,681)	(77,706)
Staff retirement benefits (gratuity) paid	(45,430)	(33,283)	(38,914)	(27,267)	(25,130)	(24,243)
	(1,631,071)	(1,207,927)	(1,409,556)	(995,917)	(658,459)	(640,886)
Net cash used in operating activities	834,401	207,969	1,153,061	(1,267,720)	(568,184)	(379,013)
CASH FLOWS FROM INVESTING ACTIVITIES						
Fixed capital expenditure	(3,046,355)	(1,166,761)	(450,395)	(858,037)	(228,076)	(445,336)
Sales proceed from disposals of fixed assets	9,566	30,608	4,605	9,459	30,310	6,266
Long term deposits	(270)	–	(8,560)	803	(1,294)	(4,153)
Investment in shares	(146,663)	(87,808)	–	–	–	–
Long term investments made	–	–	–	–	–	(71,466)
Deferred liabilities	(13,349)	195,146	12,031	–	–	–
	(3,197,072)	(1,028,815)	(442,319)	(847,774)	(199,060)	(514,689)
Net cash used in investing activities						
CASH FLOWS FROM FINANCING ACTIVITIES						
Long term finances - net	655,151	776,812	445,485	483,755	(732,303)	(76,766)
Lease finances - net	8,629	12,923	48,269	(1,918)	18,553	(16,853)
Short term borrowings - net	1,813,170	236,171	(1,157,946)	1,735,847	1,498,514	1,021,848
Dividend paid	(76,085)	(152,018)	(116,651)	(68,204)	(35,062)	(15,287)
Net cash generated from financing activities	2,400,866	873,888	(780,843)	2,149,480	749,702	912,942
Net increase / (decrease) in cash and cash equivalents	38,195	53,042	(70,101)	33,986	(17,543)	19,240
Cash and cash equivalents - at beginning of the year	96,013	42,972	113,073	79,087	96,630	77,390
Cash and cash equivalents - at end of the year	134,208	96,013	42,972	113,073	79,087	96,630

DUPONT ANALYSIS



	Return on Equity - (Equity multiplier x Return on Assets) A = B*C	Equity Multiplier (Avg Assets / Avg Equity) B	Return on Assets C = D*E	Total Assets Turnover (Sales / Avg Assets) D	Profit margin (Pro-tax profit / Sales) E
2022	40.89%	3.09	13.23%	1.30	10.14%
2021	40.60%	3.53	11.49%	1.37	8.40%
2020	3.80%	4.20	0.90%	1.06	0.85%
2019	17.31%	4.12	4.20%	1.10	3.80%
2018	14.10%	3.92	3.59%	1.13	3.17%
2017	5.96%	3.83	1.56%	1.05	1.48%

VALUE ADDITION STATEMENT

Rs. in '000'

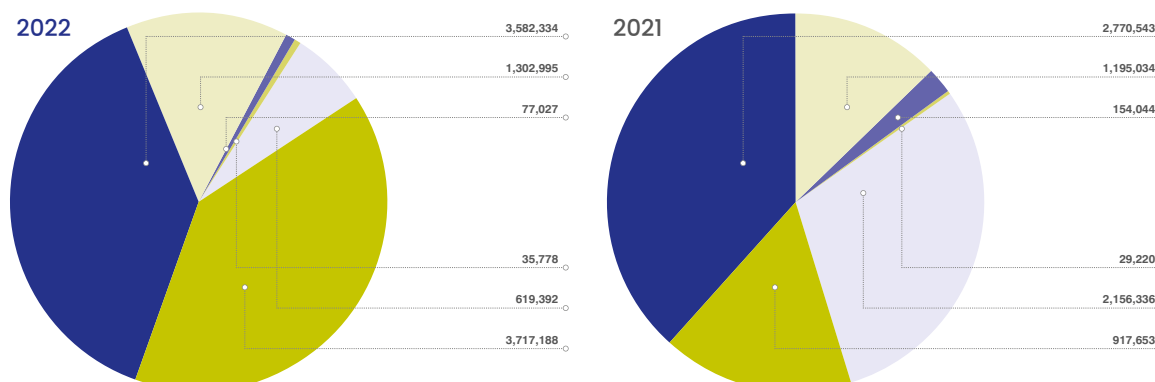
2022

2021

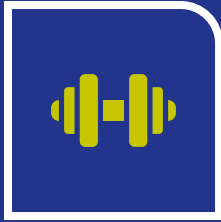
WEALTH CREATION		
SALES - Gross	33,992,820	26,560,897
Less: Cost of Material and services	23,714,082	19,440,478
Add: Other Income	173,972	102,441
	10,452,710	7,222,860

WEALTH DISTRIBUTION		
Remuneration and benefits paid to employees	1,737,388	1,195,034
Contribution to National Exchequer (Income tax & Sales Tax)	3,582,334	2,770,543
To providers of finance (Finance Cost)	1,302,995	917,653
Dividend to ordinary shareholders	77,027	154,044
Donations towards health, education & welfare activities	35,778	29,220
Retained within business	3,717,188	2,156,366
	10,452,710	7,222,860

GRAPHICAL PRESENTATION

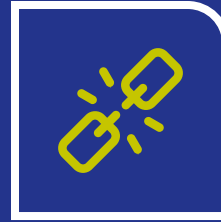


SWOT ANALYSIS



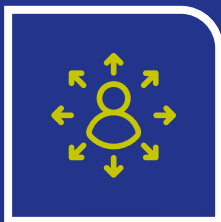
STRENGTH

- Latest plant and machinery production facilities
- Self-generation of Energy
- Energy generation from solar
- Broad base of export customer and market in fabric & yarn
- Cheaper price with good quality product as compare to India & Bangladesh
- Trade with potential & good credit rating customers



WEAKNESSES

- Scarcity of Local Raw Cotton
- Low end product margins of textile
- Absence of branding
- Lack of value addition in textile chain
- Export penetration of textile other than USA and Europe market is less
- Lack of R&D facility in textile industry



OPPORTUNITIES

- European GSP plus status
- High labor cost in Bangladesh and China
- Shift of textile industry from china
- Training program to enhance skills



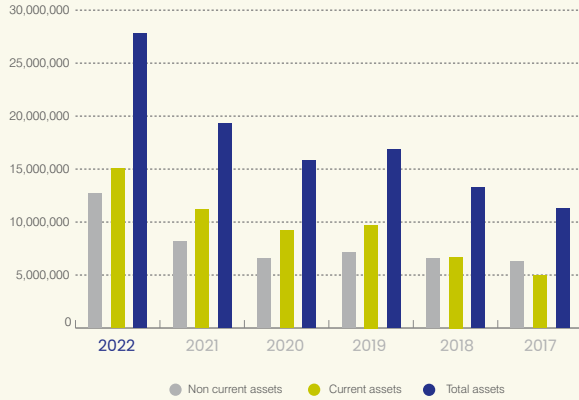
THREAT

- Higher Exchange Rate fluctuations & resultant Expensive Imported Raw Material
- Higher Business cost high due to soaring interest rate
- Macro-economic and political instability
- Energy Crises both in terms of Higher Cost & Unavailability
- Slowdown of USA and Europe Market
- High investment cost for extension and diversification of textile industry

GRAPHICAL ANALYSIS

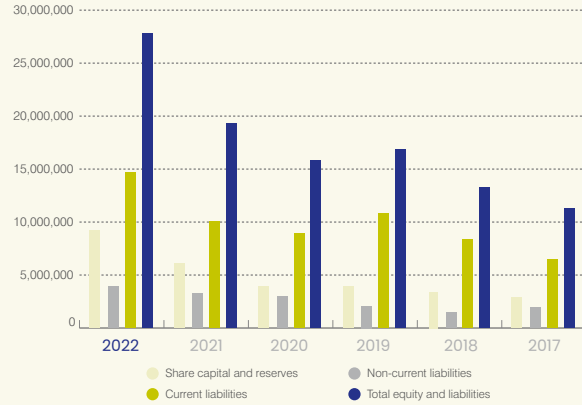
STATEMENT OF FINANCIAL POSITION ANALYSIS (ASSETS)

Rupees in Million



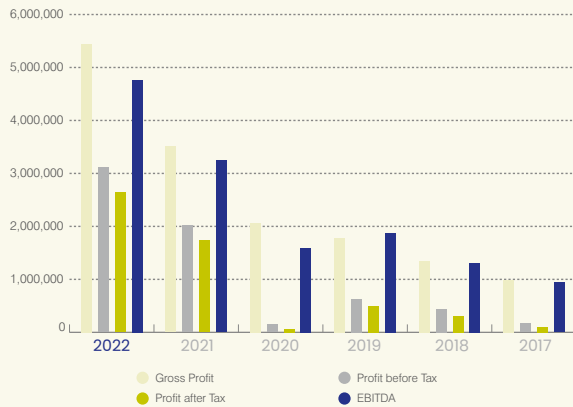
STATEMENT OF FINANCIAL POSITION ANALYSIS (EQUITY & LIABILITIES)

Rupees in Million



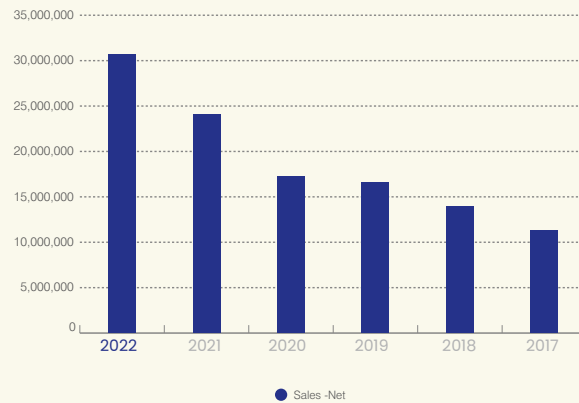
STATEMENT OF PROFIT OR LOSS ANALYSIS

Rupees in Million



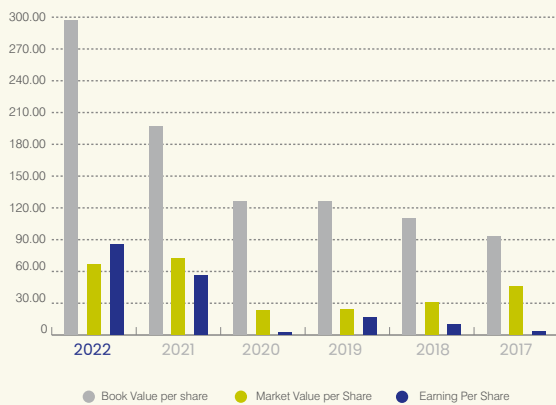
SALES TREND

Rupees in Million



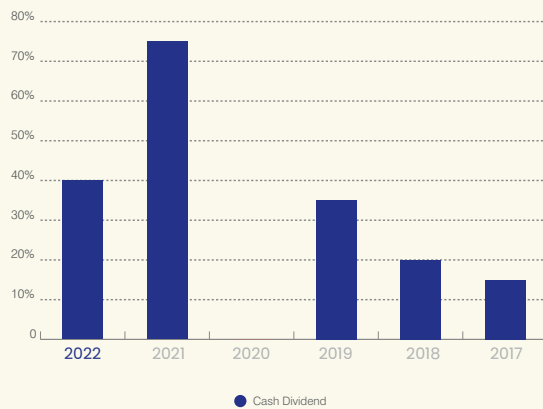
INVESTOR INFORMATION

Rupees



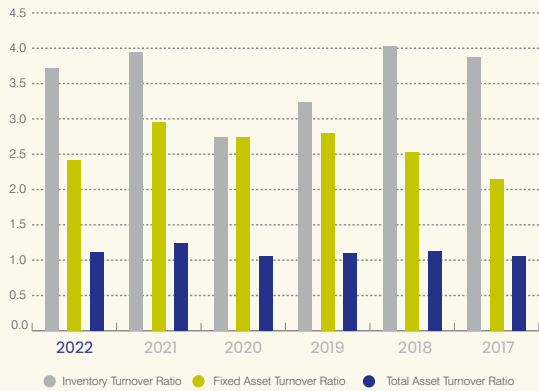
CASH DIVIDEND

Percentage



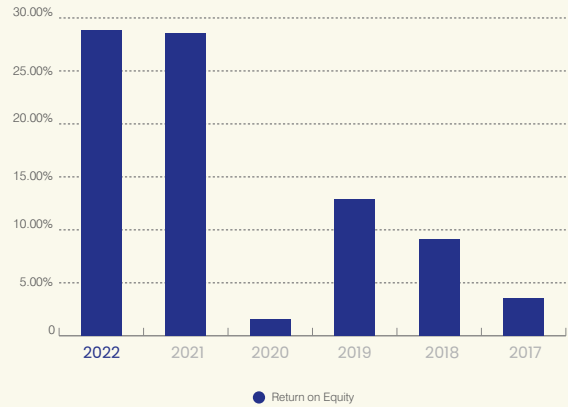
TURNOVER RATIO

Times

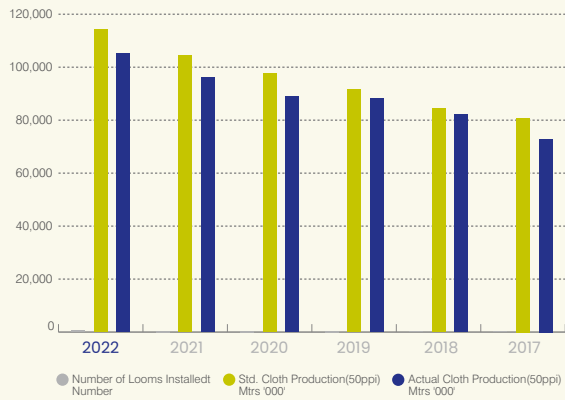


RETURN ON EQUITY

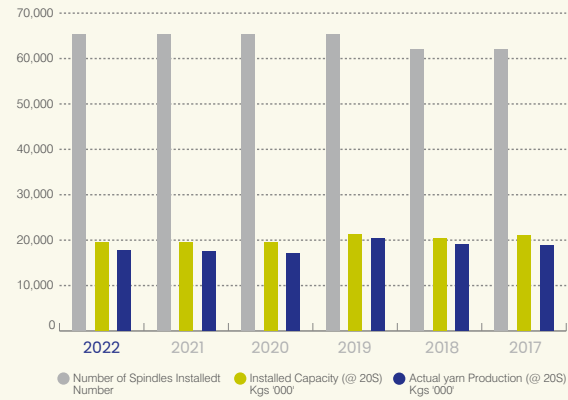
Percentage



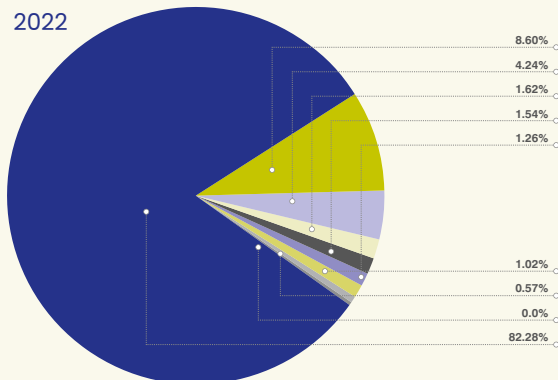
WEAVING



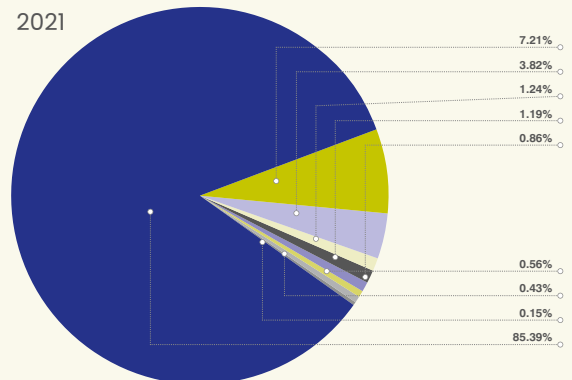
SPINNING ANALYSIS



2022



2021



● Cost of sales ● Distribution and marketing exp. ● Administration exp. ● Other operating exp. ● Loss on investment in associate
● Other income ● Finance cost ● Taxation ● Profit / (loss) after tax

STATEMENT OF COMPLIANCE

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

Name of the Company: **Reliance Weaving Mills Limited**
Year Ended: **June 30, 2022**

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

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

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

2. The composition of Board is as follows:

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

*The Board feels that two Independent Directors are adequate to maintain independence based on their expertise, knowledge and experience to accomplish its determined goals. As such, fractional requirement for Independent Directors has not been rounded up.

