

Annual Report 2023



ZAHIDJEE



ZAHIDJEE TEXTILE MILLS LIMITED

Mission, Vision, Values

- ▶ To add value to shareholders and the economy by engaging profitably in textile products.
- ▶ To be and remain quality leader and competitive in the international market.
- ▶ To conduct business as a socially responsible corporate citizen.

COMPANY INFORMATION

Board of Directors

Mr. Ahmad Zahid	Chairman
Mr. Muhammad Zahid	Chief Executive
Mrs. Mehreen Fahad	Director
Mr. Muhammad Ali	Director
Mr. Sajjad Hussain Shah	Independent Director
Mr. Faisal Masood Afzal	Independent Director
Mr. Shahbaz Haider Agha	Independent Director

Audit Committee

Mr. Sajjad Hussain Shah	Chairman
Mr. Faisal Masood Afzal	Member
Mr. Muhammad Ali	Member

HR & Remuneration Committee

Mr. Shahbaz Haider Agha	Chairman
Mr. Muhammad Ali	Member
Mr. Ahmad Zahid	Member
Mr. Muhammad Zahid	Member

Chief Financial Officer

Shahab-ud-Din Khan

Company Secretary

Mr. Muhammad Ilyas

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Bankers of the Company

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Ltd
Bank Al-Falah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Ltd
JS Bank Limited
MCB Bank
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Al baraka Bank Pakistan Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Registered Office

2-H, Gulberg-II, Jail Road, Lahore
Tel: 042-35777291-5

Plant site

- 28-KM, Sheikhpura Road, Faisalabad
- 32-KM, Tandlian wala Road, Faisalabad
- M-3 Industrial City, Sahianwala, Faisalabad

Export Office

131-A, Scotch Corner, Upper Mall Scheme, Lahore.
Tel: 042-35777291-5

Share Registrar

Corptec Associates (Private) Limited
503-E, Johar Town, Lahore
Tel: 042-35170335-6 Fax 042-35170338
E-mail: info@corptec.com.pk

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 34th Annual General Meeting (AGM) of the shareholders of **Zahidjee Textile Mills Limited** (the "Company") will be held at 04:00 P.M on Friday, the October 27, 2023, at office 131-A, Scotch Corner, Upper Mall Scheme, Lahore to transact the following business:

ORDINARY BUSINESS:

- 1.To confirm the minutes of the last Annual General Meeting held on October 28, 2022.
- 2.To consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2023, together with the Directors' and Auditors' reports thereon.
- 3.To appoint auditors for the year ending June 30, 2024, and to fix their remuneration. The present auditors RSM Avais Hyder Liaquat Nauman, Chartered Accountants, retire and being eligible, have offered themselves for re-appointment.
- 4.To approve and declare the final cash dividend @ Rs. 1.00 per share i.e. (10%) for the financial year ended June 30, 2023, as recommended by the Board of Directors.
- 5.To transact any other business with the permission of the chair.

By order of the Board
Muhammad Ilyas
Company Secretary

Lahore: October 05, 2023

NOTES:

CLOSURE OF SHARE TRANSFER BOOKS: The share transfer books of the Company shall remain closed from October 21, 2023, to October 27, 2023 (both days inclusive). Transfers received in order at Company's registrar, M/S CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore up to close of business on October 20, 2023, will be considered in time for the purpose of determining above entitlement to the transferees for payment of final dividend and to attend the AGM.

PARTICIPATION IN MEETING: A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of valid CNIC or Passport, not less than 48 hours before the time of the meeting during working hours. Attendance in the meeting shall be on production of original CNIC or passport. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 on dated: January 26, 2000, issued by the SECP. Form of Proxy may be downloaded from the Company's website: <https://www.zahidjee.com.pk>

NOTIFY CHANGES IN ADDRESSES: The shareholders of the Company are requested to promptly notify changes in their mailing addresses (if any), to our share registrar, M/S CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore.

MANDATORY SUBMISSION OF CNIC COPIES: Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar. In case of non-availability of a valid CNIC in the records of the Company, the Company shall withhold the Dividend under the provisions of Section 243 of the Companies Act, 2017 (the Act) which will be released by the Share Registrar only upon submission of a valid copy of the CNIC.

PLACEMENT OF FINANCIAL STATEMENTS ON WEBSITE: The audited financial statements of the Company for the year ended June 30, 2023, have been placed on the website of the Company.

DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS: In accordance with the requirement of section 72 of the Act, 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 SECP, within a period not exceeding four years from the commencement of this Act. The shareholders having physical shares are encouraged to convert their physical shares into book entry form by depositing shares into Central Depository Company Pakistan Limited by opening CDC sub account with any broker or investor accounts directly with CDC.

CONSENT FOR VIDEO CONFERENCE FACILITY: Shareholders can also avail video conference facility. Video link details and login credentials will be shared with those who have shown their intent to attend the meeting at mail: cszahidjee@gmail.com

Also Pursuant to Section 134(1)(b) of the Act, if Company receives consent from shareholders holding aggregate 10% or more shareholding residing at a geographical location to participate in the meeting through video conference at least seven days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, please provide the following information and submit to the registered office of the Company:

I / We _____ of _____ being member of Zahidjee Textile Mills Ltd, holder of _____ Ordinary shares as per Register Folio # / CDC Account # / Participant ID #, hereby opt for Video conference facility at _____.

زاہلجی ٹیکسٹائل ملز لمیٹڈ (اطلاع سالانہ اجلاس عام)

بذریعہ ہذا مطلع کیا جاتا ہے کہ زاہلجی ٹیکسٹائل ملز لمیٹڈ (کمپنی) کا 34 واں سالانہ اجلاس عام درج ذیل امور کی انجام دہی کے لئے بروز جمعہ مورخہ 27 اکتوبر 2023 بوقت سہ پہر 400 بجے کمپنی کے ہیڈ آفس واقع A-131 سکاچ کارنر پرا مال کیم لاهور میں منعقد ہوگا۔

عمومی امور :

- (1) 28 اکتوبر 2022ء کو ہونے والے غیر معمولی اجلاس عام کی کاروائی کی توثیق۔
- (2) مورخہ 30 جون، 2023ء کو ختم ہونے والے مالی سال کے لئے کمپنی کے مالیاتی گوشواروں کی بمعہ ڈائریکٹرز اور ڈائریکٹرز کی رپورٹ کے ساتھ وصولی، ان پر غور و خوض اور منظوری۔
- (3) بورڈ آف ڈائریکٹرز کی سفارش پر 30 جون 2023ء کو ختم شدہ مالیاتی سال کے لئے جتنی نقد منافع منقسمہ شرح 1.00 روپے فی شیئر 10% کی منظوری۔
- (4) 30 جون 2023ء کو ختم ہونے والے سال کے لئے ڈائریکٹرز کی تفری اور ان کے مشاہروں کا تعین۔ سبکدوش ہونے والے ڈائریکٹرز آریس ایم او ایس حیدر لیاقت نعمان چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنیاد پر خود کو دوبارہ تفری کیلئے پیش کیا ہے۔
- (5) صدر اجلاس کی اجازت سے دیگر کسی کاروباری امور کی انجام دہی۔

محکم بورڈ: محمد الیاس (کمپنی سیکرٹری)

لاہور: مورخہ 5 اکتوبر 2023ء،

گزارشات:-

شیئرز ٹرانسفرز بکس کی بندش:

کمپنی کے شیئرز ٹرانسفرز بکس مورخہ 21 اکتوبر 2023ء سے مورخہ 27 اکتوبر 2023ء (بشمول ہر دو ایام) بند رہیں گی۔ کمپنی رجسٹرار کارپیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، E-503 جوہر ٹاؤن لاہور میں مورخہ 20 اکتوبر 2023ء کو کاروباری ایام کے اختتام تک موصول ہونے والی ٹرانسفرز نافذ منافع منقسمہ کے استحقاق اور اجلاس میں شرکت کے لئے بروقت تصور ہوگی۔

اجلاس میں شرکت:

اس اجلاس میں شرکت اور ووٹ ڈالنے کا اہل رکن کسی دوسرے رکن کو ووٹ دینے کے لئے اپنا پر کسی مقرر کر سکتا ہے۔ پرائیویٹ کو اپنا باضابطہ دستخط، ہڈ شدہ فارم اور گواہ کمپنی کے رجسٹرڈ آفس میں درست سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیوں کے ساتھ کام کے اوقات کے دوران مٹینگ کے وقت سے کم از کم 48 گھنٹے پہلے جمع کرنا ضروری ہے۔ اجلاس میں حاضری اصل سی این آئی سی یا پاسپورٹ کی بنیاد پر ہوگی۔ سی ڈی سی اکاؤنٹ ہولڈرز کو اس سی این آئی سی کی جانب سے جاری کردہ 26 جنوری 2000ء کو سرکل نمبر 1 میں بیان کردہ رجسٹرڈ منافع منقسمہ پر عمل کرنا ہوگا۔ کمپنی کی ویب سائٹ سے پراسی فارم ڈاؤن لوڈ کیا جاسکتا

ہے۔ <https://www.zahidjee.com.pk>

ممبران کے پتہ میں کسی بھی تبدیلی:

ممبران کے پتہ میں کسی بھی تبدیلی کو فوری طور پر کمپنی کے شیئرز رجسٹرار کارپیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، E-503 جوہر ٹاؤن لاہور کو مطلع کیا جائے۔

درست کمپیوٹرائزڈ شناختی کارڈ کی کاپی کمپنی لازمی جمع کروانا:

شیئرز ہولڈر کو گاہ کیا جاتا ہے کہ اپنے درست اور اصل کمپیوٹرائزڈ شناختی کارڈ کی کاپی کمپنی کے ریکارڈز میں جمع کروائیں، شناختی کارڈ کی عدم دستیابی کی صورت میں کمپنی کمپنیز ایکٹ 2017 کے سیکشن 243 کی دفعات کے تحت منافع کو روک دے گی جو درست شناختی کارڈ کی کاپی رجسٹرار کو جمع کرانے پر جاری کیا جائے گا۔

ویب سائٹ پر کمپنی کی فنانشل رپورٹ:

30 جون، 2023ء کو ختم ہونے والے سال کی فنانشل اسٹیٹمنٹس کمپنی کی ویب سائٹ آویزاں کر دی ہے۔

سی ڈی سی اکاؤنٹ میں فزیکل شیئرز کا اندراج:

SECP کے کمپنی ایکٹ 2017 کی دفعہ 72 کی روشنی میں ہر موجودہ کمپنی کے لئے لازم ہے کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ مخصوص انداز میں اور کمیشن کی تہائی کی تاریخ کے حساب سے رکھے، اور یہ دورانہ کمپنیز ایکٹ 2017 کے نفاذ کی تاریخ سے لے کر 4 سال سے زائد نہیں ہونا چاہئے۔ مذکورہ بالا شیئرز کی تعمیل کو یقینی بنانے اور بک انٹری فارم میں شیئرز رکھنے سے مستفید ہونے کے لئے فزیکل شیئرز ہولڈنگز کے حامل تمام شیئرز ہولڈرز اپنے فزیکل شیئرز رکھنے کے لیے سی ڈی سی میں براہ راست یا کسی بروکر یا نو ایسٹریٹاکاؤنٹ کے ساتھ ڈی سی ڈی سی اکاؤنٹ کھول سکتے ہیں۔

ویڈیو کانفرنس کے ذریعے شرکت:

موجودہ وہا کو 19 کی صورت حال کے پیش نظر شیئرز ہولڈرز ویڈیو کانفرنس کی سہولت سے بھی فائدہ اٹھا سکتے ہیں۔ ویڈیو لینک کی تفصیلات اور لاگ ان این لوگوں کے ساتھ شیئرز کی جائیں گی جنہوں نے بس ای میل پر اجلاس میں شرکت کا ارادہ ظاہر کیا ہے۔ (cszahidjee@gmail.com) کمپنی کے ممبران جن کے پاس مجموعی طور پر 10% یا اس سے زیادہ شیئرز ہوں اگر کسی کی جغرافیائی حدود (کسی خاص جگہ / شہر) میں موجود ہوں اور وہ سالانہ اجلاس میں شرکت کرنا چاہتے ہیں تو کمپنی کو 7 روز قبل آگاہ کریں، کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت مہیا کرنے کا انتظام کرے گی بشرط یہ کہ اس شہر میں سہولت میسر ہوں اگر آپ مٹینگ میں ویڈیو کانفرنس کے ذریعے شرکت کرنا چاہتے ہیں تو 7 دن قبل ذیل میں دیا گیا فارم پر کر کے کمپنی کے رجسٹرڈ دفتر میں جمع کروائیں۔

میں / ہم _____ آف زاہلجی ٹیکسٹائل ملز لمیٹڈ کے ممبر جس کے شیئرز _____ رجسٹرڈ فوئیو نمبر، سی ڈی سی اکاؤنٹ نمبر _____ ویڈیو کانفرنس کی سہولت

_____ میں چاہتا ہوں / چاہتے ہیں۔

Review Report by the Chairman

I am pleased to present the annual report and audited financial statements of the Company for the year ended 30 June, 2023 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2022-23. The Management of the Company is encouraged by the future prospects and expects to continue to demonstrate satisfactory performance through its efforts and strategic directions provided by the Board.

