Nadeem

NADEEM TEXTILE MILLS LIMITED

36th ANNUAL REPORT 2022

CONTENTS

NADEEM TEXTILE MILLS LIMITED

Vision Statement

To be a dynamic, profitable and growth oriented Company.

Mission Statement

The mission of the Company is to prudently utilize the human resources and plant and machinery in order to achieve high levels of sustainable profitability and growth by:

- Offering high class products and services to all our customers.
- Building a long term relationship with our customers, suppliers and other stake holders.
- Continuously upgrading the latest production facilities to achieve higher levels of operational efficiency and develop potential as well as performance.
- Nurturing a work culture that generates creativity, enthusiasm, professionalism and teamwork.
- Maintaining the highest standards of ethics, safety and environment.
- Contributing towards the economic development of the country.
- Being a good corporate citizen by fulfilling our social responsibilities.

COMPANY INFORMATION

Board of Directors	:	Mr. Zahid Mazhar (Chief Executive) Mr. Omer Bin Zahid (Executive Director) Mr. Hassan Bin Zahid (Executive Director) Mrs. Naila Zahid (Chairperson) Mrs. Anam Omer Mrs. Shafia Hassan Mr. Waqar Hassan Siddiqui Mr. Nadeem Ahmed Mr. Noor Muhammad
Chief Financial Officer	:	Mr. Omer Bin Zahid
Company Secretary	:	Mr. Abdul Amin
Audit Committee	:	Mr. Waqar Hassan Siddiqui (Chairman) Mrs. Anam Omer (Member) Mrs. Shafia Hassan (Member)
H. R. & Remuneration Committee	:	Mr. Nadeem Ahmed (Chairman) Mrs. Anam Omer (Member) Mrs. Shafia Hassan (Member)
Auditors	:	M/s. Rahman Safaraz Rahim Iqbal Rafiq Chartered Accountants
Legal Advisor	:	Mr. Abdul Ghani Khan (Advocate)
Bankers	:	Habib Bank Limited Bank Al-Falah Limited Soneri Bank Limited Habib Metropolitan Bank Limited J.S. Bank Limited Samba Bank Limited Askari Bank Limited Dubai Islamic Bank
Head Office / Registered Office	:	A 801-804, Lakson Square Building No. 3, Sarwar Shaheed Road, Karachi - Pakistan. Phone: (92-21) 35220481-8 Fax: (92-21) 35220495-6
Share Registrar	:	M/s Hameed Majeed Associates (Pvt.) Ltd. 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi. Phone : 32424826-32412754 Fax : 32424835 E-mail: majeed@hmaconsultants.com
Mills	:	Unit-1: A-265, S.I.T.E., Nooriabad, District Jamshoro, Sindh. Unit-2: E-11, S.I.T.E., Kotri, District Jamshoro, Sindh.
URL	:	www.nadeem.com.pk

NADEEM TEXTILE MILLS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of **Nadeem Textile Mills Limited** will be held on Friday, October 28, 2022 at 5:30 p.m. at 801-804, 8th Floor, Lakson Square Building No.3, Block-A, Sarwar Shaheed Road, Karachi, to transact the following business:

Ordinary Business:

1. To confirm the Minutes of the Extraordinary General Meeting of the Company held on 24th January, 2022.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2022 together with the Directors' and Auditors' Reports thereon.
3. To approve the final cash dividend @ 60% (Rs.6/= per share) for the year ended June 30, 2022 as recommended by the Board of Directors.
4. To appoint Auditors and fix their remuneration for the year ending June 30, 2023.
5. To transact any other business with the permission of the Chair.

Special Business:

6. To ratify the transactions carried out by the Company with related parties as disclosed in the Financial Statements for the year ended June 30, 2022 by passing the following resolutions as ordinary resolutions:

"RESOLVED that the related parties transactions carried out by the Company with Nadeem Power Generation (Pvt.) Ltd. and Nadeem International (Pvt.) Ltd. and directors of the company being related parties during the year ended June 30, 2022 be and are hereby approved."

FURTHER RESOLVED THAT the Company may carry out transactions including, but not limited to, the sale/purchase of yarn, sale/purchase of cotton/fibre, sale/purchase of electricity, reprocessing of yarns, rent/lease of assets, sale/purchase of machinery and equipment and other necessary goods, including receipt and payment of dividends, with related parties from time to time for the financial year 2022-23 and loan received from and return to the related parties.

Karachi:
6th October, 2022

By order of the Board
Company Secretary

NOTES:

1. The share transfer books of the Company will remain closed from October 21, 2022 to October 28, 2022 (both days inclusive).
2. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company.
3. The instrument appointing a proxy, in order to be valid must be received at the Head Office of the Company at A -801-804, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi, not less than forty-eight (48) hours before the time fixed for the meeting.
4. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her participant ID number and account/sub account number along-with original Computerized National Identity Card (CNIC) or passport at the time of attending the meeting to prove his/her identity and in case of Proxy must enclose additionally an attested copy of his/her CNIC or Passport, Representatives of corporate members should bring the usual documents required for such purpose.
5. CDC Account Holders will also have to follow the guidelines laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
6. Members are requested to immediately inform of any change in their addresses to our Share Registrar, M/S Hameed Majeed Associates (Pvt.) Ltd., 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.
7. **Payment of cash Dividend Electronically**
   In accordance with the provisions of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders.
   All shareholders are requested to provide the details of their bank mandate specifying: (i) title of account, (ii) account number, (iii) IBAN number: (iv) bank name and (v) branch name, code & address, to the Company's Share Registrar M/S Hameed Majeed Associates (Pvt.) Ltd., Karachi.
8. **Submission of copies of CNIC and NTN Certificate (Mandatory)**
   Pursuant to the directive of the Securities & Exchange Commission of Pakistan (SECP), Dividend Warrant shall mandatory bear the Computerized National Identity Card (CNIC) numbers of shareholders. Shareholders are therefore requested to fulfill the statutory requirements and submit a copy of their CNIC (if not already provided) to the Company's Share Registrar, Hameed Majeed Associates (Pvt.) Ltd., Karachi, without any delay.
   In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the company shall withhold the Dividend in terms of Clause (a) of proviso under Section 243(2) of the Companies Act 2017, which will be released by the Share Registrar, only upon submission of a valid copy of the CNIC in compliance with the aforesaid SECP directives.
   Withholding Tax on Dividend
   Pursuant to the provision of the Finance Act, 2017 effective July 1, 2017 the deduction of withholding tax on the amount of dividend paid by the companies under section 150 of the Income Tax Ordinance, 2001, are as under:
   (a) For filers of income tax returns: 15%
   (b) For non-filers of income tax returns: 30%
   Shareholders who are filers are advised to make sure that their names are entered into latest Active Tax Payers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as non-filers and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

Withholding tax on Dividend in case of Joint Account Holders
In order to enable the Company to follow the directives of the regulators to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the Principal shareholder) for deduction of withholding tax on dividend of the Company, shareholders are requested to please furnish the shareholding ratio details of themselves as Principal shareholder and their Joint Holders, to the Company's Share Registrar, enabling the Company to compute withholding tax of each shareholder accordingly. The required information must reach the Company's Share Registrar by October 20, 2022, otherwise each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

9. **Unclaimed Dividend**
Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar: M/s Hameed Majeed Associates (Pvt) Ltd. Karachi Chamber, Hasrat Mohani Road, Karachi to collect / enquire their unclaimed dividend, if any.
In compliance with section 244 of the Companies Act, 2017, after having completed the stipulated procedure all such dividend outstanding for a period of three years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend, shall be delivered to the SECP.

10. **Deposit of Physical Shares into CDC Accounts:**
As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017. The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares in not permitted as per existing Regulations of the Pakistan Stock Exchange Ltd.

11. **Placement of Financial Statements on Website:**
The Financial Statements of the Company for the year ended June 30, 2022 along with reports have been placed on the website of the Company: **http://www.nadeem.com.pk**

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

This statement sets out the material facts concerning the Special Business, given as agenda item no. 6 of the Notice to be transacted at the 36th Annual General Meeting of the Company.

ITEM NO. 6 OF THE AGENDA:
Nadeem Textile Mills Limited is engaged in manufacture and sale of yarn. The Company in the normal course of business carries out transactions with its associated entities. Summary of transactions carried out during the year with the associated entities is as follow:

S. No.	Name of Associated Undertaking	Nature of Transactions	Rupees
1	Nadeem Power Generation (Pvt) Ltd.	Purchase of Power	276,099,717
2	Nadeem Power Generation (Pvt) Ltd.	Loan Received	34,400,000
3	Nadeem Power Generation (Pvt) Ltd.	Loan Re-Paid	7,845,000
4	Nadeem Power Generation (Pvt) Ltd.	Rental Income	10,000
5	Nadeem Power Generation (Pvt) Ltd.	Balance outstanding	59,305,204
6	Nadeem International (Pvt) Ltd.	Loan Received	-
7	Nadeem International (Pvt) Ltd.	Loan Re-Paid	17,900,000
8	Nadeem International (Pvt) Ltd.	Weigh Bridge Expenses	180,000
9	Nadeem International (Pvt) Ltd.	Balance outstanding	400,000,000
10	Mr. Zahid Mazhar	Loan Re-Paid	40,300,000
11	Mr. Zahid Mazhar	Balance outstanding	10,000,000
12	Mrs. Naila Zahid	Loan Re-Paid	10,400,000
13	Mrs. Naila Zahid	Balance outstanding	-

Mr. Zahid Mazhar, Mr. Omer Bin Zahid and Mr. Hassan Bin Zahid are Directors of Nadeem Textile Mills Limited and are also Directors of Nadeem Power Generation (Private) Limited.

Mr. Zahid Mazhar, Mr. Omer Bin Zahid, Mr. Hassan Bin Zahid and Mrs. Naila Zahid are Directors of Nadeem Textile Mills Limited and are also Directors of Nadeem International (Private) Limited.

All related party transactions, during the year 2022, were reviewed and approved by the Audit Committee and the Board in their respective meetings. The transactions with related parties were carried out at arm's length prices determined in accordance with the comparable uncontrolled prices method.

The above concerned Directors abstained while the Board approved the above transactions in accordance with the requirement of relevant provision of the Companies Act, 2017 and listed Companies (Code of Corporate Governance) Regulations 2017.

The above transactions with related parties are an ongoing process and will also remain continued in future.

None of the Directors other than the above concerned directors have any direct or indirect interest in the above mentioned associated entities and have no interest in the above business, other than shareholders of the Company.

NADEEM TEXTILE MILLS LIMITED
CHAIRMAN'S REVIEW REPORT
FOR THE YEAR ENDED JUNE 30, 2022

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual results of the Company for the year ended June 30, 2022.

BOARD COMPOSITION AND PERFORMANCE
The Board of Directors comprises of young and senior members who have relevant textile experience and capabilities. The Board's role is crucial in steering the company to achieve its objectives while adhering to best Corporate Governance Standards in a challenging environment. The Board of Directors remained focused on its strategic role in achieving the company's key objectives and increasing returns for all shareholders.

The Board has formed 2 Committees, "Audit Committee" and "Human Resource and Remuneration Committee". The committees carried out their responsibility effectively in accordance with the code of corporate governance and terms of reference duly approved by the Board of Directors. We will continue our efforts to adopt and implement best governance practices.

All quarterly, half yearly and annual financial results were thoroughly reviewed and Board extended its guidance to the management on regular basis. The Board also played a key role in monitoring the management's performance and focus on major risk areas.

During the year under review, the Board has effectively discharged its responsibilities as required under the Companies Act 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019.

BOARD PERFORMANCE AND EFFECTIVENESS
The Company follows the best practices relating to corporate governance and complies with all the relevant requirements of Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to composition, meetings and procedures of the Board of Directors and its Committees.

The Board has developed a mechanism for annual evaluation of the Board's own performance in compliance with the provisions of Listed Companies (Code of Corporate Governance) Regulations 2019. The performance evaluation mechanism ensures that all statutory and legal requirements are fulfilled with regard to procedures, meetings and the role of the Board.

The Board played a pivotal role in achieving the Company's objectives by providing oversight, guidance, strategic direction, and monitoring of the Company's performance. All the significant issues including planning process, risk management system, policy development, and financial management were presented before the Board or its committees to formalize the corporate decision making process.

ACKNOWLEDGEMENT
I, on behalf of the Board, wish to acknowledge the contribution of all our employees in the success of the Company. I also wish to thank our shareholders, customers, suppliers, bankers and other stakeholders for their continued confidence and support.

for and on Behalf of the Board of Directors

Naila Zahid

Karachi
Dated: October 06, 2022

NAILA ZAHID
Chairperson

ندیم ٹیکسٹائل ملز لمیٹڈ

چیئر مین کی جائزہ رپورٹ

محترم حصص یافتگان،

۳۰ جون ۲۰۲۲ کو اختتام پذیر ہونے والے سال کے لئے بورڈ آف ڈائریکٹرز کی طرف سے چیئر مین کی جائزہ رپورٹ پیش کرتے ہوئے میں مسرت محسوس کر رہی ہوں۔

بورڈ کی تشکیل اور کارکردگی

ہمارا بورڈ نوجوانوں کے ساتھ ساتھ تجربہ کار اراکین کے مناسب مرکب پر مشتمل ہے جو کہ ٹیکسٹائل کے شعبے سے متعلق تجربہ اور صلاحیتوں کے حامل ہیں۔ کارپوریٹ گورننس کے معیار کے مطابق اپنی ذمہ داریوں کو نبھاتے ہوئے کمپنی کا مقصد حاصل کرنے کے لئے چیلینجنگ ماحول میں بورڈ کا کردار بہت اہم تھا۔ بورڈ کمپنی کے اہم مقاصد اور اپنے تمام حصص یافتگان کے لئے زیادہ سے زیادہ منافع کے حصول میں اپنی حکمت عملی سے بخوبی آگاہ رہا۔

بورڈ نے 2 کمیٹیاں، آڈٹ کمیٹی اور افرادی وسائل اور معاوضہ کمیٹی تشکیل دی ہے۔ کمیٹیوں نے اپنی ذمہ داری کو کارپوریٹ گورننس کے ضابطے اور بورڈ آف ڈائریکٹرز کے منظور شدہ ٹرم آف ریفرنس کے مطابق موثر انداز میں انجام دیا۔ ہم گورننس کے بہترین طریقوں کو اپنانے اور ان پر عمل درآمد کے لئے اپنی کوششیں جاری رکھیں گے۔

تمام سہ ماہی، ششماہی اور سالانہ مالیاتی نتائج کا مکمل جائزہ لیا گیا اور بورڈ باقاعدہ بنیادوں پر انتظامیہ کو اپنی رہنمائی دیتا رہا۔ بورڈ نے مینجمنٹ کی کارکردگی کی نگرانی اور اہم خطرے والے مقامات پر توجہ دینے میں بھی اپنا کلیدی کردار ادا کیا۔

زیرنظر سال کے دوران بورڈ نے کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019) کے تحت ضرورت کے مطابق اپنی ذمہ داریوں کو موثر طریقے سے انجام دیا ہے۔

بورڈ کی کارکردگی اور اثرات

کمپنی کارپوریٹ گورننس سے متعلق بہترین طریقہ کار پر عمل پیرا ہے اور بورڈ آف ڈائریکٹرز کی تشکیل، میٹنگز اور طریقہ کار کے حوالے سے کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تمام متعلقہ شرائط کی تعمیل کرتی ہے۔

بورڈ نے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کی شقوں کی تعمیل میں اپنے بورڈ کے اراکین اور اس کی کمیٹیوں کی سالانہ کارکردگی کا جائزہ لینے کے لئے ایک طریقہ کار تیار کیا ہے تاکہ تمام طریقہ کار، میٹنگز اور بورڈ کے متعلقہ تمام قانونی تقاضے پورے کئے جاسکیں۔

بورڈ نے رہنمائی، حکمت عملی اور کمپنی کی کارکردگی کی نگرانی کے ذریعے کمپنی کے مقاصد کو حاصل کرنے میں اہم کردار ادا کیا۔ تمام اہم مسائل بشمول منصوبہ بندی رسک مینجمنٹ سسٹم، پالیسی کی تشکیل اور مالیاتی انتظام کو کارپوریٹ فیصلہ سازی کے لئے بورڈ یا اس کی کمیٹیوں کے سامنے پیش کئے گئے۔

اظہار تشکر

میں بورڈ کی جانب سے کمپنی کی کامیابی میں اپنے تمام ملازمین کی شرکت کو تسلیم کرنا چاہتی ہوں۔ میں اپنے حصص یافتگان، صارفین، سپلائی کنندگان، بینکرز اور دیگر اسٹیک ہولڈرز کے اعتماد اور حمایت کے لئے ان کا شکریہ بھی ادا کرتی ہوں۔

منجانب بورڈ آف ڈائریکٹرز

Naila Zahid

نائلہ زاہد

چیئر پرسن

کراچی 06 اکتوبر 2022

NADEEM TEXTILE MILLS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED JUNE 30, 2022

Dear Shareholders,

The Directors of the Company feel pleasure in presenting their report together with the audited financial statements of the Company and Auditor's Report thereon for the year ended June 30, 2022.