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

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

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

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. Out of seven Directors, three are exempted from Directors Training Program (DTP) and the remaining four Directors have got DTP.

10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms & conditions of employment and complied with relevant requirements of the Regulations. During the year, the Company Secretary was retired and the Board of Directors has approved the appointment of Mr. Kamran Ahmad Awan as an Acting Company Secretary in his place.

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

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

a) Board Audit Committee

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

b) Human Resource & Remuneration Committee

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

c) Risk Management Committee

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

d) Nomination Committee

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

13. The Terms of Reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of the committee meetings were as per the following:
- Four (4) meetings of the Board Audit Committee were convened during the financial year ended June 30, 2022.
 - One (1) meeting of the HR & Remuneration Committee was convened during the financial year ended June 30, 2022.
15. The Board has set up an effective internal audit function under the leadership of Director IA & RA who is qualified and experienced for the purpose and well conversant with the policies and procedures of the

Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 have been complied with.



Muhammad Shaukat
Independent Director



Faisal Ahmed
Chief Executive Officer





FINANCIAL STATEMENT

YEAR ENDED JUNE 30, 2022

INDEPENDENT AUDITORS'

To The Members of Reliance Weaving Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **RELIANCE WEAVING MILLS LIMITED** (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

LAHORE;
DATED: September 28, 2022
UDIN: CR2022101956Y9C0PWZH

Shinewing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To The Members of Reliance Weaving Mills Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Sr No	Key audit matters	How the matter was addressed in our audit
1	<p>Revenue</p> <p>As described in note 4.19 and note 30, the Company generates revenue from the sale of goods to domestic as well as export customers. During the year ended 30 June 2022, the Company generated net revenue of Rs. 30.704 billion as compared to Rs. 24.030 billion during the previous year, which represents an increase of approximately 28% as compared to preceding year.</p> <p>Considering the significance of amounts involved and that the revenue is a key indicator of performance of the Company, we have considered revenue recognition as a key audit matter.</p>	<p>Our audit procedures to assess recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> – obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof; – evaluated the appropriateness of the Company's revenue recognition policies, in accordance with IFRS 15; – reviewed, on a sample basis, sales transactions near the reporting date to assess whether transactions were recorded in relevant accounting year; – performed substantive analytical procedures including developing an expectation of the current year revenue based on trend analysis information taking into account historical sales and market patterns; – correlated the revenue transactions with movement in receivables and monetary balances and compared with the results from our balance confirmation procedures;

Sr No	Key audit matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> – reconciled revenue recorded in the books of account on a sample basis with underlying accounting records including dispatch and delivery documents; and – reviewed and assessed the adequacy of related disclosures made in the financial statements in accordance with the applicable financial reporting standards and the Companies Act, 2017.
2	<p>Valuation of stock-in-trade</p> <p>The value of stock-in-trade at the reporting date aggregated Rs.7.788 billion representing approximately 52% of the Company's total current assets. Stock-in-trade at the reporting date mainly included raw materials and finished goods (note 10).</p> <p>The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads incurred in bringing the inventories to their present location and conditions. Judgment has also been exercised by the management in determining the net realisable value of finished goods.</p> <p>We identified this matter as key in our audit due to the judgment and assumptions applied by the Company's management in determining the cost and net realisable value of stock-in-trade at the reporting date.</p>	<p>Our audit procedures to assess valuation of stock-in-trade, amongst others, included the following:</p> <ul style="list-style-type: none"> – assessed the appropriateness of management assumptions applied in calculating the value of stock-in-trade and validated the valuation by taking following steps: – assessed whether the Company's accounting policy for inventory valuation was in line with the applicable financial reporting standards; – attended inventory count at the year-end and reconciled physical inventory with inventory lists provided to ensure completeness of data; – assessed historical cost recorded in inventory valuation by checking purchase invoices on sample basis; – tested reasonability of assumptions applied by the management in allocation of labour and other various overhead costs to inventories; and – performed net realisable value test to assess whether cost of inventories exceeded its net realisable value by detailed review of subsequent sale invoices.
3	<p>Financing obligations and compliance with related covenant requirements</p> <p>At the reporting date, the Company has outstanding long term financing facilities aggregating Rs.4.221 billion including Rs. 1.555 billion obtained during the current year, which constitutes approximately 23% of total liabilities of the Company.</p> <p>The Company's key operating / performance indicators including liquidity, gearing and finance cost are directly influenced by the additions to the portfolio of financing. Further, new financing arrangements entail additional financial and non-financial covenants for the Company to comply with.</p> <p>The significance of new financing obtained during the year along with the sensitivity of compliance with underlying financing covenants are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.</p>	<p>Our audit procedures in relation to verification of long term financing mainly included the following:</p> <ul style="list-style-type: none"> – reviewed terms and conditions of financing agreements entered into by the Company with various banks and financial institutions; – circularised direct balance confirmations to banks and financial institutions and verified receipts and payments from relevant statements; – reviewed maturity analysis of financing to ascertain the classification of financing as per their remaining maturities; – assessed the status of compliance with financing covenants and also inquired from the management with regard to their ability to ensure future compliance with the covenants; – assessed the adequacy of disclosures made in respect of the long term financing obligations in the financial statements; and – checked on test basis the calculations of finance cost recognised in the statement of profit or loss.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditors' report is Nafees ud din.

LAHORE;
DATED: September 28, 2022
UDIN: AR2022101950DNSKABOX

ShineWing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

	Note	2022 (Rupees)	2021
ASSETS			
Non-current assets			
Property, plant and equipment	5	10,687,018,041	7,994,969,936
Intangible assets	6	–	835,148
Long term investments	7	1,849,425,436	–
Long term deposits		29,045,887	28,775,887
Deferred tax asset	8	143,177,832	133,228,851
		12,708,667,196	8,157,809,822
Current assets			
Stores, spares and loose tools	9	365,568,526	391,391,717
Stock-in-trade	10	7,788,805,939	5,050,741,820
Trade debts	11	4,485,549,733	2,850,836,979
Loans and advances	12	607,867,065	1,151,545,357
Prepayments and other receivables	13	195,191,782	125,190,779
Short term investments	14	393,030,553	696,750,554
Tax refunds and export rebate due from the Government	15	1,077,988,063	792,116,267
Cash and bank balances	16	134,208,005	96,013,034
		15,048,209,666	11,154,586,507
TOTAL ASSETS		27,756,876,862	19,312,396,329
SHARE CAPITAL AND RESERVES			
Authorised share capital	17	700,000,000	700,000,000
Issued, subscribed and paid-up share capital	18	308,109,370	308,109,370
Reserves	19	8,852,422,578	5,761,471,897
		9,160,531,948	6,069,581,267
LIABILITIES			
Non-current liabilities			
Long term finances	20	3,401,152,863	2,766,492,460
Lease liabilities	21	69,264,664	66,080,513
Staff retirement benefits - gratuity	22	370,194,659	281,947,690
Deferred liabilities	23	57,841,962	109,429,468
		3,898,454,148	3,223,950,131
Current liabilities			
Trade and other payables	24	4,156,100,084	1,648,605,028
Unclaimed dividends		11,502,157	10,559,428
Accrued mark-up	25	368,527,774	260,439,388
Short term borrowings	26	8,707,411,343	6,894,241,466
Current portion of non-current liabilities	27	977,980,820	913,806,305
Taxation	28	476,368,588	291,213,316
		14,697,890,766	10,018,864,931
Total liabilities		18,596,344,914	13,242,815,062
Contingencies and commitments	29		
TOTAL EQUITY AND LIABILITIES		27,756,876,862	19,312,396,329

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


Chief Executive


Director


Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2022

	Note	2022 (Rupees)	2021
Sales - net	30	30,703,658,589	24,030,099,723
Cost of sales	31	(25,262,980,051)	(20,520,174,684)
Gross profit		5,440,678,538	3,509,925,039
Distribution and marketing expenses	32	(495,953,712)	(298,162,516)
Administrative expenses	33	(314,228,502)	(206,171,376)
Other income	34	173,972,479	102,441,251
Other expenses	35	(388,038,576)	(135,496,376)
Profit from operations		4,416,430,227	2,972,536,022
Finance cost	36	(1,302,994,658)	(917,653,295)
		3,113,435,569	2,054,882,727
Share of loss of Associates	7	–	(35,634,539)
Profit before taxation		3,113,435,569	2,019,248,188
Taxation	37	473,955,721	286,441,055
Profit after taxation		2,639,479,848	1,732,807,133
Earnings per share	38	85.67	56.24

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


Chief Executive


Director


Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2022

	Note	2022 (Rupees)	2021
Profit after taxation		2,639,479,848	1,732,807,133
Other comprehensive loss:			
Item to be reclassified to profit or loss in subsequent years:			
Unrealised loss on remeasurement of forward foreign exchange contracts		(10,980,562)	–
Items that will not be reclassified subsequently to profit or loss			
Unrealised gain / (loss) on remeasurement of investments at fair value through other comprehensive income	7 & 14	561,865,490	(173,249,133)
Surplus arisen upon revaluation of freehold land	5.2	–	758,597,375
(Loss) / gain on remeasurement of staff retirement benefits - gratuity	22	(29,922,866)	32,768,995
Impact of tax		7,536,114	(4,201,787)
		(22,386,752)	28,567,208
		539,478,738	613,915,450
Total comprehensive income for the year		3,167,978,024	2,346,722,583

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


Chief Executive


Director


Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2022

	Capital Reserves					Revenue		Total
	Share capital	Share premium	Revaluation surplus on freehold land	Unrealised loss on forward foreign exchange contracts	Fair value (loss) / gain on investments	General reserve	unappropriated profit	
	(Rupees)							
Balance as at June 30, 2020	308,109,370	41,081,250	949,485,622	-	45,797,044	74,171,959	2,458,268,124	3,876,913,369
Transaction with owners:								
Interim cash dividend at the rate of Rs.5 per ordinary share for the year ended June 30, 2021	-	-	-	-	-	-	(154,054,685)	(154,054,685)
Total comprehensive income for the year ended June 30, 2021:								
- profit for the year	-	-	-	-	-	-	1,732,807,133	1,732,807,133
- other comprehensive income / (loss)	-	-	758,597,375	-	(173,249,133)	-	28,567,208	613,915,450
	-	-	758,597,375	-	(173,249,133)	-	1,761,374,341	2,346,722,583
Balance as at June 30, 2021	308,109,370	41,081,250	1,708,082,997	-	(127,452,089)	74,171,959	4,065,587,780	6,069,581,267
Transaction with owners:								
Cash dividend at the rate of Rs.2.50 per ordinary share for the year ended June 30, 2021	-	-	-	-	-	-	(77,027,343)	(77,027,343)
Total comprehensive income for the year ended June 30, 2022:								
- profit for the year	-	-	-	-	-	-	2,639,479,848	2,639,479,848
- other comprehensive (loss) / income	-	-	-	(10,980,562)	561,865,490	-	(22,386,752)	528,498,176
	-	-	-	(10,980,562)	561,865,490	-	2,617,093,096	3,167,978,024
Balance as at June 30, 2022	308,109,370	41,081,250	1,708,082,997	(10,980,562)	434,413,401	74,171,959	6,605,653,533	9,160,531,948

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


Chief Executive


Director


Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

	Note	2022 (Rupees)	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	2,465,471,917	1,415,895,659
Finance cost paid		(1,185,571,113)	(922,867,366)
Workers' (profit) participation fund paid to workers and deposited in Government treasury		(106,896,720)	(12,031,986)
Taxes paid - net		(293,172,671)	(239,744,677)
Staff retirement benefits (gratuity) paid		(45,430,447)	(33,283,456)
Net cash generated from operating activities		834,400,966	207,968,174
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(3,046,355,063)	(1,166,761,003)
Sale proceeds of fixed assets		9,565,537	30,607,674
Investments made in shares		(146,663,295)	(87,808,000)
Long term deposits		(270,000)	-
Deferred liabilities		(13,349,214)	195,146,468
Net cash used in investing activities		(3,197,072,035)	(1,028,814,861)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net		655,151,451	776,812,381
Lease finances - net		8,629,326	12,923,119
Dividend paid		(76,084,614)	(152,018,325)
Short term borrowings - net		1,813,169,877	236,171,025
Net cash generated from financing activities		2,400,866,040	873,888,200
Net increase in cash and cash equivalents		38,194,971	53,041,513
Cash and cash equivalents - at beginning of the year		96,013,034	42,971,521
Cash and cash equivalents - at end of the year		134,208,005	96,013,034

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


Chief Executive


Director


Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

1. LEGAL STATUS AND OPERATIONS

Reliance Weaving Mills Ltd. (the Company) was incorporated in Pakistan as a public limited company on April 07, 1990 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Ltd. The Company commenced its operations on May 14, 1990 and is principally engaged in the manufacture and sale of yarn and fabric. The registered office of the Company is situated at second Floor, Trust Plaza, L.M.Q. Road, Multan and its mills are located at Fazalpur Khanewal Road, Multan and Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Accounting convention

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates, assumptions and judgments

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

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

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

- Useful lives, residual values and depreciation method of property, plant and equipment - notes 4.1 & 5.1.
- Useful lives, residual values and amortisation method of intangible assets - notes 4.2 & 6.
- Provision for impairment of inventories - notes 4.4, 4.5, 9 & 10.
- Provision for impairment of trade debts and other receivables - note 4.6 & 11.1.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

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

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

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

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

There are certain amendments and interpretations to published accounting and reporting standards that are applicable for the financial year beginning on July 01, 2021 but do not have any significant impact on the Company's financial reporting and therefore, have not been disclosed in these financial statements.

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

There are standards and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 01, 2021. The standards and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2021.

4.1 Property, plant and equipment

(a) Owned

Measurement

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

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

Revaluation

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

Depreciation

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

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

Disposal

Gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in other income or other operating expenses in the statement of profit or loss. In case of the sale of revalued freehold land, the attributable revaluation surplus remaining in the revaluation surplus on freehold land is transferred directly to unappropriated profit.

Judgment and estimates

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

(b) Right of use assets and related liabilities

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognised right to use assets equal to the present value of lease payments.

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

4.2 Intangible assets

Measurement

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

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

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

Judgment and estimates

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

4.3 Investments in equity instruments of Associated Companies

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

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

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

4.4 Stores, spares and loose tools

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

4.5 Stock-in-trade

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

Cost has been determined as follows:

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

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

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

Judgment and estimates

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

4.6 Trade debts and other receivables

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

4.7 Cash and cash equivalents

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

4.8 Impairment of non-financial assets other than inventories

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

4.9 Borrowings and borrowing costs

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

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

4.10 Staff retirement benefits - gratuity

The Company operates an un-funded retirement gratuity scheme for its eligible employees. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on June 30, 2022 on the basis of the projected unit credit method by an independent Actuary.

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

4.11 Trade and other payables

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

4.12 Provisions

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

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

4.13 Contingent liabilities

A contingent liability is disclosed when the Company:

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

4.14 Derivative financial instruments and hedging activities

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

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

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

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

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

4.15 Taxation

(a) Current

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

(b) Deferred

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

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

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

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

4.16 Dividend and appropriation to reserves

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

4.17 Financial instruments

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

(a) Financial assets

Classification

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

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

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

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

Recognition and derecognition

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

Measurement

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

Debt instruments

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

i) Amortised cost

Assets that are held for collection of contractual cash flows, where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance

income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

ii) Fair value through other comprehensive income (FVTOCI)

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

iii) Fair value through profit or loss (FVTPL)

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

Equity instruments

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

Definition of default

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

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

Impairment of financial assets

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

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

- Trade debts
- Bank balances

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

Simplified approach for trade debts

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

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

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

Recognition of loss allowance

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

Write-off

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

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

Financial Liabilities

b) Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

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

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

i) Fair value through profit or loss

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

ii) Other financial liabilities

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

Derecognition of financial liabilities

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

Offsetting of financial assets and financial liabilities

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

4.18 Foreign currency transactions

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

4.19 Revenue recognition

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

Contract assets

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

Contract liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

Others

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

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

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

Export duty drawback is recognised on accrual basis.