Pursuant to requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019, mechanism has been put in place for annual evaluation of the performance of the Board of Directors (the "Board") of Zahidjee Textile Mills Limited (the "Company"). The main objective of this exercise is to internally evaluate the performance of the Board and its Committees in order to facilitate the Management and to play an effective role as a coordinated team for the success of the Company. Strategic goals for the Management have been earmarked for the coming year and the Board's effectiveness is measured in the context of achievement of such objectives. Accordingly, the Board has completed its annual self-evaluation for the year 2023 and I am pleased to report that the overall performance benchmarked on the basis of criteria set for the year 2023, remained satisfactory. Such assessment was based on standards set by the Board in line with best corporate governance practices.

COMPOSITION OF THE BOARD:

The composition of the Board depicts reasonable balance of executive and non-executive Directors including independent Directors and as a Group, possess the requisite skills, core competencies and industry knowledge to lead the Company. All Board members have exercised their individual business judgment and are involved in important Board decisions.

VISION & MISSION STATEMENTS:

The Board members are aware of the high level of ethical and professional standards laid down in our Vision & Mission Statements which are adopted by the Company and fully support the same in attaining the objectives dilated therein.

STRATEGIC DECISION MAKING:

Overall corporate strategy and objectives have been set in line with the strategic vision of the Board from which the annual business plan is derived, as well as, projected plans for the next five years have been set by the Management, covering all functional and operational areas by utilization of available resources, modernization and expansion of production facilities to ensure continued growth in the bottom line which should hopefully result in improved results.

DILIGENCE:

The Board reviews the quality and appropriateness of financial statements of the Company, reporting and transparency of disclosures, Company's accounting policies, corporate objective plans, budgets and other reports. The meetings of the Board are held at required frequencies and agenda along with working papers are circulated in sufficient time prior to Board and Committee meetings.

ADEQUATE GOVERNANCE:

The Board has framed the Code of Conduct which defines requisite behavior and has been disseminated throughout the Company, along with supporting policies and procedures. Adequate controls and robust

PRESENTATIONS:

During the course of discussion and approvals of financial statements, comprehensive presentations are placed before the Board based on incisive, critical and strategic analysis of all functional areas relating to core business of the Company. Benchmarking compared with the industry's peer group are carried out. This practice provides ample opportunity for objective analysis of the Company's goals and evaluation of its own financial performance with the peer group. The Board provides appropriate directions and oversight emanated on the basis of thorough and detailed discussions.



Ahmad Zahid
Chairman

Lahore:
October 05, 2023

چیرمین کی طرف سے جائزہ رپورٹ

مجھے 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے ہمارے قابل قدر شیئر ہولڈرز کے سامنے پیش کرتے ہوئے خوشی ہو رہی ہے۔ مالی سال 2022-2023 کے دوران آپ کی کمپنی کی کارکردگی کے اہم پہلوؤں کو آپ کے ساتھ شیئر کیا گیا ہے۔ کمپنی کی انتظامیہ مستقبل کے امکانات سے حوصلہ افزائی کرتی ہے اور توقع کرتی ہے کہ وہ بورڈ کی طرف سے فراہم کردہ اپنی کوششوں اور اسٹریٹجک ہدایات کے ذریعے تسلی بخش کارکردگی کا مظاہرہ کرتی رہے گی۔

لسٹڈ کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضرورت کے مطابق، زاہد جی ٹیکسٹائل ملز لمیٹڈ ("کمپنی" کے بورڈ آف ڈائریکٹرز ("بورڈ") کی کارکردگی کی سالانہ جانچ کے لیے طریقہ کار وضع کیا گیا ہے۔) اس مشق کا بنیادی مقصد بورڈ اور اس کی کمیٹیوں کی کارکردگی کا اندرونی طور پر جائزہ لینا ہے تاکہ انتظامیہ کو سہولت فراہم کی جاسکے اور کمپنی کی کامیابی کے لیے ایک مربوط ٹیم کے طور پر موثر کردار ادا کیا جاسکے۔ مینجمنٹ کے لیے اسٹریٹجک اہداف آئندہ سال کے لیے مختص کیے گئے ہیں اور بورڈ کی تاثیر کو ایسے مقاصد کے حصول کے تناظر میں مایا جاتا ہے۔ اسی مناسبت سے، بورڈ نے سال 2023 کے لیے اپنی سالانہ خود تشخیص مکمل کر لی ہے اور مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ مجموعی کارکردگی سال 2023 کے لیے مقرر کردہ معیار کی بنیاد پر پنچ مارک کی گئی ہے، تسلی بخش رہے۔ اس طرح کی تشخیص کارپوریٹ گورننس کے بہترین طریقوں کے مطابق بورڈ کی طرف سے مقرر کردہ معیارات پر مبنی تھی۔

بورڈ کی تشکیل:

بورڈ کی تشکیل ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معقول توازن کو ظاہر کرتی ہے جس میں آزاد ڈائریکٹرز اور ایک گروپ کے طور پر کمپنی کی قیادت کرنے کے لیے مطلوبہ مہارتیں، بنیادی اہلیت اور صنعت کا علم ہوتا ہے۔ تمام بورڈ ممبران نے اپنے انفرادی کاروباری فیصلے کا استعمال کیا ہے اور بورڈ کے اہم فیصلوں میں شامل ہیں۔

وژن اور مشن کے بیانات:

بورڈ کے اراکین ہمارے وژن اور مشن کے بیانات میں درج اعلیٰ درجے کے اخلاقی اور پیشہ ورانہ معیارات سے واقف ہیں جنہیں کمپنی نے اپنایا ہے اور اس میں بیان کردہ مقاصد کو حاصل کرنے میں ان کی مکمل حمایت کرتے ہیں۔

اسٹریٹجک فیصلہ سازی:

مجموعی طور پر کارپوریٹ حکمت عملی اور مقاصد بورڈ کے سٹریٹجک وژن کے مطابق ترتیب دیے گئے ہیں جس سے سالانہ کاروباری منصوبہ اخذ

کیا جاتا ہے، ساتھ ہی، انتظامیہ کی طرف سے اگلے پانچ سالوں کے لیے متوقع منصوبے ترتیب دیے گئے ہیں، جس میں تمام فنکشنل اور آپریشنل شعبوں کا احاطہ کیا گیا ہے۔ دستیاب وسائل کے استعمال سے، پیداواری سہولیات کی جدید کاری اور توسیع کے ذریعے نچلی لائن میں مسلسل ترقی کو یقینی بنایا جاسکتا ہے جس کے نتیجے میں امید ہے کہ بہتر نتائج برآمد ہوں گے۔

مستعدی:

بورڈ کمپنی کے مالی بیانات کے معیار اور مناسبت، افشاء کی رپورٹنگ اور شفافیت، کمپنی کی اکاؤنٹنگ پالیسیوں، کارپوریٹ مقصدی منصوبوں، بجٹ اور دیگر رپورٹس کا جائزہ لیتا ہے۔ بورڈ کی میٹنگس مطلوبہ تعدد پر منعقد کی جاتی ہیں اور بورڈ اور کمیٹی کے اجلاسوں سے پہلے کافی وقت میں ورکنگ پیپرز کے ساتھ ایجنڈا جاری کیا جاتا ہے۔ مناسب گورننس:

بورڈ نے ضابطہ اخلاق وضع کیا ہے جو مطلوبہ رویے کی وضاحت کرتا ہے اور اسے معاون پالیسیوں اور طریقہ کار کے ساتھ پوری کمپنی میں پھیلا دیا گیا ہے۔ مناسب کنٹرول اور مضبوط

پیشکشیں:

مالی بیانات کی بحث اور منظوری کے دوران، کمپنی کے بنیادی کاروبار سے متعلق تمام فنکشنل شعبوں کے سخت، تنقیدی اور تزویراتی تجزیہ کی بنیاد پر بورڈ کے سامنے جامع پیشکشیں رکھی جاتی ہیں۔ صنعت کے ہم مرتبہ گروپ کے ساتھ مقابلے میں بیچ مارکنگ کی جاتی ہے۔ یہ پریکٹس کمپنی کے اہداف کے معروضی تجزیہ اور ہم مرتبہ گروپ کے ساتھ اس کی اپنی مالی کارکردگی کا جائزہ لینے کا کافی موقع فراہم کرتی ہے۔ بورڈ مکمل اور تفصیلی بات چیت کی بنیاد پر مناسب ہدایات اور نگرانی فراہم کرتا ہے۔



احمد زاہد

چیرمین

لاہور

05 اکتوبر 2023

DIRECTORS' REPORT TO THE MEMBERS

In Compliance with Section 227 of the Companies Act, 2017, The Directors are pleased to present the Annual Report along with audited financial statements and auditors report thereon for the year ended June 30, 2023.

Principal Activities of the Company

The Company is engaged in the business of manufacturing and sale of yarn and export of all kinds of value added fabrics and textile made-ups.

Overview

The period under review saw an unprecedented upheaval in the normal working patterns within the textile industry. Huge increases in interest rates and energy prices emerged during a large liquidity crisis. This period also witnessed difficulty in procuring imported raw materials, spare parts and machinery for expansion due to the State Bank's tightening on import Controls. The domestic Spinning industry faced a harsh turnaround compared to the previous year, as rapidly escalating costs of energy and drop in sales prices resulted in significant reduction in profitability.

During the year company's sales increased by 15.7% to Rs. 32,317 million as compared to preceding year Rs. 27,935 million, but due to increase in the cost of sales, this resulted in gross profit of Rs. 2,611 million which is 8 % of sales as compared to 20% of previous year, the bottom line of the company stood at Rs. 1,213 million.

The net profit translated into Earnings per Share (EPS) of PKR 6.34 in FY23 as against PKR 20.78 in FY22.

The operating results of the company are summarized as follows:

	2023	2022
	Rupees '000'	Rupees '000'
Sales	32,317,373	27,935,802
Gross profit	2,611,169	5,631,999
Taxation	383,913	294,539
Profit after taxation	1,213,375	3,977,738
Unappropriated profit brought forward	8,034,231	4,167,631
Transfers from revaluation surplus	241,338	137,710
Profit available for Appropriations	9,488,943	8,283,079
Final dividend for 2020-2021, @ Rs. 1.30 per share	-	(248,847)
Final dividend for 2021-2022, @ Rs. 1.00 per share	(191,421)	
Unappropriated profit carried forward	9,297,522	8,034,232
Earnings Per Share	6.34	20.78

Dividend

In view of the company's earnings, the Board of Directors has recommended a Final Cash Dividend in respect of the financial year ended June 30, 2023, at the rate of Rs 1.00 per share

(i.e. 10%), is subject to approval of the shareholders at the Annual General Meeting to be held on October 27, 2023. These financial statements do not include the effect of the proposed final dividend.

Credit Rating of Company

The Pakistan Credit Rating has assigned rating of long term 'A' and short term 'A1'. Outlook on the assigned rating is 'Stable'. Short Term Rating of 'A1' indicates satisfactory capacity for timely payment. Risk may vary slightly from time to time because of economic conditions and Long Term Rating of 'A' signified the high credit quality with strong capacity for timely payments.

Composition of the Board

The Board of Directors as at June 30, 2023, consist of:

Total number of directors:

a) Male	06
b) Female	01

Composition including the following:

a) Independent Directors	03
b) Non-Executive Directors	02
c) Other Executive Director	01
d) Female Executive Director	01

Name of Directors	Board of Directors	Audit Committee	HR Remuneration Committee
Mr. Muhammad Zahid	5/5	N/M	1/1
Mr. Ahmad Zahid	5/5	N/M	1/1
Mrs. Mehreen Fahad	3/5	3/4	N/M
Mr. Muhammad Ali	5/5	4/4	1/1
Mr. Sajjad Hussain Shah	5/5	4/4	N/M
Mr. Faisal Masood Afzal	5/5	4/4	N/M
Mr. Shahbaz Haider Agha	5/5	N/M	1/1

N/M: Not a member

Leave of absence was granted to directors who could not attend the Board and its Committee's meetings.

Board Committees

Following are the details of the members of each committee:

Audit committee

Sr#	Name of Directors	
1	Mr. Sajjad Hussain Shah	Chairman
2	Mr. Faisal Masood Afzal	Member
3	Mr. Muhammad Ali	Member

HR & Remuneration Committee

Sr#	Name of Directors	
1	Mr. Shahbaz Haider Agha	Chairman
2	Mr. Muhammad Ali	Member
3	Mr. Ahmad Zahid	Member
4	Mr. Muhammad Zahid	Member

Board of Directors

The composition of Board of Directors is as follows:

1	Mr. Ahmad Zahid	Chairman/ Non-executive Director
2	Mr. Muhammad Zahid	Chief Executive/ Executive Director
3	Mrs. Mehreen Fahad	Executive Director
4	Mr. Muhammad Ali	Non-executive Director
5	Mr. Sajjad Hussain Shah	Independent Director
6	Mr. Faisal Masood Afzal	Independent Director
7	Mr. Shahbaz Haider Agha	Independent Director

Board Evaluation

During the year, the Board and its sub committees have undertaken a formal process of evaluation of their performance. The overall performance of the Board and its sub-committees measured on the defined parameters for the year was satisfactory.