FINANCIAL HIGHLIGHTS
The Company performed exceptionally well during the fiscal year ended June 30, 2022. The company achieved a sales turnover of Rs. 13.77 billion during the year, with a sharp revenue growth of 45.09%. The company earned a historically high net profit after tax of Rs. 1.21 billion. This is primarily due to the coverage of raw materials at comparatively lower rates than the prevailing market rates.

The financial results of the Company for the year ended June 30, 2022 are summarized below.

	Rupees in Million	
	2022	**2021**
Sales	13,775.87	9,494.36
Gross profit	2,318.58	1,327.42
Gross profit % to Sales	16.83%	13.98%
Profit before tax	1,384.93	758.17
Profit after tax	1,213.98	638.87

KEY FINANCIAL INDICATORS
- Sales grew by Rs. 4,281.50 million, showing a growth of 45.09% largely driven by increase in sales price.
- The gross profit margin increased to 16.83% as compared to 13.34% of the previous year. The major factors behind this increase are higher sales price, coverage of raw material at cheaper rates, and cost-saving initiatives.
- Net profit after tax was reported at 8.81% as compared to 6.73% of last year.

BREAK-UP VALUE AND EARNING PER SHARE
The break-up value of the shares as on June 30, 2022 is Rupees 191.86 as compared to Rupees 138.51 as at June 30, 2021. The earning per share for the year ended June 30, 2022 increased to Rupees 56.43 as compared to Rupee 30.78 for the year ended June 30, 2021.

DIVIDEND
The Board of Directors of the company has recommended to pay final cash dividend at 60% i.e., Rs. 6 per share.

OVERVIEW
The company's performance remained promising throughout the year. Despite difficult economic conditions and political crisis prevailing in the country the Company has managed to earn a sales turnover of Rs. 13,775.87 million, the highest ever achieved by the Company since the start of its operations.

Due to the consistent efforts of the management and optimum product mix, your company has managed to generate record-breaking profits of Rs. 1,213.98 million as compared to Rs. 638.87 million of last year.

OPERATING PERFORMANCE
The Company produced 27.37 million Kgs. 20/s count of spun yarn during the year as compared to 25.57 million Kgs. of previous year, showing an increase of 7.04%.

PRESENT AND FUTURE OUTLOOK
The prevailing political unrest and uncertainty in Pakistan is at its peak, putting a strain on the economy. The country is currently facing the most difficult challenges in honoring its foreign obligations and dealing with depleting foreign exchange reserves. International trade is becoming more expensive due to the acceleration of global inflation and a significant increase in freight charges. The government must steer the economy tactfully in a direction that maintains investor confidence. The government should release sales tax refunds, income tax refunds, and DLTL claims on time to boost the economy. The depreciation of the PKR, high rates of interest and the high volatility of cotton prices may result in an increase in the cost of doing business.

Heavy rains and floods in Pakistan have destroyed a large portion of the cotton crop. It is estimated that the flooding has destroyed more than 45% of the country's cotton crops. It's the high time, the Government should focus to improve cotton crop of the country as the country's economic development largely depends on cotton and its related textile industry.

EXPANSION AND MODERNIZATION

The Company has a policy of continuous BMR to improve technology and manufacturing processes. The Company has added the following machinery during the year:

Crossrol Blow Room machinery
14 sets Saurer High Production Carding machines
6 sets Draw Frames
2 sets Murata Autoconers
Loptex UV system

The installation of 14 more sets of Saurer Carding machines and 2 gas efficient generators of 1500 MW each through LTFF is also in process. The productivity and profitability of the company is expected to improve further after the successful installation of these machineries.

CREDIT RATING

The company's credit rating has been upgraded to A-/A2 by Messer's VIS Credit Rating Company Limited.

HUMAN RESOURCE

The management firmly believes in teamwork and the integral role of manpower for achieving the targetted results of the Company.

The company has established a Human Resource and Remuneration Committee comprised of three members as mentioned in the company information. On the recommendations of the HR&R Committee, the management has developed a team of highly competent professionals and continuously upgrading its manpower through training facilities and by inducting more qualified staff.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Statement of Compliance with the Code of Corporate Governance is annexed.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board is committed to maintain a high standard of corporate governance. The Board has reviewed the Code of Corporate Governance and declares that:

- The financial statements, together with the notes thereon have been drawn up in conformity with the Companies Act 2017. These statements present fairly the Company's state of affairs, results of its operations, cash flow, comprehensive income and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of Internal Control is sound in design and has been effectively implemented and monitored. The process of review and monitoring continues with the object to improve it further.
- There is no significant doubt upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The key operating and financial data for the last six years in a summarized form is annexed.
- Information about taxes and levies is given in the notes to the accounts.
- The Company entered in arm-length transactions with other members of the group. These transactions are in compliance with the directives issued by the Securities & Exchange Commission of Pakistan in this regard.
- All the directors of the company are registered as tax-payer and none of the company's directors is in default of payment of any dues to a banking company, DFI, NBFI or Stock Exchange.
- None of the directors of the company is serving on the Board of 7 or more listed companies.

- The company operates an unfunded gratuity covering all its employees who have completed their qualifying period. Provision is made annually to cover current obligations under the scheme. The company has adopted the revised IAS 19.
- Trading in the shares of the Company during the year by the Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor children are mentioned in the annexed pattern of shareholding.

CORPORATE SOCIAL RESPONSIBILITY

The company has a strong commitment to corporate social responsibility. The Company believes in contributing to the society and environment by promoting a better working environment and contributing regularly to the national exchequer as per law.

i. **Health, Safety and Environment:**
We work continuously to ensure that our employees work in a safe and healthy working environment. The Company regularly contributes towards the health facility and retirement benefits available for the workers of the Company

ii. **Business Ethics:**
The Management is committed to conducting all business activities with integrity, honesty, and observance of laws and regulations. A Code of Conduct detailing policies concerning the same has been developed and approved by the Board.

iii. **Energy Savings:**
The Management focuses on energy conservation. Many preventive measures have been adopted by fixing energy-conserving devices to save energy. Workers are also made aware of various energy conservation methods to curtail the unnecessary consumption of energy.

BOARD MEETINGS

During the period under review, 5 meetings of the Board of Directors were held and the following were in attendance:

	Name of Directors	No. of Meetings Attended
1.	Mr. Zahid Mazhar	4
2.	Mr. Omer Bin Zahid	4
3.	Mr. Hassan Bin Zahid	5
4.	Mrs. Naila Zahid	4
5.	Mrs. Anam Omer	4
6.	Mrs. Shafia Hassan	5
7.	Mr. Waqar Hassan Siddiqui	5
8.	Mr. Nadeem Ahmed	5
9.	Mr. Noor Muhammad	5

COMPOSITION OF BOARD

Directors	Numbers
(a) Male	06
(b) Female	03

Composition	Numbers
(a) Independent Director	03
(b) Other Non-Executive Directors	03
(c) Executive Directors	03

ASSOCIATED COMPANIES

Following is the list of associated companies:

(a) Nadeem Power Generation (Pvt.) Ltd.

(b) Nadeem International (Pvt.) Ltd.

The transactions between the related parties were made at arm-length basis. The Company has fully complied with the best practices of transfer pricing as stated in the Listing Regulations. The related party transactions were approved by the Board on the recommendation of the Audit Committee.

AUDIT COMMITTEE
The company has established an audit committee as required by the Code of Corporate Governance, which comprises of three members as mentioned in the company information. The audit committee has established an internal audit function to monitor and review the adequacy and implementation of internal control at each level.

STATUTORY AUDITORS
The Auditors of the Company M/S Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants retire at the conclusion of the Annual General Meeting and being eligible; offer themselves for re-appointment as Auditors for the next term.

As suggested by the Audit Committee, The Board recommends their appointment as Auditors of the Company for the year ending June 30, 2023.

PATTERN OF SHAREHOLDING
The pattern of shareholding of the company as at June 30, 2022 is annexed.

CHAIRMAN'S REVIEW
The Directors of the Company endorse the contents of the Chairman's review, which is deemed to be a part of the Director's report.

ACKNOWLEDGMENT
The Directors of the Company would like to take the opportunity to thank the shareholders, valued clients and bankers for the co-operation extended by them during the course of business activities. The Directors are also pleased to record their appreciation for the continued diligence and devotion of the staff members and workers of the Company.

for and on Behalf of the Board of Directors

Karachi: Dated: October 06, 2022	**ZAHID MAZHAR** Chief Executive	**OMER BIN ZAHID** Director

ندیم ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز رپورٹ

محترم ممبران،

کمپنی کے ڈائریکٹرز ۳۰ جون ۲۰۲۲ کو اختتام پذیر مالی سال کے لئے اپنی رپورٹ معہ کمپنی کے آڈٹ شدہ مالیاتی نتائج اوراس پر آڈیٹر کی رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں۔

اہم مالیاتی نتائج

۳۰ جون ۲۰۲۲ کو اختتام پذیر ہونے والے مالی سال کے دوران کمپنی نے غیر معمولی کارکردگی کا مظاہرہ کیا۔کمپنی نے مالی سال کے دوران 45.09 فیصد کی شرح نمو سے 13.77 ارب روپے کی فروخت حاصل کی ۔کمپنی نے بعدازٹیکس 1.21 بلین روپے کا تاریخی بلند منافع حاصل کیا۔ اس منافع کی بنیادی وجہ موجودہ مارکیٹ سے نسبتاً کم نرخوں پر خام مال کی دستیابی کو ممکن بنانا ہے۔ 30 جون 2022 کو اختتام پذیر سال کے لئے کمپنی کے مالیاتی نتائج مختصر طور پر درج ذیل ہیں۔

-----روپے ملین میں-----

	30 جون 2022 کو ختم ہونے والا مالی سال	30 جون 2021 کو ختم ہونے والا مالی سال
فروخت	13,775.87	9,494.36
کل منافع	2,318.58	1,327.42
کل منافع (فروخت کی شرح فیصد)	16.83%	13.98%
خالص منافع قبل از ٹیکس	1,384.93	758.17
خالص منافع بعد از ٹیکس	1,213.98	638.87

اہم مالیاتی انڈیکیٹرز

مالی سال کے دوران کمپنی کی فروخت میں 4,281.51 روپے کا اضافہ ہوا جو کہ 45.09 فیصد کی شرح نمو کو ظاہر کرتا ہے۔مجموعی منافع کا مارجن پچھلے سال کے 13.34 فیصد کے مقابلے میں بڑھ کر 16.83 فیصد ہوگیا۔اس اضافے کے اہم عوامل میں قیمت فروخت میں اضافہ،سستے نرخوں پر خام مال کی دستیابی اور پیداواری لاگت میں بچت جیسے اقدامات شامل ہیں۔

بریک اپ ویلیو اور فی حصص آمدن

۳۰ جون ۲۰۲۱ کو حصص کی بریک اپ ویلیو 138.51 روپے تھی جو کہ ۳۰ جون ۲۰۲۲ کو اختتام پذیر ہونے والے سال میں بڑھ کر 191.86 روپے ہوگئی ہے۔فی حصص آمدن پچھلے سال کے 30.78 روپے سے بڑھ کر 56.43 روپے ہوگئی ہے۔

ڈیویڈنڈ

کمپنی کے بورڈ آف ڈائریکٹرز نے 60% یعنی 6 روپے فی شیئر کے حتمی کیش ڈیوڈنڈ کی سفارش کی ہے۔

جائزہ

کمپنی کی کارکردگی سال کے دوران امید افزا رہی۔مشکل معاشی حالات اور ملک میں سیاسی بحران کے باوجود کمپنی نے 13,775.87 ملین روپے کی فروخت حاصل کی جو کہ اپنے آپریشنز کے آغاز کے بعد سے اب تک کی سب سے زیادہ فروخت کا ریکارڈ ہے۔

انتظامیہ کی مسلسل کوششوں اور مصنوعات کی بہترین امتزاج کی وجہ سے آپ کی کمپنی نے 1,213.98 ملین روپے کا ریکارڈ منافع کمایا ہے جو کہ پچھلے سال 638.87 ملین روپے تھا۔

پیداواری کارکردگی

کمپنی کی 20/s کاٹن یارن کی پیداوار اس سال 25.57 ملین کلوگرام سے بڑھ کر 27.37 ملین کلوگرام ہوگئی ہے جو کہ 7.04 فیصد اضافے کو ظاہر کرتی ہے۔

موجودہ اور مستقبل کے نقطہ نظر

پاکستان میں موجودہ سیاسی بحران اور غیر یقینی صورتحال اپنے عروج پر ہے،جس کے باعث معیشت پر دباؤ پڑ رہا ہے۔ملک کو اس وقت اپنی غیر ملکی ذمہ داریوں کو پورا کرنے اور مسلسل کم ہوتے زرمبادلہ کے ذخائر جیسے مسئلے سے نمٹنے میں مشکل ترین چیلنجز کا سامنا ہے۔عالمی افراط زر میں تیزی اور بحری کرایوں میں نمایاں اضافے کی وجہ سے بین الاقوامی تجارت مہنگی ہوتی جارہی ہے۔ حکومت کو معیشت کو تدبر سے اس سمت میں لے کر جانا چاہئے جس سے سرمایہ کاروں کا اعتماد برقرار رہے۔حکومت کو معیشت کو فروغ دینے کے لئے سیلز ٹیکس ریفنڈز،انکم ٹیکس ریفنڈز،اور DLTL کلیمز کو بروقت جاری کرنا چاہئے۔روپے کی قدر میں کمی،سود کی بلند شرح اور کپاس کی قیمتوں میں اتار چڑھاؤ کاروبار کرنے کی لاگت میں اضافے کا باعث بن سکتا ہے۔

پاکستان میں شدید بارشوں اور سیلاب نے کپاس کی فصل کا بڑا حصہ تباہ کر دیا ہے۔ایک اندازے کے مطابق سیلاب نے ملک کی 45 فیصد سے زیادہ کپاس کی فصلیں تباہ کر دی ہیں۔یہ بہترین وقت

ہے کہ حکومت ملک میں کپاس کی فصل کو بہتر بنانے پر توجہ دے کیونکہ ملک کی معاشی ترقی کا زیادہ تر انحصار کپاس اور اس سے متعلقہ ٹیکسٹائل انڈسٹری پر ہے۔

توسیع اور جدت

ٹیکنالوجی اور مینوفیکچرنگ کے شعبے کو بہتر بنانے کے لئے کمپنی مسلسل BMR کی پالیسی اپنائے ہوئے ہے۔ کمپنی نے سال کے دوران مندرجہ ذیل مشینوں کا اضافہ کیا ہے۔

کراس رول بلو روم کی مشینری

14 سیٹ Saurer ہائی پروڈکشن کارڈنگ مشین

6 سیٹ ڈراء فریم

2 سیٹ مراٹا آٹو کونرز

لاپٹکس UV سسٹم

Saurer کارڈنگ مشینوں کے 14 مزید سیٹ اور 1,500 میگاواٹ کے 2 گیس جنریٹرز کی تنصیب بھی زیرعمل ہے۔ ان مشینوں کی کامیاب تنصیب کے بعد کمپنی کی پیداواری صلاحیت اور منافع میں مزید بہتری کی توقع ہے۔

کریڈٹ ریٹنگ

میسرز VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے حال ہی میں کمپنی کو A-/A2 کی کریڈٹ ریٹنگ میں اپ گریڈ کر دیا ہے۔

افرادی وسائل

کمپنی انتظامیہ ٹیم ورک اور کمپنی کے مطلوبہ نتائج کے حصول کے لئے افرادی قوت کے لازمی کردار پر یقین رکھتی ہے۔

کمپنی نے ایک افرادی وسائل اور معاوضہ کمیٹی قائم کی ہے جو کہ تین ارکان پر مشتمل ہے جن کے نام کمپنی کی معلومات کے صفحے پر درج ہیں۔ اس کمیٹی کی سفارشات پر کمپنی اپنے ملازمین کی مسلسل تربیت اور زیادہ تعلیم یافتہ عملے کی بھرتی کے ذریعے اپنے افرادی قوت میں بہتری لا رہی ہے۔

کوڈ آف کارپوریٹ گورننس

کوڈ آف کارپوریٹ گورننس کی تعمیل کا اسٹیٹمنٹ منسلک ہے۔

کوڈ آف کارپوریٹ گورننس کے فریم ورک کے مطابق مالیاتی رپورٹ کے ضمن میں ڈائریکٹرز مندرجہ ذیل امور کی تصدیق کرتے ہیں :

☆ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے تمام معاملات کو واضح طور پر پیش کرتے ہیں جیسے سرگرمیوں کے نتائج، رقم کی آمد و رفت اور کاروباری سرمایہ میں ہونے والی تبدیلیاں۔