4.20 Deferred income – government grant

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

4.21 Segment reporting

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

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

4.22 Related party transactions

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

	Note	2022 (Rupees)	2021
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	8,749,721,278	7,878,102,509
Capital work-in-progress	5.4	1,858,876,256	27,579,050
Right of use assets	5.6	78,420,507	89,288,377
		10,687,018,041	7,994,969,936

5.1 Operating fixed assets

	Owned										Leased / right of use assets				
	Freehold land	Buildings on freehold land	Plant & machinery	Electric installations	Factory equipment	Office equipment	Electric appliances	Furniture and fixtures	Vehicles	Sub-total	Office building	Vehicles	Sub-total	Grand total	
	(Rupees)														
As at June 30, 2020															
Cost / revaluation	1,104,102,625	776,578,673	6,752,453,191	415,895,243	41,819,773	44,067,912	30,441,479	21,083,986	115,325,997	9,301,768,879	56,901,824	48,244,301	105,146,125	9,406,915,004	
Accumulated depreciation	-	342,604,125	2,428,242,577	154,029,762	16,835,383	21,144,010	14,140,167	11,555,289	74,912,507	3,063,463,830	4,676,862	17,861,724	22,538,586	3,086,002,416	
Book value	1,104,102,625	433,974,548	4,324,210,614	261,865,481	24,984,390	22,923,902	16,301,312	9,528,687	40,413,490	6,238,305,049	52,224,962	30,382,577	82,607,539	6,320,912,588	
Year ended June 30, 2021															
Transfer from leased to owned															
Cost	-	-	-	-	-	-	-	-	19,530,747	19,530,747	-	(19,530,747)	(19,530,747)	-	
Depreciation	-	-	-	-	-	-	-	-	(9,884,177)	(9,884,177)	-	9,884,177	9,884,177	-	
Additions	29,141,060	131,858,112	940,239,924	38,356,749	7,545,641	14,520,497	3,555,659	2,282,087	13,083,914	1,180,563,643	-	31,078,160	31,078,160	1,211,661,803	
Revaluation increment (note 5.2)	758,597,375	-	-	-	-	-	-	-	-	758,597,375	-	-	-	758,597,375	
Disposals	-	-	-	-	-	-	-	-	(15,794,779)	(15,794,779)	-	-	-	(15,794,779)	
Cost	-	-	(35,200,006)	-	-	(2,917,361)	-	-	10,403,506	37,373,578	-	-	-	37,373,578	
Depreciation	-	-	25,119,358	-	-	1,860,714	-	-	6,986,344	282,491,560	-	-	-	307,242,312	
Depreciation for the year	-	24,889,518	239,522,775	14,039,354	1,394,951	2,841,010	1,758,571	1,059,037	6,986,344	282,491,560	4,676,862	10,073,890	14,750,752	307,242,312	
Book value	1,891,841,060	540,943,142	5,014,847,115	286,182,876	31,135,080	33,536,742	18,038,400	10,751,737	50,766,357	7,878,102,509	47,548,100	41,740,277	89,288,377	7,967,390,886	
Year ended June 30, 2022															
Transfer from leased to owned															
Cost	-	-	-	-	-	-	-	-	8,410,110	8,410,110	-	(8,410,110)	(8,410,110)	-	
Depreciation	-	-	-	-	-	-	-	-	(3,223,875)	(3,223,875)	-	3,223,875	3,223,875	-	
Additions	-	209,913,635	866,782,111	26,472,603	7,392,490	3,629,030	3,303,677	2,246,584	97,517,812	1,207,257,942	-	7,799,915	7,799,915	1,215,057,857	
Disposals	-	-	-	-	-	-	-	-	(5,503,390)	(15,416,403)	-	(1,428,880)	(1,428,880)	(16,845,283)	
Cost	-	-	(9,609,838)	-	-	(244,275)	(58,900)	-	4,177,403	11,860,004	-	618,039	618,039	12,478,043	
Depreciation	-	-	7,583,809	-	-	88,948	9,844	-	22,335,907	337,269,009	4,676,862	7,993,847	12,670,709	349,939,718	
Depreciation for the year	-	27,922,945	264,178,245	14,595,314	1,629,248	3,523,977	1,931,090	1,152,283	6,986,344	337,269,009	4,676,862	7,993,847	12,670,709	349,939,718	
Book value	1,891,841,060	722,933,832	5,605,424,952	298,060,165	36,898,322	33,486,468	19,421,931	11,846,038	129,808,510	8,749,721,278	42,871,238	35,549,269	78,420,507	8,828,141,785	
As at June 30, 2021															
Cost / revaluation	1,891,841,060	908,466,785	7,657,493,109	454,251,992	49,365,414	55,671,048	33,997,138	23,366,073	132,145,879	11,206,568,498	56,901,824	59,791,714	116,693,538	11,323,262,066	
Accumulated depreciation	-	367,493,643	2,642,645,994	168,069,116	18,230,334	22,134,306	15,898,738	12,614,336	81,379,522	3,328,465,989	9,353,724	18,051,437	27,405,161	3,355,871,150	
Book value	1,891,841,060	540,943,142	5,014,847,115	286,182,876	31,135,080	33,536,742	18,098,400	10,751,737	50,766,357	7,878,102,509	47,548,100	41,740,277	89,288,377	7,967,390,886	
As at June 30, 2022															
Cost / revaluation	1,891,841,060	1,118,350,420	8,504,665,382	480,724,595	56,757,904	59,055,803	37,241,915	25,612,657	232,570,411	12,406,820,147	56,901,824	57,752,639	114,654,463	12,521,474,610	
Accumulated depreciation	-	395,416,588	2,899,240,430	182,664,430	19,859,582	25,569,335	17,819,984	13,766,619	102,761,901	3,657,098,869	14,030,566	22,203,370	36,233,956	3,693,332,825	
Book value	1,891,841,060	722,933,832	5,605,424,952	298,060,165	36,898,322	33,486,468	19,421,931	11,846,038	129,808,510	8,749,721,278	42,871,238	35,549,269	78,420,507	8,828,141,785	
Depreciation rate (%)		5	5	5	5	5	10	10	10	20	8	20			

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

- 5.2 (a)** The Company on August 31, 2020 had carried-out revaluations of its freehold land situated at Mouza Karpaal Pur, Khanewal Road, Multan and Mukhtarabad, Rawat, Rawalpindi. The revaluation exercises were conducted by an independent valuer [JOSEPH LOBO (Pvt.) Ltd. 3 - Sasi Arcade, Clifton Road, Block 7, Karachi.] Freehold land was revalued on the basis of fair market values and it resulted in revaluation surplus aggregating Rs.758.597 million as worked-out below:

	(Rupees)
Cost / revaluation as at June 30, 2020	1,104,102,625
Revalued amounts as at August 31, 2020	1,862,700,000
Revaluation surplus arisen upon latest revaluation	758,597,375

- (b)** Had there been no revaluations, book value of freehold land would have been Rs.183.758 million as at June 30, 2022 (2021: Rs.183.758 million).

- (c)** Based on the revaluation reports dated August 30, 2020, the forced sale values of the revalued freehold land were assessed at Rs.1,489.976 million.

	Note	2022 (Rupees)	2021
5.3 Depreciation for the year has been apportioned as under:			
Cost of sales	31	310,256,842	281,605,170
Administrative expenses	33	27,012,167	10,886,390
		337,269,009	292,491,560
5.4 Capital work-in-progress			
Advance against freehold land		6,600,000	–
Factory buildings		816,687,828	12,246,368
Plant and machinery [including in transit valuing Rs.943.089 million (2021: Rs. nil)]		1,003,487,794	15,332,682
Vehicles		21,245,000	–
Electric installations		10,855,634	–
		1,858,876,256	27,579,050

	2022	2021
	(Rupees)	
(a) Movement of capital work-in-progress		
Opening balance	27,579,050	72,479,850
Additions during the year	1,854,639,667	79,839,617
	1,882,218,717	152,319,467
Capitalised during the year	(23,342,461)	(124,740,417)
Closing balance	1,858,876,256	27,579,050

5.5 Particulars of immovable property

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

	Note	2022	2021
		(Rupees)	
5.6 Right of use assets			
Balance at beginning of the year		89,288,377	82,607,539
Additions during the year		7,799,915	31,078,160
Transfer to owned assets:			
- cost		(8,410,110)	(19,530,747)
- accumulated depreciation		3,223,875	9,884,177
Assets disposed-off:			
- cost		(1,428,880)	-
- accumulated depreciation		618,039	-
Depreciation charged during the year	5.7	(12,670,709)	(14,750,752)
Book value at end of the year		78,420,507	89,288,377

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

5.8 Disposal of operating fixed assets

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

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	(Loss) gain	Mode of disposal	Sold to:
(Rupees)							
Year ended June 30, 2022:							
Operating fixed assets							
Plant and machinery							
Auto machine winder - Savio	9,609,838	7,583,809	2,026,029	4,400,000	2,373,971	Negotiation	Bismillah Textile Traders.
Office equipment and electric appliances having book value of less than Rs.500,000 each	303,175	98,792	204,383	71,511	(132,872)	---do---	Various employees.
Vehicles - owned							
Honda car	2,354,850	1,721,613	633,237	622,500	(10,737)	Company policy	Mr. Aqeel Saifi, employee.
Vehicles having book value of less than Rs.500,000 each	3,148,540	2,455,790	692,750	3,660,526	2,967,776	---do---	Various employees.
	5,503,390	4,177,403	1,325,987	4,283,026	2,957,039		
Vehicle - leased							
Suzuki car	1,428,880	618,039	810,841	811,000	159	---do---	Mr. Imran Ullah, employee.
	16,845,283	12,478,043	4,367,240	9,565,537	5,198,297		
Year ended June 30, 2021:	53,912,146	37,373,578	16,538,568	30,607,674	14,069,106		

	2022	2021
	(Rupees)	
6. INTANGIBLE ASSETS - Computer software		
Cost at beginning of the year	9,462,295	9,462,295
Less: amortisation:		
- at beginning of the year	8,627,147	7,680,917
- charge for the year	835,148	946,230
- at end of the year	9,462,295	8,627,147
Book value as at June 30,	–	835,148

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

	Note	2022 (Rupees)	2021
7. LONG TERM INVESTMENTS			
Fatima Energy Ltd. (FEL)			
(At fair value through other comprehensive income)			
Investment in ordinary shares			
Fair value of 90,195,083 ordinary shares of Rs. 10 each transferred from short term investments to long term investments	14.4	599,797,302	–
Shareholding held - 15.82%			
Fair value adjustment	7.2	358,976,430	–
Fair value at end of the year		958,773,732	–
Investment in preference shares			
76,377,897 preference shares of Rs. 10 each	7.1	763,778,970	–
Shareholding held - 7.18%			
Fair value adjustment		48,117,023	–
Fair value at end of the year		811,895,993	–
		1,770,669,725	–
Associated Company			
Fatima Transmission Company Ltd. (FTCL)			
Investment in ordinary shares (under equity method)			
7,187,500 (2021: 7,187,500) ordinary shares of Rs.10 each - cost		71,875,000	71,875,000
Shareholding held: 31.25% (2021: 31.25%)			
Share of post acquisition loss and other comprehensive income		(71,875,000)	(36,240,461)
		–	35,634,539
Share of loss for the year		–	(18,014,206)
Reversal of unrecognised loss		–	11,591,376
Adjustment based on preceding year's audited financial statements		–	(29,211,709)
		–	–
Investment in preference shares			
(At fair value through other comprehensive income)			
7,339,768 preference shares of Rs.10 each	7.4	73,397,680	–
Shareholding held: 17.61%			
Fair value adjustment		5,358,031	–
Fair value at the end of the year		78,755,711	–
		78,755,711	–
		1,849,425,436	–

7.1 The Company's shareholders, vide a special resolution dated March 10, 2022, have resolved to invest in Fatima Energy Ltd. (a related party) as long term loan / advance aggregating to an amount upto

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

Rs.5,000 million (approved limit) out of which an aggregate amount of Rs.763.779 million has already been invested. This amount has been converted into 76,377,897 unlisted, non-voting, non-cumulative, participatory, convertible and redeemable preference shares at par value of Rs.10 each. These preference shares have been allotted to the Company on March 31, 2022.

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

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

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

The fair value of investments in FEL has been determined by M/s Yousuf Adil - Chartered Accountants using free cash flows to equity, which have been discounted to their present value using Weighted Average Cost of Capital (WACC) i.e. 20.95% per annum. The free cash flows have been worked-out using financial forecasts and projections using the relevant data obtained from the management of FEL. The fair value of FEL ordinary and preference shares as at June 30, 2022 has been determined at Rs.10.63 per share using discounted cash flow techniques.

- 7.3 (a)** FTCL was incorporated in Pakistan on December 26, 2014 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activity of FTCL includes operation and maintenance of transmission lines, electric transmission facilities, electric circuits, transformers and sub-stations and the movement and delivery of electric power. The geographical location and address of FTCL's business unit is as under:
- (b)** The registered office of FTCL is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt, Punjab, Pakistan.
- (c)** FTCL has installed transmission line for Fatima Energy Ltd. plant to Muzafargarh grid station located at Sanawan, Kot Addu, Punjab, to transmit the electricity generated by Fatima Energy Ltd.
- (d)** Summarised financial information of FTCL, based on its unaudited / audited financial statements for the year ended June 30, 2022 and June 30, 2021 is as follows:

	2022 Un-audited	2021 Audited
	(Rupees)	
Summarised statement of financial position		
Non-current assets	710,716	715,493
Current assets	24,676	17,708
	735,392	733,201
Non-current liabilities	184,211	263,158
Current liabilities	213,508	513,275
	397,719	776,433
Net assets	337,673	(43,232)
Reconciliation to carrying amount		
Opening net assets	(43,232)	15,067
Preference shares issued	416,727	–
Loss for the year	(35,822)	(58,299)
Closing net assets	337,673	(43,232)
Company's share percentage 31.25% (2021:31.25%)		
Company's share	–	–
Summarised statement of profit or loss		
Loss for the year	(35,822)	(58,299)

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

These preference shares totalling 7,339,768 have been allotted to the Company on June 30, 2022. These preference shares are redeemable at par value solely at the option of FTCL after five years and are subject to section 83 of the Companies Act, 2017.

- 7.5** The fair value of investments in FTCL has been determined using free cash flows to equity, which have been discounted to their present value using Weighted Average Cost of Capital (WACC) i.e. 19.88% per annum. The free cash flows have been worked-out using financial forecasts and projections developed by the Company using the relevant data obtained from the management of FEL. The fair value of FEL ordinary and preference shares as at June 30, 2022 has been determined at Rs.10.73 per share using discounted cash flows techniques.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 (Rupees)	2021
8. DEFERRED TAX ASSET			
This is composed of the following:			
Deductible temporary differences arising in respect of:			
- unabsorbed tax losses and minimum tax recoverable against normal tax charge in future years	8.1	497,365,172	552,963,607
- staff retirement benefits - gratuity		44,585,385	31,950,807
- investments in Associated Companies		8,009,083	9,216,134
- provision for impairment of trade debts		436,001	951,392
- provision for doubtful sales tax refunds		20,869,794	-
- lease finances		1,409,395	-
		572,674,830	595,081,940
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation allowances		(429,496,998)	(460,974,877)
- lease finances		-	(878,212)
		(429,496,998)	(461,853,089)
		143,177,832	133,228,851

8.1 As at June 30, 2022, deferred tax asset amounting Rs.68.211 million (2021: Rs.164.794 million) on minimum tax recoverable against normal tax charge in future years has not been recognised in the financial statements on the ground of prudence. The management intends to re-assess the recognition of deferred tax asset as at June 30, 2023.

	2022 (Rupees)	2021
9. STORES, SPARES AND LOOSE TOOLS		
Stores including in-transit inventory valuing Rs.2.502 million (2021: Rs.13.068 million)	146,412,696	115,594,992
Spares	219,151,767	275,804,959
Loose tools	234,085	221,788
	365,798,548	391,621,739
Less: provision for obsolete items	(230,022)	(230,022)
	365,568,526	391,391,717
10. STOCK-IN-TRADE		
Raw materials including in-transit inventory valuing Rs.836.267 million (2021: Rs.462.729 million)	3,649,120,576	3,148,253,925
Work-in-process	534,761,847	364,908,844
Finished goods	3,572,869,476	1,501,167,433
Waste	32,054,040	36,411,618
	3,604,923,516	1,537,579,051
	7,788,805,939	5,050,741,820

10.1 Stocks valuing Rs.258.238 million (2021: Rs.21.442 million) were in the possession of various parties for processing and finishing.