Remuneration of Directors:

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no director takes part in deciding his or her own remuneration. Remuneration package of Chief Executive and other executive directors is disclosed in Note No. 34 to the financial statements.

Related Party Transactions

All transactions with related parties were approved by the Board, and details of all such transactions were placed before Audit committee. During the year, the company carried out transactions with its related parties. Details of these transactions are disclosed in note 35 to financial statements.

Material Changes During the Current Year

The company had the following material events during the FY 2022-23:

The Installation of new spinning unit in process and will be completed by the end of December 2023.

Corporate and Financial Reporting Framework

The Company's Management is fully cognizant of its responsibility as recognized by the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan (SECP) and the Rule Book of Pakistan Stock Exchange (PSX). The following comments are acknowledgement of company's commitment to high standards of Corporate Governance and Continuous Improvement:

1. The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts of the company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting/Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and any departure from there have been adequately disclosed.
5. The system of internal control is sound and has been effectively implemented and monitored.
6. There is no significant doubt upon the company's ability to continue as a going concern.
7. There has been no material departure from the best practices of Code of Corporate Governance, as detailed in Listing Regulations.
8. Outstanding taxes and levies are given in the Notes to the Financial Statements.
9. Statement of compliance with Code of Corporate Governance and Financial Highlights for the last six years are annexed.

Health, Safety, & Environment

The Company maintains working conditions which are safe and without risk to the health of all employees and public at large. Our focus remains on improving all aspects of safety specially, with regards to the safety, production, delivery, storage and handling of materials. Your Company always ensures environment preservation and adopts all possible means for environment protection. The company strictly complies with the standards of the safety rules and regulations. It also follows environmental friendly policies.

Corporate Social Responsibility

Your company understands its corporate responsibility towards the society and fulfils its obligations by providing support to under privileged members of the society.

Pattern of share holding

Pattern of Shareholding as at June 30, 2023, which are required to be disclosed under the reporting framework, is annexed to this report.

Appointment of Statutory Auditors

The present auditors' M/s RSM Avais Hyder Liaquat Nauman, Chartered Accountants have completed their tenure for the year (FY 2022-23) and will be retiring at the conclusion of the forthcoming Annual General Meeting (AGM). Being eligible, they have offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as auditors of the company for the year (FY 2023-24).

Adequacy of Internal Financial Control

The Board of Directors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal controls for ensuring effective and efficient conduct of operations, safeguarding company assets, compliance with applicable laws and regulations and reliable financial reporting. Such systems are monitored effectively by the Management while the Board Audit Committee reviews the internal control systems based on assessment of risks and reports to the Board of Directors.

Principal Risks & Uncertainty

Risk management process undertaken by Board of Directors and management at strategic and multiple levels across the company. This is designed to identify potential events that may affect the company and manage the risks within risk appetite, to provide reasonable assurance regarding the achievement of Company's objectives.

Key areas that can impact the Company are: Declining export sales due to international wars, Currency volatility, abrupt Rupee devaluation, resulting in an increased cost of imported raw material. Increased energy cost due to rising fuel and power prices. Overall inflationary increase in operating expenses and increasing discount rate resulting in increased financing costs.

The Company is closely monitoring the impact of these risks and will endeavor to take measures to mitigate these risks.

Future Outlook

The Company is continuously monitoring all of its cost factors to keep them at the lowest possible levels. The production costs have increased due to non-controllable factors like rising energy cost, Pak Rupee devaluation and inflation, but the Company stands committed under the guidance of its Board of Directors, Key management personals and valued input from all stakeholder groups to its constant drive to be a progressive and profitable Company as per its Vision and Core values.

Acknowledgments

The Directors are grateful to the Company's members, financial institutions and customers for their co-operation and support. They also appreciate hard work and dedication of all the employees working at the various divisions.

For and on behalf of the Board

Dated: October 5, 2023
Lahore



Director



Chief Executive Officer

ڈائریکٹر رپورٹ برائے ممبران

کمپنی ایکٹ 2017 کی دفعہ 227 کی تعمیل میں ڈائریکٹر سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالی بیانات اور آڈیٹر کی رپورٹ پیش کرنے پر خوش ہیں۔

کمپنی کی اہم سرگرمیاں

کمپنی دھاگے کی مینوفیکچرنگ اور فروخت اور ہر قسم کے ویلیو ایڈڈ پکڑوں اور ٹیکسٹائل میڈیاپ کی برآمد کے کاروبار میں مصروف ہے۔

جاگہ

زیر جائزہ مدت میں ٹیکسٹائل انڈسٹری کے اندر کام کرنے کے معمول کے نمونوں میں ایک بے مثال بلبل دیکھی گئی۔ بڑے لیکویڈیٹی بحران کے دوران سود کی شرحوں اور توانائی کی قیمتوں میں بہت زیادہ اضافہ سامنے آیا، اس عرصے میں درآمدی خام مال کی خریداری میں بھی دشواری کا سامنا کرنا پڑا۔ درآمدی کنٹرول پر ریاستی بینک کی سختی کی وجہ سے توسیع کے لئے اسپین پارٹس اور مشینری گھریلو اسپیننگ انڈسٹری کو پچھلے سال کے مقابلے میں سخت بدلاؤ کا سامنا کرنا پڑا، کیونکہ تیزی سے توانائی سے بڑھتے ہوئے اخراجات اور فروخت کی قیمتوں میں کمی کے نتیجے میں منافع میں نمایاں کمی واقع ہوئی

سال کے دوران کمپنی کی کمزوری 15.7 فیصد اضافہ ہوا جو پچھلے سال 27935 ملین روپے کے مقابلے میں 32317 ملین روپے تھا، لیکن فروخت کی لاگت میں اضافے کی وجہ سے، اس کے نتیجے میں روپے کا مجموعی منافع ہوا۔ 2611 جو پچھلے سال کے 20% کے مقابلے میں 8 فیصد ہے۔ کمپنی کی چھٹی لائن 1213 ملین تھی

فی حصص آمدنی (ای پی ایس) 6.34 روپے ہوگی جبکہ گزشتہ سال یہ 20.78 روپے ہے

کمپنی کے آپریٹنگ نتائج کا خلاصہ درج ذیل ہے۔

2023	2022	
روپے '000		
32,317,373	27,935,802	فروخت
2,611,169	5631,999	مجموعی منافع
1,597,288	4,272,277	ٹیکس سے پہلے منافع
383,913	294,539	ٹیکس
1,213,375	3,977,738	ٹیکس کے بعد منافع
8,034,231	4,167,631	غیر مختص منافع
241,338	137,710	ری ویلیو ایٹیشن سرپلس سے منتقلی
9,488,943	8,283,079	تخصیص کے لئے دستیاب منافع
		تخصیص:
		2021-2022 کے لئے عبوری منافع، @ 1 روپے فی حصص
-	(248,847)	2021-2022 کے لئے حتمی منافع، @ 1.30 روپے فی حصص
(191,421)		فی حصص آمدنی - بنیادی اور ڈائریکٹرز (روپے)
9,297,522	8,034,231	غیر مختص منافع
6.34	20.78	فی حصص آمدنی (بنیادی اور ڈائریکٹرز)

منافع منقسمہ

کمپنی کی آمدنی کے پیش نظر بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے مالی سال کے حوالے سے فائنل کیش ڈویڈنڈ 1.00 روپے فی حصص (یعنی 10 فیصد)، کی سفارش کی ہے۔ جو کہ 27 اکتوبر، 2023 کو منظور ہونے والی سالانہ جنرل میٹنگ میں اراکین کی منظوری سے مشروط ہے۔ ان مالیاتی بیانات میں مجوزہ حتمی منافع کا اثر شامل نہیں ہے۔

کمپنی کی کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ نے طویل مدتی 'اے' اور قلیل مدتی 'اے 2' کی ریٹنگ تفویض کی ہے۔ تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔ 'اے 2' کی قلیل مدتی درجہ بندی بروقت ادائیگی کی صلاحیت کی نشاندہی کرتی ہے۔ معاشی حالات کی وجہ سے خطرہ وقتاً فوقتاً تھوڑا سا مختلف ہو سکتا ہے اور 'اے' کی طویل مدتی درجہ بندی بروقت ادائیگیوں کی مضبوط صلاحیت کے ساتھ اعلیٰ کریڈٹ معیار کی علامت ہے

بورڈ کی تشکیل

بورڈ کی تشکیل ان پر مشتمل ہے۔

ڈائریکٹرز کی کل تعداد

(a) مرد.....06

(b) خواتین.....01

تشکیل درج ذیل:

(a) آزاد ڈائریکٹرز.....03

(b) نان ایگزیکٹو ڈائریکٹرز.....02

(c) دیگر ایگزیکٹو ڈائریکٹرز.....02

(d) خاتون ایگزیکٹو ڈائریکٹر.....01

بورڈ اجلاسوں اور اس کی کمیٹیوں کی حاضری:

نمبر شمار	ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز	آؤٹ کمیٹی	ایچ آر اور معاوضہ کمیٹی
1	جناب محمد زاہد	5/5	رکن نہیں ہے	1/1
2	جناب احمد زاہد	5/5	رکن نہیں ہے	1/1
3	محترمہ مہرین فہد	3/5	3/4	رکن نہیں ہے
4	جناب محمد علی	5/5	4/4	1/1
5	جناب سجاد حسین شاہ	5/5	4/4	رکن نہیں ہے
6	جناب فیصل مسعود افضل	5/5	4/4	رکن نہیں ہے
7	جناب شہباز حیدر آغا	5/5	رکن نہیں ہے	1/1

ان ڈائریکٹروں کو غیر حاضری کی چھٹی دی گئی جو بورڈ اور اس کی کمیٹی کے اجلاسوں میں شرکت نہیں کر سکتے تھے۔

بورڈ کی کمیٹیاں

ہر کمیٹی کے ارکان کی تفصیلات درج ذیل ہے۔

ایچ آر اور معاوضہ کمیٹی:

آؤٹ کمیٹی:

نمبر شمار	ڈائریکٹر کا نام	رکن
1	جناب شہباز حیدر آغا	چیئر مین
2	جناب محمد علی	رکن
3	جناب احمد زاہد	رکن
4	جناب محمد زاہد	رکن

نمبر شمار	ڈائریکٹر کا نام	رکن
1	جناب سجاد حسین شاہ	چیئر مین
2	جناب فیصل مسعود افضل	رکن
3	جناب محمد علی	رکن

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کی تشکیل درج ذیل ہے۔

نمبر شمار	ڈائریکٹر کا نام	رکن
1	جناب محمد زاہد	چیف ایگزیکٹو / ایگزیکٹو ڈائریکٹر
2	جناب احمد زاہد	چیئر مین / نان ایگزیکٹو ڈائریکٹر
3	محترمہ مہرین فہد	ایگزیکٹو ڈائریکٹر
4	جناب محمد علی	نان ایگزیکٹو ڈائریکٹر
5	جناب سجاد حسین شاہ	آزاد ڈائریکٹر
6	جناب فیصل مسعود افضل	آزاد ڈائریکٹر
7	جناب شہباز حیدر آغا	آزاد ڈائریکٹر

بورڈ کی تفصیلات

سال کے دوران بورڈ اور اس کی ذیلی کمیٹیوں نے اپنی کارکردگی کی تفصیلات کا باضابطہ عمل شروع کیا ہے۔ بورڈ اور اس کی ذیلی کمیٹیوں کی سال کے لئے متعین حیرا میٹرز پر پیکائش کی گئی مجموعی کارکردگی اطمینان بخش تھی۔

ڈائریکٹرز کا معاوضہ

بورڈ کے اراکین کا معاوضہ بورڈ خود منظور کرتا ہے۔ تاہم کارپوریٹ گورننس کے ضابطہ کے مطابق اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ چیف ایگزیکٹو اور دیگر ایگزیکٹو ڈائریکٹرز کے معاوضہ کیلئے کوٹ نمبر 34 میں مالیاتی گوشواروں میں ظاہر کیا گیا ہے۔

متعلقہ پارٹی لین دین

متعلقہ فریقوں کے ساتھ تمام لین دین کو بورڈ نے منظوری دے دی اور اس طرح کے تمام تر ٹرانزیکشنز کی تفصیلات آڈٹ کمیٹی کے سامنے رکھی گئیں۔ سال کے دوران کمپنی نے اپنے متعلقہ فریقوں کے ساتھ لین دین کیا۔ ان لین دین کی تفصیلات نوٹ 35 میں مالی گوشواروں میں ظاہر کی جاتی ہیں۔

موجودہ سال کے دوران مادی تبدیلیاں

مالی سال 2022-2023 کے دوران کمپنی کے مندرجہ ذیل مادی واقعات تھے۔

نئے سپنٹنگ پونٹ کی تنصیب کا عمل جاری ہے اور دسمبر 2023 کے آخر تک مکمل ہو جائے گا

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی کی انتظامیہ کمیٹی ایکٹ 2017، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) اور پاکستان اسٹاک ایکسچینج (پی ایس ایکس) کی جانب سے جاری کردہ اسٹنڈرڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ذریعے تسلیم شدہ اپنی ذمہ داری سے پوری طرح واقف ہے۔ مندرجہ ذیل تبصرے کارپوریٹ گورننس اور مسلسل بہتری کے اعلیٰ معیارات کے لئے کمپنی کے عزم کا اعتراف ہیں۔

1. کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کافی حد تک اس کی صورت حال، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو پیش کرتے ہیں۔
2. کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔
3. مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
4. بین الاقوامی اکاؤنٹنگ / فنانشل رپورٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں عمل کیا گیا ہے اور اس سے انحراف کو مناسب طور پر ظاہر کیا گیا ہے۔
5. اندرونی کنٹرول کا نظام درست ہے اور اس پر موثر عمل درآمد اور نگرانی کی گئی ہے۔
6. کمپنی کے جاری رکھنے کی صلاحیت پر کوئی خاص شک نہیں ہے۔
7. کارپوریٹ گورننس کے ضابطہ اخلاق کے بہترین طریقوں سے قطعی انحراف نہیں کیا گیا ہے، جیسا کہ اسٹنڈرڈ ریگولیشنز میں تفصیل سے بیان کیا گیا ہے۔
8. بقایا ٹیکس اور لیویز کی تفصیل مالیاتی گوشواروں کو نوٹس میں دی گئی ہے۔
9. کارپوریٹ گورننس کے حوالے سے بیان اور پچھلے چھ سالوں کی مالیاتی جھلکیوں کو شامل کیا گیا ہے۔

صحت، تحفظ، اور ماحولیات

کمپنی کام کے حالات کو برقرار رکھتی ہے جو محفوظ ہیں اور بڑے پیمانے پر تمام ملازمین اور عوام کی صحت کے لئے خطرے کے بغیر ہیں۔ ہماری توجہ حفاظت کے تمام پہلوؤں کو بہتر بنانے پر مرکوز ہے، خاص طور پر مواد کی حفاظت، پیداوار، ترسیل، ذخیرہ اندوزی اور ہینڈلنگ کے حوالے سے۔ آپ کی کمپنی ہمیشہ ماحولیات کے تحفظ کو یقینی بناتی ہے اور ماحولیات کے تحفظ کے لئے ہر ممکن ذرائع اپناتی ہے۔ کمپنی حفاظتی قواعد و ضوابط کے معیارات کی سختی سے تعمیل کرتی ہے۔ یہ ماحول دوست پالیسیوں پر عملی عمل چیرا ہے۔

سہمی ذمہ داری

آپ کی کمپنی معاشرے کے تئیں اپنی کارپوریٹ ذمہ داری کو سمجھتی ہے اور معاشرے کے پسماندہ افراد کو مدد فراہم کر کے اپنی ذمہ داریاں پوری کرتی ہے۔ تاہم کمپنی نے سال کے دوران کوئی سی ایس آر سرگرمی نہیں کی۔

شیر ہولڈنگ کا نمونہ

30 جون 2023 تک شیر ہولڈنگ کا بیٹرن، جسے رپورٹنگ فریم ورک کے تحت ظاہر کرنا ضروری ہے، اس رپورٹ کے ساتھ منسلک ہے۔

قانونی آڈیٹرز کی تقرری

موجودہ آڈیٹرز میسرز آرابیس ایم او بیس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس نے سال (مالی سال 2023-2022) کے لئے اپنی مدت ملازمت مکمل کر لی ہے اور وہ آئندہ سالانہ جہز میٹنگ (اے جی ایم) کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کی وجہ سے انہوں نے دوبارہ تقرری کے لئے خود کو پیش کش کی ہے۔ آڈٹ کمیٹی نے سال (مالی سال 2023-2024) کے لئے کمیٹی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

اندرونی مالیاتی کنٹرول کی مناسبت

بورڈ آف ڈائریکٹرز اندرونی کنٹرول ماحول کے حوالے سے اپنی ذمہ داری سے آگاہ ہے اور اس کے مطابق آپریشنز کے موثر اور موثر انعقاد، کمیٹی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالی رپورٹنگ کو یقینی بنانے کے لئے اندرونی کنٹرول کا ایک موثر نظام قائم کیا ہے۔ اس طرح کے نظام کی انتظامیہ موثر نگرانی کرتی ہے جبکہ بورڈ آڈٹ کمیٹی خطرات کی تشخیص اور بورڈ آف ڈائریکٹرز کو رپورٹوں کی بنیاد پر اندرونی کنٹرول سسٹم کا جائزہ لے رہی ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

بورڈ آف ڈائریکٹرز اور انتظامیہ کی طرف سے کمیٹی بھر میں اسٹریٹیجک اور متعدد سطحوں پر رسک مینجمنٹ کا عمل شروع کیا گیا ہے۔ یہ ممکنہ واقعات کی شناخت کرنے کے لئے ڈیزائن کیا گیا ہے جو کمیٹی کو متاثر کر سکتے ہیں اور ظہور پذیر ہونے سے پہلے ہی خطرات کا انتظام کر سکتے ہیں، جس سے کمیٹی کے مقاصد کا حصول یقینی ہو جاتا ہے۔

اہم شعبے جو کمیٹی کو متاثر کر سکتے ہیں وہ یہ ہیں: بین الاقوامی جنگوں کی وجہ سے برآمدی فروخت میں کمی، کرنسی میں اتار چڑھاؤ، روپے کی اچانک قدر میں کمی، جس کے نتیجے میں درآمد شدہ خام مال کی لاگت میں اضافہ ہوا ہے۔ ایندھن اور بجلی کی بڑھتی ہوئی قیمتوں کی وجہ سے توانائی کی لاگت میں اضافہ ہوا۔ آپریٹنگ اخراجات میں مجموعی طور پر افراط زر میں اضافہ اور ڈیکارٹ کی شرح میں اضافے کے نتیجے میں فنانسنگ کے اخراجات میں اضافہ ہوا۔

کمیٹی ان خطرات کے اثرات کی کڑی نگرانی کر رہی ہے اور ان خطرات کو کم کرنے کے لئے اقدامات کرنے کی کوشش کرے گی۔

مستقبل کا نقطہ نظر

حالیہ غیر معمولی مون سون بارشوں اور سیلاب کی وجہ سے کپاس اگانے والا علاقے کافی حد تک متاثر ہوئے ہیں۔ اور یہ صورتحال حکومت کو کپاس کی اضافی درآمدات کرنے پر مجبور کر سکتی ہے جس سے پہلے سے ہی بلند تجارتی خسارے پر منفی اثر پڑ سکتا ہے۔ دوسری جانب درآمد شدہ خام کپاس یا دیگر غیر پروسیسڈ ٹیکسٹائل کی عدم دستیابی سے ملک کی ٹیکسٹائل برآمدات پر منفی اثرات مرتب ہوں گے۔ سیلاب کے بعد پاکستان کی معیشت انتہائی غیر محفوظ رہے گی۔

اظہار تشکر

ڈائریکٹرز کمیٹی کے ممبران، مالیاتی اداروں اور صارفین کے تعاون اور معاونت پر ان کے شکر گزار ہیں۔ وہ مختلف ڈویژنوں میں کام کرنے والے تمام ملازمین کی محنت اور لگن کو بھی سراہتے ہیں۔

برائے و متحاب بورڈ

ڈائریکٹر

جناب محمد زاہد

چیف ایگزیکٹو

لاہور:

مورخہ 105 اکتوبر 2023

FINANCIAL HIGHLIGHTS

Particulars	2023	2022	2021	2020	2019	2018	
(Rupees in '000')							
Net Assets Employed							
Fixed assets	13,608,051	14,362,509	8,115,970	6,613,186	6,083,842	6,204,294	
Intangible assets		-	-	330	1,123	1,969	
Investment in subsidiary		-	-	359,200	359,200	359,200	
Long term deposits	20,476	27,976	35,976	4,476	4,476	4,450	
Current assets	13,194,534	12,381,238	6,298,233	5,443,587	4,696,860	4,810,746	
Non current assets- held for sale	-	-	359,200				
Current liabilities	(6,383,552)	(6,289,933)	(3,981,464)	(4,335,041)	(4,045,774)	(4,729,949)	
	6,810,982	6,091,305	2,675,969	1,108,546	651,085	80,797	
Long term liabilities	(4,677,117)	(5,790,442)	(2,983,193)	(1,618,623)	(1,185,062)	(1,479,684)	
Net Assets	15,762,391	14,691,348	7,844,722	6,467,116	5,914,664	5,171,025	
Represented By							
Paid up capital	1,914,211	1,914,211	1,914,211	1,914,211	1,914,211	1,914,211	
Reserves	9,963,781	8,700,490	4,833,889	3,395,636	2,771,705	1,935,360	
Revaluation surplus	3,884,399	4,076,647	1,096,622	1,157,269	1,228,748	1,321,454	
	15,762,391	14,691,348	7,844,722	6,467,116	5,914,664	5,171,025	
Operating Results							
Sales	32,317,373	27,935,802	16,614,520	13,902,387	13,444,689	#####	
Gross profit	2,611,169	5,631,999	2,381,227	1,676,825	1,461,704	1,034,163	
Operating profit	3,161,854	5,769,563	2,434,054	1,690,596	1,466,586	1,075,465	
Profit before taxation	1,597,288	4,272,277	1,718,983	993,637	744,404	574,964	
Financial Ratios							
Gross profit	%	8.08	20.16	14.33	12.06	10.87	10.01
Operating profit	%	9.78	20.65	14.65	12.16	10.91	10.41
Profit/(loss) before taxation	%	4.94	15.29	10.35	7.15	5.54	5.57
Earning / (Loss) per share	Rs.	6.34	20.78	8.13	3.75	4.08	1.70
Current ratio	Times	2.07	1.97	1.58	1.26	1.16	1.02
Fixed assets turnover	Times	2.37	1.95	2.05	2.10	2.21	1.66
Total Debt to Capital	%	70	82	89	92	88	120
Book value per share	Rs.	62.05	55.45	35.25	27.74	24.48	20.11
Plant capacity and production							
Spinning							
Spindles installed/worked	Nos.	133,344	133,344	93,024	93,024	93,024	93,024
Actual production converted into							
20/s count	Kgs	54,453,588	57,347,935	41,050,604	38,376,019	34,290,567	33,847,535
Weaving							
Number of looms installed/worked	Nos.	280	280	280	280	280	280
Actual production converted into							
60 picks	Sq. mtr.	37,787,473	35,679,338	35,252,938	34,500,950	34,031,554	36,352,135

**Independent Auditor's Review Report
to the members of Zahidjee 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 Zahidjee Textile Mills Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

Further, we highlight below instance of non compliance with the requirement of Regulations as reflected in the paragraph referred below where it is stated in the Statement of compliance:

Paragraph 18	Section 19 of Regulation state that it is encouraged that by June 30, 2023 atleast 75% of the directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the commision and approved by it. '
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However, during the course of review it was observed that directors has attended the training program.

**RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS**

Place: Faisalabad

Date: October 05, 2023

13. The frequency of meetings of the committee were as per following:
- a. Audit Committee: Four quarterly meetings during the financial year ended June 30, 2023.
 - b. HR and Remuneration Committee: One meeting during the financial year ended June 30, 2023.
14. The board has set up an effective internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
15. 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;
16. 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.
17. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
18. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

As per regulation-19, Directors' Training: It is encouraged that: by June 30, 2023 at least 75% of the directors on the Boards have acquired the prescribed certification under any director training program. Presently, One of directors of the Company meet the exemption of requirement of the Director's Training Program, and Some Directors has obtained DTP certification.

Dated: October 05, 2023
Lahore



Ahmad Zahid
Director

For and on behalf of the Board



MUHAMMAD ZAHID
Chief Executive Officer



RSM Avais Hyder Liaquat Nauman
Chartered Accountants

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Faisalabad – Pakistan

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INDEPENDENT AUDITOR'S REPORT

To the members of Zahidjee Textile Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Zahidjee Textile Mills Limited (the Company), which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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, 2023 and of the profit, comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Offices at:

Lahore : 92 (42) 358 72731-3
Karachi : 92 (21) 356 55975-6
Islamabad : 92 (51) 211 4096-8
Rawalpindi : 92 (51) 519 3135
Quetta : 92 (81) 282 9809
Peshawar : 92 (91) 527 8310-527 7205
Kabul : 93 (799) 058155

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current 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 are the Key audit matter:

Key Audit Matters	How our audit addressed the key audit matter
Capitalization of Property Plant and Equipment	
<p>Refer notes 3 to the annexed financial Statements</p> <p>During the year, the Company has incurred significant capital expenditure as part of expansion activities.</p> <p>There are number of areas where significant management judgement is involved in connection with the above activities.</p> <p>These include:</p> <ul style="list-style-type: none"> • Determining which costs meet the criteria for capitalisation as per International Accounting Standard - 16, 'Property, Plant and Equipment'; • Determining the date on which assets under construction are transferred to operating fixed assets and the respective dates from which their depreciation should commence; and <p>We consider the above as a key audit matter being significant transactions and events for the Company during the year having significant impact on the financial position of the Company.</p>	<p>In response to this matter, our audit procedures included:</p> <ul style="list-style-type: none"> • Examination on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices. • Assessment whether the costs capitalised met the relevant criteria for capitalization as per the applicable accounting and reporting framework. • Verification of the copies of contracts of construction and letters of credit for determining amount of further commitment by the company for expansion project. • Verification of the date of transferring capital work in progress to operating fixed assets by examining the completion certificates. • Checked whether the disclosures are made in accordance with the financial reporting framework.