☆ حساب داری کے مناسب کھاتے رکھے جاتے ہیں۔

☆ مالیاتی گوشواروں کی تیاری کے لئے ہمیشہ مناسب اور متعلقہ اکاؤنٹنگ پالیسیوں میں ہونے والی کسی بھی تبدیلی کو مالیاتی گوشواروں میں ظاہر کیا جاتا ہے۔ حسابداری کے گوشوارے ہمیشہ انتہائی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔

☆ پاکستان میں لاگو انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کو مالیاتی گوشواروں کی تیاری کے لئے بروئے کار لایا جاتا ہے اور ان میں ہونے والی کسی بھی تبدیلی کو مناسب طور پر ظاہر کیا جاتا ہے اور اس کی وضاحت کی جاتی ہے۔

☆ اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے اور موثر طریقے سے روبہ عمل ہے جس کی مسلسل نگرانی کی جاتی ہے۔

☆ کمپنی کے قائم نہ رہنے کے حوالے سے کسی بھی قسم کا کوئی خدشہ نہیں پایا جاتا۔

☆ کارپوریٹ گورننس کے درج کردہ اصولوں سے کسی قسم کا انحراف نہیں کیا جا رہا۔

☆ گزشتہ ۶ برس کے مالی اور انتظامی امور سے متعلق اعداد و شمار کا خلاصہ اس رپورٹ کے ساتھ منسلک ہے۔

☆ واجب الادا ٹیکسوں اور دیگر دوسری ادائیگیوں کے بارے میں معلومات گوشوارے کے نوٹس میں دی گئی ہیں۔

☆ گروپ کے دوسرے اراکین کے ساتھ لین دین ضابطے کے مطابق ہے۔ تمام سودوں میں سیکیورٹی اینڈ ایکسچینج کمیشن کی ہدایات کو ملحوظ خاطر رکھا گیا ہے۔

☆ کمپنی کے تمام ڈائریکٹرز رجسٹرڈ ٹیکس دہندگان ہیں اور ان میں سے کوئی بھی کسی بینکنگ کمپنی، NBFI, DFI یا اسٹاک ایکسچینج کا نادہندہ نہیں ہے۔

☆ کمپنی کا کوئی بھی ڈائریکٹر 5 سے زیادہ لسٹڈ کمپنیوں کے بورڈ میں اپنی خدمات پیش نہیں کر رہا۔

☆ کمپنی اپنے تمام ملازمین جو کہ اپنی اہلیت کی مدت پوری کر چکے ہوں کے لئے ایک ان فنڈڈ گریجویٹی اسکیم چلاتی ہے جس کی پروویژن سالانہ کی بنیاد پر کی جاتی ہے۔ کمپنی نے اس سلسلے میں نظر ثانی شدہ IAS-19 کو اپنایا ہے۔

☆ سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانسیل آفیسر، کمپنی سیکرٹری اور ان کے شریک حیات اور نابالغ بچوں کی طرف سے کئے گئے کمپنی کے حصص کے تمام تر سودے منسلکہ پیٹرن آف شیئر ہولڈنگ میں درج ہیں۔

کمپنی کی سماجی ذمہ داریاں

کمپنی اپنی سماجی ذمہ داریوں کے بارے میں پرعزم ہے۔ کمپنی کام کے بہتر ماحول کو فروغ دینے اور قانون کے مطابق قومی خزانے میں باقاعدگی سے شراکت کے ذریعہ معاشرے اور ماحولیات کی بہتری پر یقین رکھتی ہے۔

۱) صحت، حفاظت اور ماحولیات

اپنے ملازمین کو محفوظ اور صحتمند ماحول کی فراہمی کو یقینی بنانے کے لئے ہم مستقل کوشاں ہیں۔ کمپنی باقاعدگی سے کمپنی کے کارکنوں کے لئے صحت کی سہولیات اور ریٹائرمنٹ کے فوائد میں اپنا کردار ادا کرتی ہے۔

۲) کاروباری اخلاقیات

انتظامیہ اپنی کاروباری سرگرمیوں کو جاری رکھنے کے لئے دیانتداری اور قوانین اور قواعد وضوابط کی پاسداری پر یقین رکھتی ہے۔ بورڈ نے اس سلسلے میں ایک ضابطہ اخلاق تیار کیا ہے جس میں تمام پالیسیوں کا تفصیلی ذکر ہے۔

۳) توانائی کی بچت

مینجمنٹ توانائی کے تحفظ پر خصوصی توجہ دیتی ہے اور توانائی کو بچانے والے آلات کی تنصیب جیسے اقدامات اختیار کئے ہیں۔ محنت کشوں کو توانائی کے غیر ضروری استعمال کو کم کرنے کے لئے توانائی کے مختلف طریقوں سے آگاہ کیا جاتا ہے۔

بورڈ کے اجلاس

زیر جائزہ مدت کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے جس میں مندرجہ ذیل افراد حاضر تھے۔

	ڈائریکٹرز کے نام	اجلاس میں حاضری
۱	جناب زاہد مظہر	4
۲	جناب عمر بن زاہد	4
۳	جناب حسن بن زاہد	5
۴	محترمہ نائلہ زاہد	4
۵	محترمہ انعم عمر	4
۶	محترمہ شافیہ حسن	5
۷	جناب وقار حسن صدیقی	5
۸	جناب ندیم احمد	5
۹	جناب نور محمد	5

بورڈ کے اراکین

ڈائریکٹرز	تعداد
مرد	6
خواتین	3

ترتیب	تعداد
آزاد ڈائریکٹرز	3
دیگر غیر انتظامی ڈائریکٹرز	3
انتظامی ڈائریکٹرز	3

متعلقہ کمپنیاں

متعلقہ کمپنیوں کی فہرست درج ذیل ہے۔

(۱) ندیم پاور جنریشن (پرائیوٹ) لمیٹڈ

(۲) ندیم انٹرنیشنل (پرائیوٹ) لمیٹڈ

متعلقہ کمپنیوں کے مابین لین دین قابل رسائی قیمتوں کی بنیاد پر کی گئی ہیں۔کمپنی نے ٹرانسفر پرائسنگ کے لئے لسٹنگ ریگولیشنز کے ضوابط کو مدنظر رکھا ہے۔متعلقہ کمپنیوں کی لین دین کو بورڈ نے آڈٹ کمیٹی کی سفارشات پر منظور کیا تھا۔

آڈٹ کمیٹی

کارپوریٹ گورننس کے تقاضوں کو پورا کرنے کے لئے کمپنی نے تین ارکان پر مشتمل ایک آڈٹ کمیٹی قائم کی ہے جن کے نام کمپنی کی معلومات کے صفحے پر درج ہیں۔آڈٹ کمیٹی نے نگرانی اور اندرونی کنٹرول کے نفاذ کا جائزہ لینے کے لئے ہر سطح پر انٹرنل آڈٹ کے نظام کا نفاذ کیا ہے۔

آڈیٹرز

سالانہ اجلاس عام کے اختتام پر کمپنی کے آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق چارٹرڈ اکاؤنٹنٹس کی خدمات کا عرصہ مکمل ہو چکا ہے اور اپنی اہلیت کی بنیاد پر انہوں نے دوبارہ تعیناتی کی خدمات پیش کی ہیں۔

بورڈ آف ڈائریکٹرز نے یہ سفارش کی ہے کہ آڈٹ کمیٹی کی تجویز کے مطابق انہیں اگلے مالی سال ۳۰ جون ۲۰۲۳ء کے لئے بھی کمپنی کا آڈیٹر مقرر کیا جائے۔

حصص یافتگان کی تفصیل

حصص یافتگان کی تفصیل برائے ۳۰ جون ۲۰۲۲ء اس رپورٹ کے ساتھ منسلک ہے۔

اظہار تشکر

کمپنی کے ڈائریکٹرز اپنے حصص یافتگان، قابل قدر گاہکوں اور بینکاروں کا تہہ دل سے مشکور ہیں جنہوں نے کمپنی کے معاملات میں تعاون کیا۔ڈائریکٹرز کمپنی کے عملے اور کارکنوں کی مسلسل کوششوں اور لگن کا اعتراف کرنے میں خوشی محسوس کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

کراچی :	زاہد مظہر	عمر بن زاہد
مورخہ : ۶ اکتوبر ۲۰۲۲ء	چیف ایگزیکٹو	ڈائریکٹر

NADEEM TEXTILE MILLS LIMITED

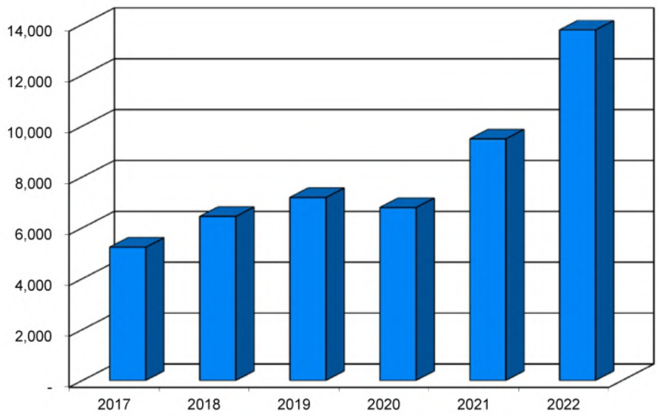
Key Operating & Financial Data

For the Period From July 2016 To June 2022

PERIODS	Jul - Jun 2021-2022	Jul - Jun 2020-2021	Jul - Jun 2019-2020	Jul - Jun 2018-2019	Jul - Jun 2019-2018	Jul - Jun 2016-2017
Net Sales Revenue	13,775,867,794	9,494,360,590	6,792,767,434	7,186,097,611	6,441,230,473	5,230,013,369
Cost Of Goods Sold	11,457,286,298	8,166,931,512	6,179,618,395	6,431,415,146	5,877,270,121	4,923,087,905
Gross Profit	**2,318,581,496**	**1,327,429,078**	**613,149,039**	**754,682,465**	**563,960,352**	**306,925,464**
Operating Profit	1,946,901,890	1,064,253,153	443,112,207	579,109,853	382,570,826	147,077,112
Profit/(Loss) Before Tax	1,384,930,950	758,174,989	105,521,813	322,690,888	168,299,087	24,494,249
Profit/(Loss) After Tax	1,213,984,141	638,868,823	17,544,745	200,160,181	149,755,696	7,126,008
Paid Up Capital	215,119,850	215,119,850	192,119,850	192,119,850	192,119,850	156,195,000
Current Assets	5,152,573,608	3,226,528,764	3,606,835,263	2,576,356,301	2,409,635,450	1,699,417,236
Current Liabilities	3,562,665,783	2,381,107,605	3,318,504,593	2,486,387,751	2,529,508,675	1,956,025,702

TURNOVER

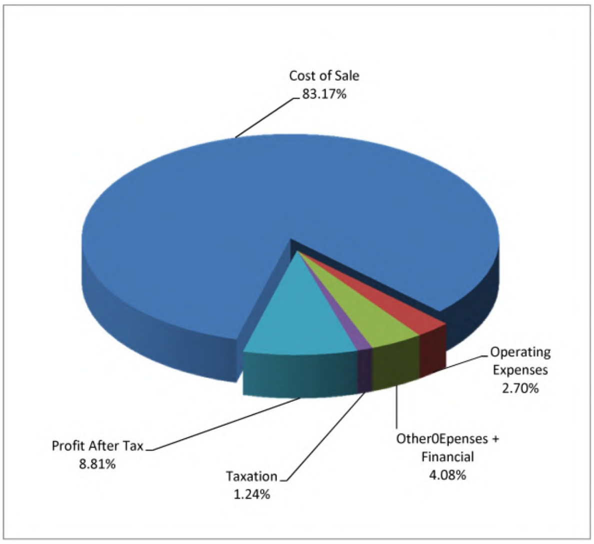
Year	Sales in (M)
2022	13,776
2021	9,494
2020	6,793
2019	7,186
2018	6,441
2017	5,230



APPLICATION OF REVENUE

FOR THE YEAR ENDED JUNE 30, 2022

	RUPEES	PERCENTAGE
Cost of Sale	11,457,286,298	83.17%
Operating Expenses	371,679,606	2.70%
Other Epenses + Financial	561,970,940	4.08%
Taxation	170,946,809	1.24%
Profit / (Loss) After Tax	1,213,984,141	8.81%
TOTAL	**13,775,867,794**	**100.00%**



NADEEM TEXTILE MILLS LIMITED
STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (Code of Corporate Governance) Regulation, 2019 For the year ended June 30, 2022

The Company has complied with the requirements of the Listed Companies (code of Corporate Governance) Regulations, 2019 ("the CCG Regulations") in the following manner:

1. The total number of directors are 9 (including the Chief Executive Officer) as per the following:
   a. Male 6
   b. Female 3

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Noor Muhammad Mr. Waqar Hassan Siddiqui Mr. Nadeem Ahmed
Executive Directors	Mr. Zahid Mazhar (CEO) Mr. Omer Bin Zahid Mr. Hassan Bin Zahid
Non-Executive Directors	Mrs. Naila Zahid (Chairperson) Mrs. Anam Omer Mrs. Shafia Hassan
Female Directors	Mrs. Naila Zahid (Chairperson) Mrs. Anam Omer Mrs. Shafia Hassan

   The independent directors meet the criteria of independence under the Companies Act, 2017 ("the Act").

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 the 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 Act and these Regulations.

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

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

9. Out of nine directors, six directors have either obtained certificate of Director's training program or are exempt from the requirement of Director's Training program as per the Listed Companies (Code of Corporate Governance) regulations 2019. However, during the year, no Director's training program was arranged.

10. There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year. However, all such appointments including their remuneration and terms and conditions of employment were duly approved by the Board and complied with relevant requirements of the Regulations.

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

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

Committee	Name of members and Chairman
(a) Audit Committee	Mr. Waqar Hassan Siddiqui (Chairman) Mrs. Anam Omer Mrs. Shafia Hassan
(b) HR&R Committee	Mr. Nadeem Ahmed (Chairman) Mrs. Anam Omer Mrs. Shafia Hassan

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

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

Committee	Frequency of meetings
(a) Audit Committee	Quarterly
(b) HR&R Committee	Annually

15. The Board has setup an effective internal audit function manned by competent personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan 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 Institute of Chartered Accountants of Pakistan 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 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 regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the CCG Regulations have been complied with.

for and on behalf of the board of Directors

Naila Zahid

Karachi:
Date: October 06, 2022

NAILA ZAHID
Chairperson

ZAHID MAZHAR
Chief Executive

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of M/s. Nadeem Textile Mills Limited

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') prepared by the Board of Directors of **M/s. Nadeem Textile Mills Limited** ('the Company') for the year ended **June 30, 2022** in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi.
Date: October 06, 2022

UDIN: CR202210210dDwZ1pBfq

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the members of Nadeem Textile Mills Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's 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 Matter(s)

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

Following is the Key audit matter:

S. No	Key audit matter	How the matter was addressed in our audit
1.	**Expenditures incurred on new capital projects** **(Refer note 5 to the financial statements)** During the year, the Company incurred expenditures on various new capital projects amounting, in aggregate, to Rs. 422.19 million. Cost of the projects that were successfully completed during the year amounting, in aggregate to Rs. 291.18 million, was transferred to operating fixed assets. Such expenditures were mainly financed through long-term financing facilities obtained from commercial banks. We considered this matter to be of most significance keeping in view the materiality of the amounts involved as well as the fact that its recognition, measurement, presentation and disclosure in the financial statements required the application of significant management judgment which, in turn, required us to apply significant auditor judgment and, accordingly, devote sufficient time and resources to obtain sufficient appropriate audit evidence.	Our audit procedures included, but were not limited to, the following: • Inspecting necessary documentary evidences to verify the occurrence and accuracy of the expenditures incurred on the capital projects and the corresponding loan proceeds received from the commercial bank; • Evaluating the management's conclusion as to why the capital projects were not regarded as 'qualifying assets' under applicable financial reporting standard and, accordingly, no borrowing costs should be included in the cost of the projects; • Assessing the reasonableness of various factors and assumptions used by management in determining the useful lives of the assets included in the capital projects as well as inspecting the necessary documentary evidences to establish the date from which such assets were considered as *'available for use'* and, hence, be depreciated from that date; • Recalculating the carrying amounts of the assets included in the capital projects and the related loan liability as well assessing the adequacy of their presentation and disclosures.

2.	**Revenue from contracts with customers** **(Refer note 4.9 and note 26 to the financial statements)** Revenue is recognized when control of the underlying products has been transferred to the customers. The Company recognized revenue from the sales of own manufactured goods measured net of discounts and commissions. We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and due to the reason that the revenue increased significantly as compared to last year. In addition, revenue also considered as an area of significant audit risk as part of audit procedures.	Our audit procedures amongst others included the following: - evaluated management controls over revenue and checked their validation; - performed verification of sales, on sample basis, with underlying documentation including gate pass, delivery order and invoice; - performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period; - performed audit procedures to analyze variation in the price and quantity sold during the year; - recalculated the commission as per Company's policy and verified related distribution expenses; and - ensured that presentation and disclosures related to revenue are being addressed appropriately.