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

	Note	2022 (Rupees)	2021
11. TRADE DEBTS			
Export - secured		1,367,498,654	709,977,239
Local - unsecured and considered good		3,118,051,079	2,140,859,740
Considered doubtful		3,912,754	3,280,661
		3,121,963,833	2,144,140,401
		4,489,462,487	2,854,117,640
Less: provision for impairment	11.1	(3,912,754)	(3,280,661)
		4,485,549,733	2,850,836,979
11.1 Provision for impairment			
Balance at beginning of the year		3,280,661	3,682,731
Allowance for the year		3,912,754	3,280,661
Reversal during the year		(3,280,661)	(3,682,731)
		632,093	(402,070)
Balance at end of the year		3,912,754	3,280,661
12. LOANS AND ADVANCES			
Advances to:			
- Fatima Energy Ltd.(FEL)	12.1	12,500,030	642,427,689
- key management personnel		100,000	95,000
- employees		283,329,913	253,245,605
- suppliers		236,678,216	112,002,945
Due from related parties	12.2	28,324,068	110,124,876
Letters of credit		4,079,759	8,794,164
Margin deposits		42,855,079	24,855,078
		607,867,065	1,151,545,357

12.1 These advances have been made to FEL against purchase of electricity / to meet its financial obligations. These carry mark-up at the rate of 1-month KIBOR plus 2.5% per annum; the effective mark-up rates charged during the year ranged from 10.01% to 12.89% (2021:9.81% to 10.03%) per annum. The movement in this account during the year was as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	(Rupees)
Balance as at June 30, 2021 - principal	642,427,689
Advances made during the year ended June 30, 2022	812,032,291
Advances adjusted during the year ended June 30, 2022	(678,180,980)
Advances adjusted against preference shares issued by FEL during the year ended June 30, 2022 (note 7)	(763,778,970)
Balance as at June 30, 2022	12,500,030

	Note	2022 (Rupees)	2021
12.2 Due from related parties			
Fatima Sugar Mills Ltd.	(a)	–	33,782,812
Reliance Commodities (Pvt.) Ltd.	(b)	23,917,788	21,917,788
Fatima Transmission Company Ltd. (FTCL)	(c)	–	47,303,939
Multan Cloth Finishing Factory	(d)	4,406,280	4,406,280
Fatima Fert Ltd.	(e)	–	70,546
Pakarab Fertilizers Ltd.	(e)	–	606,606
Mukhtar A. Sheikh Trust	(e)	–	2,036,905
		28,324,068	110,124,876

- (a) The advance carried mark-up at the rate of 1-month KIBOR plus 3% per annum.
- (b) The advance carries mark-up at the rate of 1-month KIBOR plus 2.50% per annum.
- (c) The advances carried mark-up at the rate of 1-month KIBOR plus 2.50% per annum. Also refer contents of note 7.4. The movement in this account during the year was as follows:

	(Rupees)
Balance as at June 30, 2021 - principal	47,303,939
Advances made during the year ended June 30, 2022	26,093,741
Advances adjusted against preference shares issued by FTCL during the year ended June 30, 2022 (note 7)	(73,397,680)
Balance as at June 30, 2022	–

- (d) The balance has arisen due to sharing of expenses and on account of trading transactions.
- (e) The balances had arisen due to sharing of expenses and on account of trading transactions.

- 12.3** Maximum aggregate amounts due from related parties at any month-end during the year aggregated Rs.935.729 million (2021: Rs.752.252 million).

	Note	2022 (Rupees)	2021
13. PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments		1,085,242	53,900
Accrued mark-up	13.1	194,081,540	125,111,879
Others		25,000	25,000
		195,191,782	125,190,779

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

	Note	2022 (Rupees)	2021
14. SHORT TERM INVESTMENTS			
(At fair value through other comprehensive income)			
Quoted			
Fatima Fertilizer Company Ltd. (FFCL)			
2,625,167 (2021: 2,625,167) fully paid ordinary shares of Rs.10 each at fair value	14.1 (a)	75,473,552	70,170,715
Fair value adjustment		23,757,761	5,302,837
Fair value at end of the year		99,231,313	75,473,552
Others - Un-quoted			
Multan Real Estate Company (Pvt.) Ltd. (MREC)			
214,797 (2021: 214,797) ordinary shares of Rs.100 each		21,479,700	21,479,700
214,107 ordinary shares at the rate of Rs.685 per share purchased during the year	14.2	146,663,295	–
Fair value adjustment	14.3	125,656,245	–
- Total number of shares held at year end - 428,904 (2021: 214,797)		293,799,240	21,479,700
- Shareholding held at year end - 19.73% (2021:9.90%)			
Fatima Energy Ltd. (FEL)			
Opening fair value of 90,195,083 (2021: 80,016,370) ordinary shares of Rs. 10 each		599,797,302	690,541,272
10,178,713 ordinary shares at the rate of Rs.8.63 each purchased during the preceding year		–	87,808,000
Fair value adjustment		–	(178,551,970)
Fair value of 90,195,083 shares transferred to long term investments during the current year	14.4	(599,797,302)	–
- Total shares held at year end - nil shares (2021:90,195,083)		–	599,797,302
- Shareholding held at year end - nil (2021:15.82%)		393,030,553	696,750,554

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

- 14.1 (a)** FFCL was incorporated in Pakistan on December 24, 2003 as a public company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). FFCL is listed on Pakistan Stock Exchange.
- (b)** The principal activity of FFCL is manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals.
- (c)** Registered office of FFCL is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt. The manufacturing facilities of FFCL are located at Mukhtargarh, Sadiqabad, Khanewal Road and Chichoki Mallian, Sheikhupura, Pakistan.
- (d)** FFCL, as at June 30, 2022, is a related party of the Company; however, considering shareholding percentage in FFCL i.e. 0.13%, the Company does not have significant influence to participate in the financial and operating decisions of FFCL. Accordingly, investments in FFCL have not been accounted for using the equity method.
- 14.2** The board of directors, in its meeting held on December 15, 2021, has resolved to purchase 214,107 ordinary shares of MREC from Pakarab Fertilizers Ltd. against consideration of Rs.146.663 million.
- 14.3** This represents fair value gain on shares held by the Company as at July 01, 2021, based on value of shares purchased during the current year.
- 14.4** The Company, as at June 30, 2022, has decided to classify its investments in Fatima Energy Ltd. as long term investments at fair value through other comprehensive income (note 7).

	Note	2022 (Rupees)	2021
15. TAX REFUNDS AND EXPORT REBATE DUE FROM THE GOVERNMENT			
Advance income tax		326,586,723	324,627,368
Export rebate and duty draw back		–	130,530,427
Special excise duty		9,088,003	10,635,131
Sales tax refundable		929,602,742	326,323,341
Less: Provision made against doubtful sales tax refunds	35	187,289,405	–
		742,313,337	326,323,341
		1,077,988,063	792,116,267

	Note	2022 (Rupees)	2021
16. CASH AND BANK BALANCES			
Cash-in-hand		5,118,132	4,167,846
Cash at banks on:			
- current accounts	16.1	128,975,967	91,748,573
- saving accounts	16.2	113,906	96,615
		129,089,873	91,845,188
		134,208,005	96,013,034

16.1 These include foreign currency balance of U.S.\$ 162,823 and Euro €17,362 (2021: U.S.\$ 3,873), which has been translated in Pak Rupees at the exchange rate ruling on the reporting date.

16.2 These carry profit at the rates ranging from 6.5% to 12.25% (2021: 2.75% to 5%) per annum.

17. AUTHORISED SHARE CAPITAL

2022 (No. of share)	2021		2022 (Rupees)	2021
40,000,000	40,000,000	Ordinary shares of Rs.10 each	400,000,000	400,000,000
30,000,000	30,000,000	Preference shares of Rs.10 each	300,000,000	300,000,000
70,000,000	70,000,000		700,000,000	700,000,000

18. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2022 (No. of share)	2021		2022 (Rupees)	2021
17,801,875	17,801,875	Ordinary shares of Rs.10 each fully paid in cash	178,018,750	178,018,750
13,009,062	13,009,062	Ordinary shares of Rs.10 each issued as fully paid bonus shares	130,090,620	130,090,620
30,810,937	30,810,937		308,109,370	308,109,370

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	2022	2021
	Number of shares	
18.1 Ordinary shares held by the related parties at the reporting date are as follows:		
Reliance Commodities (Pvt.) Ltd.	3	3
Fatima Trading Company (Pvt.) Ltd.	281,901	281,901
Fatima Management Company Ltd.	281,902	281,902
Farrukh Trading Company Ltd. (formerly Fatima Trade Company Ltd.)	281,902	281,902
	845,708	845,708

	Note	2022 (Rupees)	2021
19. RESERVES			
Capital reserves	19.1	2,172,597,086	1,621,712,158
Revenue reserves	19.2	6,679,825,492	4,139,759,739
		8,852,422,578	5,761,471,897

19.1 Composition of capital reserves is as follows:			
- Share premium	(a)	41,081,250	41,081,250
- Revaluation surplus on freehold land		1,708,082,997	1,708,082,997
- Unrealised fair value gain / (loss) on investments at fair value through other comprehensive income		434,413,401	(127,452,089)
- Unrealised loss on forward foreign exchange contracts		(10,980,562)	-
		2,172,597,086	1,621,712,158

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

	2022 (Rupees)	2021
19.2 Composition of revenue reserves is as follows:		
General reserves	74,171,959	74,171,959
Unappropriated profit	6,605,653,533	4,065,587,780
	6,679,825,492	4,139,759,739

		2022	2021
	Note	(Rupees)	
20. LONG TERM FINANCES - Secured			
From banking companies / financial institutions			
National Bank of Pakistan - NBP (DF-IV)	20.1	–	22,534,363
Pak Brunei Investment Co. - PBIC (TF)	20.2	60,000,000	80,000,000
PBIC (SBP - REPP)	20.3	200,000,000	–
Meezan Bank Ltd. - MBL (DM-II)	20.4	–	16,074,417
Saudi Pak Industrial and Agricultural Investment Company Ltd. - Saudi Pak (SBP - LTFF)	20.5	505,612,496	580,612,496
Saudi Pak (SBP - LTFF)	20.6	206,863,061	222,775,607
Allied Bank Ltd. - ABL (TF)	20.7	–	58,333,337
ABL (TF)	20.8	187,500,000	262,500,000
ABL (TL)	20.9	100,000,000	–
Pak Libya Holding Company (Pvt.) Ltd. - PLHC	20.10	57,142,855	85,714,285
PLHC (LTF)	20.11	180,000,000	200,000,000
PLHC (SBP - LTFF)	20.12	92,050,403	–
United Bank Ltd. - UBL (NIDF-II under LTFF scheme)	20.13	423,496,053	492,113,079
Askari Bank Ltd. - Askari (DM)	20.14	75,000,000	125,000,000
Askari (DM)	20.15	112,500,000	150,000,000
Askari (DM-III)	20.16	105,545,604	307,946,289
Bank Islami Pakistan Ltd. - Bank Islami (DM)	20.17	234,375,000	250,000,000
Pakistan Kuwait Investment Company (Pvt.) Ltd. - PKIC (LTFF)	20.18	599,708,867	599,708,867
Meezan Bank Ltd. - MBL (BMF)	20.19	–	87,881,116
Bank Al Habib Ltd. (TF)	20.20	18,748,500	24,998,000
The Bank of Khyber - BoK (SBP - LTFF)	20.21	500,000,000	–
Samba Bank Ltd. - SBL (SBP - LTFF)	20.22	273,045,600	–
Pak China Investment Co. Ltd. - PCIC (SBP - LTFF)	20.23	194,426,438	–
The Bank of Punjab - BoP (DM)	20.24	95,328,430	–
Balance as at June 30,		4,221,343,307	3,566,191,856
Less: current portion grouped under current liabilities:			
- NBP (DF-IV)		–	22,534,376
- PBIC (TF)		60,000,000	20,000,000
- MBL (DM-II)		–	16,074,407
- Saudi Pak (SBP-LTFF)		31,825,092	15,912,546
- Saudi Pak (SBP-LTFF)		75,000,004	75,000,004
- ABL (TF)		–	58,333,333
- ABL (TF)		75,000,000	75,000,000
- ABL (TL)		100,000,000	–
- PLHC		28,571,430	28,571,430
- PLHC (LTF)		40,000,000	20,000,000
- PLHC (LTFF)		2,338,659	–
- UBL (NIDF-II)		68,616,987	68,616,987
- Askari (DM)		50,000,000	50,000,000
- Askari (DM)		37,500,000	37,500,000
- Askari (DM-III)		105,545,604	202,400,697
- Bank Islami (DM)		62,500,000	15,625,000
- MBL (BMF)		–	87,881,116
- Bank Al Habib. (TF)		8,332,668	6,249,500
- PKIC (LTFF)		74,960,000	–
		820,190,444	799,699,396
		3,401,152,863	2,766,492,460

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

- 20.1** These finances were obtained during the financial year ended June 30, 2016 to retire import sight letter of credit for import of miscellaneous spinning machinery installed at spinning Unit of the Company. These carried mark-up at the rate of 3-months KIBOR + 2.25 %; the effective mark-up rates during the year ranged from 5.00% to 12.79% (2021: 5.00% to 9.84%) per annum. These finances were repayable in 24 equal quarterly instalments commenced from October, 2015. These finances were secured against first pari passu charge on all present and future fixed assets of the Company with 25% margin and personal guarantees of all sponsoring directors of the Company.

As per State Bank of Pakistan's (SPB) BPRD Circular No. 13 of 2020, NBP had allowed the Company moratorium of one year under COVID-19 relief and deferred the repayment of instalments which fell due between the period July, 2020 to April, 2021.

- 20.2** These finances have been obtained during the financial year ended June 30, 2017 to finance the mismatch from usage of short term debt for financing the long term assets. These carry mark-up at the rate of 3-months KIBOR + 1.75%; the effective mark-up rates during the year ranged from 9.98% to 17.50% (2021: 9.01% to 9.89%) per annum. These finances are repayable in 15 equal quarterly instalments commenced from September, 2017. These finances are secured against first pari passu charge on all present and future fixed assets of the Company (including land and buildings) with 25% margin and personal guarantees of sponsoring directors of the Company.

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

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

- 20.4** These finances were obtained during the financial year ended June 30, 2014 to finance imported plant and machinery. These carried mark-up at the rate of 6-months KIBOR + 0.90%; the effective mark-up rates during the year ranged from 8.48% to 8.55% (2021: 8.11% to 14.39%) per annum. These finances were repayable in 20 equal quarterly instalments commenced from March, 2015. These finances were secured against exclusive hypothecation charge of Rs.350 million over underlying plant and machinery against the disbursed amount and additional first pari passu hypothecation charge of Rs.117 million over land, buildings and plant & machinery of the Company to cover the margin up to 25% and personal guarantees of directors of the Company.

In response to the Company's request and complying with the SBP's guidelines regarding COVID-19, MBL, vide its letter Ref. # MBL / CFD / 0501 / 0225 / 2020 dated May 07, 2020, had extended the tenor of DM by one year.

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

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

Saudi Pak, vide its letter Ref. # CAD-1096/20 dated May 13, 2020, has deferred the repayments of principal instalments for one year under SBP IH & SMEFD Circular No.5 dated April 03, 2020 to dampen the effect of COVID-19. As per the revised arrangements, Saudi Pak has approved the Company's request for deferment of Saudi Pak's outstanding principal of long term finance facility of Rs.600 million under SBP-LTFF Scheme. The Company has been allowed additional grace period in repayment of principal commenced with effect from March, 2020 till February, 2021 during which the Company paid only mark-up as and when due. Next principal amount became due on April 11, 2021.

- 20.6** These finances have been obtained during the financial year ended June 30, 2020 against approved limit of Rs.225 million for BMR and expansion in spinning and weaving units and are repayable in 28 equal quarterly instalments commenced from March, 2022. These carry mark-up at the rate of 3.50% (2021: mark-up rates ranged from 3.50% to 10.38%) per annum and are secured against first pari passu charge on all present and future fixed assets of the Company with 25% margin.

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

- 20.7** These finances were obtained during the financial year ended June 30, 2014 to finance the textile machinery for expansion in the spinning unit of the Company. These carried mark-up at the rate of 6-months KIBOR + 1.25%; the effective mark-up rates during the year ranged from 8.94% to 12.71% (2021: 8.49% to 8.60%) per annum. These finances were repayable in 12 equal half-yearly instalments commenced from October, 2015 and were secured against first pari passu charge over present and future fixed assets of the Company for Rs.467 million with 25% margin.