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

Management is responsible for other information. The other information comprises the information in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 skepticism throughout the audit. We also:

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

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

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

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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 deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Hamid Masood.

RSM AVAIS HYDER LIAQUAT NAUMAN 
CHARTERED ACCOUNTANTS

Place: Faisalabad

Date:

UDIN: AR202310194LnqcMjQFX



ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	13,608,051,037	14,362,509,332
Long term security deposits	4	20,475,784	27,975,784
		13,628,526,821	14,390,485,116
CURRENT ASSETS			
Stores, spares and loose tools	5	330,043,463	254,557,964
Stock in trade	6	4,388,063,736	4,093,773,310
Trade debts	7	3,765,446,396	4,313,378,831
Loans, advances and deposit	8	668,578,920	616,478,964
Prepayments	9	918,170	1,461,673
Other receivables	10	46,547,194	42,316,724
Short term investment	11	100,660,852	125,076,301
Tax refunds due from Government	12	212,142,170	161,271,930
Cash and bank balances	13	3,682,132,733	2,772,922,754
		13,194,533,634	12,381,238,451
CURRENT LIABILITIES			
Trade and other payables	14	2,059,707,731	1,484,590,413
Interest / mark up payable	15	92,636,667	117,871,419
Short term borrowings	16	3,047,299,701	3,973,559,386
Unclaimed dividend		9,313,318	8,039,833
Current portion of long term finance	17	706,279,169	383,126,413
Provision for taxation - income tax	32	468,315,445	322,745,926
		6,383,552,031	6,289,933,390
		20,439,508,424	20,481,790,177
NON - CURRENT LIABILITIES			
Long term finance	17	3,353,601,788	4,404,524,331
Deferred liability			
Staff retirement gratuity	18	21,985,109	-
Deferred taxation	19	1,301,530,462	1,385,918,367
		4,677,117,359	5,790,442,698
CONTINGENCIES AND COMMITMENTS			
	20	-	-
Net worth		<u>15,762,391,065</u>	<u>14,691,347,479</u>
Represented by :			
Share capital	21	1,914,210,990	1,914,210,990
Capital reserves			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment	22	3,884,399,416	4,076,646,922
Revenue reserves	23	9,597,522,146	8,334,231,054
		15,762,391,065	14,691,347,479
		<u>15,762,391,065</u>	<u>14,691,347,479</u>

The annexed notes from 1 to 41 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Sales	24	32,317,373,245	27,935,802,398
Cost of sales	25	29,706,204,512	22,303,803,332
Gross profit		<u>2,611,168,733</u>	<u>5,631,999,066</u>
Trading profit	26	80,253,444	2,115,382
Other income	27	470,431,583	135,448,853
		<u>3,161,853,760</u>	<u>5,769,563,301</u>
Distribution cost	28	372,039,505	413,981,830
Administrative expenses	29	234,183,669	187,015,122
Other operating expenses	30	142,796,587	260,589,945
Finance cost	31	815,546,474	635,699,531
		<u>1,564,566,235</u>	<u>1,497,286,428</u>
Profit before taxation		<u>1,597,287,525</u>	<u>4,272,276,873</u>
Provision for taxation	32	383,912,863	294,539,407
Profit for the year		<u><u>1,213,374,662</u></u>	<u><u>3,977,737,466</u></u>
Earnings per share - Basic and diluted	33	<u><u>6.34</u></u>	<u><u>20.78</u></u>

The annexed notes from 1 to 41 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
Profit for the year	1,213,374,662	3,977,737,466
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss :		
Surplus on revaluation of property, plant and equipment arisen during the year	-	4,068,631,098
Related deferred tax	-	(916,199,254)
	-	3,152,431,844
Total comprehensive income for the year	1,213,374,662	7,130,169,310

The annexed notes from 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES			REVENUE RESERVES			Total	
	Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropriated profit	Sub total		
R u p e e s								
Balance as at July 01, 2021	1,914,210,990	366,258,513	1,096,622,306	1,462,880,819	300,000,000	4,167,630,862	4,467,630,862	7,844,722,671
Transaction with owners								
Dividend paid (Rs. 1.3 per share of Rs. 10 each)	-	-	-	-	-	(248,847,497)	(248,847,497)	(248,847,497)
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	3,977,737,466	3,977,737,466	3,977,737,466
Other comprehensive income								
Surplus on revaluation of property, plant and equipment arisen during the year	-	-	4,068,631,098	4,068,631,098	-	-	-	4,068,631,098
Related deferred tax	-	-	(916,199,254)	(916,199,254)	-	-	-	(916,199,254)
Incremental depreciation on revalued assets for the year-net of deferred tax	-	-	3,152,431,844	3,152,431,844	-	3,977,737,466	3,977,737,466	7,130,169,310
Surplus realised on disposal of property, plant and equipment - net of deferred tax	-	-	(3,388,837)	(3,388,837)	-	3,388,837	3,388,837	-
Adjustment of deferred tax for the year	-	-	(34,697,005)	(34,697,005)	-	-	-	(34,697,005)
Balance as at June 30, 2022	1,914,210,990	366,258,513	4,076,646,922	4,442,905,435	300,000,000	8,034,231,054	8,334,231,054	14,691,347,479
Transaction with owners								
Dividend paid (Rs. 1 per share of Rs. 10 each)	-	-	-	-	-	(191,421,099)	(191,421,099)	(191,421,099)
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	1,213,374,662	1,213,374,662	1,213,374,662
Other comprehensive income	-	-	-	-	-	-	-	-
Incremental depreciation on revalued assets for the year - net of deferred tax	-	-	(241,337,529)	(241,337,529)	-	241,337,529	241,337,529	-
Adjustment of deferred tax for the year	-	-	49,090,023	49,090,023	-	-	-	49,090,023
Balance as at June 30, 2023	1,914,210,990	366,258,513	3,884,399,416	4,250,657,929	300,000,000	9,297,522,146	9,597,522,146	15,762,391,065

The annexed notes from 1 to 41 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,597,287,525	4,272,276,873
Adjustment for:		
Depreciation of property, plant and equipment	1,129,500,676	861,632,484
Provision for staff retirement gratuity	21,985,109	-
Profit on deposits	(455,119,831)	(120,843,830)
Dividend income	(12,467,984)	(11,995,585)
(Gain) / Loss on disposal of operating assets - net	(1,499,870)	4,092,786
Balances written (back) / off - net	(1,266,105)	(872,638)
Fair value Loss / (gain) on short term investments	24,415,449	17,473,904
(Gain) on disposal of non current asset held for sale	-	(1,436,800)
Finance cost	815,546,474	635,699,531
Operating cash flows before working capital changes	3,118,381,443	5,656,026,725
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(75,485,499)	13,188,750
Stock in trade	(294,290,426)	(1,144,120,204)
Trade debts	547,932,435	(2,312,548,962)
Loans, advances and deposit	(111,502,254)	(106,797,545)
Prepayments	543,503	235,668
Other receivables	(4,230,470)	62,066,465
Tax refunds due from Government	-	(70,076,131)
Increase in current liabilities		
Trade and other payables	576,383,424	447,225,476
	639,350,713	(3,110,826,483)
Cash generated from operating activities	3,757,732,156	2,545,200,242
Finance cost paid	(840,781,227)	(590,972,617)
Income tax paid	(265,109,169)	(314,273,456)
Net cash generated from operating activities	2,651,841,760	1,639,954,169

	2023 Rupees	2022 Rupees
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(377,082,511)	(3,053,370,059)
Proceeds from disposal of operating assets	3,540,000	9,736,764
Proceeds from sale of non current asset held for sale	-	204,086,800
Addition in short term investment	-	(19,414,724)
Profit on deposits	455,119,831	120,843,830
Dividend received	12,467,984	11,995,585
Long term security deposits	7,500,000	8,000,440
Net cash generated from / (used in) investing activities	<u>101,545,304</u>	<u>(2,718,121,364)</u>
 (c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	235,000,000	2,225,806,771
Repayment of long term finance	(962,769,786)	(203,142,886)
(Decrease) / Increase in short term borrowings - net	(926,259,685)	1,685,447,345
Dividend paid	(190,147,614)	(242,012,285)
Net cash (used in) / generated from financing activities	<u>(1,844,177,085)</u>	<u>3,466,098,945</u>
Net increase in cash and cash equivalents (a+b+c)	909,209,979	2,387,931,750
Cash and cash equivalents at the beginning of the year	2,772,922,754	384,991,004
Cash and cash equivalents at the end of the year	<u>3,682,132,733</u>	<u>2,772,922,754</u>

The annexed notes from 1 to 41 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. GENERAL INFORMATION

- 1.1 Zahidjee Textile Mills Limited (the Company) is incorporated in Pakistan on July 17, 1990 as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). The registered office of the Company is situated at 2-H Jail Road, Gulberg II, Lahore in the province of Punjab. The Company is listed on Pakistan Stock Exchange Limited. The principal business of the Company is export of all kinds of value added fabrics and textile made-ups. The Company is also engaged in the business of manufacturing and sale of yarn. The weaving unit is located at 32-KM, Tandlianwala Road, Satyana, District Faisalabad and spinning units are located at 32-KM, Sheikhpura Road, Faisalabad, M-3 Industrial Estate, Faisalabad, in the province of Punjab.
- 1.2 The Company's spinning projects comprises 50,400 spindles are under implementation out of which project of 20,160 spindles is under implementation in first phase.
- 1.3 Pursuant to scheme of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Zahidjee Fabrics Limited were merged with the assets, liabilities and reserves of Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.4 The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2022 and therefore, have been applied in preparing these financial statements.

Amendments to IAS 16 - Property, Plant and Equipment

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments have no material impact on company's financial statements.

Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments.

The amendments have no material impact on company's financial statements.

Annual improvements to IFRS – 2018 – 2020

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

IFRS 9 Financial Instruments

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments have no material impact on the company's financial statements.

2.2.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2022 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

2.2.3 Standards, amendments to standards and interpretations becoming effective in future periods

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a new accounting standard for insurance contracts. The standard covers recognition, measurement, presentation and disclosure of insurance contracts. Once effective, the standard will replace IFRS 4 Insurance Contracts.

The standard applies to all types of insurance contracts. Overall objective of the standard is to provide an accounting model for insurance contracts covering all relevant accounting aspects.

The standard is effective for reporting periods starting on or after January 01, 2023,

The application of the standard is not expected to have any material impact on the company's financial statements.

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments deal with situation where there is a sale or contribution of assets between investor and its associate or joint venture.

The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

The effective date of the amendments have yet to be set by the Board, however earlier application of the amendments is permitted. The amendments are not expected to have any material impact on the company's financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non current

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are effective for the annual periods beginning on or after January 01, 2023.

The amendments are not expected to have any material impact on the company's financial statements.

Amendments to IAS 1 - Disclosure of Accounting Policies

In February 2021, the Board issued amendments to IAS 1 the amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies.
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments are effective for the annual periods beginning on or after January 01, 2023.

The amendments are not expected to have any material impact on the company's financial statements.

Amendments to IAS 8 - Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for the annual periods beginning on or after January 01, 2023.

The amendments are not expected to have any material impact on the company's financial statements.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendments are effective for the annual periods beginning on or after January 01, 2023.

The amendments are not expected to have any material impact on the company's financial statements.

IFRS 16 Lease Clarification on how seller-lessee subsequently measures sale and lease back transactions

The amendments deals with Lease Liability in a Sale and Leaseback which requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.

The amendments are not expected to have any material impact on the company's financial statements.

2.2.4 Standards, amendments to standards and interpretations becoming effective in future period but not relevant

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

2.3 Basis of preparation

The financial statements have been prepared under the historical cost convention except: -

- Certain property, plant and equipment carried at valuation.
- Short term investments measured at fair value.

2.4 Property, plant and equipment

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost / valuation less accumulated depreciation and impairment in value, if any. Freehold land and capital work in progress are stated at valuation, cost less accumulated impairment in value, if any.

Depreciation is charged to income applying the reducing balance method at the rates specified in property, plant and equipment note 3.

Assets' residual values, if significant and their useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition or capitalisation and upto the month preceding the disposal respectively.

When parts of an item of property, plant and equipment have different useful lives, they are recognised as a separate item of property, plant and equipment.

Normal repair and maintenance costs are charged to income during the period in which they are incurred. Major renewals and improvements are capitalised.

Gains or losses on disposal of assets, if any, are recognised as and when incurred.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

Any revaluation increase arising on freehold land, building on freehold land and plant and machinery 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, building on freehold land and plant and machinery improvements 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 of building on freehold land and plant and machinery improvements to the extent of incremental depreciation charged is transferred to unappropriated profit.

2.5 Intangible assets

These are stated at cost less accumulated amortisation and impairment in value, if any. Intangible assets are amortised over a period of five years using straight line method.