Information Other than the Financial Statements and Auditor's 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 auditor's reports 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi
Date: October 06, 2022
UDIN: CR202210210dDwZ1pBfq

NADEEM TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
ASSETS		---------- Rupees ----------	
Non-current assets			
Property, plant and equipment	5	**3,437,590,070**	2,942,055,457
Long term deposits	6	**21,119,188**	13,608,488
		3,458,709,258	2,955,663,945
Current assets			
Stores, spares and loose tools	7	**148,838,619**	117,843,997
Stock-in-trade	8	**1,875,031,314**	1,041,106,025
Trade debts	9	**2,641,925,967**	1,678,765,237
Investments	10	**112,113,452**	82,439,482
Loans, advances and prepayments	11	**118,404,750**	115,475,536
Other receivables	12	**39,831,004**	23,297,016
Tax refunds due from government	13	**42,437,110**	25,744,511
Cash and bank balances	14	**173,991,392**	141,856,960
		5,152,573,608	3,226,528,764
		8,611,282,866	6,182,192,709
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
25,000,000 ordinary (2021: 25,000,000) shares of Rs. 10/- each		**250,000,000**	250,000,000
Issued, subscribed and paid up capital	15	**215,119,850**	215,119,850
Revenue reserve			
Unappropriated profits		**2,359,779,547**	1,184,734,861
Capital reserves			
Revaluation surplus on property, plant and equipment - net of deferred tax	16	**1,278,283,722**	1,305,611,412
Share premium		**274,197,289**	274,197,289
		1,552,481,011	1,579,808,701
		4,127,380,408	2,979,663,412
Non-current liabilities			
Long term financing	17	**366,765,949**	288,508,595
Deferred liabilities	18	**148,627,376**	149,930,739
Loan from related parties	19	**404,205,204**	377,650,204
Deferred income - Government grant	20	**1,638,146**	5,332,154
		921,236,675	821,421,692
Current liabilities			
Loans from directors	21	**10,000,000**	60,700,000
Trade and other payables	22	**1,443,401,894**	816,957,298
Accrued mark-up	23	**64,077,060**	32,194,556
Short term borrowings - secured	24	**1,866,383,279**	1,284,020,194
Unclaimed dividend		**1,491,024**	1,485,472
Current portion of long term financing	17	**122,212,526**	112,750,085
Current portion of loan from related parties	19	**55,100,000**	73,000,000
		3,562,665,783	2,381,107,605
Contingencies and commitments	25	**-**	-
		8,611,282,866	6,182,192,709

The annexed notes from 1 to 43 form an integral part of these financial statements.

Zahid Mazhar
Chief Executive Officer

Omer Bin Zahid
Director

Omer Bin Zahid
Chief Financial Officer

Karachi:
Dated: October 06, 2022

NADEEM TEXTILE MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		---------- Rupees ----------	
Sales - net	26	**13,775,867,794**	9,494,360,590
Cost of sales	27	**(11,457,286,298)**	(8,166,931,512)
Gross profit		**2,318,581,496**	1,327,429,078
Administrative expenses	28	**(143,210,520)**	(120,358,679)
Distribution costs	29	**(228,469,086)**	(142,817,246)
		(371,679,606)	(263,175,925)
		1,946,901,890	1,064,253,153
Other operating income	30	**16,616,924**	26,439,125
Other operating expenses	31	**(125,195,211)**	(67,089,280)
Finance costs	32	**(453,392,653)**	(265,428,009)
		(561,970,940)	(306,078,164)
Profit before taxation		**1,384,930,950**	758,174,989
Taxation	33	**(170,946,809)**	(119,306,166)
Profit after taxation		**1,213,984,141**	638,868,823
Earnings per share - basic and diluted	34	**56.43**	30.78

The annexed notes from 1 to 43 form an integral part of these financial statements.

Zahid Mazhar
Chief Executive Officer
Karachi:
Dated: October 06, 2022

Omer Bin Zahid
Director

Omer Bin Zahid
Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	---------- Rupees ----------	
Profit after taxation	**1,213,984,141**	638,868,823
Other comprehensive income		
Items that will not be subsequently reclassified in profit or loss:		
Remeasurement of defined benefit obligation	**(13,314,381)**	2,041,491
Deferred tax on remeasurement on defined benefit obligation	**1,013,943**	(308,034)
	(12,300,438)	1,733,457
Surplus on revaluation of leasehold land, factory building, and office premises	**-**	1,051,039,365
Increase in fair value of a non-factory building disposed of during the year	**11,440,487**	-
Deferred tax charge on above	**(871,239)**	(32,711,809)
	10,569,248	1,018,327,556
Total comprehensive income for the year	**1,212,252,951**	1,658,929,836

The annexed notes from 1 to 43 form an integral part of these financial statements.

Zahid Mazhar
Chief Executive Officer
Karachi:
Dated: October 06, 2022

Omer Bin Zahid
Director

Omer Bin Zahid
Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		---------- Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash generated from operations	35	**536,134,278**	1,278,252,368
Long term deposits placed		**(7,510,700)**	-
Income tax paid		**(175,276,101)**	(117,718,257)
Gratuity paid	18.1.1	**(33,399,437)**	(22,616,394)
Markup paid		**(249,410,649)**	(215,956,790)
Workers' Profit Participation Fund paid	22.5	**(47,496,651)**	(26,188,169)
Workers' Welfare Fund paid	22.6	**(15,919,735)**	(2,155,964)
Net cash generated from operating activities		**7,121,005**	893,616,794
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(570,228,436)**	(292,992,761)
Short term investments obtained		**(135,018,465)**	(22,468,092)
Proceeds realized from disposal of short term investments		**105,344,495**	-
Profit received on saving accounts and TDRs		**12,613,221**	12,916,127
Proceeds from disposal of property, plant and equipment	5.1.5	**55,215,251**	10,836,225
Net cash used in investing activities		**(532,073,934)**	(291,708,501)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance (repaid) / obtained - net		**81,299,679**	83,929,875
Loan (repaid) / obtained from director		**(50,700,000)**	24,000,000
Loan from related parties-net		**8,655,000**	17,795,000
Dividend paid		**(64,530,403)**	-
Net cash (used in) / generated from financing activities		**(25,275,724)**	125,724,875
Net (decrease) / increase in cash and cash equivalents		**(550,228,653)**	727,633,168
Cash and cash equivalents at beginning of the year		**(1,142,163,234)**	(1,869,796,402)
Cash and cash equivalents at end of the year	36	**(1,692,391,887)**	(1,142,163,234)

The annexed notes from 1 to 43 form an integral part of these financial statements.

Zahid Mazhar
Chief Executive Officer
Karachi:
Dated: October 06, 2022

Omer Bin Zahid
Director

Omer Bin Zahid
Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

			Revenue reserve	Capital reserves		
	Issued, subscribed and paid up capital	Advance against issue of shares	Unappropriated profits	Share premium	Revaluation surplus on property, plant and equipment - net of deferred tax	Total
	-- Rupees --					
Balance as at July 01, 2020	192,119,850	119,600,000	530,976,171	177,597,289	300,440,266	1,320,733,576
Total comprehensive income for the year ended June 30, 2021						
- Profit after taxation	-	-	638,868,823	-	-	638,868,823
- Other comprehensive income	-	-	1,733,457	-	1,018,327,556	1,020,061,013
	-	-	640,602,280	-	1,018,327,556	1,658,929,836
Transfer to unappropriated profit on account of incremental depreciation - net of deferred tax	-	-	13,156,410	-	(13,156,410)	-
Transactions with owners						
Advance received against issue of shares	23,000,000	(119,600,000)	-	96,600,000	-	-
Balance as at June 30, 2021	215,119,850	-	1,184,734,861	274,197,289	1,305,611,412	2,979,663,412
Total comprehensive income for the year ended June 30, 2022						
- Profit after taxation	-	-	**1,213,984,141**	-	-	**1,213,984,141**
- Other comprehensive income	-	-	**(12,300,438)**	-	**10,569,248**	**(1,731,190)**
	-	-	**1,201,683,703**	-	**10,569,248**	**1,212,252,951**
Surplus on revaluation of a non-factory building realized upon disposal - net of deferred tax	-	-	**17,864,670**	-	**(17,864,670)**	-
Transfer to unappropriated profit on account of incremental depreciation - net of deferred tax	-	-	**20,032,268**	-	**(20,032,268)**	-
	-	-	**37,896,938**	-	**(37,896,938)**	-
Transactions with owners						
Final dividend @ 30% for the year ended June 30, 2021	-	-	**(64,535,955)**	-	-	**(64,535,955)**
Balance as at June 30, 2022	**215,119,850**	-	**2,359,779,547**	**274,197,289**	**1,278,283,722**	**4,127,380,408**

The annexed notes from 1 to 43 form an integral part of these financial statements.

Zahid Mazhar
Chief Executive Officer
Karachi:
Dated: October 06, 2022

Omer Bin Zahid
Director

Omer Bin Zahid
Chief Financial Officer

NADEEM TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. INTRODUCTION

1.1 Legal status of the Company

Nadeem Textile Mills Limited ('the Company') was incorporated in Pakistan on July 15, 1984 as a public limited company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and its shares are listed on the Pakistan Stock Exchange Limited.

1.2 Location of the registered office and the manufacturing facilities

Registered office:

The registered office of the Company is situated at 801-804, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi.

Manufacturing facilities:

The Company's manufacturing facilities are situated as follows:

- Unit-1: A-265, S.I.T.E., Nooriabad, district Jamshoro, Sindh.
- Unit-2: E-11, S.I.T.E., Kotri, district Jamshoro, Sindh

1.3 Principal business activity

The main business of the Company is manufacturing and sale of yarn.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

Items in these financial statements have been measured at their historical cost except for leasehold land, factory building and office premises which are carried at revalued amounts less accumulated depreciation therein.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company s functional and presentation currency.

2.4 Use of estimates and judgments

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

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

	Note
- Revaluation of certain items of property, plant and equipment	4.1
- Useful life and residual values of property, plant and equipment	4.1
- Discount rate used to determine the value of government grant element embedded in the long te rm 'finance received from A commercial bank unde r the SBP refinance Scheme for Payment of Wages and Salaries	
- Provision for staff retirement benefits	4.6
- Provision for taxation	4.8

3. NEW ACCOUNTING PRONOUNCEMENTS

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

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

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

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

- Onerous Contracts Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.
- Amendments to IFRS 3 'Business Combinations' - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The amendments are not likely to affect the financial statements of the Company.
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity s right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The management of the Company is currently in the process of assessing the impacts of these amendments to these financial statements.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  a. requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  c. clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company s financial statements.

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

  The management of the Company is currently in the process of assessing the impacts of above amendments to these financial statements.

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

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The amendments are not likely to affect the financial statements of the Company.

  Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted. The amendments are not likely to affect the financial statements of the Company.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.

  - IFRS 9 The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other s behalf, when it applies the 10 per cent test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

  - IFRS 16 The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

  - IAS 41 The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique This amendment enables the fair value measurement of biological assets on a post-tax basis.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment loss, if any, except lease hold land, factory building and office premises which are stated at revalued amount less accumulated depreciation and impairment loss, if any.

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

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

Depreciation is charged to the statement of profit or loss applying written down value method whereby the cost or revalued amount of an asset is written off over its useful life at the rates specified in note 5.1 the financial statements. Depreciation on additions is charged from the day in which asset is available for use and on disposals up to the day immediately preceding that of disposal.

The assets' residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment at year end did not require any adjustment as its impact is considered insignificant.

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

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

4.2 Stores, spares and loose tools

These are valued at cost less the provision for slow-moving or obsolete items, if any, except for the items in transit which are stated at cost (comprising invoice value and other directly attributable costs incurred thereon). The cost of the items consumed and those held in stock at the reporting date is determined using average cost method.

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

4.3 Stock in trade

Basis of valuation

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

Determination of cost

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

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

The **costs of conversion** of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities (which is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance). However, in periods of abnormally high production, the amount of fixed overhead allocated to each unit of production is decreased so that inventories are not measured above cost. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities.

The cost of the items consumed or sold and those held in stock at the reporting date is determined using the average cost formula.

Determination of net realizable value

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

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

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

A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write down is reversed (i.e. the reversal is limited to the amount of the original write down) so that the new carrying amount is the lower of the cost and the revised net realisable value.

4.4 Trade debts

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

4.5 Cash and cash equivalents

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

4.6 Staff retirement benefits

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

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

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

Remeasurements of the defined benefit liability (i.e. the actuarial gains or losses) are recognised immediately in other comprehensive income. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate to the defined benefit liability at the beginning of the annual reporting period, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

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

4.7 Provisions and contingent liabilities

Provisions

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

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

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

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

Contingent liabilities

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

4.8 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Current

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

Deferred

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

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

4.9 Revenue recognition

Revenue from local sales

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

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

Revenue from export sales

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

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

Other income

Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

4.10 Borrowing costs

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

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

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

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

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

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

4.11 Foreign currency transactions and translation

Transactions in foreign currencies are converted into Rupees at the rate of exchange ruling on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rate of exchange ruling at the balance sheet date. All exchange differences arising on transaction are charged to profit and loss account in that period.

4.12 Financial assets

4.12.1 Classification and initial measurement

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

(a) financial assets measured at amortized cost;

(b) fair value through other comprehensive income (FVOCI);

(c) fair value through profit or loss (FVTPL); and

(a) Financial assets measured at amortized cost.

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

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

(b) Fair value through other comprehensive income (FVOCI);

A financial asset is classified as at fair value through othe r comprehensive income when it is held within a business mode l whos e objective is achieved by both c ollecting contractua l cash ows and s elling nancial assets and its contractua l terms give rise on speci ed dates to cash ows that are solely payments of principal and interest on the principal amount outs tanding.

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

(c) Fair value through profit or loss (FVTPL); and

A financial asset shall be measured at fair value through pr ofit or loss unless it is measured at amortised cost or at fair value through othe r comprehensive income, as aforesaid. However, for an investment in equity instrument which is not he ld for trading, the Company may make an irrevocable election to pr esent in othe r comprehensive income subs equent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

4.12.2 Subsequent measurement

(a) *Financial assets measured at amortized cost*

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

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

(b) *Financial assets at FVOCI*

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

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

Financial assets at FVTPL

These assets are subsequently measured at fair value.

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

4.12.3 *Impairment*

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

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

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

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

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

4.12.4 *De-recognition*

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

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

4.13 Financial liabilities

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

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

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

4.14 Offsetting of financial assets and financial liabilities

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

4.15 Dividends

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

5. PROPERTY, PLANT AND EQUIPMENT	*Note*	**2022**	2021
		--------- Rupees ---------	
Operating fixed assets	*5.1*	**3,141,716,888**	2,936,481,747
Capital work in progress	*5.2*	**136,578,844**	5,573,710
Machinery in transit		**159,294,338**	-
		3,437,590,070	2,942,055,457