ABL, during the financial year ended June 30, 2020 in line with SBP's BPRD Circular No. 13 of 2020, had allowed grace period of one year. Accordingly, the outstanding balance as at June 30, 2020 was repayable in two equal half-yearly instalments commenced from October, 2021.

- 20.8** These finances have been obtained during the financial year ended June 30, 2019 for statement of financial position re-profiling and carry mark-up at the rate of 6-months KIBOR + 1.25%; the effective mark-up rates during the year ranged from 8.94% to 12.72% (2021: 8.49% to 8.60%) per annum. These finances are repayable in 8 equal half-yearly instalments commenced from February, 2020 and are secured against first pari passu charge over present and future fixed assets of the Company for Rs.400 million with 25% margin and personal guarantees of sponsoring directors of the Company.

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

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For the year ended June 30, 2022

20.9 These finances have been obtained during the current financial year to finance working capital requirement of the Company. These carry mark-up at the rate of 3-months KIBOR + 1.5% per annum; the effective mark-up rates during the year ranged from 8.87% to 13.45% per annum. These finances are repayable in 6 equal quarterly instalments commenced from December, 2021 and are secured against the securities detailed in notes 20.7 and 20.8

20.10 These finances have been obtained during the financial year ended June 30, 2016 to reduce the funding gap from usage of short term debt for financing long term assets and to create cushion in existing short term working capital lines. These carry mark-up at the rate of 6-months KIBOR + 2%; the effective mark-up rates during the year ranged from 9.68% to 17.33% (2021: 9.22% to 9.68%) per annum. These finances are repayable in 10 equal half-yearly instalments commenced from December, 2017 and are secured against pari passu charge on fixed assets of the Company with 25% margin over the facility amount and personal guarantees of all sponsoring directors of the Company.

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

20.11 These finances have been obtained during the financial year ended June 30, 2020 to reduce the funding gap from usage of short term debt for repayment of long term liabilities and to free-up existing usage of short term working capital lines. These carry mark-up at the rate of 6-months KIBOR + 2%; the effective mark-up rates during the year ranged from 9.87% to 14.49% (2021:9.29% to 13.25%) per annum. These finances are repayable in 10 equal half-yearly instalments commenced from September, 2021 and are secured against first pari passu charge over present and future fixed assets of the Company with 25% margin amounting to Rs.267 million and personal guarantees of sponsoring directors of the Company.

20.12 These finances have been obtained during the current financial year under SBP - LTFF scheme to finance BMR of spinning segment of the Company. These carry mark-up at the rate of 6-months KIBOR + 2.5% per annum; the effective mark-up rates during the year ranged from 5% to 14.05% per annum. The different tranches of these finances are repayable in 10-12 instalments commencing April, 2023 and are secured against ranking charge of Rs.200 million over all present and future fixed assets of the Company inclusive of 25% margin and personal guarantees of sponsoring directors of the Company.

During the current financial year, the total balance of this finance facility has been converted into SBP-LTFF scheme. Mark-up under SBP-LTFF scheme is chargeable at the rate of 5% per annum.

20.13 These finances have been obtained during the financial year ended June 30, 2017 to finance BMR / retirement of letters of credit established for import of air jet looms, fired generator and compressor along with allied parts. These finances carry mark-up at the rate of 6-months KIBOR + 1.50%; the effective mark-up rates during the year ranged from 5.00% to 12.97% (2021: 5.00% to 14.99%) per annum. These finances are repayable in 16 equal half-yearly instalments commenced from October, 2019 and are secured against first pari passu charge on fixed assets (freehold land, buildings and plant & machinery) of the Company with 25% margin and personal guarantees of three directors of the Company.

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

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

- 20.14** These finances have been obtained during the financial year ended June 30, 2017 to facilitate the Company with Diminishing Musharaka (sale and buy back) of machinery (warping machines, sizing machines, air jet weaving looms and power house). These carry mark-up at the rate of 6-months KIBOR + 1.25%; the effective mark-up rates during the year ranged from 8.87% to 16.32% (2021: 8.60% to 9.41%) per annum. These finances are repayable in 8 equal half-yearly instalments commenced from November, 2018 and are secured against first pari passu hypothecation charge of Rs.266.670 million over all present and future fixed assets duly registered with SECP with 25% margin.

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

- 20.15** These finances have been obtained during the financial year ended June 30, 2019 to facilitate the Company with Diminishing Musharaka (sale and buy back) of machinery (warping machines, sizing machines, air jet weaving looms and power house). These carry mark-up at the rate of 6-months KIBOR + 1.25%; the effective mark-up rates during the year ranged from 8.94% to 16.60% (2021: 8.60% to 8.94%) per annum. These finances are repayable in 8 equal half-yearly instalments and are secured against first pari passu hypothecation charge of Rs.200 million over all present and future fixed assets duly registered with SECP with 25% margin.

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

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

- 20.17** These finances have been obtained during the financial year ended June 30, 2020 to facilitate the Company to pay off long term conventional bank loans; the DM assets are 40 sets Japan air jet looms along with 2 gas fired generators. These carry mark-up at the rate of 3-months KIBOR + 2% per annum payable on quarterly basis; the effective mark-up rates during the year ranged from 9.45% to 13.95% (2021:9.25% to 9.58%) per annum. These finances are repayable in 16 equal quarterly instalments commenced from April, 2022 and are secured against ranking charge created over fixed assets (land, buildings and plant & machinery) of the Company for Rs.334 million.

- 20.18** These finances have been obtained for CAPEX against a finance facility of Rs.600 million and carry mark-up at the rate of 3-months KIBOR + 1.50% per annum; these finances during the year carried mark-up at the rate of 3.5% (2021: mark-up rates ranged from 3.50% to 9.64%) per annum. These finances are repayable in 32 equal quarterly instalments commencing September, 2022 and are secured against first pari passu charge over present and future fixed assets of the Company with 25% margin and personal guarantees of three sponsoring directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

20.19 These finances were obtained during the financial year ended June 30, 2020 to meet medium term financing requirements of the Company and carried profit at the rate of 7.96% (2021:7.96%) per annum. These finances were repaid through a bullet payment during June, 2022 and were secured against ranking charge on plant and machinery of the Company with 25% margin.

20.20 These finances have been obtained during the preceding financial year for the retirement of import documents drawn under letter of credit sight (one off). These carry mark-up, at the rate of 6-months KIBOR + 1.25% per annum payable on quarterly basis; the effective mark-up rates during the year ranged from 8.92% to 12.72% (2021: 8.97%) per annum. These finances are repayable in 12 equal quarterly instalments commenced from November, 2021 and are secured against pari passu charge of Rs.701.800 million over fixed assets of the Company.

20.21 These finances have been obtained during the current financial year for retirement of letters of credit documents for import of textile machinery for BMR. These carry mark-up at the rate of 6 months KIBOR + 2% per annum; the effective mark-up rates during the year ranged from 4.00% to 15.84% per annum. The different tranches of these finances are repayable in 8-10 instalments commencing June, 2024 and are secured against first pari passu charge over all present and future fixed assets of the Company with 25% margin.

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

20.22 These finances have been obtained during the current financial year for retirement of CAPEX related letters of credits. These carry mark-up at the rate of 1-month KIBOR + 1.50% per annum; the effective market-up rate during the year was 15.91% per annum. These finances are repayable in 16 equal quarterly instalments commencing September, 2023 and are secured against ranking charge on plant and machinery with 25% margin, which is to be upgraded to fist pari passu charge.

20.23 These finances have been obtained during the current financial year to finance CAPEX requirement in the weaving segment of the Company. These carry mark-up, at the rate of 3-months KIBOR + 1.75%; the effective mark-up rate during the year ranged from 6.50% to 16.76% per annum. These finances are repayable in 16 equal quarterly instalments commencing September, 2023 and are secured against first pari passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company.

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

20.24 These finances have been obtained during the current financial year against a diminishing Musharakah finance facility of Rs. 500 million for retirement of letters of credit established for import of equipment for new spinning unit of the Company. These carry profit at the rate of matching KIBOR +3% per annum; the effective profit rates during the year ranged from 12.49% to 17.68% per annum. These finances are repayable in 16 half-yearly instalments commencing June, 2025 and are secured against first pari passu charge of Rs. 667 million over all present and future plant and machinery of the Company with 25% margin.

21. LEASE LIABILITIES

Particulars	2022				2021			
	Upto one year	From one to five year	Over five year	Total	Upto one year	From one to five year	Over five year	Total
	(Rupees)							
Minimum lease payments	31,695,912	68,380,278	30,379,518	130,455,708	23,726,985	58,879,114	39,157,980	121,764,079
Less: finance cost allocated to future periods	8,433,618	21,898,577	3,324,825	33,657,020	6,268,441	22,122,870	6,122,936	34,514,247
	23,262,294	46,481,701	27,054,693	96,798,688	17,458,544	36,756,244	33,035,044	87,249,832
Less: security deposits adjustable on expiry of lease terms	1,458,275	4,271,730	-	5,730,005	1,099,700	3,710,775	-	4,810,475
Present value of minimum lease payments	21,804,019	42,209,971	27,054,693	91,068,683	16,358,844	33,045,469	33,035,044	82,439,357

21.1 The Company has entered into lease agreements with Meezan Bank Ltd., Bank Al-Habib Ltd. and First Habib Modaraba for lease of vehicles. The liabilities under the lease agreements are payable in monthly instalments by March 16, 2023. The minimum lease payments have been discounted at implicit interest rates ranging from 3-months KIBOR + 1.25% to 6-months KIBOR + 1.50% (2021: 3-months KIBOR + 1.25% to 6-months KIBOR + 1.50%) to arrive at their present value; the effective interest rates during the year ranged from 8.64% to 17.37% (2021: 7.91% to 9.10%) per annum. The Company intends to exercise its option to purchase the leased vehicles upon completion of the respective lease terms. These lease finance facilities are secured against title of the leased vehicles in the name of lessors and demand promissory notes.

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

	Note	2022	2021
		(Rupees)	
Balance at beginning of the year		51,088,994	51,482,530
Interest expense for the year		4,812,583	4,819,418
Adjusted / paid during the year		(5,212,954)	(5,212,954)
	21.3	50,688,623	51,088,994
Current portion grouped under current liabilities		(2,159,125)	(431,799)
Balance at end of the year		48,529,498	50,657,195

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

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

Particulars	2022				2021			
	Upto one year	From one to five year	Over five year	Total	Upto one year	From one to five year	Over five year	Total
	(Rupees)							
Minimum lease payments	6,776,839	39,983,351	30,379,518	77,139,708	5,212,953	37,950,299	39,157,980	82,321,232
Finance cost allocated to future periods	(4,617,714)	(18,508,546)	(3,324,825)	(26,451,085)	(4,781,154)	(20,328,148)	(6,122,936)	(31,232,238)
Present value of minimum lease payments	2,159,125	21,474,805	27,054,693	50,688,623	431,799	17,622,151	33,035,044	51,088,994

22. STAFF RETIREMENT BENEFITS - Gratuity

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

	2022	2021
Significant actuarial assumptions		
- discount rate	13.25%	10.00%
- expected rate of growth per annum in future salaries	12.25%	9.00%
- mortality rates	SLIC 2001-2005	SLIC 2001-2005
	Setback 1 year	
- withdrawal rates	Age-based	Age-based
- retirement assumption	Age 60	Age 60

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

	2022	2021
	(Rupees)	
The movement in the present value of defined benefit obligation is as follows:		
Opening balance	281,947,690	258,431,528
Current service cost	77,831,303	69,016,480
Interest cost	25,923,247	20,552,133
Benefits paid	(45,430,447)	(33,283,456)
Remeasurements - experience adjustments and actuarial valuation loss / (gain) from changes in financial assumptions	29,922,866	(32,768,995)
Closing balance	370,194,659	281,947,690

Expense recognised in statement of profit or loss		
Current service cost	77,831,303	69,016,480
Interest cost	25,923,247	20,552,133
	103,754,550	89,568,613

Charge for the year has been allocated to:		
- cost of sales	94,291,363	82,721,486
- administrative expenses	9,463,187	6,847,127
	103,754,550	89,568,613

Remeasurement recognised in other comprehensive income		
Remeasurements - experience adjustments and actuarial valuation loss / (gain) from changes in financial assumptions	29,922,866	(32,768,995)

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

	2022	2021	2020	2019	2018
	(Rupees)				
Present value of defined benefit obligation	370,194,659	281,947,690	258,431,528	241,278,990	267,704,556
Experience adjustments on obligation	29,922,866	(32,768,995)	(43,659,145)	(81,913,480)	42,231,656

Year-end sensitivity analysis:	Impact on defined benefit obligation		
	Change in assumption	Increase	Decrease
		(Rupees)	
Discount rate	1%	343,371,357	401,174,217
Salary growth rate	1%	401,174,217	324,922,778

22.1 The average duration of the defined benefit obligation as at June 30, 2022 is 8 years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

- 22.2** The expected contribution to defined benefit obligation for the year ending June 30, 2023 is Rs.119.182 million.

	Note	2022 (Rupees)	2021
23. DEFERRED LIABILITIES			
Government grant	23.1	–	2,329,346
Provision against Gas Infrastructure Development cess	23.2	57,841,962	107,100,122
		57,841,962	109,429,468

- 23.1** In response to COVID-19, the State Bank of Pakistan (SBP) during the financial year ended June 30, 2020 through Circular No. 6 of 2020, has introduced a temporary Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns. The Refinance Scheme has been managed through Participating Financial Institutions (PFIs) and funded by SBP. Borrowers can obtain loans from PFIs and ease their cash flows constraints and thereby avoid layoffs. The benefit of a government loan at a below-market rate of interest has been treated as a government grant. The loan has been measured in accordance with IFRS 9 (Financial Instruments). The benefit of the below market rate of interest has been measured as the difference between the initial carrying value of loan determined in accordance with IFRS 9 and the proceeds received. The benefit has been accounted for and presented as deferred grant in accordance with IAS 20. The deferred grant has been amortised at 7.73% per annum; an amount of Rs. 13.349 million (2021:Rs.15.856 million) has been recognised in current year's statement of profit or loss in this regard.

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

The Company has recorded the provision at its present value by discounting the future cash flows using four years risk free average rate of 8.04% per annum and has booked income of Rs. 31.861 million (2021: Rs. 31.861 million), which has been adjusted against cost of sales.

	Note	2022 (Rupees)	2021
24. TRADE AND OTHER PAYABLES			
Trade creditors		2,261,175,982	979,791,768
Bills payable	24.1	818,063,764	185,719,772
Due to Associated Companies	24.2	60,978,738	41,447,406
Accrued expenses		693,845,060	302,576,187
Tax deducted at source		137,381,571	32,173,175
Unrealised loss on remeasurement of forward exchange contracts		10,980,562	–
Workers' (profit) participation fund	24.3	173,674,407	106,896,720
		4,156,100,084	1,648,605,028

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

	Note	2022 (Rupees)	2021
24.2 This represents amounts due to the following Associated Companies:			
- Fatima Fertilizer Company Ltd.		24,627,584	23,975,795
- Fatima Sugar Mills Ltd.		6,487,195	–
- Fazal Cloth Mills Ltd.		29,863,959	17,471,611
		60,978,738	41,447,406
24.3 Workers' (profit) participation fund (the Fund)			
Opening balance		106,896,720	12,031,986
Add: interest on funds utilised in the Company's business		9,335,159	620,494
		116,231,879	12,652,480
Less: paid to workers		106,726,840	12,030,119
Less: deposited in Government treasury		169,880	1,867
		9,335,159	620,494
Add: allocation for the year		164,339,248	106,276,226
Closing balance		173,674,407	106,896,720
25. ACCRUED MARK-UP			
Mark-up accrued on:			
- long term finances		59,747,495	41,661,958
- lease liabilities		4,261,049	3,946,520
- advance received from Fatima Sugar Mills Ltd. (an Associated Company)		31,172,753	33,567,813
- short term borrowings		250,718,595	168,882,728
- provision against Gas Infrastructure Development Cess		22,627,882	12,380,369
		368,527,774	260,439,388
26. SHORT TERM BORROWINGS			
Short term finances - secured	26.1	8,060,191,786	6,645,960,777
Export finances- secured	26.2	435,394,190	207,127,008
		8,495,585,976	6,853,087,785
Temporary bank overdrafts - unsecured	26.4	211,825,367	41,153,681
		8,707,411,343	6,894,241,466

26.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.15,195 million (2021: Rs.9,645 million) and carry mark-up at the rates ranging from 7.80% to 16.81% (2021: 7.36% to 14.33%) on the outstanding balances. These facilities are expiring on various dates by June 30, 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

- 26.2** Export finance facilities available from commercial banks aggregate Rs. 4,090 million (2021: Rs.2,040 million). Out of total facilities, the amount utilised aggregate Rs. 435.394 million (2021: Rs.207.127 million). The rates of mark-up range from 1.65% to 4.00% (2021: 2.00% to 13.59%) on the outstanding balances. These facilities are expiring on various dates by February 28, 2023.
- 26.3** Out of the aggregate facilities of Rs. 5,340 million (2021: Rs.5,215 million) for opening letters of credit and Rs. 1,920 million (2021: Rs.1,960 million) for guarantees, which are the sub-limits of finance facilities mentioned in note 26.1, the amounts utilised as at June 30, 2022 were Rs. 4,725.700 million (2021: Rs.3,668.322 million) and Rs. 369.706 million (2021: Rs.78.160 million) respectively. These facilities are expiring on various dates by May 31, 2023.
- 26.4** These temporary bank overdrafts have arisen due to issuance of cheques for amounts in excess of balances in bank accounts.
- 26.5** The aggregate facilities are secured against lien on export documents, pledge of stocks (cotton bales, yarn, polyester, viscose and fabric), charge on all present and future current assets of the Company, lien on import documents, charge on buildings and machinery located at Khanewal Road, Multan and personal guarantees of directors of the Company.