Amortisation on additions during the year is charged from the month in which an asset is acquired or capitalised.

All costs / expenditure connected with software implementation are collected in computer softwares under implementation. These are carried at cost less impairment in value, if any and are transferred to specific assets as and when assets are available for intended use.

2.6 Investments

Investments are initially recognised / derecognised on trade date at cost being the fair value of consideration given including cash transaction. Trade date is the date that the Company commits to purchase or sell the investment. After initial recognition these are recognised and accounted for as follows:

Investments at fair value through profit or loss

These are the investments which are classified as held for trading and are acquired principally for the purpose of generating profit from short term fluctuation in price. Investments designated at fair value through profit or loss upon initial recognition also include those group of investments which are managed and their performance evaluated on fair value basis in accordance with the Company's documented investment strategy.

After initial recognition, such investments are remeasured at fair value determined with reference to the year end quoted rates (equity shares and investments in units of closed end funds at respective stock exchange rates, while the units of open end funds at their declared net asset value per unit). Gains or losses on remeasurments of these investments are recognised in the statement of profit or loss.

Derecognition

All investments are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Gain / loss on sale of investments is taken to income in the period in which it arises.

2.7 Impairment

The Company assesses at each statement of financial position date whether there is any indication that assets except deferred tax assets may be impaired. If such indications exist, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in statement of profit or loss, unless the relevant assets are carried at revalued amounts, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant assets are carried at revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Stores, spares and loose tools

These are valued at moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice value plus other charges incurred thereon.

2.10 Stock in trade

Stock in trade except wastes are valued at the lower of cost and net realisable value. Cost is determined as follows:

Raw material	Weighted average cost except items in transit which are valued at cost accumulated upto the statement of financial position date.
Work in process	Average manufacturing cost.
Finished goods	Average manufacturing cost.

Wastes are valued at net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sales. Average manufacturing cost represents cost of direct materials, labour and appropriate manufacturing overheads.

2.11 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified. Other receivables are carried at nominal amount which is the fair value of the consideration to be received in future.

2.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

2.13 Trade and other payables

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

2.14 Staff retirement benefits

The company discontinued its defined contribution plan from September 2022 and continue to operate a defined benefit plan - unfunded gratuity scheme covering all permanent employees. Provision is made annually on the basis of actuarial recommendation to cover the period of service completed by employees using Projected Unit Credit Method. All actuarial gains and losses are recognised in 'other comprehensive income' as they occur.

2.15 Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

2.16 Provision for taxation

Current taxation

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available under the law.

Deferred taxation

Deferred tax is provided using the liability method for all temporary differences at the statement of financial position date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax is charged or credited in the income statement, except in case of items charged or credited to equity in which case it is included in equity.

2.17 Dividend and other appropriations

Dividend is recognised as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

2.18 Foreign currency translation

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

2.19 Financial Instruments

2.19.1 Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

- Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

- Financial assets at fair value through other comprehensive income

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

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

2.19.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

2.20 Offsetting of financial asset and financial liability

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position, if the Company has a legal enforceable right to offset the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Sale of goods is recognised at a point in time when control of goods is transferred to customers.

Revenue from conversion receipts is recognised when services are rendered.

Interest income is recognized on time proportionate basis.

Dividend income from investments is recognised when the Company's right to receive payment has been established except dividend from associate accounted for using equity method which is recognised as a reduction of the carrying value of investment when the Company's right to receive payment has been established.

2.22 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IASs / IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables and slow moving inventory, staff retirement gratuity, fair value of short term investment, revaluation and taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

	Note	2023 Rupees	2022 Rupees
4. Long term security deposits			
Against Utilities		4,975,784	4,975,784
Security Deposit	4.1	<u>15,500,000</u>	<u>23,000,000</u>
		<u><u>20,475,784</u></u>	<u><u>27,975,784</u></u>

4.1 This represent Security deposits paid to Mehreen Fahad (director) against hiring of office premises.

	Note	2023 Rupees	2022 Rupees
5. Stores, spares and loose tools			
Stores			
in hand		120,797,330	134,869,801
in transit		49,993,452	-
Spares	5.1	158,759,059	119,378,241
Loose tools		<u>493,622</u>	<u>309,922</u>
		<u><u>330,043,463</u></u>	<u><u>254,557,964</u></u>

5.1 Stores and spares include items that may result in fixed capital expenditure but are not distinguishable.

	Note	2023 Rupees	2022 Rupees
6. Stock in trade			
Raw materials			
in hand	6.1	<u>2,878,817,974</u>	<u>2,952,252,684</u>
In Transit		<u>407,142,600</u>	<u>314,111,349</u>
		3,285,960,574	3,266,364,033
Work in process		283,644,737	228,555,664
Finished goods	6.1	735,193,538	560,355,102
Waste		<u>83,264,887</u>	<u>38,498,511</u>
		<u><u>4,388,063,736</u></u>	<u><u>4,093,773,310</u></u>

6.1 Stock in trade amounting to Rs.3,149.59 million (2022: Rs. 3,414.73 million) was pledged as security with the banking companies.

	Note	2023 Rupees	2022 Rupees
7. Trade debts			
Considered good			
Secured			
Foreign	7.1	604,802	12,226,852
Unsecured			
Foreign	7.1	620,449,049	1,223,907,745
Local		3,144,392,545	3,077,244,234
		3,764,841,594	4,301,151,979
Considered doubtful			
Unsecured			
Foreign	7.1	22,600,585	22,600,585
Less: Provision for doubtful debts		(22,600,585)	(22,600,585)
		-	-
Local		69,585,176	69,585,176
Less: Provision for doubtful debts		(69,585,176)	(69,585,176)
		-	-
		<u>3,765,446,396</u>	<u>4,313,378,831</u>

7.1 Following are the details of debtors in relation to export sales:

Jurisdiction	Category	2023 Rupees	2022 Rupees
Africa	Cash against documents	-	24,101,117
Europe	Letter of credit	604,802	12,226,852
	Cash against documents	19,089,625	2,057,392
		19,694,427	14,284,244
North America	Cash against documents	298,878,757	1,003,687,150
South America	Cash against documents	325,081,252	216,662,670
		<u>643,654,436</u>	<u>1,258,735,181</u>

8. Loans, advances and deposit

Considered good			
Advances			
Employees		14,591,498	3,145,061
Suppliers		208,469,710	132,918,930
Income tax		330,194,713	389,597,011
Letters of credit fee and expenses		115,322,999	90,817,962
		<u>668,578,920</u>	<u>616,478,964</u>

9. Prepayments

Prepaid Insurance		<u>918,170</u>	<u>1,461,673</u>
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Note	2023 Rupees	2022 Rupees
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10. Other receivables

Considered good			
Export rebate / duty drawback		34,705,471	33,676,621
Receivable from Associated Undertaking	10.1	6,121,921	6,121,921
Other		5,719,802	2,518,182
		<u>46,547,194</u>	<u>42,316,724</u>

10 It represents receivable in respect of expenses incurred for Zahidjee Towers (Private) Limited, a related party. It is unsecured .

Note	2023 Rupees	2022 Rupees
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11. Short term investment

Investment in ordinary shares	11.1	<u>100,660,852</u>	<u>125,076,301</u>
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11 Financial assets at fair value through profit or loss

Quoted securities

Habib Metropolitan Bank Limited			
2,022,854 (2022: 2,022,854) Ordinary shares of Rs.10/- each		78,992,449	82,127,872
JS Bank Limited			
100,000 (2022: 100,000) Ordinary shares of Rs.10/- each		400,000	571,000
Askari Bank Limited			
1,972,000 (2022:1,680,000) Ordinary shares of Rs.10/- each		29,282,400	38,098,815
The Bank of Punjab			
1,132,313 (2022: 1,029,375) Ordinary shares of Rs.10/- each		5,579,212	8,506,006
MCB Bank Limited			
88,000 (2022: 88,000) Ordinary shares of Rs.10/- each		10,822,240	13,246,512
		<u>125,076,301</u>	<u>142,550,205</u>
Adjustment in fair value - net		<u>(24,415,449)</u>	<u>(17,473,904)</u>
		<u>100,660,852</u>	<u>125,076,301</u>

11 The fair value of short term investment is based on prices quoted in active markets which is level 1 of fair value hierarchy.

	2023 Rupees	2022 Rupees
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12. Tax refunds due from Government

Income tax	103,239,535	52,369,295
Sales tax	108,902,635	108,902,635
	<u>212,142,170</u>	<u>161,271,930</u>

Note	2023 Rupees	2022 Rupees
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13. Cash and bank balances

Cash in hand		50,477,872	19,795,587
Cash at banks			
In current accounts		185,017,061	86,190,813
In PLS accounts	13.1	94,688,675	421,781
In Deposit accounts	13.2	3,351,949,125	2,666,514,573
		<u>3,682,132,733</u>	<u>2,772,922,754</u>

13 Effective profit rate in respect of PLS accounts was 6.70% to 19.73% per annum (2022 : 8.10% to 10.45% per annum).

13 It represents the investment in Term deposit receipts carrying profit at the rates ranging from 4.90% to 21.78% (2022: 10.00% to 14.00% per annum).

Note	2023 Rupees	2022 Rupees
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14. Trade and other payables

Creditors		776,029,158	594,516,057
Accrued liabilities		550,664,902	440,753,825
Advance from customers		134,514,320	147,980,354
Payable to provident fund		-	8,355,824
Workers' profit participation fund	14.1	351,544,123	225,565,006
Workers' welfare fund		46,055,954	13,458,249
Withholding taxes		133,382,931	36,634,022
Sales tax payable		67,516,343	17,327,075
		<u>2,059,707,731</u>	<u>1,484,590,413</u>

14.1 Workers' profit participation fund

Opening balance	225,565,006	93,391,470
Interest on funds utilised in the Company's business	40,195,684	2,784,601
	<u>265,760,690</u>	<u>96,176,071</u>

Paid to workers on behalf of the fund	-	(96,176,071)
	265,760,690	-
Allocation for the year	85,783,433	225,565,006
	<u>351,544,123</u>	<u>225,565,006</u>

15. Interest / mark up payable

Interest / mark up payable on:

Short term borrowings	72,874,950	65,659,302
Long term finance	19,761,717	52,212,117
	<u>92,636,667</u>	<u>117,871,419</u>

16. Short term borrowings

Secured

From banking companies

Export finances	16.2	50,000,000	487,500,000
Running finances	16.2	221,952,684	175,339,348
Cash finances	16.3	2,775,347,017	3,305,220,038

Un-secured

From directors and associates

Note	2023 Rupees	2022 Rupees
16.4	-	5,500,000
	<u>3,047,299,701</u>	<u>3,973,559,386</u>

16 The aggregate unavailed short term borrowing facilities available to the Company are Rs. 4,802.08 million (2022 : Rs. 5,681.94 million).

16 These are secured against first joint parri passu charge and ranking charge over present and future current assets of the Company, lien on export documents and by personal guarantee of directors of the Company. These are subject to mark up at the rates of one month KIBOR plus 1% (2022: one month KIBOR plus 1%) and SBP rate plus 2% per annum (2022: SBP rate plus 2% per annum).

The effective rate of mark up charged during the year ranges from 15.16% to 22.70% per annum (2022: 4.00% to 15.31% per annum).

16 These are secured against pledge of cotton, polyester, manmade fibers, yarn and grey cloth. These are further secured by personal guarantee of directors of the Company. These are subject to mark up at the rates of one month KIBOR plus 0.75% to 1.5% per annum, three months KIBOR plus 0.75% to 1.5% per annum, six month KIBOR plus 1% and nine month KIBOR plus 1% (2022: one month KIBOR plus 0.75% to 1.5% per annum, three months KIBOR plus 1% to 1.5% per annum, six month KIBOR plus 1% and nine month KIBOR plus 1%).

The effective rate of mark up charged during the year ranges from 12.89% to 23.30% per annum (2022: 8.36% to 16.38%).