5.1 Operating fixed assets

	Leasehold land	Factory building	Non factory building	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
					Rupees				
As at June 30, 2020									
Gross carrying amount	112,000,000	450,489,356	227,183,321	2,249,815,918	14,303,660	3,074,562	8,701,410	65,168,451	3,130,736,678
Accumulated depreciation	-	(144,767,771)	(77,127,384)	(1,099,763,934)	(7,098,307)	(2,440,953)	(4,163,047)	(35,836,475)	(1,371,197,871)
	112,000,000	305,721,585	150,055,937	1,150,051,984	7,205,353	633,609	4,538,363	29,331,976	1,759,538,807
Movement during the year ended June 30, 2021									
Opening net book value	112,000,000	305,721,585	150,055,937	1,150,051,984	7,205,353	633,609	4,538,363	29,331,976	1,759,538,807
Additions	-	2,550,352	37,700	73,279,594	454,000	184,270	360,959	28,484,945	105,351,820
Transfer from CWIP	-	2,093,016	1,620,340	182,381,472	-	-	-	-	186,094,828
Revaluation surplus	853,000,000	22,878,181	175,161,184	-	-	-	-	-	1,051,039,365
Disposals:									
-Cost	-	-	-	-	-	-	-	(8,231,395)	(8,231,395)
-Accumulated depreciation	-	-	-	-	-	-	-	3,409,448	3,409,448
	-	-	-	-	-	-	-	(4,821,947)	(4,821,947)
Depreciation for the year	-	(15,652,270)	(9,710,506)	(127,180,038)	(743,253)	(213,704)	(474,691)	(6,746,664)	(160,721,126)
Closing net book value	965,000,000	317,590,864	317,164,655	1,278,533,012	6,916,100	604,175	4,424,631	46,248,310	2,936,481,747
Movement during the year ended June 30, 2021									
Gross carrying amount	965,000,000	478,010,905	404,002,545	2,505,476,984	14,757,660	3,258,832	9,062,369	85,422,001	4,464,991,296
Accumulated depreciation	-	(160,420,041)	(86,837,890)	(1,226,943,972)	(7,841,560)	(2,654,657)	(4,637,738)	(39,173,691)	(1,528,509,549)
	965,000,000	317,590,864	317,164,655	1,278,533,012	6,916,100	604,175	4,424,631	46,248,310	2,936,481,747
Year ended June 30, 2022									
Opening net book value	**965,000,000**	**317,590,864**	**317,164,655**	**1,278,533,012**	**6,916,100**	**604,175**	**4,424,631**	**46,248,310**	**2,936,481,747**
Additions	-	**8,688,740**	-	**115,842,693**	**245,213**	**784,807**	**366,765**	**22,114,082**	**148,042,300**
Transfer from CWIP	-	**5,254,715**	**300,000**	**285,626,287**	-	-	-	-	**291,181,002**
Increase in fair value of a	-	-	-	-	-	-	-	-	-
non-factory building			**11,440,487**						**11,440,487**
Disposals:									
-Cost	-	-	**(21,440,487)**	**(115,642,224)**	-	-	-	**(6,827,000)**	**(143,909,711)**
-Accumulated depreciation	-	-	**1,973,487**	**82,396,667**	-	-	-	**2,995,935**	**87,366,089**
	-	-	**(19,467,000)**	**(33,245,557)**	-	-	-	**(3,831,065)**	**(56,543,622)**
Depreciation for the year	-	**(16,120,513)**	**(15,687,521)**	**(143,482,019)**	**(708,739)**	**(278,596)**	**(457,076)**	**(12,150,562)**	**(188,885,026)**
Closing net book value	**965,000,000**	**315,413,806**	**293,750,621**	**1,503,274,416**	**6,452,574**	**1,110,386**	**4,334,320**	**52,380,765**	**3,141,716,888**
As at June 30, 2022									
Gross carrying amount	**965,000,000**	**491,954,360**	**394,302,545**	**2,791,303,740**	**15,002,873**	**4,043,639**	**9,429,134**	**100,709,083**	**4,771,745,374**
Accumulated depreciation	-	**(176,540,554)**	**(100,551,924)**	**(1,288,029,324)**	**(8,550,299)**	**(2,933,253)**	**(5,094,814)**	**(48,328,318)**	**(1,630,028,486)**
	965,000,000	**315,413,806**	**293,750,621**	**1,503,274,416**	**6,452,574**	**1,110,386**	**4,334,320**	**52,380,765**	**3,141,716,888**
Annual rates of depreciation	**0%**	**5%**	**5%**	**10%**	**10%**	**30%**	**10%**	**20%**	

5.1.1 Leasehold land of the Company are located at A-265 S.I.T.E, Nooriabad, Sindh and E-11, S.I.T.E., Kotri Sindh with an area of 111,320 and 156,090 square yards respectively

5.1.2 The Company measure its land, buildings and office premises using revaluation model. The latest revaluation of land, building, and office premises was carried out by an independent valuer M/s. Joseph Lobo as on April 01, 2021 on the basis of present market values for similar sized land in the vicinity and replacement values of similar type of buildings adjusted for depreciation factor for the existing assets in use.

5.1.3 Forced sales value of leasehold land, buildings and office premises based on the valuation conducted in April 2021 by independent valuer were as follows:

	Fair value	**Forced sale value**
Freehold land	**965,000,000**	**723,200,100**
Factory building	**328,599,766**	**246,387,750**
Office premises	**325,217,121**	**243,842,900**

5.1.4 Had the leasehold land, factory building and office premises been carried under the cost model of accounting, their carrying amount at the reporting date would have been as follows:

	2022	2021
	Rupees	
Leasehold land	**46,384,040**	46,384,040
Factory building	**95,945,093**	86,571,166
Office premises	**98,635,758**	103,513,188
	240,964,891	236,468,394

5.1.5 The particulars of fixed assets disposed off during the year are as follows;

Paricular of assets	Cost	Accumulated depreciation	Book value	Sales proceeds	(Gain) / loss on disposal	Particulars of purchaser	Relation with purchaser	Mode of disposal
	Rupees							
Commerce Centre 601-603	21,440,487	1,973,487	19,467,000	19,467,000	-	Nabi Qasim Industries (Pvt.	No relation	Negotation
Obsolete Machinery	8,283,483	6,810,956	1,472,527	1,475,000	(2,473)	Hasan & Co.	No relation	Negotation
Auto Cone Machine Murata-7II	3,546,167	2,086,858	1,459,309	1,500,000	(40,691)	AR Traders	No relation	Negotation
Obsolete Plucker Machine	170,000	51,776	118,224	120,000	(1,776)	Hasan & Co.	No relation	Negotation
Truetzschler MPM Multimixer	1,637,822	1,169,396	468,426	470,000	(1,574)	Ideal Trading Co.	No relation	Negotation
Obsolete Card Machine	6,083,678	4,462,555	1,621,123	1,680,000	(58,877)	Ideal Trading Co.	No relation	Negotation
18 Card Machines	29,620,603	21,333,230	8,287,373	8,390,000	(102,627)	Ideal Trading Co.	No relation	Negotation
Obsolete Mach Coner (Auto Cone)	3,546,167	2,161,448	1,384,719	1,250,000	134,719	Ideal Trading Co.	No relation	Negotation
Obsolete Card Machine CrosRoll	6,156,368	4,540,182	1,616,186	1,680,000	(63,814)	Ideal Trading Co.	No relation	Negotation
Obsolete Toyota Drawing DX-8	2,000,000	1,216,906	783,094	800,000	(16,906)	AN Textile Mills Ltd.	No relation	Negotation
Obsolete Mach Coner SRTM	3,546,167	2,165,198	1,380,969	1,250,000	130,969	Ideal Trading Co.	No relation	Negotation
Obsolete Gas Generator CaterPillar	33,696,769	26,087,696	7,609,073	3,175,500	4,433,573	GenCom Spare & Services	No relation	Negotation
Doubler Machine	500,000	290,791	209,209	298,500	(89,291)	Hasan & Co.	No relation	Negotation
RSB-951 &DX-500	2,965,000	1,724,388	1,240,612	1,253,731	(13,119)	Ideal Trading Co.	No relation	Negotation
Obsolete Machinery Mrata 363-II	7,250,000	4,242,100	3,007,900	2,985,074	22,826	Hasan & Co.	No relation	Negotation
Obsolete Card Machine MK-5A	2,000,000	1,217,380	782,620	840,000	(57,380)	Ideal Trading Co.	No relation	Negotation
Draw Frame Cherry DX-500	4,640,000	2,835,807	1,804,193	1,944,446	(140,253)	Ghani & Company	No relation	Negotation
BAQ-988 Toyota Corolla	1,535,000	965,377	569,623	1,040,000	(470,377)	Mr. Suban Salam	No relation	Negotation
AXL-725 Honda City	1,700,000	96,469	1,603,531	1,655,000	(51,469)	Mr. M.Adnan Murtaza	No relation	Negotation
KHT-1141 Uniqye MotorCycle	43,500	33,072	10,428	16,000	(5,572)	Mr. Faizan Saeed	No relation	Negotation
KKR-9306 Unique MotorCycle	48,500	26,649	21,851	25,000	(3,149)	Mr. Aman-ul-lah	No relation	Negotation
KV-1070 FordRanger	3,500,000	1,874,368	1,625,632	3,900,000	(2,274,368)	CarDeals	No relation	Negotation
Total	**143,909,711**	**87,366,089**	**56,543,622**	**55,215,251**	**1,328,371**			

		Note	2022	2021
			---------- Rupees ----------	
5.1.6	Depreciation charge for the year is allocated as under:			
	Cost of goods manufactured - conversion costs incurred	27.1.2	**159,602,532**	142,832,308
	Administrative expenses	28	**29,282,494**	17,888,818
			188,885,026	160,721,126

	Plant and Machinery	Civil Works	Total
	---------- Rupees ----------		
Movement during the year ended June 30, 2021			
Opening balance	101,742	2,800,551	2,902,293
Additions during the year	182,449,131	5,191,810	187,640,941
	182,550,873	7,992,361	190,543,234
Transfer to operating fixed asset	(182,381,472)	(2,588,052)	(184,969,524)
Balance as at June 30,2021	169,401	5,404,309	5,573,710
Movement during the year ended June 30, 2022			
Opening balance	**169,401**	**5,404,309**	**5,573,710**
Additions during the year	**420,063,227**	**2,122,909**	**422,186,136**
	420,232,628	**7,527,218**	**427,759,846**
Transfer to operating fixed asset	**(285,626,287)**	**(5,554,715)**	**(291,181,002)**
Balance as at June 30,2022	**134,606,341**	**1,972,503**	**136,578,844**

		Note		
6.	**LONG TERM DEPOSITS**		--------- Rupees ---------	
	Long term advances		**437,500**	437,500
	Long term security deposits	6.1	**20,681,688**	13,170,988
			21,119,188	13,608,488

6.1 This includes security deposit to WAPDA amounting to Rs. 17.4 million (2021: Rs.10.2 million).

		Note	2022	2021
7.	**STORES, SPARES AND LOOSE TOOLS**		--------- Rupees ---------	
	Stores in hand		**69,443,111**	66,706,371
	Spares in hand		**80,852,733**	55,209,620
	Spares in transit		**4,653,759**	-
			85,506,492	55,209,620
	Loose tools		**779,321**	568,010
			155,728,924	122,484,001
	Less: Provision against slow moving store items		**(6,890,305)**	(4,640,004)
			148,838,619	117,843,997
8.	**STOCK IN TRADE**			
	Raw material in hand		**620,289,804**	373,846,564
	Raw material in transit		**506,313,149**	185,275,782
			1,126,602,953	559,122,346
	Work- in- process		**115,178,451**	61,074,545
	Finished goods		**612,505,201**	372,638,511
	Waste		**20,744,709**	48,270,623
		8.1	**1,875,031,314**	1,041,106,025

8.1 This includes stocks amounting to Rs. 873 million (2021: Rs. 644 million) pledged with banks as security with banks against finance facilities.

9.	TRADE DEBTS	Note	2022	2021
			--------- Rupees ---------	
	Local trade debts - unsecured		**1,356,443,430**	1,061,397,867
	Indirect export debts - unsecured		**1,302,403,377**	625,464,582
			2,658,846,807	1,686,862,449
	Less: Provision for expected credit losses	9.1	**(16,920,840)**	(8,097,212)
			2,641,925,967	1,678,765,237
9.1	The movement in the allowance for the doubtful debts is as follows:			
	Opening balance		**8,097,212**	5,661,711
	Reversal during the year		**(1,256,949)**	(2,200,000)
	Charge during the year		**10,993,220**	4,635,501
	Write offs		**(912,643)**	-
	Closing balance		**16,920,840**	8,097,212
10.	INVESTMENTS			
	Term deposits	10.1	**112,113,452**	82,439,482

10.1 These TDRs were deposited as margin against bank guarantees issued by different banks as disclosed in note No.25.2. This carries markup at a rate of 5.75% - 11.25% per annum (2021: 5.5% - 7.25%). These term deposits will mature between 6 to 36 months.

11.	LOANS, ADVANCES AND PREPAYMENTS	Note	2022	2021
			--------- Rupees ---------	
	Loans to staff and workers	11.1	**1,202,664**	848,679
	Advance to suppliers		**116,429,932**	114,017,064
	Prepayments	43.1	**772,154**	609,793
			118,404,750	115,475,536

11.1 These represent interest-free loan provided to employees in accordance with the Company s policy. The loans are secured against retirement benefits and are recoverable in equal monthly installments.

12.	OTHER RECEIVABLES	Note	2022	2021
			--------- Rupees ---------	
	Insurance claim receivable		**16,284,000**	-
	Interest income receivable		**6,017,491**	3,280,737
	Others		**17,529,513**	20,016,279
			39,831,004	23,297,016
13.	TAX REFUNDS DUE FROM GOVERNMENT			
	Income tax refundable		**10,830,536**	25,744,511
	Sales tax refundable		**31,606,574**	-
			42,437,110	25,744,511
14.	CASH AND BANK BALANCES			
	Cash in hand		**4,848,557**	11,885,581
	Cash at bank - current accounts		**38,371,801**	33,421,434
	Cash at bank - deposit accounts	14.1	**130,771,034**	96,549,945
			169,142,835	129,971,379
			173,991,392	141,856,960

14.1 These carry markup rate ranging from 5.75% to 8.25% per annum on daily product basis (2021: 5.5% to 7.5% per annum).

15. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022	2021		2022	2021
----- Number of shares -----			---------- Rupees ----------	
15,011,985	15,011,985	Ordinary shares of Rs.10/- each issued as fully paid in cash	**150,119,850**	150,119,850
6,500,000	6,500,000	Ordinary shares of Rs.10/- each issued as fully paid as bonus	**65,000,000**	65,000,000
21,511,985	21,511,985		**215,119,850**	215,119,850

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

15.2 The associated company Nadeem Power Generation (Private) Limited held 3,604,500 (2021: 3,604,500) ordinary shares at the year end.

16. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT -net

	2022	2021
	---------- Rupees ----------	
On leasehold land		
Gross surplus		
Opening balance	**918,615,960**	65,615,960
Revaluation increase recognised during the year	**-**	853,000,000
	918,615,960	918,615,960
On factory and non-factory building		
Gross surplus		
Opening balance	**444,671,165**	262,126,098
Revaluation increase recognised during the year	**11,440,487**	198,039,365
Surplus realized on disposal during the year	**(19,337,281)**	
Incremental depreciation transferred to retained earnings	**(21,683,559)**	(15,494,298)
	415,090,812	444,671,165
Related deferred tax charge		
Opening balance	**(57,675,713)**	(27,301,792)
Revaluation increase recognised during the year	**(871,239)**	(32,711,809)
Surplus realized on disposal during the year	**1,472,611**	-
Incremental depreciation transferred to retained earnings	**1,651,291**	2,337,888
	(55,423,050)	(57,675,713)
	359,667,762	386,995,452
Surplus on revaluation - net of deferred tax	**1,278,283,722**	1,305,611,412

17.	LONG TERM FINANCING	Note	2022	2021
			---------- Rupees ----------	
	Long Term Finance Facility (LTFF)			
	- Bank Al Falah Limited	*17.1*	**133,268,000**	158,274,040
	- Habib Bank Limited	*17.2*	**130,000,000**	-
	- JS Bank Limited	*17.3*	**95,850,500**	130,047,500
			359,118,500	288,321,540
	Medium Term Loans			
	- Askari Bank Limited	*17.4*	**71,789,200**	-
	- Bank Al Falah Limited	*17.5*	**12,503,020**	-
	- Samba Bank Limited		**-**	9,375,000
			84,292,220	9,375,000
	SBP Refinance Scheme for Payment of Salaries and Wages			
	- Soneri Bank Limited	*17.6*	**45,567,755**	103,562,140
			488,978,475	401,258,680
	Less: Current portion shown under current liabilities		**(122,212,526)**	(112,750,085)
	Non-current maturity		**366,765,949**	288,508,595

17.1 Long Term Financing Facility from Bank Al Falah Limited

This represents amount availed for purchase of 2 MTU gas generators. It is secured by having the exclusive charge over the imported machinery along with the 25% margin and ranking charge of Rs. 25 million over the existing plant and machinery located Nooriabad unit, District Jamshoro, Sindh.

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

(a) The applicable markup rate is 4.5%;
(b) The tenor of the facility is 8 years (including 1-year grace period commencing from the date of first disbursement); and
(c) The loan is to be repaid in 16 equal semi-annually instalments (to be commenced after the aforesaid grace period).

17.2 Long Term Financing Facility from Habib Bank Limited

This represents amount availed for purchase of new plant and machinery (Spinning system, carding machine and bale plucker). It is secured by exclusive hypothecation charge over specific plant and machinery for Rs. 130 million with 25% margin over the plant and machinery amounting to Rs. 44 million.

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

(a) The applicable markup rate is 4.5%;
(b) The tenor of the facility is 7 years (including 1-year grace period commencing from the date of first disbursement); and
(c) The loan is to be repaid in 24 equal quarterly instalments (to be commenced after the aforesaid grace period).

17.3 Long Term Financing Facility from JS Bank Limited

This represents the amount availed under LTFF obtained for procurement of machinery in relation to the BMR of existing plant and machinery of the Company. It is secured by first exclusive and specific charge over the machinery being imported under the letter of credit (to be located at the Company's manufacturing facilities in Nooriabad and Kotri, District Jamshoro, Sindh with 20% margin) with the tenor of 5 years at the mark-up rate of 5% to be repaid in 20 equal quarterly installments.

17.4 Medium Term Loan from Askari Bank Limited

This represents the amount availed under a term finance facility (will be converted in SBP-LTFF) obtained from M/s. Askari Bank Limited. The facility has been obtained for procurement of machinery in relation to the BMR of existing plant and machinery of the Company, and is secured by first exclusive and specific charge over the machinery being imported under the letter of credit (to be located at the Company's manufacturing facilities in Nooriabad and Kotri, District Jamshoro, Sindh with 25% margin).

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

(a) The applicable markup rate is 3-Month KIBOR + 2.25%;

(b) The tenor of the facility is 7 years (including 2-year grace period commencing from the date of first disbursement); and

(c) The loan is to be repaid in 20 equal quarterly instalments (to be commenced after the aforesaid grace period).