	Note	2022 (Rupees)	2021
27. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term finances	20	820,190,444	799,699,396
Lease liabilities	21	21,804,019	16,358,844
Government grant	23.1	2,329,346	13,349,215
Provision against Gas Infrastructure Development Cess	23.2	133,657,011	84,398,850
		977,980,820	913,806,305
28. TAXATION - Net			
Opening balance		291,213,316	197,612,313
Add: provision / (reversal) made during the year:			
current	28.2	476,368,588	291,213,316
prior years - net		-	(3,215,822)
		476,368,588	287,997,494
		767,581,904	485,609,807
Less: payments / adjustments made during the year against completed assessments		291,213,316	194,396,491
Closing balance		476,368,588	291,213,316

28.1 Returns filed by the Company up to the tax year 2021 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance).

28.2 No numeric tax rate reconciliation is presented in these financial statements as the Company is mainly liable to pay tax due under sections 4C (Super tax on high earning persons), 113 (Minimum tax on the income of certain persons) and 154 (Tax on export proceeds) of the Ordinance.

29. CONTINGENCIES AND COMMITMENTS

- 29.1** Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated Rs.191.477 million as at June 30, 2022 (2021: Rs.176.977 million) and are secured against the securities mentioned in note 26.5.
- 29.2** The Company is contingently liable for Rs.1.400 million Iqra surcharge on account of non-compliance of the provisions of SRO.1140(I) 97 in respect of 1,320 bales of raw cotton imported during the year 2001. However, all the contingencies previously attached to the particular case have already been decided in favour of the Company. Since Alternate Dispute Resolution Committee's recommendations and subsequent decisions by Federal Board of Revenue were in favour of the Company, the management is confident that the liability of Iqra surcharge on account of exportation of goods so manufactured from imported cotton will positively be waived-off.
- 29.3** The Company has filed a case before the Sindh High Court (SHC) against imposition of infrastructure cess levied by the Excise and Taxation Department, Karachi (the Department) under section 9 of the Sindh Finance Act, 1994 on imports made. As per the judgment of SHC, 50% of the demand would be paid by the Company while for the remaining 50%, guarantees would be issued in favour of the Department. As per the aforesaid judgment, the Company is paying the said 50% of demand on every import made and has arranged bank guarantees from Meezan Bank Ltd., Habib Bank Ltd., National Bank of Pakistan, Bank Alfalah Ltd. and Bank Al Habib Ltd. favouring the Department for Rs. 17.486 million (2021: Rs.17.486 million), Rs. 20 million (2021: Rs.30 million), Rs. 3.743 million (2021: Rs.3.743 million), Rs.37 million (2021: Rs.40 million) and Rs. 100 million (2021: Rs. 100 million) respectively. The Company has challenged the said judgment before the Supreme Court of Pakistan and the legal advisors are confident that ultimately the judgment will be in favour of the Company and accordingly no provision needs to be made in the financial statements for the year ended June 30, 2022.
- 29.4** Foreign bills discounted outstanding as at June 30, 2022 aggregated 1,182.248 million (2021: Rs.1,374.270 million).

	Note	2022 (Rupees)	2021
29.5	Commitments for irrevocable letters of credit:		
	- capital expenditure	2,819,445,126	2,548,458,096
	- others	1,088,191,413	821,016,744
	Commitments in respect of forward foreign exchange contracts	1,914,322,000	–
		5,821,958,539	3,369,474,840

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 (Rupees)	2021
30. SALES - Net			
Export	30.1	21,830,858,035	15,703,999,096
Local	30.2	11,991,106,612	10,741,866,158
Waste		571,971,911	358,858,288
		34,393,936,558	26,804,723,542
Less: Commission		401,116,228	248,576,387
		33,992,820,330	26,556,147,155
Add: Weaving, doubling and sizing income		–	4,750,668
Less: Sales tax		3,289,161,741	2,530,798,100
		30,703,658,589	24,030,099,723

30.1 Export sales include indirect export of fabric and yarn aggregating Rs.10.204 billion (2021 : Rs.6.724 billion).

30.2 Local sales for the year include polyester / viscose sales aggregating Rs. 951.267 million (2021: Rs.782.368 million).

	Note	2022 (Rupees)	2021
31. COST OF SALES			
Raw materials consumed	31.1	23,156,073,929	15,866,742,396
Stores and spares consumed		505,626,840	457,283,059
Packing materials consumed		170,539,712	144,702,652
Salaries, wages and benefits	31.2	1,548,898,114	1,079,697,516
Power and fuel		1,629,800,400	1,227,565,392
Repairs and maintenance		51,585,211	46,556,944
Depreciation	5.3	310,256,842	281,605,170
Insurance		47,783,170	35,597,730
Utilities		357,906	380,253
Others		79,255,395	64,667,543
		27,500,177,519	19,204,798,655
Adjustment of work-in-process			
Opening		364,908,844	249,013,073
Closing	10	(534,761,847)	(364,908,844)
		(169,853,003)	(115,895,771)
Cost of goods manufactured		27,330,324,516	19,088,902,884
Adjustment of finished goods			
Opening stock		1,537,579,051	2,968,850,851
Closing stock	10	(3,604,923,516)	(1,537,579,051)
		(2,067,344,465)	1,431,271,800
		25,262,980,051	20,520,174,684

		2022	2021
	Note	(Rupees)	
31.1	Raw materials consumed		
	Opening stock	3,148,253,925	1,451,253,702
	Purchases and purchase expenses	23,650,725,242	17,557,878,565
		26,798,979,167	19,009,132,267
	Less: closing stock	10 (3,649,120,576)	(3,148,253,925)
		23,149,858,591	15,860,878,342
	Cotton cess	6,215,338	5,864,054
		(a) 23,156,073,929	15,866,742,396
(a)	Raw materials consumed include Rs.807.797 million (2021: Rs.590.584 million) relating to the cost of yarn, polyester and viscose sold during the year.		
31.2	Salaries, wages and benefits include Rs.94.291 million (2021: Rs.82.721 million) in respect of staff retirement benefits - gratuity.		

		2022	2021
		(Rupees)	
32.	DISTRIBUTION AND MARKETING EXPENSES		
	Ocean freight and shipping	334,396,908	151,003,264
	Local freight	67,231,435	60,637,970
	Export development surcharge	27,109,599	22,212,637
	Forwarding and clearing expenses	57,856,876	54,792,509
	Marketing expenses	8,940,710	7,619,722
	Other expenses	418,184	1,896,414
		495,953,712	298,162,516

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 (Rupees)	2021
33. ADMINISTRATIVE EXPENSES			
Salaries and benefits	33.1	188,490,305	115,336,753
Travelling and conveyance		15,510,268	8,500,536
Rent, rates and taxes		2,084,821	1,342,806
Entertainment		3,087,017	2,803,709
Utilities		3,859,258	2,955,846
Communication		4,947,053	4,084,176
Printing and stationery		3,525,379	3,603,960
Insurance		3,402,194	2,888,959
Repairs and maintenance		6,410,764	6,040,392
Vehicles' running and maintenance		16,897,629	12,309,514
Fees, subscription and periodicals		14,118,903	10,812,300
Advertisement		348,575	442,014
Auditors' remuneration:			
- statutory audit fee		1,683,715	1,530,650
- half yearly review		424,750	378,206
- certification charges		151,600	258,100
- out-of-pocket expenses		48,000	55,500
		2,308,065	2,222,456
Legal and professional charges (other than Auditors)		3,134,500	2,057,200
Depreciation on operating fixed assets	5.3	27,012,167	10,886,390
Depreciation on right of use assets	5.6	12,670,709	14,750,752
Amortisation	6	835,148	946,230
General		5,585,747	4,187,383
		314,228,502	206,171,376

33.1 Expense for the year includes staff retirement benefits gratuity amounting Rs. 9.463 million (2021: Rs.6.847 million).

	Note	2022 (Rupees)	2021
34. OTHER INCOME			
Income from financial assets			
Dividend	34.1	9,188,081	6,562,915
Mark-up on advances to Associated Companies	34.2	64,201,371	54,111,683
Exchange fluctuation gain - net		95,374,842	25,073,595
Realised gain on forward foreign exchange contracts - net		-	2,140,000
Provision of impairment of trade debts - reversed	11.1	-	402,070
Income from non-financial assets			
Gain on disposal of operating fixed assets - net	5.8	5,198,297	14,069,106
Others		9,888	81,882
		173,972,479	102,441,251

- 34.1** This represents dividend received on short term investments made in Fatima Fertilizer Company Ltd.
- 34.2** This represents mark-up amounting Rs.54,811 thousand (2021: Rs.50,031 thousand), Rs. 8,330 thousand (2021: Rs.3,970 thousand) and Rs.852.768 thousand (2021: Rs.nil) on advance given to Fatima Energy Ltd., Fatima Transmission Company Ltd. and Fatima Sugar Mills Ltd. respectively and Rs.207.763 thousand (2021: Rs.110 thousand) on short term loan given to Reliance Commodities (Pvt.) Ltd.

	Note	2022 (Rupees)	2021
35. OTHER EXPENSES			
Donations	35.1	35,777,830	29,220,150
Workers' (profit) participation fund	24.3	164,339,248	106,276,226
Provision for doubtful sales tax refunds	15	187,289,405	-
Provision for impairment of trade debts - made	11.1	632,093	-
		388,038,576	135,496,376

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

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

The Company, during the year, has donated Rs. 32.800 million (2021: Rs.26.300 million) to this Trust.

	Note	2022 (Rupees)	2021
36. FINANCE COST			
Mark-up on:			
- long term finances		260,007,115	202,560,970
- lease liabilities		7,815,027	7,395,067
- short term borrowings		916,631,472	599,761,344
- short term loans from			
Associated Companies		-	4,254,336
Interest on provision against Gas			
Infrastructure Development Cess		10,247,513	12,380,369
Interest on workers' (profit) participation fund	24.3	9,335,159	620,494
Bank charges and commission		98,958,372	90,680,715
		1,302,994,658	917,653,295

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Note	2022 (Rupees)	2021
37. TAXATION			
Current			
- for the year	28	476,368,588	291,213,316
- prior year	28	–	(3,215,822)
Deferred		(2,412,867)	(1,556,439)
		473,955,721	286,441,055
38. EARNINGS PER SHARE			
There is no dilutive effect on earnings per share of the Company, which is based on:			
Profit after taxation attributable to ordinary shareholders		2,639,479,848	1,732,807,133
		(No. of shares)	
Weighted average number of ordinary shares in issue during the year		30,810,937	30,810,937
		(Rupee)	
Earnings per share - basic		85.67	56.24

39. SEGMENT INFORMATION

39.1 Reportable segments

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

The Company's reportable segments are as follows:

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

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

39.2 Information about reportable segments

	Spinning		Weaving		Total	
	2022	2021	2022	2021	2022	2021
	(Rupees)					
External revenue	10,806,606,954	9,957,225,899	19,897,051,635	14,072,873,824	30,703,658,589	24,030,099,723
Inter-segment revenue	6,837,165,629	3,693,134,816	-	-	6,837,165,629	3,693,134,816
Cost of sales	(14,356,286,481)	(11,219,455,011)	(10,906,693,570)	(9,300,719,673)	(25,262,980,051)	(20,520,174,684)
Inter-segment cost of sales	-	-	(6,837,165,629)	(3,693,134,816)	(6,837,165,629)	(3,693,134,816)
Distribution and marketing expenses	(32,532,461)	(40,741,308)	(463,421,251)	(257,421,208)	(495,953,712)	(298,162,516)
Administrative expenses	(80,449,672)	(90,098,169)	(233,778,830)	(116,073,207)	(314,228,502)	(206,171,376)
Other income	37,060,827	27,160,270	136,911,652	75,280,981	173,972,479	102,441,251
Other expenses	(330,591,889)	(112,692,796)	(57,446,687)	(22,803,580)	(388,038,576)	(135,496,376)
Finance cost	(599,932,317)	(432,857,243)	(703,062,341)	(484,796,052)	(1,302,994,658)	(917,653,295)
Profit before taxation and Share of loss of Associates	2,281,040,590	1,781,676,458	832,394,979	273,206,269	3,113,435,569	2,054,882,727

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

	2022	2021
	(Rupees)	
39.4 Reconciliation of reportable segment revenues and profit		
Total revenue from reportable segments	37,540,824,218	27,723,234,539
Elimination of inter-segment revenue	(6,837,165,629)	(3,693,134,816)
Sales - net	30,703,658,589	24,030,099,723
Total profit of reportable segments	3,113,435,569	2,054,882,727
Share of loss of Associates	-	(35,634,539)
Tax for the year	(473,955,721)	(286,441,055)
Consolidated profit	2,639,479,848	1,732,807,133

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

39.5 Segment assets and liabilities

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

	Spinning	Weaving (Rupees)	Total
For the year ended June 30, 2022:			
Segment assets for reportable segment			
- Operating fixed assets	4,197,301,225	4,630,840,580	8,828,141,785
- Stores, spares and loose tools	226,225,543	139,342,983	365,568,526
- Stock-in-trade	3,573,956,150	4,223,859,943	7,788,805,939
	7,997,482,918	8,994,043,506	16,982,516,250
Unallocated corporate assets			10,774,360,612
Total assets as per statement of financial position			27,756,876,862
Segment liabilities for reportable segment	5,460,133,282	7,695,676,414	13,155,809,696
Unallocated corporate liabilities			5,440,535,218
Total liabilities as per statement of financial position			18,596,344,914
For the year ended June 30, 2021:			
Segment assets for reportable segment			
- Operating fixed assets	4,234,664,134	3,732,726,752	7,967,390,886
- Stores, spares and loose tools	294,158,881	97,232,836	391,391,717
- Stock-in-trade	2,707,924,482	2,342,817,338	5,050,741,820
	7,236,747,497	6,172,776,926	13,409,524,423
Unallocated corporate assets			5,902,871,906
Total assets as per statement of financial position			19,312,396,329
Segment liabilities for reportable segment	5,116,746,132	5,523,874,610	10,640,620,742
Unallocated corporate liabilities			2,602,194,320
Total liabilities as per statement of financial position			13,242,815,062

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

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

	2022	2021
	(Rupees)	
39.7 Gross revenue from major products and services		
Fabric export sales	11,480,924,827	8,357,471,627
Yarn export sales	146,421,720	622,502,342
Fabric local sales	9,944,219,668	6,869,614,535
Yarn local sales	11,299,131,856	9,813,907,941
Cotton and polyester local sales	951,266,576	782,368,834
Waste local sales	571,971,911	358,858,263
	34,393,936,558	26,804,723,542