16 These were interest free and obtained for meeting working capital requirements of the company.

	Note	2023 Rupees	2022 Rupees
17. Long term finance			
Secured			
From banking companies			
Under mark up arrangements			
Term finances	17.2	1,087,580,715	1,200,354,998
Demand finances	17.2	209,416,186	652,808,199
Temporary Economic Refinance Facility (TERF)	17.2	2,762,884,056	2,934,487,547
		<u>4,059,880,957</u>	<u>4,787,650,744</u>
Less : Current portion			
Payable within one year		(706,279,169)	(383,126,413)
		<u>3,353,601,788</u>	<u>4,404,524,331</u>

17 Reconciliation of long term financing:

Balance as at July 01,	4,787,650,743	2,764,986,858
Obtained during the year	235,000,000	2,225,806,771
	<u>5,022,650,743</u>	<u>4,990,793,629</u>
Paid during the year	(962,769,786)	(203,142,886)
Balance as at June 30,	<u>4,059,880,957</u>	<u>4,787,650,743</u>

17 The terms of repayment of finances are as under;

Nature of loans	Balance Rupees	Number of installments		Payment rests	Commencement date	Ending date	Markup rate
		Total	Balance				
Term finances							
I	12,497,359	36	17	Quarterly	05-Dec-18	05-Sep-27	SBP Rate + 1% p.a
II	1,987,577	36	21	Quarterly	05-Dec-18	05-Sep-27	SBP Rate + 1% p.a
III	178,191,667	24	20	Quarterly	14-Jun-21	07-Jun-28	SBP Rate + 1.75% p.a
IV	132,590,000	24	20	Quarterly	30-Jun-21	07-Jun-28	SBP Rate + 1.75% p.a
V	2,999,564	36	17	Quarterly	05-Dec-18	05-Sep-27	SBP Rate + 1% p.a
VI	23,320,218	36	17	Quarterly	05-Dec-18	05-Sep-27	SBP Rate + 1% p.a
VII	10,879,532	36	17	Quarterly	27-Dec-18	27-Sep-27	SBP Rate + 1% p.a
VIII	1,892,186	36	17	Quarterly	27-Dec-18	27-Sep-27	SBP Rate + 1% p.a
IX	50,219,891	36	17	Quarterly	27-Dec-18	27-Sep-27	SBP Rate + 1% p.a
X	22,833,359	36	17	Quarterly	27-Dec-18	27-Sep-27	SBP Rate + 1% p.a
XI	28,421,504	36	18	Quarterly	06-Mar-19	06-Dec-27	SBP Rate + 1% p.a
XII	24,736,200	36	22	Quarterly	07-Aug-19	07-May-28	SBP Rate + 1% p.a
XIII	5,874,608	36	21	Quarterly	24-Jan-20	24-Oct-28	SBP Rate + 1% p.a
XIV	14,091,000	36	21	Quarterly	24-Jan-20	24-Oct-28	SBP Rate + 1% p.a
XV	22,283,554	36	21	Quarterly	14-Feb-20	14-Nov-28	SBP Rate + 1% p.a
XVI	6,323,050	36	26	Quarterly	02-Jan-20	30-Jul-29	SBP Rate + 1.5% p.a
XVII	16,747,610	36	26	Quarterly	02-Jan-20	30-Jul-29	SBP Rate + 1.5% p.a
XVIII	5,903,440	36	26	Quarterly	02-Jan-20	30-Oct-29	SBP Rate + 1.5% p.a
XIX	80,974,830	36	26	Quarterly	14-Jan-20	30-Oct-29	SBP Rate + 1.5% p.a
XX	9,978,220	36	26	Quarterly	02-Jan-20	30-Oct-29	SBP Rate + 1.5% p.a
XXI	70,668,003	36	26	Quarterly	14-Jan-20	26-Feb-30	SBP Rate + 1.5% p.a
XXII	89,953,973	36	29	Quarterly	29-Apr-20	29-Apr-30	SBP Rate + 1.5% p.a

XXIII	14,498,410	24	14	Quarterly	14-Nov-19	14-Nov-26	3 MK + 2% p.a
XXIV	160,472,810	24	14	Quarterly	22-Oct-19	22-Oct-26	3 MK + 2% p.a
XXV	8,313,850	20	17	Quarterly	21-Oct-21	16-Sep-27	SBP Rate + 2% p.a
XXVI	12,863,900	20	20	Quarterly	16-Dec-21	16-Sep-27	SBP + 2.00 %
XXVII	43,064,400	20	20	Quarterly	16-Dec-21	16-Sep-27	SBP + 2.00 %
XXVIII	35,000,000	16	16	Quarterly	06-Sep-22	06-Sep-27	1 MK + 1.50 %
	1,087,580,715						

Demand Finances

I	9,019,799	36	19	Quarterly	06-May-19	06-Feb-28	3 MK + 1.5% p.a
II	1,925,863	36	20	Quarterly	23-Apr-19	23-Jan-28	3 MK + 1.5% p.a
III	28,170,252	36	20	Quarterly	06-May-19	06-Feb-28	3 MK + 1.5% p.a
IV	6,907,950	36	20	Quarterly	27-May-19	27-Feb-28	3 MK + 1.5% p.a
V	4,061,276	36	20	Quarterly	12-Jul-19	12-Apr-28	3 MK + 1.5% p.a
VI	55,140,113	36	20	Quarterly	07-Apr-19	07-Jan-28	3 MK + 1.5% p.a
VII	1,900,010	36	18	Quarterly	01-Mar-19	05-Dec-27	3 MK + 1.5% p.a
VIII	3,215,516	36	18	Quarterly	12-Feb-19	12-Nov-27	3 MK + 1.5% p.a
IX	37,056,011	36	19	Quarterly	01-Apr-19	01-Jan-28	3 MK + 1.5% p.a
X	32,841,672	36	20	Quarterly	01-Jul-19	06-Mar-28	3 MK + 1.5% p.a
XI	24,738,396	36	20	Quarterly	12-Jul-19	12-Apr-28	3 MK + 1.5% p.a
XII	1,996,962	36	20	Quarterly	01-Jul-19	18-Jun-28	3 MK + 1.5% p.a
XIII	2,442,366	36	18	Quarterly	04-Dec-19	25-Nov-27	3 MK + 1.5% p.a
	209,416,186						

Nature of loans	Balance Rupees	Number of installments		Payment rests	Commencement date	Ending date	Markup rate
		Total	Balance				

TERF

I	109,065,834	20	20	Quarterly	30-Apr-21	03-May-28	SBP + 2.75 %
II	161,238,180	20	20	Quarterly	27-May-21	26-May-28	SBP + 2.75 %
III	9,571,143	20	16	Quarterly	31-May-21	31-May-27	SBP + 2.50 %
IV	27,249,000	20	20	Quarterly	07-Jun-21	07-Jun-28	SBP + 2.75 %
V	34,651,000	20	20	Quarterly	07-Jun-21	07-Jun-28	SBP + 2.75 %
VI	79,011,925	24	24	Quarterly	07-Jun-21	16-Jun-28	SBP + 2.50 %
VII	158,036,667	24	20	Quarterly	07-Jun-21	16-Jun-28	SBP + 2.50 %
VIII	45,150,000	20	20	Quarterly	09-Jun-21	07-Jun-28	SBP + 4.00 %
IX	52,372,800	20	16	Quarterly	15-Jun-21	15-Jun-27	SBP + 2.50 %
X	166,583,200	16	20	Quarterly	15-Jun-21	15-Jun-27	SBP + 2.50 %
XI	44,289,000	20	20	Quarterly	21-Jun-21	21-Jun-28	SBP + 3.50 %
XII	30,307,000	20	20	Quarterly	22-Jun-21	07-Jun-28	SBP + 2.75 %
XIII	25,845,000	20	20	Quarterly	28-Jun-21	28-Jun-28	SBP + 3.50 %
XIV	11,805,000	20	20	Quarterly	30-Jun-21	07-Jun-28	SBP + 2.75 %
XV	454,850,000	20	20	Quarterly	30-Dec-21	30-SEP-28	SBP + 4.00%
XVI	7,661,358	20	20	Quarterly	16-Jul-21	03-May-28	SBP + 2.75 %
XVII	172,902,500	20	20	Quarterly	13-Aug-21	13-May-28	SBP + 2.75 %
XVIII	48,146,400	20	20	Quarterly	12-Aug-21	12-May-28	SBP + 2.75 %
XIX	13,133,000	20	20	Quarterly	07-Jul-21	07-Jun-28	SBP + 2.75 %
XX	21,589,000	20	20	Quarterly	19-Jul-21	07-Jun-28	SBP + 2.75 %
XXI	16,160,000	20	20	Quarterly	19-Jul-21	07-Jun-28	SBP + 2.75 %
XXII	20,979,000	20	20	Quarterly	19-Jul-21	07-Jun-28	SBP + 2.75 %
XXIII	109,500,000	20	20	Quarterly	06-Aug-21	07-Jun-28	SBP + 2.75 %
XXIV	6,223,000	20	20	Quarterly	26-Aug-21	07-Jun-28	SBP + 2.75 %
XXV	848,000	20	20	Quarterly	26-Aug-21	07-Jun-28	SBP + 2.75 %
XXVI	3,769,729	20	17	Quarterly	13-Aug-21	07-Jun-28	SBP + 2.50 %
XXVII	5,271,300	20	18	Quarterly	29-Sep-21	29-Sep-27	SBP + 2.50 %
XXVIII	1,323,083	20	20	Quarterly	05-Jul-21	05-Jul-28	SBP + 3.50 %
XXIX	330,836,677	20	20	Quarterly	11-Mar-22	11-Mar-29	SBP + 3.50 %
XXX	5,661,169	20	20	Quarterly	14-Jul-21	14-Jul-28	SBP + 175 bps
XXXI	64,886,976	20	20	Quarterly	14-Jul-21	14-Jul-28	SBP + 175 bps

XXXII	97,147,512	20	20	Quarterly	15-Jul-21	15-Jul-28	SBP + 175 bps
XXXIII	97,928,107	20	20	Quarterly	19-Jul-21	19-Jul-28	SBP + 175 bps
XXXIV	65,809,867	20	20	Quarterly	29-Jul-21	29-Jul-28	SBP + 175 bps
XXXV	133,562,925	20	20	Quarterly	13-Aug-21	13-Aug-28	SBP + 175 bps
XXXVI	79,312,500	20	20	Quarterly	12-Aug-21	12-May-28	SBP + 3.50 %
XXXVII	34,499,964	20	20	Quarterly	20-Sep-21	20-Sep-28	SBP + 175 bps
XXXVIII	15,706,240	20	20	Quarterly	29-Jul-21	10-Jan-28	SPB + 3.5%
	2,762,884,056						

The loans are secured against first joint parri passu charge and ranking charge over present and future fixed assets of the Company. These are further secured by the personal guarantee of directors of the Company.

Effective markup rates charged during the year ranges from 3.00% to 24.91% per annum (2022: 3.00% to 16.49% %).

18. Staff retirement gratuity

General description

The Company operates an unfunded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined under the scheme. The most recent valuation was carried out as at June 30, 2023 using the "Projected Unit Credit Method".

		2023 Rupees	2022 Rupees
18.1	The amount included in the statement of financial position is as follows:		
	Present value of defined benefits obligation	<u>21,985,109</u>	<u>-</u>
18.2	Movement in the net liability recognised		
	Expenses chargeable to profit and loss	21,985,109	-
18.3	Expenses recognised in statement of profit or loss account		
	Current service cost	21,985,109	-
18.4	Principal actuarial assumptions		
	Discount factor used	16.25% per annum	-
	Expected rate of increase in salaries	15.25% per annum	-
	Expected average remaining working lives of participating employees	5 years	-
18.5	The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as under :		

		Reworked defined benefit obligation	
	Change in assumptions	Increase in assumptions Rupees	Decrease in assumptions Rupees
Discount rate	100 bps	20,866,721	23,259,803
Salary growth rate	100 bps	23,329,862	20,782,391

The above sensitivity analysis is based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (Projected Unit Credit Method) has been applied as for calculating the liability of staff retirement gratuity.

	2023 Rupees	2022 Rupees
19. Deferred taxation		
Opening balance	1,385,918,367	421,348,664
Provision/(Reversal) of deferred tax related to:		
Surplus arisen on revaluation	-	916,199,254
Incremental depreciation on revalued assets	(100,434,978)	(45,798,075)
Surplus realised on disposal of revalued assets	-	(1,155,856)
(Reversal) / Provision of deferred tax on surplus	(49,090,023)	34,697,005
Provided during the year	65,137,096	60,627,375
	<u>1,301,530,462</u>	<u>1,385,918,367</u>

19.1 It represents the following:

Deferred tax liability:		
Difference between accounting and tax bases of assets	<u>1,301,530,462</u>	<u>1,385,918,367</u>

20. CONTINGENCIES AND COMMITMENTS

Contingencies

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
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Sales tax

Commissioner Inland Revenue (Appeals)	The assessing officer of Inland Revenue passed orders in respect of tax period July-2011 to June-2016, November-2013 and July-2011 to April-2012 and created demand of Rs. 9,405,301/- (2022: Rs. 9,405,301/-), Rs. 439,654/- (2022: Rs. 439,654/-) and Rs. 232,667/- (2022: Rs. 232,667/-) respectively. Currently the cases are pending for adjudication before Commissioner Inland Revenue (Appeals). The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has	Company vs. Federal Board of Revenue	June 10, 2015 June 30, 2017 November 10, 2017 June 14, 2018
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been made in these financial statements.

The assessing officer of Inland Revenue passed orders in original in respect of tax periods from August-2013 to July-2015 and July-2010 to June-2011 and created demand of Rs. 8,806,053/- (2022: Rs. 8,806,053/-). Being aggrieved by the orders the company filed appeals before the CIR(A) against the ONOs. The CIR(A) partially set aside the demand of Rs. 1,545,923/- (2022: Rs. 1,545,923/-) and disposed off the appeals. The company filed the appeals before ATIR for the remaining demand. Currently the case is pending for adjudication before ATIR. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.