17.5 Medium Term Loan from Bank Al Falah Limited

This represents the amount availed for purchase of 5x Maurata 21C Auto Winder. It is secured by having the exclusive charge on machinery along with margin of 18% which will be covered through cushion of Rs. 15 million in existing 1st Pari Passu charge over current assets of Rs. 75 million.

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

(a) The applicable markup rate is 6-Month KIBOR + 2%;

(b) The tenor of the facility is 7 years (including 1-year grace period commencing from the date of first disbursement); and

(c) The loan is to be repaid in 12 equal semi-annually instalments (to be commenced after the aforesaid grace period).

		2022	2021
17.6	**SBP Refinance Scheme for Payment of Salaries and Wages**	---------- **Rupees** ----------	
	Opening carrying amount - net of deferred grant	**103,562,140**	75,930,409
	Funds borrowed during the year:		
	Loan proceeds received from the bank	-	40,953,886
	Less: Element of government grant recognized as deferred income	-	(4,036,138)
		-	36,917,748
	Interest recognized on unwinding of the liability	**6,420,116**	8,996,234
	Loan installments paid during the year	**(64,414,501)**	(18,282,251)
	Closing carrying amount - net of deferred grant	**45,567,755**	103,562,140
	Less: Current maturity shown under current liabilities	**(45,567,755)**	(56,675,069)
	Non-current maturity	-	46,887,071

		Note	2022	2021
			---------- **Rupees** ----------	
18.	**DEFERRED LIABILITIES**			
	Staff retirement benefits - defined benefit plan (gratuity)	*18.1*	**96,599,184**	78,516,576
	Deferred taxation - net	*18.2*	**52,028,192**	71,414,163
			148,627,376	149,930,739

18.1 Staff retirement benefits - defined benefit plan (gratuity)

As disclosed in note 4.6 to these financial statements, the Company operates an unfunded gratuity scheme for its staff employees. The latest actuarial valuation was carried out as at June 30, 2022, using the Projected Unit Credit Method.

18.1.1 Movement in defined benefit obligation

	---------- Rupees ----------	
Opening defined benefit obligation	**78,557,736**	69,412,384
Current service cost	**31,940,705**	28,864,381
Interest cost	**6,185,802**	4,938,856
Benefits paid	**(33,399,437)**	(22,616,394)
Remeasurements	**13,314,378**	(2,041,491)
Closing defined benefit obligation	**96,599,184**	78,557,736

18.1.2 Expenses recognized in the statement of profit or loss account

Current service cost	**31,940,705**	28,864,381
Interest cost on defined benefit obligation	**6,185,802**	4,938,856
	38,126,507	33,803,237

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

Actuarial losses / (gains) on defined benefit obligation due to:		
- Changes in financial assumptions	**(3,659,128)**	1,493,103
- Experience adjustments	**16,973,509**	(3,534,594)
	13,314,381	(2,041,491)

18.1.4 Year-end sensitivity analysis on defined benefit obligation

Discount rate + 100 bps	**92,525,839**	75,057,632
Discount rate - 100 bps	**101,166,855**	82,492,322
Salary increment rate + 100 bps	**101,246,877**	82,530,658
Salary increment rate -100 bps	**92,387,959**	74,965,109

18.1.5 As of June 30, 2022 the weighted average duration of the defined benefit obligation is 4 Years (2021: 5 years).

18.1.6 Principal actuarial assumptions used in the valuation of gratuity

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

18.2 Deferred taxation - net

For the year ended June 30, 2022	Note	Opening balance	Charge / (reversal) recognized in profit or loss	Charge / (income) recognized in other comprehensive income	Closing balance
		----------	---------- Rupees	----------	----------
Taxable temporary differences					
- Accelerated tax depreciation		101,531,341	(71,800,618)	-	29,730,723
- SBP loan for salaries and wages		724,662	(658,080)	-	66,582
- Indirect export debtors		-	13,024,034	-	13,024,034
- Deferred grant		(804,553)	679,802	-	(124,751)
- Excess of minimum tax carried forward	*18.2.1*	(72,817,562)	35,217,074	-	(37,600,488)
		28,633,888	(23,537,788)	-	5,096,100
Deductible temporary differences					
- Surplus on revaluaiton of fixed assets		57,675,713	-	871,239	58,546,952
- Provisions for expected credit losses		(2,348,191)	(2,558,853)	-	(4,907,044)
- Provisions for slow moving store items		(700,116)	1,348,714	-	648,598
- Staff retirement benefits		(11,847,131)	5,504,660	(1,013,943)	(7,356,414)
		42,780,275	4,294,521	(142,704)	46,932,092
		71,414,163	(19,243,267)	(142,704)	52,028,192

For the year ended June 30, 2021	Opening balance	Charge / (reversal) recognized in profit or loss	Charge / (income) recognized in other comprehensive income	Closing balance
	------------	------------ Rupees	------------	------------
Taxable temporary differences				
-Accelerated tax depreciation	97,402,277	4,129,064	-	101,531,341
- Deferred grant	(1,022,036)	217,483	-	(804,553)
- SBP loan for salaries and wages	-	724,662	-	724,662
- Excess of minimum tax carried forward	(76,947,918)	4,130,356	-	(72,817,562)
	19,432,323	9,201,565	-	28,633,888
Deductible temporary differences				
- Surplus on revaluaiton of fixed assets	27,301,792	(2,337,888)	32,711,809	57,675,713
- Provisions for expected credit losses	(1,641,896)	(706,295)	-	(2,348,191)
- Provisions for slow moving store items	-	(700,116)	-	(700,116)
- Staff retirement benefits	(9,700,450)	(2,454,715)	308,034	(11,847,131)
	15,959,446	(6,199,014)	33,019,843	42,780,275
	35,391,769	3,002,551	33,019,843	71,414,163

18.2.1 This represents excess tax over and above the normal tax payable under provision of section 113 of income tax ordinance 2001. The excess amount of tax paid can be carried forward and adjusted against tax liability for five tax years immediately succeeding the tax year.

	Note	2022	2021
		---------- Rupees	----------
19. LOAN FROM RELATED PARTIES			
Nadeem Power Generation (Private) Limited (NPGL)	*19.1*	**59,305,204**	32,750,204
Nadeem International (Private) Limited (NIPL)	*19.2*	**400,000,000**	417,900,000
		459,305,204	450,650,204
Less : Current portion shown under current liabilities			
Nadeem International (Private) Limited		**(55,100,000)**	(73,000,000)
	19.3	**404,205,204**	377,650,204

19.1 ***Nadeem Power Generation (Private) Limited (NPGL)***

	2022	2021
Opening	**32,750,204**	14,355,204
Loan obtained	**34,400,000**	33,900,000
Less: repaid	**(7,845,000)**	(15,505,000)
Closing	**59,305,204**	32,750,204

19.2 ***Nadeem International (Private) Limited (NIPL)***

	2022	2021
Opening	**417,900,000**	418,500,000
Loan obtained	**-**	13,500,000
Less: repaid	**(17,900,000)**	(14,100,000)
Closing	**400,000,000**	417,900,000

19.3 This represents loan provided by related parties NPGL and NIPL and respectively on renewable terms which may be extended for such period as may be mutually agreed by companies after expiry of the repayment period. These loans are interest free and repayable within 13 months from July 01, 2022.

	2022	2021
	---------- Rupees	----------
20. DEFERRED INCOME - GOVERNMENT GRANT		
Opening balance	**5,332,154**	6,802,278
Deferred government grant recognized in respect of loans	**-**	4,036,138
Less: Amortized during the year	**(3,694,008)**	(5,506,262)
	1,638,146	5,332,154

21. LOANS FROM DIRECTORS

	2022	2021
Opening balance	**60,700,000**	36,700,000
Loan received during the year	-	24,000,000
	60,700,000	60,700,000
Loan repaid during the year	**(50,700,000)**	-
Closing balance	**10,000,000**	60,700,000

This represents director s loans that is interest-free and repayable on-demand

22. TRADE AND OTHER PAYABLES

	Note	2022	2021
		---------- Rupees ----------	
Creditors			
- local		**393,924,862**	287,267,832
- foreign	*22.1*	**589,636,858**	118,956,010
		983,561,720	406,223,842
Accrued expenses	*22.2*	**194,481,627**	216,269,176
Provision for gas tariff difference	*22.3*	**131,186,064**	112,011,335
Provision against Excise and Taxation charges		**10,017,753**	10,017,753
Advances from customer	*22.4*	**13,630,112**	9,957,068
Withholding income tax payable	*43.1*	**2,231,730**	1,000,577
Withholding sales tax payable	*43.1*	**221,449**	229,097
Worker's Profit Participation Fund payable	*22.5*	**75,823,742**	41,894,040
Worker's Welfare Fund payable	*22.6*	**32,247,697**	19,354,410
		1,443,401,894	816,957,298

22.1 This includes creditors for purchase of machinery amounting to Rs. 159.127 million (2021: Rs. Nil).

22.2 This includes Rs. 24 million (2021: Rs. 28M) due to M/s. Nadeem Power Generation (Private) Limited, a related party, against electric bill.

22.3 On August 31, 2015, the Oil and Gas Regulatory Authority (OGRA) issued S.R.O. 876(I)/2015 whereby, with effect from September 01, 2015, the sale price of natural gas for gas consumers falling under the category 'Industrial' was increased to Rs. 600 per MMBTU (as against the previously applicable tariff of Rs. 488.23 per MMBTU notified vide S.R.O. 01(I)/2013 dated January 01, 2013). The said notification was widely challenged by companies operating in the textile industry (including the Company vide Suit No. 129 of 2017) before the Honourable High Court of Sindh ('the Court'). In its interim order dated January 18, 2017, the Court held that, till further orders of the Court, the plaintiffs (i.e. the gas consumers) shall continue to deposit their monthly bills at the rate of Rs. 488.23 per MMBTU and the differential amount of Rs. 107.30 million per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, until September 2018, the Company continued to pay its monthly gas bills at the rate of Rs. 488.23 per MMBTU and recognized a provision for the differential liability which, as at June 30, 2022, amounted to Rs. 91.881 million (2021: Rs. 91.881 million).

Further, on October 23, 2020, OGRA issued S.R.O whereby, with effect from September 01, 2020, the sale price of natural gas for the aforesaid class of gas consumers was increased to Rs. 819 per MMBTU (as against the previously applicable tariff of Rs. 786 per MMBTU). The said notification was also widely challenged by companies operating in the textile industry (including the Company vide Suit No. 1790 of 2020) before the Court. In its interim order dated May 25th, 2021 the Court held that, till further orders of the Court, the plaintiffs (i.e. the gas consumers) shall continue to deposit their monthly bills at the rate of Rs. 786 per MMBTU and the differential amount of Rs. 33 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, with effect from September 2020, the Company has been recognizing a provision for the differential rate of Rs. 33 per MMBTU which, as at June 30, 2022, accumulated up to Rs. 39.304 million (2021: Rs. 20.130 million).

22.4 During the year, the performance obligations underlying the opening contract liability of Rs. 9.95 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 13.63 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

22.5 Worker's Profit Participation Fund payable

	Note	2022	2021
		---------- Rupees ----------	
Opening balance		**41,894,040**	25,626,426
Provision for the year		**75,823,742**	41,894,040
Interest charged during the year		**5,602,611**	561,743
		123,320,393	68,082,209
Payment during the year		**(47,496,651)**	(26,188,169)
		75,823,742	41,894,040

22.6 Worker's Welfare Fund payable

	2022	2021
Opening balance	**19,354,410**	5,590,639
Provision for the year	**28,813,022**	15,919,735
	48,167,432	21,510,374
Payment during the year	**(15,919,735)**	(2,155,964)
	32,247,697	19,354,410

		Note	2022	2021
23.	**ACCRUED MARK - UP**	*Note*	---------- **Rupees**	----------
	Long term financing		**6,589,076**	3,586,140
	Short term borrowings		**57,487,984**	28,608,416
			64,077,060	32,194,556
24.	**SHORT TERM BORROWINGS - secured**			
	Running Finance (RF)			
	- Samba Bank Limited	*24.1*	**169,000,710**	168,201,251
	- JS Bank Limited	*24.2*	**98,082,108**	97,053,140
	- Bank Al Falah Limited	*24.3*	**43,967,260**	44,970,362
	- Soneri Bank Limited	*24.4*	**147,570,994**	-
	- Habib Metro Bank Limited	*24.5*	**137,048,818**	-
	- Askari Bank Limited	*24.6*	**49,221,516**	49,583,698
			644,891,406	359,808,451
	Cash Finance (CF)			
	- JS Bank Limited	*24.7*	**170,478,192**	163,374,919
	- Bank Al Falah Limited	*24.8*	**45,360,000**	181,670,521
	- Soneri Bank Limited	*24.9*	**363,702,400**	43,496,429
	- Habib Metro Bank Limited		**-**	73,704,743
	- Askari Bank Limited	*24.10*	**49,762,500**	-
	- Habib Bank Limited	*24.11*	**116,481,983**	80,000,000
			745,785,075	542,246,612
	Finance Against Imported Merchandise (FIM)			
	- JS Bank Limited		**-**	37,384,044
	- Bank Al Falah Limited	*24.12*	**101,989,505**	-
	- Askari Bank Limited		**-**	22,352,173
	- Habib Bank Limited	*24.13*	**72,217,293**	121,979,414
			174,206,798	181,715,631
	Istisna Financing			
	- Dubai Islamic Bank Limited	*24.14*	**301,500,000**	-
	Export Financing (FE-25)			
	- Soneri Bank Limited		**-**	200,249,500
			1,866,383,279	1,284,020,194

24.1 This represents the amount availed under a running finance facility obtained from M/s. Samba Bank Limited with a limit of Rs. 170 million (2021: Rs. 170 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 2% (2021: 1-Month KIBOR plus 2%) per annum and is secured by way of first pari-passu hypothetication charge over all present and future stocks and receivables amounting to Rs. 367 million with 25% margin and first pari-passu charge over the fixed assets (including land and buildings) amounting to Rs. 227 million with 25% margin. The expiry date of the facility is May 31, 2023.

24.2 This represents the amount availed under a running finance facility obtained from M/s. JS Bank Limited with a limit of Rs. 100 million (2021: Rs.100 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 2.25% (2021: 1-Month KIBOR plus 2.25%) per annum and is secured by way of first pari-passu charge over the Company's fixed assets (including land, buildings and plant & machinery) amounting to Rs. 134 million with 25% margin over the market value of fixed assets. The expiry date of the facility is February 28, 2023.

24.3 This represents the amount availed under a running finance facility obtained from M/s. Bank Al Falah Limited with a limit of Rs. 45 million (2021: Rs. 45 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 2.25% (2021: 1-Month KIBOR plus 2.25%) per annum and is secured by way first pari-passu charge over the Company's fixed assets (including land, buildings and plant & machinery) amounting to Rs. 60 million with 25% margin . The expiry date of the facility is October 31, 2022.

24.4 This represents the amount availed under a running finance facility obtained from M/s. Soneri Bank Limited with a limit of Rs. 200 million (2021: Rs. 200 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2.25% (2021: 3-Month KIBOR plus 2.25%) per annum and is secured by way of first pari-passu charge over fixed assets (including land, buildings and plant & machinery) amounting to Rs. 269 million .The expiry date of the facility is March 31, 2023.

24.5 This represents the amount availed under a running finance facility obtained from M/s. Habib Metro Bank Limited with a limit of Rs. 150 million (2021: Rs. 100 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2.25% (2021: 3-Month KIBOR plus 2.25%) per annum and is secured by way of first charge over industrial land located at plot No. A-293 SITE Nooriabad amounting to Rs. 200 million. The expiry date of the facility is December 31, 2022.

24.6 This represents the amount availed under a running finance facility obtained from M/s. Askari Bank Limited with a limit of Rs. 50 million (2021: Rs.50 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2% (2021: 3-Month KIBOR plus 2%) per annum and is secured by way of ranking charge over all present and future stocks and receivables of the company amounting to Rs. 67 million with 25% margin and first pari-passu charge over the fixed assets (including land, buildings and plant & machinery) amounting to Rs. 67 million with 25% margin. The expiry date of the facility is December 31, 2022.

24.7 This represents the amount availed under a cash finance facility obtained from M/s. JS Bank Limited with a limit of Rs. 350 million (2021: Rs. 350 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2.25% (2021: 3-Month KIBOR plus 2.25%) per annum and is secured by way of first exclusive charge over pledge of stocks, (Raw Cotton, Yarn and Polyester Fibre). The expiry date of the facility is February 28, 2023.

24.8 This represents the amount availed under a cash finance facility obtained from M/s. Bank Alfalah Limited with a limit of Rs. 400 million (2021: Rs. 400 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 2.25% (2021: 1-Month KIBOR plus 2.25%) per annum and is secured by way of first exclusive charge over pledge of stocks (Raw Cotton and Polyester Fibre). The expiry date of the facility is October 31, 2022.