39.8 Gross revenue from major customers of segment		
Spinning	5,226,659,038	3,409,221,389
Weaving	6,486,361,388	5,619,478,493
	11,713,020,426	9,028,699,882

39.9 Geographical information

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

	2022	2021
	(Rupees)	
Pakistan	22,766,590,011	17,824,749,573
Asia	5,006,154,177	4,728,254,827
Europe	5,177,173,599	3,411,220,941
Africa	683,882,485	498,107,629
USA	760,136,285	342,390,572
	34,393,936,558	26,804,723,542

39.10 All non-current assets of the Company as at June 30, 2022 are located and operating in Pakistan.

	Spinning	Weaving (Rupees)	Total
39.11 Other segment information			
For the year ended June 30, 2022			
Capital expenditure	130,708,151	1,084,349,708	1,215,057,859
Depreciation			
Cost of sales	148,611,791	161,645,050	310,256,841
Administrative expenses	19,398,938	20,283,939	39,682,877
	168,010,729	181,928,989	349,939,718

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Spinning	Weaving (Rupees)	Total
For the year ended June 30, 2021			
Capital expenditure	783,506,019	1,132,841,012	1,916,347,031
Depreciation			
Cost of sales	146,739,562	134,865,608	281,605,170
Administrative expenses	12,219,566	13,417,576	25,637,142
	158,959,128	148,283,184	307,242,312

	2022	2021
	(Rupees)	

40. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	3,113,435,569	2,019,248,188
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	337,269,009	292,491,560
Depreciation on right of use assets	12,670,709	14,750,752
Gain on disposal of fixed assets - net	(5,198,297)	(14,069,106)
Amortisation	835,148	946,230
Provision for impairment of trade debts	632,093	(402,070)
Staff retirement benefits - gratuity	103,754,550	89,568,613
Share of loss of Associates	–	35,634,539
Interest on workers' (profit) participation fund	9,335,159	620,494
Provision for workers' (profit) participation fund	164,339,248	106,276,226
Finance cost	1,293,659,499	917,032,801
	5,030,732,687	3,462,098,227
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	25,823,191	(122,892,953)
Stock-in-trade	(2,738,064,119)	(381,624,194)
Trade debts	(1,635,344,847)	(1,023,363,478)
Loans and advances	(293,498,358)	(176,933,625)
Prepayments and other receivables	(70,001,003)	(49,250,100)
Tax refunds due from the Government (excluding income tax)	(283,912,441)	(161,357,670)
Increase / (decrease) in trade and other payables	2,429,736,807	(130,780,548)
	(2,565,260,770)	(2,046,202,568)
Cash generated from operations	2,465,471,917	1,415,895,659

	2022	2021
	(Rupees)	
41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES		
Financial assets		
At fair value through other comprehensive income		
Short term investments	393,030,553	696,750,554
At amortised cost		
Long term deposits	29,045,887	28,775,887
Trade debts	4,485,549,733	2,850,836,979
Loans and advances	603,787,306	1,142,751,193
Other receivables	194,106,540	125,136,879
Bank balances	129,089,873	91,845,188
	5,441,579,339	4,239,346,126
Financial liabilities		
At amortised cost		
Long term finances	4,221,343,307	3,566,191,856
Deferred liabilities	193,828,319	207,177,533
Lease liabilities	91,068,683	82,439,357
Trade and other payables	3,834,063,544	1,509,535,133
Unclaimed dividends	11,502,157	10,559,428
Accrued mark-up	368,527,774	260,439,388
Short term borrowings	8,495,585,976	6,853,087,785
	17,215,919,760	12,489,430,480

41.1 Financial risk factors

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

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

41.2 Market risk

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

(a) Currency risk

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

	Rupess	U.S. \$	Euro	JPY	CHF	AED
2022						
Trade debts	1,367,498,654	6,325,382	356,120	-	-	-
Bank balances	36,951,920	162,823	17,362	-	-	-
Short term export borrowings	(435,394,190)	2,128,132	-	-	-	-
Bills payable	(818,063,764)	(3,375,539)	-	(15,934,500)	(470,000)	-
Gross statement of financial position exposure	150,992,620	5,240,798	373,482	(15,934,500)	(470,000)	-
Outstanding letters of credit	(3,907,636,539)	(4,820,126)	(4,314,593)	(22,778,380)	(7,927,990)	(4,513,698)
Net exposure	(3,756,643,919)	420,672	(3,941,111)	(38,712,880)	(8,397,990)	(4,513,698)
2021						
Trade debts	709,977,239	4,518,441	-	-	-	-
Bank balances	609,959	3,873	-	-	-	-
Short term export borrowings	(207,127,008)	(1,315,158)	-	-	-	-
Bills payable	(185,719,772)	(299,519)	(47,172)	-	-	(3,005,746)
Gross statement of financial position exposure	317,740,418	2,907,637	(47,172)	-	-	(3,005,746)
Outstanding letters of credit	(3,369,474,840)	(5,315,478)	(4,084,003)	(209,447,636)	(8,606,070)	-
Net exposure	(3,051,734,422)	(2,407,841)	(4,131,175)	(209,447,636)	(8,606,070)	(3,005,746)

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2022	2021	2022	2021
U.S. \$ to Rupee	204.38	157.31	204.17 / 204.59	157.49 / 157.13
Euro to Rupee	213.81	187.24	213.59 / 214.03	187.45 / 187.03
JPY to Rupee	1.495	1.424	1.49 / 1.50	1.425 / 1.422
CHF to Rupee	214.27	170.74	214.05 / 214.48	170.92 / 170.55
AED to Rupee	55.68	42.87	55.62 / 55.73	42.91 / 42.82

Sensitivity analysis

At June 30, 2022, if Rupee had strengthened by 10% against U.S. Dollar, Euro, CHF and JPY with all other variables held constant, profit for the year would have been higher / (lower) by the amount shown below mainly as a result of net foreign exchange gain / (loss) on translation of financial assets and liabilities.

Effect on profit for the year:

	2022	2021
	(Rupees)	
U.S.\$ to Rupee	(107,221,381)	(45,792,375)
Euro to Rupee	(7,993,624)	884,239
CHF to Rupee	10,080,433	–
JPY to Rupee	2,391,290	–

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. At the reporting date, the mark-up rate profile of the Company's mark-up bearing financial instruments is as follows:

	2022	2021	2022	2021
	Effective mark-up rate		Carrying amount	
	%	%	(Rupees)	
Financial liabilities				
Fixed rate instruments				
Long term finances	2.00%,3.50%	2.00%,7.96%	1,417,730,028	976,439,901
Variable rate instruments				
Long term finances	5.00% to 17.68%	3.50% to 14.99%	2,803,613,279	2,589,751,955
Lease liabilities	8.64% to 17.37%	7.91% to 9.10%	91,068,683	82,439,357
Short term borrowings	7.80% to 16.81%	7.36% to 14.33%	8,060,191,786	6,645,960,777
Short term export finances	1.65% to 4.00%	2% to 13.59%	435,394,190	207,127,008

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in mark-up rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2022, if mark-up rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs.113.903 million (2021: Rs.95.253 million) lower / higher, mainly as a result of higher / lower mark-up expense on variable rate financial liabilities.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

(c) **Price risk**

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

Sensitivity analysis

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

	2022	2021
	(Rupees)	
Effect on equity	9,923,131	7,547,355

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

41.3 Credit risk exposure and concentration of credit risk

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

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

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

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

Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2022 along with comparative is tabulated below:

	2022	2021
	(Rupees)	
Long term deposits	29,045,887	28,775,887
Trade debts	4,485,549,733	2,850,836,979
Loans and advances	279,533,295	136,858,023
Other receivables	194,106,540	125,136,879
Short term investments	99,231,313	75,473,552
Bank balances	129,089,873	91,845,188
	5,216,556,641	3,308,926,508
Trade debts exposure by geographic region is as follows:		
Domestic	3,118,051,079	2,140,859,740
Export	1,367,498,654	709,977,239
	4,485,549,733	2,850,836,979

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

	2022	2021
	(Rupees)	
Fabric customers against:		
- export sales	1,367,498,654	709,977,239
- local sales	1,584,182,210	840,761,411
Yarn customers against local sales	1,533,868,869	1,300,098,329
	4,485,549,733	2,850,836,979

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	2022	2021
	(Rupees)	
The ageing of trade debts at the year-end was as follows:		
Neither past due nor impaired	1,363,585,900	706,696,576
Past due 0-30 days	1,993,468,851	1,477,325,045
Past due 31-150 days	1,105,979,777	645,660,896
Past due 151-360 days	5,902,865	9,502,316
Past due 360 days	16,612,340	11,652,146
	4,485,549,733	2,850,836,979

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

The Company always measures the provision for impairment of trade debts at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Provision for impairment as at June 30, 2022 amounted Rs. 3,912,754 (2021: Rs. 3,280,661).

Based on past experience, the Company's management believes that no further impairment loss allowance is necessary in respect of trade debts as debts aggregating Rs.2,007.632 million have been realised subsequent to the year-end and for other trade debts there are reasonable grounds to believe that the amounts will be realised in short course of time.

Out of total trade debts, 30% (2021: 25%) comprise of foreign debtors that are secured against letters of credit and contracts. Local trade debts include customers with very good credit history and are regular in their payments. The management continuously monitors the repayment capacity and intention of their debtors and extends the credit periods to their customers according to their credit history.

Bank balances

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

	Rating		Rating Agency	2022	2021
	Short term	Long term			
					(Rupees)
Bank Alfalah Ltd.	A-1+	AA-	JCR-VIS	16,607,196	19,866,930
Al-Baraka Bank (Pakistan) Ltd.	A-1	A+	JCR-VIS	6,462,220	1,826,663
Habib Bank Ltd.	A-1+	AAA	JCR-VIS	28,849,920	489,093
JS Bank Ltd.	A1+	AA-	PACRA	5,715,350	11,160,410
Meezan Bank Ltd.	A-1+	AAA	JCR-VIS	44,654	43,296
Standard Chartered Bank (Pakistan) Ltd.	A1+	AAA	PACRA	1,045	1,045
Askari Bank Ltd.	A1+	AA+	PACRA	30,384,971	2,651,964
Faysal Bank Ltd.	A1+	AA	PACRA	42,343	42,343
Dubai Islamic Bank Pakistan Ltd.	A-1+	AA	JCR-VIS	1,759,442	2,719,666
Summit Bank Ltd.	A-1	A-	JCR-VIS	166,125	166,125
Bank Islami Pakistan Ltd.	-	A-	PACRA	8,102,024	-
Bank Al Habib Ltd.	A1+	AAA	PACRA	17,778,959	13,520,098
Allied Bank Ltd.	A1+	AAA	PACRA	0	486,093
MCB Bank Ltd.	A1+	AAA	PACRA	131,403	163,069
National Bank of Pakistan	A-1+	AAA	JCR-VIS	672,276	15,764,536
Sindh Bank Ltd.	A-1	A+	JCR-VIS	59,993	59,993
United Bank Ltd.	A-1+	AAA	JCR-VIS	4,838,824	1,412,606
The Bank of Punjab	A1+	AA+	PACRA	4,335,413	19,344,619
CDC Dividend Account				3,137,715	2,126,639
				129,089,873	91,845,188

41.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 Years and above
					(Rupees)
2022					
Long term finances	4,221,343,307	5,060,541,809	976,993,459	3,681,628,757	401,919,593
Deferred liabilities	193,828,319	193,828,319	135,986,357	57,841,962	-
Lease liabilities	91,068,683	124,725,703	30,237,637	64,108,548	30,379,518
Trade and other payables	3,834,063,544	3,834,063,544	3,834,063,544	-	-
Unclaimed dividends	11,502,157	11,502,157	11,502,157	-	-
Accrued mark-up	368,527,774	368,527,774	368,527,774	-	-
Short term borrowings	8,495,585,976	9,048,686,362	9,048,686,362	-	-
	17,215,919,760	18,641,875,668	14,405,997,290	3,803,579,267	432,299,111

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 Years and above
	(Rupees)				
2021					
Long term finances	3,566,191,856	4,038,844,875	851,283,909	1,995,039,771	1,192,521,195
Deferred liabilities	207,177,533	207,177,533	97,748,065	109,429,468	–
Lease liabilities	82,439,357	116,953,604	22,627,285	55,168,339	39,157,980
Trade and other payables	1,509,535,133	1,509,535,133	1,509,535,133	–	–
Unclaimed dividends	10,559,428	10,559,428	10,559,428	–	–
Accrued mark-up	260,439,388	260,439,388	260,439,388	–	–
Short term borrowings	6,853,087,785	7,216,039,702	7,216,039,702	–	–
	12,489,430,480	13,359,549,663	9,968,232,910	2,159,637,578	1,231,679,175

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

41.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. At June 30, 2022, the carrying values of all financial assets and liabilities as disclosed in the statement of financial position approximate to their fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from prices).
- Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

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

	2022	2021
	(Rupees)	
Long term investments at fair value through other comprehensive income:		
- equity investment under level 3	1,849,425,436	–
Short term investments at fair value through other comprehensive income:		
- equity investment under level 1	99,231,313	75,473,552
- equity investment under level 3	293,799,240	599,797,302

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

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

42. CAPITAL MANAGEMENT

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

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

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

	2022	2021
	(Rupees)	
The debt-to-equity ratios as at June 30, were as follows:		
Total debt	13,213,651,652	10,750,050,212
Total equity and debt	22,374,183,600	16,819,631,479
Debt-to-equity ratio	59%	64%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	2022	2021
	(Rupees)	
43. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL		
Managerial remuneration	39,519,939	17,182,277
House rent allowance	7,903,988	3,436,455
Medical	3,951,994	1,718,228
Utilities and other allowances	7,607,588	3,307,588
Bonus	4,966,604	1,725,235
	63,950,112	27,369,783
Number of persons	23	8

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

43.2 Meeting fees of Rs.730 thousand (2021: Rs.650 thousand) were also paid to two (2021: two) non-executive directors during the year.

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

	Liabilities				Total
	Long term finances	Lease finances	Short term borrowings	Dividend	
	(Rupees)				
Balance as at June 30, 2020	2,789,379,475	69,516,238	6,658,070,441	8,523,068	9,525,489,222
Changes from financing activities					
Finances obtained	870,484,899	-	-	-	870,484,899
Finances repaid	(93,672,518)	-	-	-	(93,672,518)
Finances obtained - net of repayments	-	12,923,119	236,171,025	-	249,094,144
Dividend declared	-	-	-	154,054,685	154,054,685
Dividend paid	-	-	-	(152,018,325)	(152,018,325)
	776,812,381	12,923,119	236,171,025	2,036,360	1,027,942,885
Balance as at June 30, 2021	3,566,191,856	82,439,357	6,894,241,466	10,559,428	10,553,432,107
Changes from financing activities					
Finances obtained	1,554,850,848	-	-	-	1,554,850,848
Finances repaid	(899,699,397)	-	-	-	(899,699,397)
Finances obtained - net of repayments	-	8,629,326	1,813,169,877	-	1,821,799,203
Dividend declared	-	-	-	77,027,343	77,027,343
Dividend paid	-	-	-	(76,084,614)	(76,084,614)
	655,151,451	8,629,326	1,813,169,877	942,729	2,477,893,383
Balance as at June 30, 2022	4,221,343,307	91,068,683	8,707,411,343	11,502,157	13,031,325,490

45. TRANSACTIONS WITH RELATED PARTIES

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

Description of transaction	Nature of relationship	2022	2021
		(Rupees)	
Fazal Cloth Mills Ltd.	Associate		
Purchase of goods and services		224,909,359	116,667,752
Advances made		212,517,011	103,057,141
Sale of good & services		96,091,503	–
Funds received		87,005,558	–
Fazal Weaving Mills Ltd.	Associate		
Purchase of goods and services		–	2,522,520
Advances made		–	2,522,520
Reliance Commodities (Pvt.) Ltd.	Associate		
Mark-up income		207,763	110,539
Advances made		700,000	–
Expenses charged to		1,300,000	3,291,894
Fazal Rehman Fabrics Ltd.	Associate		
Sale of goods and services		18,690,750	–
Funds received		18,690,750	–
Fatima Sugar Mills Ltd.	Associate		
Mark-up expense		–	4,254,336
Mark-up income		852,768	–
Advances received		819,570,524	842,000,000
Advances repaid		777,270,524	1,012,000,000
Expenses charged by		3,812,462	416,023
Expenses charged to		5,842,458	7,457,222
Fatima Energy Ltd.	Related party		
Mark-up income		54,810,644	50,409,321
Advances made		151,044,521	220,285,187
Preference shares subscribed		763,778,970	–
Expenses charged by		12,500,000	3,611,180
Funds paid		648,487,770	245,324,006
Purchases		648,487,770	245,324,006
Advances received / adjusted		29,693,210	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

Description of transaction	Nature of relationship	2022 (Rupees)	2021
Fatima Transmission Co. Ltd.	Associate		
Mark-up income		8,330,196	3,969,814
Expenses charged to		26,093,741	22,491,500
Preference shares subscribed		73,397,680	–
Mian Mukhtar A. Sheikh Trust, Multan	Associate		
Donations made		32,800,000	26,300,000
Fund received		2,110,843	–
Advances made		89,999	–
Expense charged to		170,409	–
Expense charged by		154,348	–
Fatima Fertilizer Company Ltd.	Related party *		
Dividend income		9,188,081	6,562,915
Advance made		10,000,000	10,000,000
Expenses charged to		3,844,271	35,200
Expense charged by		14,496,059	–
Pakarab Fertilizers Ltd.	Related party *		
Purchase of services		11,990	497,400
Expenses charged to		1,243,639	95,979
Advances made		625,043	19,230,108
Funds received		–	9,796,566
Fatima Cement Ltd.	Related party *		
Expenses charged by		402,000	369,400
Funds received		402,000	369,400

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

*These are related parties due to common directorship.