24.9 This represents the amount availed under a cash finance facility obtained from M/s. Soneri Bank Limited with a limit of Rs. 375 million (2021: Rs. 375 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2.25% (2021: 3-Month KIBOR plus 2.25%) per annum and is secured by way of first exclusive charge over pledge of stocks, (Raw Cotton, Yarn and Polyester Fibre). The expiry date of the facility is March 31, 2023.

24.10 This represents the amount availed under a cash finance facility obtained from M/s. Askari Bank Limited with a limit of Rs. 170 million (2021: Rs. 170 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2% (2021: 3-Month KIBOR plus 2%) per annum and is secured by way of first exclusive charge over pledge of stocks, (Raw Cotton, Yarn and Polyester Fibre). The expiry date of the facility is December 31, 2022.

24.11 This represents the amount availed under a cash finance facility obtained from M/s. Habib Bank Limited with a limit of Rs. 250 million (2021: Rs. 250 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 1.85% (2021: 1-Month KIBOR plus 1.85%) per annum and is secured by way of first exclusive charge over pledge of stocks, (Raw Cotton, Yarn and Polyester Fibre). The expiry date of the facility is March 31, 2023.

24.12 This represents the amount availed under the finance against import merchandise within which limit of Note No. 24.8 obtained from M/s. Bank Al Falah Limited with a limit of Rs. 300 million (2021: Rs. 300 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 2.25% (2021: 1-Month KIBOR plus 2.25%) per annum and is secured same as per note No. 24.8 The expiry date of the facility is October 31, 2022.

24.13 This represents the amount availed under the finance against imported merchandise obtained from M/s. Habib Bank Limited with a limit of Rs. 150 million (2021: Rs. 150 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 1.85% (2021: 1-Month KIBOR plus 1.85%) per annum and is secured by way of first exclusive charge over pledge of stocks, (Raw Cotton, and Polyester Fibre) . The expiry date of the facility is March 31, 2023.

24.14 This represents the amount availed under the istisna financing obtained from M/s. Dubai Islamic Bank Limited with a limit of Rs. 400 million (2021: Nil;). The facility carries mark-up at the rate of relevant KIBOR plus 2% (2021: Nil) per annum and is secured by way of equitable mortgage over land and building on Plot No. E-11, SITE, Kotri amounting to Rs. 375 million with 25% margin, first pari passu charge over plant and machinery at Plot No. E-11, SITE, Kotri amounting to Rs. 158.34 million with 25% margin. The expiry date of the facility is December 31, 2022.

24.15 As of the reporting date, the Company had unavailed facilities for short term borrowings available from above mentioned banks amounting to Rs. 949 million (2021: Rs. 1531 million).

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

As disclosed last year, in the matter of GIDC levy under act 2011 and GIDC Act 2015 the Company and other petitioners had been contesting the imposed levy since 2011 and it was in August 13, 2020 that the honorable Supreme Court of Pakistan upheld the constitutionality of the GIDC Act 2015.

Moreover, in para 37 of the above judgment, the Honorable Supreme Court has held that the Cess under GIDC Act, 2015 is leviable to those customers of natural gas who on account of their industrial or commercial dealings pass on its burden to their customer. The Apex Court also restrained the Federal Government from charging further Cess from the date of the judgment and also imposed certain eventualities on the basis of which this Cess would become nullified.

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

As a result the Company filed Suit 1343 /2020 in the Honorable High Court of Sindh along with several other companies on the ground that the Company falls within the category of gas consumers, who have neither collected GIDC from their clients / customers and even not passed on to the customers through addition in the cost of goods and accordingly, the Company is not liable to pay any amounts pursuant to the above judgment of the Supreme Court. The Company also raised the issue of retrospective applicability of the Act from 2011. The Honorable High Court has granted stay to the Company and other petitioners to the extent of payment of GIDC.

The Company has also recently filed Suit No. 1682/2021 in the Honorable High Court of Sindh at Karachi along with several other petitioners seeking a declaration that after the lapse of time period of six months for laying of the North-South gas pipe line allowed by the Honourable Supreme Court of Pakistan, the Act has now become in-operational and dead for all intents and purposes. Consequently, the Company is not liable to pay any GIDC.

The legal counsel of the Company has given his considered opinion that in view of above two suits the Company will not be subject to pay any amount of Cess and the Company has therefore in view of the above opinion not recorded any provision.

In view of the above, the Company continues to disclose the GIDC amounting to Rs. 234 million (2021: 234 million) as a contingent liability.

25.2 Commitments

As of the reporting date, following were the financial commitments:

	Note	2022	2021
		---------- Rupees ----------	
- Against raw material and spares		**287,758,687**	3,036,461,664
- Against machinery		**189,161,772**	213,189,190
Bank guarantees to Excise and Taxation department		**92,375,753**	64,375,753
Revolving Letter of credit to SSGC		**59,598,010**	53,923,889

26. SALES - net

	Note	2022	2021
Revenue from local sales	*26.1*	**3,421,639,574**	4,828,686,943
Revenue from export sales - indirect	*26.2*	**8,371,835,691**	3,498,988,192
Revenue from export sales - direct		**1,786,068,974**	1,055,223,396
Wastage sales	*26.3*	**196,323,555**	111,462,059
		13,775,867,794	9,494,360,590

26.1 Revenue from local sales

	2022	2021
Gross sales revenue	**4,026,135,328**	5,671,351,026
Less: Sales return	**(19,922,329)**	(19,023,242)
	4,006,212,999	5,652,327,784
Less: Sales tax	**(584,573,425)**	(823,640,841)
	3,421,639,574	4,828,686,943

26.2 Revenue from export sales - indirect

	2022	2021
Gross sales revenue	**9,850,016,434**	4,099,799,995
Less: Sales return	**(47,995,038)**	(5,224,670)
	9,802,021,396	4,094,575,325
Less: Sales tax	**(1,430,185,705)**	(595,587,133)
	8,371,835,691	3,498,988,192

		Note	2022	2021
			---------- Rupees ----------	
26.3	**Wastage sales**			
	Gross sales revenue		**231,229,596**	130,410,609
	Less: Sales returns		**(1,336,801)**	-
			229,892,795	130,410,609
	Less: Sales tax		**(33,569,240)**	(18,948,550)
			196,323,555	111,462,059
27.	**COST OF SALES**			
	Opening stock of finished goods and waste		**420,909,134**	894,660,686
	Cost of goods manufactured	*27.1*	**11,669,627,074**	7,693,179,960
			12,090,536,208	8,587,840,646
	Closing stock of finished goods and waste		**(633,249,910)**	(420,909,134)
			11,457,286,298	8,166,931,512
27.1	**Cost of goods manufactured**			
	Raw material consumed	*27.1.1*	**9,796,489,741**	5,910,542,267
	Conversion costs incurred	27.1.2	**1,927,241,239**	1,793,693,685
			11,723,730,980	7,704,235,952
	Change in work-in-process inventory:			
	- Opening stock		**61,074,545**	50,018,553
	- Closing stock		**(115,178,451)**	(61,074,545)
			(54,103,906)	(11,055,992)
			11,669,627,074	7,693,179,960
27.1.1	**Raw material consumed**			
	Opening		**373,846,564**	840,779,847
	Add: Purchases		**10,042,932,981**	5,443,608,984
			10,416,779,545	6,284,388,831
	Closing stock		**(620,289,804)**	(373,846,564)
			9,796,489,741	5,910,542,267
27.1.2	**Conversion costs incurred**			
	Stores and spares consumed	*27.1.2.1*	**171,243,865**	146,588,855
	Packing materials consumed	*27.1.2.2*	**153,375,332**	134,212,180
	Salaries, wages and other benefits	*27.1.2.3*	**684,798,790**	607,475,044
	Repair and maintenance		**17,841,731**	8,762,570
	Insurance		**20,050,832**	12,653,319
	Fuel and power	*27.1.2.4*	**695,374,441**	715,882,507
	Other manufacturing expenses		**24,953,716**	25,286,902
	Depreciation	*5.1.6*	**159,602,532**	142,832,308
			1,927,241,239	1,793,693,685
27.1.2.1	**Stores and spares consumed**			
	Opening stock		**83,620,729**	75,633,053
	Add: Purchases during the year		**209,439,651**	159,216,537
			293,060,380	234,849,590
	Closing stock		**(121,816,515)**	(88,260,735)
			171,243,865	146,588,855
27.1.2.2	**Packing materials consumed**			
	Opening		**34,223,266**	13,157,710
	Add: Purchases		**143,770,712**	155,277,736
			177,993,978	168,435,446
	Closing stock		**(24,618,646)**	(34,223,266)
			153,375,332	134,212,180

27.1.2.3 This includes staff retirement benefits amounting to Rs. 34.10 million (2021: Rs. 27.93 million).

		Note	2022	2021
			---------- Rupees ----------	
27.1.2.4	**Fuel and power**			
	Gas expense		**405,887,581**	412,112,655
	Electricity expense		**280,531,648**	296,362,599
	Diesel expense		**8,955,212**	7,407,253
			695,374,441	715,882,507

		Note	2022	2021
28.	**ADMINISTRATIVE EXPENSES**			
	Salaries and other benefits	*28.1*	**50,516,298**	43,807,044
	Directors' remuneration	*40*	**6,000,000**	6,000,000
	Travelling and conveyance		**7,928,304**	7,142,060
	Legal and professional		**5,326,592**	5,754,668
	Fees and subscription		**4,126,063**	6,553,583
	Rent, rates and taxes		**1,226,054**	1,045,112
	Electricity, gas and water		**6,241,534**	4,672,169
	Repairs and maintenance		**8,595,437**	6,167,962
	Communication expenses		**2,416,958**	2,220,059
	Printing and stationery		**3,454,541**	3,087,015
	Motor vehicle expenses		**10,761,022**	9,608,041
	Advertisement expenses		**392,345**	375,010
	Entertainment expenses		**2,773,999**	3,257,185
	Auditor's remuneration	*28.2*	**1,365,000**	1,332,200
	Depreciation	*5.1.6*	**29,282,494**	17,888,818
	Donation		**750,000**	-
	Miscellaneous expenses		**2,053,879**	1,447,753
			143,210,520	120,358,679

28.1 This includes staff retirement benefits amounting to Rs. 4.03 million (2021: Rs. 5.86 million).

		Note	2022	2021
			---------- Rupees ----------	
28.2	**Auditors' remuneration**			
	Audit fee		**997,500**	997,500
	Half yearly review		**255,000**	255,000
	Code of Corporate Governance		**52,500**	52,500
	Other certifications		**50,000**	17,200
	Out of pocket expenses		**10,000**	10,000
			1,365,000	1,332,200

		Note	2022	2021
			---------- Rupees ----------	
29.	**DISTRIBUTION COSTS**			
	Commission on local sales	*43.1*	**97,372,964**	58,713,113
	Commission on export sales	*43.1*	**26,425,967**	10,911,680
	Export development charges		**4,408,621**	2,604,243
	Export insurance charges		**1,335,934**	989,538
	Export selling expenses		**6,800,851**	6,438,206
	Foreign travelling expense		**4,683,000**	1,440,230
	Freight and octroi charges		**32,909,758**	35,477,484
	Ocean freight		**25,489,164**	10,563,139
	Stamp duty on export sales		**3,447,680**	1,030,760
	Trailer charges		**4,654,430**	3,657,328
	Others	*29.1*	**20,940,717**	10,991,525
			228,469,086	142,817,246

29.1 This includes charges in respect of stamp duty on local sales, letter of credit expenses, sales promotion, export and foreign bank charges and forwarding charges.

		Note	2022	2021
30.	**OTHER INCOME**		**---------- Rupees ----------**	
	Profit on saving accounts		**10,642,605**	11,612,600
	Profit on Term Deposit Receipts (TDRs)		**4,707,370**	-
	Gain on sale of property, plant and equipment	5.1.5	**-**	6,014,278
	Exchange gain - net		**-**	6,602,247
	Bad debts recovered		**1,256,949**	2,200,000
	Rental Income		**10,000**	10,000
			16,616,924	26,439,125
31.	**OTHER EXPENSES**			
	Loss on sale of property, plant and equipment	5.1.5	**1,328,371**	-
	Realized exchange loss - net		**5,986,555**	-
	Workers' Profit Participation Fund		**75,823,742**	41,894,040
	Workers Welfare Fund		**28,813,022**	15,919,735
	Provision against slow moving store items		**2,250,301**	4,640,004
	Provision for expected credit losses		**10,993,220**	4,635,501
			125,195,211	67,089,280
32.	**FINANCE COSTS**			
	Short term financing			
	- Markup on cash finance		**134,831,227**	90,985,021
	- Markup on running finance		**41,545,704**	28,179,980
	- Markup on finance imported merchandise		**64,602,411**	34,191,654
	- Markup on packing finance		**18,883,331**	12,090,625
	- Markup on export loan		**2,339,547**	9,218,838
			262,202,220	174,666,118
	Long term financing			
	- Markup on Term finance		**18,716,438**	16,686,688
	- Markup on SBP salary and wages scheme	32.1	**3,141,760**	3,489,972
			21,858,198	20,176,660
	Interest on Workers' Profit Participation Fund		**5,602,611**	561,743
			289,663,029	195,404,521
	Bank charges and guarantee commission		**153,866,823**	65,889,198
	Premium on discounting of export bills	43.1	**9,862,801**	4,134,290
			453,392,653	265,428,009

32.1 An amortization of government grant amounting to Rs. 3.6 million (2021: Rs. 5.5M) has been netted off from the finance cost on SBP salary and wages scheme.

33.	**TAXATION**			
	Current		**183,471,292**	115,541,411
	Prior		**6,718,784**	762,204
			190,190,076	116,303,615
	Deferred		**(19,083,695)**	3,002,551
			171,106,381	119,306,166

33.1 Status of income tax assessments

The income tax assessments of the Company have been finalized up to, and including, the tax year 2021. Tax returns filed by the Company are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 unless selected for re-assessment or audit by the taxation authorities. However, at any time during a period of five years from the date of filing of a return, the taxation authorities may select an income tax return filed by the Company for the purpose of re-assessment.

		Note	2022	2021
			---------- Rupees ----------	
33.2	**Relationship between income tax expense and accounting loss before taxation**			
	Profit before taxation		**1,384,930,950**	758,174,989
	Tax at the applicable rate of 29% (2021:29%)		**401,629,975.50**	219,870,746.81
	Tax effect of non deductible / other expenses		**(29,177,738)**	3,913,975
	Tax effect of income apportioned to FTR		**(229,164,965)**	(72,614,711)
	Tax effect of super tax		**56,045,014**	-
	Tax effect of adjustment of minimum tax carryforward		**(35,104,262)**	(32,626,049)
	Prior year effect		**6,718,784**	762,204
			170,946,809	119,306,166

34. EARNINGS PER SHARE - BASIC AND DILUTED

34.1 Basic earnings per share

	2022	2021
Profit after taxation	**1,213,984,141**	638,868,823
	---- Number of shares ----	
Weighted average number of ordinary shares outstanding	**21,511,985**	20,757,887
	---------- Rupees ----------	
Earnings per share - base	**56.43**	30.78

34.2 *Diluted earnings per share*

There is no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at June 30, 2022 and June 30, 2021.

35. CASH FLOWS FROM OPERATIONS

	Note	2022	2021
		---------- Rupees ----------	
Profit before taxation		**1,384,930,950**	758,174,989
Adjustments for non cash and other items:			
- Depreciation expense	*5.1.6*	**188,885,026**	160,721,126
- Provision for staff gratuity	*18.1.2*	**38,126,507**	33,803,237
- Provision for gas tariff difference		**19,174,729**	20,129,774
- Profit on saving accounts	*30*	**(10,642,605)**	(11,612,600)
- Profit on Term Deposits Receipts (TDRs)	*30*	**(4,707,370)**	-
- Gain on sale of property, plant and equipment	*30*	**-**	(6,014,278)
- Bad debts recovered		**(1,256,949)**	(2,200,000)
- Loss on sale of property, plant and equipment	*31*	**1,328,371**	-
- Provision for Workers' Profit Participation Fund	*31*	**75,823,742**	41,894,040
- Provision for Workers' Welfare Fund	*31*	**28,813,022**	15,919,735
- Provision against slow moving store items	*31*	**2,250,301**	4,640,004
- Provision for expected credit losses	*31*	**10,993,220**	4,635,501
- Markup costs	*32*	**289,663,029**	195,404,521
		638,451,023	457,321,060
Operating profit before working capital changes		**2,023,381,973**	1,215,496,049
(Increase) / decrease in current assets			
- Stores, spares and loose tools		**(33,244,923)**	(33,693,238)
- Stock in trade		**(833,925,289)**	744,353,061
- Trade debts		**(972,897,001)**	(239,600,945)
- Loans and advances		**(2,929,214)**	(59,125,102)
- Sales tax refundable		**(31,606,574)**	-
- Other receivables		**(13,797,234)**	319,461
		(1,888,400,235)	412,253,237
Increase / (decrease) in current liabilities			
- Trade and other payables		**401,152,540**	(349,496,918)
Net cash generated from operations		**536,134,278**	1,278,252,368

36. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the following:

	Note	2022	2021
		Rupees	
Cash and bank balances	14	**173,991,392**	141,856,960
Short term borrowings - running finance	24	**(1,866,383,279)**	(1,284,020,194)
		(1,692,391,887)	(1,142,163,234)

37. FINANCIAL INSTRUMENTS

37.1 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

37.1.1 Credit risk

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

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

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

Maximum exposure to credit risk

	Note	2022 Carrying amount	2022 Maximum exposure	2021 Carrying amount	2021 Maximum exposure
		Amount in rupees			
At amortised cost					
-Long term deposits		21,119,188	21,119,188	13,608,488	13,608,488
-Trade debts	(a)	2,641,925,967	2,641,925,967	1,678,765,237	1,678,765,237
-Investments		112,113,452	112,113,452	82,439,482	82,439,482
-Loans to staff and workers		1,202,664	1,202,664	848,679	848,679
-Other receivables		39,831,004	39,831,004	23,297,016	23,297,016
-Bank balances	(b)	169,142,835	169,142,835	129,971,379	129,971,379
		2,985,335,110	2,985,335,110	1,928,930,081	1,928,930,081

Note (a) - Credit risk exposure on trade debts

To reduce the exposure to credit risk the Company has developed a policy of obtaining advance payments from its customers. Except for customers relating to the Government and certain small and medium sized enterprises, the management strictly adheres to this policy.