	2022	2021
	(Rupees)	
46. CAPACITY AND PRODUCTION		
Unit 1 (Weaving)		
Number of looms installed	107	107
Capacity after conversion into 50 picks - Meters	21,918,224	21,918,224
Actual production of fabrics after conversion into 50 picks - Meters	19,988,299	20,029,417
Unit 2 (Weaving)		
Number of looms installed	192	194
Capacity after conversion into 50 picks - Meters	53,467,805	48,640,052
Actual production of fabrics after conversion into 50 picks - Meters	49,692,973	44,604,333
Unit 5 (Weaving)		
Number of looms installed	174	126
Capacity after conversion into 50 picks - Meters	38,784,714	33,970,370
Actual production of fabrics after conversion into 50 picks - Meters	35,625,708	31,594,601
Under utilisation of available weaving capacity was due to:		
- Electricity shut downs		
- Change of articles required		
- Width loss due to specification of the cloth		
- Due to normal maintenance		
Unit 3 (Spinning)		
Number of spindles installed	17,760	17,760
Capacity after conversion into 20 count - Kgs	4,783,862	4,783,862
Actual production of yarn after conversion into 20 count - Kgs	4,739,395	4,371,041
Unit 4 (Spinning)		
Number of spindles installed	47,520	47,520
Capacity after conversion into 20 count - Kgs	14,677,912	14,677,912
Actual production of yarn after conversion into 20 count - Kgs	13,003,086	13,156,214
Under utilisation of available spinning capacity was due to:		
- Electricity shut downs		
- Processing mix of coarser and finer counts		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2022

	2022	2021
	(Numbers)	
47. NUMBER OF EMPLOYEES		
Number of persons employed as at June 30,		
- permanent	2,344	2,282
- contractual	255	253
	2,599	2,535
Average number of employees during the year		
- permanent	2,312	2,259
- contractual	244	249
	2,556	2,508

48. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 27 September 2022 by the board of directors of the Company.

49. GENERAL

49.1 EVENT AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on September 27, 2022 has proposed a final cash dividend of Rs.4 (2021: Rs.2.50) per share for the year ended June 30, 2022. The financial statements for the year ended June 30, 2022 do not include the effect of proposed dividend amounting Rs.123.244 million (2021: Rs.77.028 million), which will be accounted for in the financial statements for the year ending June 30, 2023 after approval by the members in the annual general meeting to be held on October 27, 2022.

49.2 FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, except for reclassification detailed in note 14.4, no significant re-classifications / re-statements have been made to these financial statements.


Chief Executive


Director


Chief Financial Officer

OTHERS &
LEGAL FORMS

INCOME TAX RETURN FILING STATUS

Confirmation for filing status of Income Tax return for application of revised rates pursuant to the provisions of Finance Act, 2022.

The Company Secretary
Reliance Weaving Mills Limited
2nd Floor Trust Plaza LMQ Road
Multan.

Dear Sir,

I, Mr./Mrs./Ms. _____ S/o, D/o, W/o _____ hereby confirm that I am registered as National Tax Payer and my relevant details are given below:

Folio No./CDC A/c No.	Name	NTN No.	CNIC # in case of individual & CUIN in case of Company	Income Tax return for the year _____ filed

It is stated that the above mentioned information is correct.

Signatures of Shareholder

Notes:

- **Shareholders are also requested to communicate aforesaid information to relevant Members of Stock Exchange & CDC (in case of CDC Account holders).**
- **Please attach attested copy of CNIC and receipt of Income Tax return filed.**

MANDATORY REQUIREMENT OF BANK ACCOUNT DETAILS FOR ELECTRONIC CREDIT OF CASH DIVIDEND PAYMENT AS PER THE COMPANIES ACT, 2017

Dear Shareholder,

This is to inform you that in accordance with Section 242 of the Companies Act, 2017 any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirements and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information to your respective CDC participant / CDC Investor Account Services (in case your shareholding is in Book Entry Form) OR to our Shares Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74000 (in case your shareholding is in Physical Form):

Details of Shareholder	
Name of shareholder	
Folio / CDS Account No.	
CNIC No. (Copy Attached)	
Cell number	
Landline number	
Email	
Details of Bank Account	
Title of Bank Account	
International Bank Account Number (IBAN) "Mandatory"	PK _____ (24 digits) (kindly provide your accurate IBAN after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's Name	
Branch Name and Address	

It is stated that the above mentioned information is correct and in case of any change therein, I / We will immediately intimate Participant / Shares Registrar accordingly.

Signature of shareholder

DIVIDEND MANDATE FORM

According to Section 242 of the Companies Act, 2017, any dividend payable in cash shall be paid through electronic mode directly into the bank account of shareholders. In order to process the dividend payment in electronic form issuers will be required to have bank details of each shareholder.

The Company may withhold the payment of dividend where the member has not provided the complete information (CNIC and etc.) Shareholders are requested to provide the bellow mentioned details of their Bank Account in which dividend amount could be electronically transferred.

- 1) IBAN;
- 2) Title of Bank Account;
- 3) Bank Account Number;
- 4) Bank Code and Branch Code;
- 5) Bank Name, Branch Name and Address;
- 6) Cell/Landline Number;
- 7) CNIC Number; and
- 8) Email Address.

E-VOTING

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

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

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

Signed under my/our hand this _____ day of _____ 2022.

Signature of Member

Signed in the presence of:

Signature of Witness

Name: _____

CNIC/Passport No: _____

Address: _____

Signature of Witness

Name: _____

CNIC/Passport: _____

Address: _____

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

..... آف بحیثیت ممبر ریلائنس ویونگ ملز لمیٹڈ حامل میں / ہم
عام شیئرز رجسٹرڈ فولیو نمبر / CDC اکاؤنٹ نمبر دوسرے شخص کے ذریعے E-voting کی آپشن اختیار کرتا ہوں اور اس پر عمل کے لئے
..... کو بحیثیت پراسی Execution آفیسر مقرر کرنے پر رضامندی ظاہر کرتا ہوں کہ وہ کمپنی۔ 2016ء کے قواعد کے تحت
E-voting میں حصہ لے گا اور میں / ہم قرارداد کیلئے انتخاب کا مطالبہ کرتا ہوں / کرتے ہیں۔

..... ایڈریس میرا محفوظ کردہ E-mail ایڈریس ہے۔

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

..... مورخہ ہمارے دستخط سال

ممبر کے دستخط

گواہ کے دستخط

گواہ کے دستخط

..... نام

..... / CNIC پاسپورٹ نمبر

..... ایڈریس

..... نام

..... / CNIC پاسپورٹ نمبر

..... ایڈریس

PATTERN OF SHAREHOLDING

As at June 30, 2022

No. of Shareholders	From	To	Shares Held	
165	1	To	100	5,618
651	101	To	500	153,154
492	501	To	1000	434,218
185	1001	To	5000	443,179
52	5001	To	10000	412,085
27	10001	To	15000	336,994
12	15001	To	20000	211,320
3	20001	To	25000	72,750
4	25001	To	30000	113,010
2	30001	To	35000	66,000
6	35001	To	40000	228,625
3	40001	To	45000	131,000
4	45001	To	50000	194,000
2	50001	To	55000	109,182
1	55001	To	60000	59,500
1	60001	To	65000	62,000
2	90001	To	95000	180,810
3	95001	To	100000	296,983
1	100001	To	105000	103,891
1	110001	To	115000	112,500
3	115001	To	120000	354,457
1	140001	To	145000	140,625
1	150001	To	155000	153,393
1	175001	To	180000	176,000
1	195001	To	200000	200,000
1	205001	To	210000	210,000
1	210001	To	215000	215,000
1	225001	To	230000	225,950
3	280001	To	285000	845,705
1	315001	To	320000	318,000
1	590001	To	595000	592,645
1	7850001	To	7855000	7,854,550
1	7885001	To	7890000	7,886,071
1	7910001	To	7915000	7,911,722
1,635				30,810,937

PATTERN OF SHAREHOLDING

As at June 30, 2022

Category - Wise

Categories of Shareholders	Number of Shares	Percentage
Directors and their spouse(s) and minor children		
MR. FAZAL AHMED SHEIKH	7,925,722	25.72
MR. FAISAL AHMED MUKHTAR	7,886,071	25.60
MR. FAWAD AHMED MUKHTAR	7,854,550	25.49
MRS. FATIMA FAZAL	140,625	0.46
MRS. AMBREEN FAWAD	115,625	0.38
MRS. FARAH FAISAL	112,500	0.37
MR. FAHD MUKHTAR	25,000	0.08
MR. MUHAMMAD SHAUKAT	3,455	0.01
MR. MUHAMMAD MUKHTAR SHEIKH	3	0.00
MR. SHAHID AZIZ	2	0.00
	24,063,553	78.11
Associated Companies, Undertakings and Related Parties		
FATIMA MANAGEMENT COMPANY LIMITED	281,902	0.91
FARRUKH TRADING COMPANY LIMITED	281,902	0.91
FATIMA TRADING COMPANY (PVT.) LIMITED	281,901	0.91
RELIANCE COMMODITIES (PVT) LIMITED	3	0.00
	845,708	2.74
NIT & ICP		
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	592,645	1.92
INVESTMENT CORP. OF PAKISTAN	1,460	0.00
	594,105	1.92
Banks, Development Financial Institutions, Non Banking Financial Institutions.		
NATIONAL DEVELOPMENT FINANCE	984	0.00
NATIONAL BANK OF PAKISTAN	333	0.00
NATIONAL BANK OF PAKISTAN	276	0.00
	1,593	0.01
General Public Local	4,980,511	16.16
General Public Foreign	23,702	0.08

PATTERN OF SHAREHOLDING

As at June 30, 2022

Others

PREMIER FASHIONS (PVT) LTD	90,500	0.29
TOPLINE SECURITIES LIMITED - MF	62,000	0.20
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	54,182	0.18
FAZAL HOLDINGS (PVT.) LIMITED	24,250	0.08
BEGUM AISHA AHMED AND LATIF BAWANY FOUNDATION	23,500	0.08
MUHAMMAD AHMAD NADEEM SECURITIES (SMC-PVT.) LIMITED	13,000	0.04
WORLDCALL SERVICES (PRIVATE) LIMITED	10,000	0.03
TS SECURITIES (PVT) LTD.	10,000	0.03
M/S PYRAMID INVESTMENT(PVT)LTD	3,900	0.01
PYRAMID INVESTMENTS (PVT) LTD.	2,850	0.01
BAWA SECURITIES (PVT) LTD.	2,175	0.01
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	1,901	0.01
FIKREES (PRIVATE) LIMITED	1,500	0.00
GHULAMAN-E-ABBAS EDUCATIONAL AND MEDICAL TRUST	900	0.00
Y.S. SECURITIES & SERVICES (PVT) LTD.	555	0.00
PRUDENTIAL SECURITIES LIMITED	400	0.00
S.H. BUKHARI SECURITIES (PVT) LIMITED	150	0.00
KARACHI,LAHORE STOCK EXCHANGES	2	0.00
	301,765	0.98
Total	30,810,937	100.00

PATTERN OF SHAREHOLDING REPORT

As at June 30, 2022

Categories of Shareholders		Number of shares	Percentage
Directors and their spouse(s) and minor children			
MR. FAZAL AHMED SHEIKH		7,925,722	25.72
MR. FAISAL AHMED MUKHTAR		7,886,071	25.60
MR. FAWAD AHMED MUKHTAR		7,854,550	25.49
MRS. FATIMA FAZAL		140,625	0.46
MRS. AMBREEN FAWAD		115,625	0.38
MRS. FARAH FAISAL		112,500	0.37
MR. FAHD MUKHTAR		25,000	0.08
MR. MUHAMMAD SHAUKAT		3,455	0.01
MR. MUHAMMAD MUKHTAR SHEIKH		3	0.00
MR. SHAHID AZIZ		2	0.00
Associated Companies, undertakings and related parties			
	4	845,708	2.74
NIT & ICP			
	2	594,105	1.92
Banks Development Financial Institutions, Non Banking Financial Institutions.			
	3	1,593	0.01
Insurance Companies			
	-	-	-
Modarabas and Mutual Funds			
	-	-	-
General Public			
a. Local	1,593	4,980,511	16.16
b. Foreign	4	23,702	0.08
Foreign Companies	-	-	-
Others	18	301,765	0.98
Totals	1,635	30,810,937	100.00

Shareholders holding 10% or more		Number of shares	Percentage
MR. FAZAL AHMED SHEIKH		7,925,722	25.72
MR. FAISAL AHMED MUKHTAR		7,886,071	25.60
MR. FAWAD AHMED MUKHTAR		7,854,550	25.49

FORM OF PROXY

32nd Annual General Meeting

I/We _____
of _____
being a member(s) of Reliance Weaving Mills Limited hold _____
Ordinary Shares hereby appoint Mr. / Mrs. / Miss _____
of _____ or falling him / her _____
of _____ as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at
the 32nd Annual General Meeting of the Company to be held at Company's Registered Office, 2nd Floor, Trust Plaza, LMQ Road, Multan, on
Thursday, October 27, 2022 at 3:00 p.m. and / or any adjournment thereof.

As witness my/our hand/seal this _____ 2022.

Signed by _____

in the presence of _____

Signatures _____

Signatures _____

Name _____

Name _____

Address _____

Address _____

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

Signature on
Five Rupees
Revenue Stamp

The signature should
agree with the
specimen registered
with the Company

Notes:

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

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

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

میں / ہم _____
 ساکن _____ بطور ممبر (ز) ریلائسنس ویونگ ملز لمیٹڈ
 حامل _____ عام حصص، محترم / محترمہ
 ساکن _____ یا ان کے حاضر نہ ہو سکنے کی صورت میں
 ساکن _____ کو اپنے/ہمارے ایما، پراکسی کے مورخہ 27 اکتوبر 2022
 بروز جمعرات 03:00 بجے کمپنی کے رجسٹرڈ آفس سیکنڈ فلور ٹرسٹ بلازہ لیل ایم کیورڈ ملتان میں ہونے والے 32 واں سالانہ عمومی اجلاس میں شرکت کرنے اور حق رائے
 دہی استعمال کرنے کیلئے اپنا/ہمارا بطور نمائندہ (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

بطور گواہ آج _____ بتاریخ _____ اکتوبر 2022 _____ کی موجودگی میں دستخط ہوئے۔

پانچ روپے کے ریسیدی
 ٹکٹ پر دستخط

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

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

اہم نکات:

- 1- ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے شیئرز رجسٹرار کے دفتر میں موصول ہو جانا چاہیے۔
- 2- اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹس آف پراکسی جمع کرتا ہے تو اس صورت میں تمام انسٹرومنٹ آف پراکسی کا عدم قرار دیئے جائیں گے۔

3- سی ڈی سی اکاؤنٹ رکھنے والے/کارپوریٹ ادارے مزید برآں درج ذیل شرائط کو پورا کریں گے۔

- (i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔
- (ii) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔
- (iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہو گی۔



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