Export receivables as at year end are not past due. The aging of local trade debts as at the reporting date is as follows:

	2022 Gross value	2022 Life time expected credit losses	2021 Gross value	2021 Life time expected credit losses
	Rupees			
Not past due	**1,758,782,056**	**-**	1,569,727,005	-
Past due 1-60 days	**695,061,225**	**-**	70,351,145	-
Past due 61 days to 1 year	**167,557,748**	**-**	18,535,629	-
More than 1 year	**37,445,778**	**16,920,840**	28,248,670	8,097,212
	2,658,846,807	**16,920,840**	1,686,862,449	8,097,212

Note (b) - Credit risk exposure on bank balances

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

Banks	Short term rating	Credit rating agency	2022	2021
			Rupees	
Askari Bank Limited	A1+	Pacra	**52,827**	26,794
Bank Al Habib Limited	A1+	Pacra	**1,385,545**	1,354,474
Bank Al Falah Limited	A1+	Pacra	**3,868,691**	2,440,926
Bank Islami Limited	A1	Pacra	**10,500**	10,500
Bank of Punjab Limited	A1+	Pacra	**9,700**	9,700
Dubai Islamic Bank Limited	A1+	JCR-VIS	**1,248,798**	-
Habib Bank Limited	A-1+	JCR-VIS	**2,115,204**	545,240
Habib Metropolitan Bank Limited	A1+	Pacra	-	6,426,747
JS Bank Limited	A1+	Pacra	**160,767**	427,098
MCB Bank Limited	A1+	Pacra	**211,234**	78,375
Meezan Bank Limited	A-1	JCR-VIS	**19,366,078**	15,187,216
National Bank of Pakistan	A1+	Pacra	**8,315,759**	5,346,009
Silk Bank Limited	A-2	JCR-VIS	**39,230**	39,230
Soneri Bank Limited	A1+	Pacra	**132,005,615**	97,726,184
Summit Bank Limited	-	-	**352,887**	352,886
			169,142,835	129,971,379

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. As of the reporting date, the Company was exposed to the following concentrations of credit risk:

	June 30, 2022			June 30, 2021		
	Total exposure	**Concentration**	**% of total exposure**	Total exposure	Concentration	% of total exposure
			Rupees			
Trade debts	**2,641,925,967**	**421,854,917**	**16%**	1,678,765,237	-	0%
Bank balanc	**169,142,835**	**132,005,615**	**78%**	129,971,379	97,726,184	75%
		553,860,532			97,726,184	

37.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing 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.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying value	Contractual cashflows		
		Total	Upto one year	More than one year
June 30, 2022		Rupees		
Long term financing	**488,978,475**	**(489,852,786)**	**(123,086,837)**	**(366,765,949)**
Loan from related parties	**459,305,204**	**(459,305,204)**	**(55,100,000)**	**(404,205,204)**
Loan from director	**10,000,000**	**(10,000,000)**	**(10,000,000)**	-
Trade and other payables	**1,178,043,347**	**(1,178,043,347)**	**(1,178,043,347)**	-
Accrued mark-up	**64,077,060**	**(64,077,060)**	**(64,077,060)**	-
Short term borrowings	**1,886,382,279**	**(1,886,382,279)**	**(1,886,382,279)**	-
	4,086,786,365	**(4,087,660,676)**	**(3,316,689,523)**	**(770,971,153)**

	Carrying value	Contractual cashflows Total	Upto one year	More than one year
	Rupees			
June 30, 2021				
Long term financing	401,258,680	(419,118,083)	(130,047,815)	(289,070,268)
Loan from related parties	450,650,204	(450,650,204)	(73,000,000)	(377,650,204)
Loan from director	60,700,000	(60,700,000)	(60,700,000)	-
Trade and other payables	622,493,018	(755,708,848)	(755,708,848)	-
Accrued mark-up	32,194,556	(32,194,556)	(32,194,556)	-
Short term borrowings	1,284,020,194	(1,284,020,194)	(1,284,020,194)	-
	2,851,316,652	(3,002,391,885)	(2,335,671,413)	(666,720,472)

37.1.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, interest rate risk and other price risk.

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The foreign currency risk of the Company is minimal as the export bills are immediately realized via sale to bank. As of the reporting date, the Company was exposed to currency risk on payables that are denominated in US Dollars as

	June 30, 2022		June 30, 2021	
	Rupees	**US Dollars**	Rupees	US Dollar
Foreign trade payables	**594,568,112**	**$ 2,902,456**	58,254,521	$ 370,458

The following significant exchange rates applied during the year:

	2022		2021	
	Average rate	**Reporting date rate**	Average rates	Reporting date rate
	Rupees			
US Dollar	**181.50**	**204.85**	160.63	157.25

Sensitivity analysis:

As of the reporting date, 10% strengthening / (weakening) of the Pak Rupee against the US Dollar would have reduced / (increased) the profit before tax of the Company by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect on profit
	— Rupees —
As at June 30, 2022	**59,456,811**
As at June 30, 2021	5,825,452

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks and term deposits with banks. As of the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2022	2021	**2022**	2021
	Effective interest rate (%)		**Carrrying amount (Rs.)**	
Financial assets				
Bank deposits - Pls accounts	**5.75% - 8.25%**	5.5% - 7.25%	**130,771,034**	96,549,945
Financial liabilities				
Long tem financing	**3% - 16.23%**	3% - 10.8%	**488,978,475**	401,258,680
Short tem financing;				
-Kibor based	**9.30%-17.60%**	9.03% - 10.25%	**1,866,383,279**	1,083,770,694

A change of 100 basis points in interest rates at the reporting date would have increase / decrease profit by 23.55 million (2021: Rs. 13.9 million). This analysis assumes that all other variables remain constant. This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

		2022	2021
		---------- Rupees ----------	
37.2.	**FINANCIAL INSTRUMENTS BY CATEGORY**		
37.2.1	**Financial assets:**		
	Amortized cost		
	Long term deposits	**21,119,188**	13,608,488
	Trade debts	**2,641,925,967**	1,678,765,237
	Investments	**112,113,452**	82,439,482
	Loans to staff and workers	**1,202,664**	848,679
	Other receivables	**39,831,004**	23,906,809
	Cash and bank balances	**173,991,392**	141,856,960
		2,990,183,667	1,941,425,655
37.2.2	**Financial liabilities:**		
	At amortized cost		
	Long term financing	**488,978,475**	401,258,680
	Trade and other payables	**1,321,700,343**	745,751,780
	Accrued mark-up	**64,077,060**	32,194,556
	Short term borrowings	**1,866,383,279**	1,284,020,194
		3,741,139,157	2,463,225,210

38. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

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

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

Level 2 : Valuation techniques based on observable inputs.

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

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

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

39. CAPITAL MANAGEMENT

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not subject to any externally imposed capital requirement.
Following is the quantitative analysis of what the Company manages as capital:

	2022	2021
Borrowings:		
Long term financing	**488,978,475**	401,258,680
Loan from related parties	**459,305,204**	450,650,204
Loan from director	**10,000,000**	60,700,000
	958,283,679	912,608,884
Shareholders' equity:		
Issued, subscribed and paid up capital	**215,119,850**	215,119,850
Share premium	**274,197,289**	274,197,289
Unappropriated profits	**2,359,779,547**	1,184,734,861
	2,849,096,686	1,674,052,000
Total capital managed by the Company	**3,807,380,365**	2,586,660,884

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2022				2021			
	Chief executive	Directors	Executives	Total	Chief executive	Directors	Executives	Total
	Rupees				Rupees			
Managerial remuneration and fee	3,272,727	2,181,818	8,352,200	13,806,745	3,272,727	2,181,818	7,870,636	13,325,181
Other allowances and reimbursable expenses	327,273	218,182	1,448,156	1,993,611	327,273	218,182	787,064	1,332,519
	3,600,000	2,400,000	9,800,356	15,800,356	3,600,000	2,400,000	8,657,700	14,657,700
Number of persons	1	2	6	9	1	2	7	10

40.1 The Chief Executive and two directors are provided with cars maintained by the Company and Electricity, gas and telephone consumption at their residence is also borne by the Company

40.2 The Chief Executive and directors have waived their meeting fees.

41. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated Companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2022	2021
			---------- Rupees ----------	
Nadeem Power Generation (Private) Limited	Associated company by virtue of common directorship	*Transactions during the year*		
		Electricity purchased	**276,099,717**	302,289,786
		Loan received	**34,400,000**	33,900,000
		Loan repaid	**7,845,000**	15,505,000
		Rental income	**10,000**	10,000
		Balance outstanding	**59,305,204**	32,750,204
Nadeem International (Private) Limited	Associated company by virtue of common directorship	*Transactions during the year*		
		Loan received	**-**	13,500,000
		Loan repaid	**17,900,000**	14,100,000
		Weight bridge expenses	**180,000**	180,000
		Balance outstanding	**400,000,000**	417,900,000
Zahid Mazhar	Chief Executive Officer	*Transactions during the year*		
		Loan received	**-**	24,000,000
		Loan repaid	**40,300,000**	-
		Balance outstanding against loan	**10,000,000**	50,300,000
Naila Zahid	Chairperson	*Transactions during the year*		
		Loan received	**-**	-
		Loan repaid	**10,400,000**	-
		Balance outstanding against loan	**-**	10,400,000

42. OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment as the company's asset allocation decisions are based on a single, integrated business strategy, and the company's performance is evaluated on an overall basis:

Entity wide information with respect to IFRS-8 "Operating Segments" are stated below:

(a) Revenue from sales of yarn represents 98.57% (2021: 98.82%) of total revenue whereas remaining represent revenue from sale of waste.

(b) All non current assets of the Company as at June 30, 2022 are located in Pakistan.

(c) 74% sales of the company relate to customer outside Pakistan (direct and indirect export) (2021: 48%)

(d) There is no major customer that amount to more than 10% of the company's revenue excluding sales tax and federal excised duty.

43. GENERAL

43.1 Reclassification of corresponding figures

In these financial statements the following corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. The effect of these reclassification is not regarded as material.

Reclassified from component	Reclassified to component	Rupees
Other receivable (Other receivables)	Prepayments (Loans, advances and prepayments)	609,793
Accrued expenses (Trade and other payables)	Provision for gas tariff difference (Trade and other payables)	112,011,335
Accrued expenses (Trade and other payables)	Withholding income tax payable (Trade and other payables)	1,000,577
Accrued expenses (Trade and other payables)	Withholding sales tax payable (Trade and other payables)	229,097
Commission on local sales (Sales -net)	Commission on local sales (Distribution expenses)	58,713,113
Commission on export sales (Sales -net)	Commission on export sales (Distribution expenses)	10,911,680
Premium on discounting of export bills (Sales -net)	Premium on discounting of export bills (Finance costs)	4,134,290

43.2 Plant capacity and actual production

	2022	2021
Total number of spindles installed	**77,592**	77,592
Average numbers of spindle worked	**75,316**	71,984
Number of shifts worked per day	**3**	3
Installed capacity after conversion into 20/s count (kgs.)	**28,304,329**	26,490,778
Actual production after conversion into 20/s count (kgs.)	**27,373,635**	25,569,629
Capacity utilisation	**96.71%**	96.52%

43.2.1 The present normal capacity of the Company's manufacturing facilities is to produce 72,563.77 kgs of yarn per day. The above disclosed annual production capacity of 28.30 million kgs of yarn is based on 365 operating days a year.

43.2.2 Actual production is less than the installed capacity due to planned maintenance shutdown and gap between market demand and supply.

43.3 Number of employees

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2022	2021
	---------- (Number) ----------	
Total employees of the Company at the year end	**1,165**	1,190
Average employees of the Company during the year	**1,115**	1,140

43.4 Date Of authorization for issue

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 16 October 2022.

43.5 Non-adjusting events after the reporting date

The Board of Directors of the Company in their meeting dated 06 October 2022 has proposed cash dividend at the rate of 60% (2021: 30% amounting to Rs. 64.53 million) per share which amounts to Rs. **129.07 million** for the financial and tax year 2022.

43.6 Level of rounding

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

Zahid Mazhar Chief Executive Officer	**Omer Bin Zahid** Director	**Omer Bin Zahid** Chief Financial Officer

Karachi:
Dated: October 06, 2022

NADEEM TEXTILE MILLS LIMITED

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2022

NUMBERS OF SHAREHOLDERS	SHARE HOLDING FROM TO	TOTAL SHARES HELD	PERCENTAGE
13	Shareholding from 1 to 100 shares	107	0.00
16	Shareholding from 101 to 500 shares	7,283	0.03
1	Shareholding from 501 to 1000 shares	693	0.00
2	Shareholding from 100001 to 105000 shares	209,338	0.97
1	Shareholding from 710001 to 715000 shares	712,934	3.31
1	Shareholding from 715001 to 720000 shares	715,704	3.33
1	Shareholding from 1100001 to 1105000 shares	1,103,399	5.13
1	Shareholding from 1745001 to 1750000 shares	1,745,565	8.11
1	Shareholding from 2305001 to 2310000 shares	2,306,349	10.72
1	Shareholding from 3315001 to 3320000 shares	3,316,567	15.42
1	Shareholding from 3600001 to 3605000 shares	3,604,500	16.76
1	Shareholding from 3890001 to 3895000 shares	3,893,388	18.10
1	Shareholding from 3895001 to 3900000 shares	3,896,158	18.11
41		**21,511,985**	**100**

* Note: The slabs representing NIL holding have been omitted.

SR #	CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
1	Directors, Chief Executive Officer their Spouse and minor children	9	14,282,009	66.39
2	Associated Companies, undertaking and related parties	1	3,604,500	16.76
3	NIT & ICP	-	-	-
4	Bank / Financial Institution	-	-	-
5	Insurance Companies	-	-	-
6	General Public / Individuals	31	3,625,476	16.85
7	Joint Stock Companies	-	-	-
		41	21,511,985	100.00

SR #	Shareholder Category	Percentage	No. of Shares
1	CEO, DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN		
	DIRECTORS AND THEIR SPOUSES		
	MR. ZAHID MAZHAR	15.42	3,316,567
	MR. OMER BIN ZAHID	18.10	3,893,388
	MR. HASSAN BIN ZAHID	18.11	3,896,158
	MRS. NAILA ZAHID	8.11	1,745,565
	MRS. ANAM OMER	3.33	715,704
	MRS. SHAFIA HASSAN	3.31	712,934
	MR. NOOR MUHAMMAD	0.00	500
	MR. WAQAR HASSAN SIDDIQUI	0.00	500
	MR. NADEEM AHMED	0.00	693
2	Associated companies undertakings and related parties	16.76	3,604,500
3	NIT & ICP	0.00	-
4	Banks, development financial institutions, non banking finance institutions and Insurance companies	0.00	-
5	Individual shareholders	16.85	3,625,476
6	Joint stock companies	0.00	-
7	**Shareholders holding 5% or more**		
	MR. ZAHID MAZHAR	15.42	3,316,567
	MR. OMER BIN ZAHID	18.10	3,893,388
	MR. HASSAN BIN ZAHID	18.11	3,896,158
	MRS. NAILA ZAHID	8.11	1,745,565
	MST. RAFIA SULTANA	5.13	1,103,399
	MS. SARAH ZAHID	10.72	2,306,349
	Nadeem Power Generation (Pvt.) Ltd.	16.76	3,604,500
8	**Trading in the shares of Company during the year by the Director, Chief Executive officer, Chief Financial Officer, Company Secretary and their spouses and minor children.**		
	Mr. Zahid Mazhar Gifted shares to his daughter:		
	MS. SARAH ZAHID	3.34	718.500


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