Appellate
Tribunal
Inland
Revenue

Company vs.
Federal Board of
Revenue

March 22, 2014
August 22, 2016

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Commissioner Inland Revenue (Appeals)	The assessing officer of Inland Revenue passed order in respect of tax period July-2021 to November-2021 and created a sales tax demand of 20,773,259/- and also imposed penalty of Rs.1,038,663/- . CIR (Appeals) partially set aside demand of 7,949,830 and dispose off the appeals. The company filled the appeal before Appellate Tribunal Inland Revenue (ATIR) for remaining demand. Currently the case is pending before ATIR. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs Federal Board of Revenue	22-Mar-22
Commissioner Inland Revenue (Appeals)	Deputy Commissioner Inland Revenue passed order in respect of tax period July 2016 to November 2021 and created a sales tax demand of Rs 254,552,830/- along with default surcharge and penalty amounting to Rs. 12,727,642/-. Currently the case is pending for adjudication before Commissioner Inland Revenue (Appeals). The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs Federal Board of Revenue	31-Oct-22

Other

Appellate Tribunal Lahore	The Director Social Security issued an order based on reassessment of number of employees and demanded Rs. 4,192,808/- (2022: Rs. 4,192,808/-) contribution regarding prior years. Currently the case is pending for adjudication before Appellate Tribunal Lahore. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs. Director Social Security	October 25, 2016
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Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
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Custom Appellate Tribunal. Lahore	The custom officer of Excise and Customs department passed order in respect of year ended June 30, 2019 and created demand of Rs. 7,997,509 which includes penalty of Rs. 100,000/- and default surcharge of Rs. 25,000/- (2022 Rs.7,997,509/- which includes penalty of Rs. 100,000/- and default surcharge of Rs. 25,000/-). Currently the case is pending for adjudication before Custom Appellate Tribunal Lahore. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs. Assistant collector (DTRE) MCC. Faisalabad	June 26, 2018
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	2023 Rupees	2022 Rupees
Bank guarantees issued in favour of :		
Sui Northern Gas Pipelines Limited for supply of gas.	112,788,000	105,923,000
Faisalabad Electric Supply Company Limited for supply of electricity.	72,747,000	32,496,000
Excise and taxation department against imposition of infrastructure cess	203,826,000	100,000,000
Indemnity bonds issued in favour of collector of customs		
/ sales tax, Faisalabad to avail exemption of sales tax and custom duty on imported raw material / machinery.	-	792,474,916

Commitments

Under letters of credit for:		
Plant and machinery	2,209,209,712	2,740,544,263
Raw material and spare parts	2,855,342,849	1,772,892,290
Under contracts for purchase of land	304,023,750	334,426,125
Under contracts for civil work	722,317,922	901,291,603

21. Share capital

21.1 Authorised capital

2023	2022		2023	2022
Number of shares			Rupees	Rupees
<u>220,000,000</u>	<u>220,000,000</u>	Ordinary shares of Rs. 10/- each.	<u>2,200,000,000</u>	<u>2,200,000,000</u>

21.2 Issued, subscribed and paid up capital

2023	2022		2023	2022
Number of shares			Rupees	Rupees
89,462,580	89,462,580	Ordinary shares of Rs. 10/- each fully paid in cash.	894,625,800	894,625,800
23,041,604	23,041,604	Ordinary shares of Rs.10/- each issued as fully paid shares as per scheme of arrangement for amalgamation sanctioned by the Court.	230,416,040	230,416,040
78,916,915	78,916,915	Ordinary shares of Rs.10/- each issued as fully paid bonus shares.	789,169,150	789,169,150
<u>191,421,099</u>	<u>191,421,099</u>		<u>1,914,210,990</u>	<u>1,914,210,990</u>

22. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Surplus on revaluation of property, plant and equipment at the beginning of the year	5,130,086,723	1,246,119,779
Surplus arisen on revaluation carried out during the year	-	4,068,631,098
Transferred to unappropriated profit in respect of :		
Incremental depreciation	(341,772,507)	(180,119,461)
Surplus realised on disposal	-	(4,544,693)
	<u>(341,772,507)</u>	<u>(184,664,154)</u>
Surplus on revaluation of property, plant and equipment as at June 30,	4,788,314,216	5,130,086,723
Related deferred tax liability on:		

Revaluation at the beginning of the year	1,053,439,801	149,497,473
Deferred tax relating to:		
Incremental depreciation	(100,434,978)	(45,798,075)
Surplus realised on disposal	-	(1,155,856)
Surplus arisen during the year	-	916,199,254
Deferred tax (reversed) / provided during the year	(49,090,023)	34,697,005
	903,914,800	1,053,439,801
	<u>3,884,399,416</u>	<u>4,076,646,922</u>

22.1 Latest revaluation of freehold land, building on freehold land and plant and machinery was carried out by independent valuers M/S Joseph Lobo (Pvt) Limited as at December 20, 2021. Freehold land, building on freehold land and plant and machinery were revalued on market value basis. The valuation is based on unobservable inputs which is Level 3 of fair value hierarchy.

	Note	2023 Rupees	2022 Rupees
23. Revenue reserves			
General reserves	23.1	300,000,000	300,000,000
Unappropriated profit		9,297,522,146	8,034,231,054
		<u>9,597,522,146</u>	<u>8,334,231,054</u>

23.1 These reserves are available for distribution to shareholders.

24. Sales

Export			
Cloth / made ups	24.1	4,096,615,219	4,451,717,112
Local			
Yarn		26,652,356,786	22,515,946,873
Cloth		25,954,700	61,475,943
Waste and left over		1,849,587,596	1,102,511,796
Conversion receipts		4,483,461	82,851,732
		<u>28,532,382,543</u>	<u>23,762,786,344</u>
		<u>32,628,997,762</u>	<u>28,214,503,456</u>
Add: Export rebate / duty drawback		17,364,767	617,607
		<u>32,646,362,529</u>	<u>28,215,121,063</u>
Less: Commission and claims		328,989,284	279,318,665
		<u>32,317,373,245</u>	<u>27,935,802,398</u>

24.1 It includes exchange gain of Rs. 130,504,679/- (2022: Rs. 35,345,492/-).

	Note	2023 Rupees	2022 Rupees
25. Cost of sales			
Cost of goods manufactured	25.1	29,925,809,324	22,586,723,747
Finished goods			
Opening stock		598,853,613	315,933,198
Closing stock		(818,458,425)	(598,853,613)
		<u>(219,604,812)</u>	<u>(282,920,415)</u>
		<u>29,706,204,512</u>	<u>22,303,803,332</u>

25.1 Cost of goods manufactured

Raw material consumed	25.1.1	24,485,193,998	18,661,608,672
Packing material consumed		284,274,439	162,712,541
Salaries, wages and benefits		1,059,435,142	930,247,447
Retirement benefits		31,501,962	31,698,886
Stores and spares consumed		465,717,669	464,661,057
Fuel and power		2,497,342,531	1,534,118,463
Repairs and maintenance		15,214,539	22,301,881
Insurance		25,063,939	22,846,021
Depreciation	3.2	1,107,919,723	853,497,713
Other		9,234,455	7,055,806
		<u>29,980,898,397</u>	<u>22,690,748,487</u>
Work in process			
Opening stock		228,555,664	124,530,924
Closing stock		(283,644,737)	(228,555,664)
		<u>(55,089,073)</u>	<u>(104,024,740)</u>
		<u>29,925,809,324</u>	<u>22,586,723,747</u>
		2023	2022
	Note	Rupees	Rupees

25.1.1 Raw material consumed

Opening stock	2,952,252,684	2,509,188,984
Purchases including purchase expenses	24,411,759,288	19,104,672,372
	<u>27,364,011,972</u>	<u>21,613,861,356</u>
Closing stock	(2,878,817,974)	(2,952,252,684)
	<u>24,485,193,998</u>	<u>18,661,608,672</u>

26. Trading profit

Sale of cotton / polyester	406,260,313	554,857,374
Cost of sales	326,006,869	552,741,992
	<u>80,253,444</u>	<u>2,115,382</u>

27. Other income

Income from financial assets:		
Profit on deposits	455,119,831	120,843,830
Dividend	12,467,984	11,995,585
Income from Non financial assets:		
Gain on disposal of operating assets - net	1,499,870	-
Balances written back-net	1,266,105	872,638
Gain on sale of non current asset held for sale	-	1,436,800
Scrap Sale	77,793	300,000
	<u>470,431,583</u>	<u>135,448,853</u>

28. Distribution cost

Ocean freight	276,150,347	342,337,341
Local freight	63,637,638	42,261,966
Clearing and forwarding	26,988,371	23,756,524
Export development surcharge	3,036,247	3,227,543
Insurance	2,212,600	1,399,906
Other	14,302	998,550
	<u>372,039,505</u>	<u>413,981,830</u>

29. Administrative expenses

Directors' remuneration		21,600,000	10,800,000
Staff salaries and benefits		95,809,096	94,001,328
Retirement benefits		2,858,825	4,631,618
Postage and telecommunication		3,900,273	3,677,200
Vehicles running and maintenance		20,902,063	22,825,621
Travelling and conveyance		2,367,501	2,717,983
Printing and stationery		1,989,901	1,827,768
Electricity and gas		4,306,250	3,847,899
Fees, subscriptions and periodicals		11,039,879	14,191,045
Advertisement		-	134,000
Insurance		1,479,035	1,583,766
Auditors' remuneration	29.1	1,777,325	1,777,325
Legal and professional		35,310,312	8,952,760
Rent, rates and taxes		337,568	207,170
Entertainment		4,881,256	5,560,154
Depreciation	3.2	21,580,953	8,134,771
Other		4,043,432	2,144,714
		<u>234,183,669</u>	<u>187,015,122</u>
		2023	2022
	Note	Rupees	Rupees

29.1 Auditors' remuneration

Audit fee	1,320,000	1,320,000
Fee for the review of half yearly financial information	330,000	330,000
Other Certifications	17,325	17,325
Out of pocket expenses	110,000	110,000
	<u>1,777,325</u>	<u>1,777,325</u>

30. Other operating expenses

Workers' profit participation fund	85,783,433	225,565,006
Workers' welfare fund	32,597,705	13,458,249
Loss on disposal of operating assets-net	-	4,092,786
Adjustment in fair value of short term investment - net	24,415,449	17,473,904
	<u>142,796,587</u>	<u>260,589,945</u>

31. Finance cost

Interest / mark up on:		
Long term finance	153,528,564	188,424,882
Short term borrowings	595,934,246	427,461,073
Workers' profit participation fund	40,195,684	2,784,601
Bank charges and commission	25,887,980	17,028,975
	<u>815,546,474</u>	<u>635,699,531</u>

32. Provision for taxation

Current		
for the year	468,315,445	322,745,926
for prior year	(49,104,699)	(41,879,963)
Deferred	(35,297,883)	13,673,444
	<u>383,912,863</u>	<u>294,539,407</u>

32.1 Relationship between tax expense and accounting profit

Reconciliation between accounting profit and tax expense has not been presented in these financial statements as income of the company is subject to minimum tax, final tax and Super tax under Section 113, 154 and 4C of the Income Tax Ordinance, 2001.

2023

2022

33. Earnings per share - Basic and diluted

Profit for the year (Rupees)	1,213,374,662	3,977,737,466
Weighted average number of ordinary shares outstanding during the year	191,421,099	191,421,099
Earnings per share - Basic and diluted (Rupees)	6.34	20.78

33.1 There is no dilutive effect on basic earnings per share of the Company.

34. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

	2023			2022		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
Remuneration	6,144,000	7,680,000	57,361,428	3,072,000	3,840,000	18,811,560
House rent allowance	2,764,800	3,456,000	25,812,643	1,382,400	1,728,000	8,465,202
Medical allowance	614,400	768,000	5,736,143	307,200	384,000	1,881,156
Utilities allowance	76,800	96,000	717,018	38,400	48,000	235,144
	9,600,000	12,000,000	89,627,232	4,800,000	6,000,000	29,393,062
Number of persons	1	1	39	1	1	13

34.1 Chief Executive Officer is entitled to free use of the Company maintained vehicle. The monetary value of running and maintenance is Rs. 3,954,020/- (2022: Rs. 3,516,501/-). The Directors have waived off their meeting fee.

35. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of , associated undertakings, key management personnel and provident fund. Amounts due to / from related parties are shown under the relevant notes to the financial statements. Remuneration to Chief Executive Officer, Director and Executives is disclosed in Note 34. Other significant transaction with related parties are as follows.

Name of the related party	Relationship and Percentage	Transactions during the year	2023 Rupees	2022 Rupees
Muhammad Zahid	Director	Loan obtained	75,385,000	-
		Loan repaid	80,885,000	-

Zahidjee Textile Mills Limited Staff Provident Fund	Other related party	Contribution for the year	12,375,678	36,330,504
Zahidjee Tower (PVT) LTD	Associated Undertaking	Operational expenses received back	-	18,205,000
Ahmad Zahid	Director	Sale of Non current assets held for sale	-	204,086,800
Mehreen Fahad	Director	Security Deposits received back	7,500,000	8,500,000
Aleeza Zahid Tariq	Related Party	Consultancy fee	30,000,000	-

36. DISCLOSURE WITH REGARD TO PROVIDENT FUND

		2023	2022
Size of the fund	(Rupees)	-	191,863,885
Cost of investment made	(Rupees)	-	110,000,000
Percentage of investment made	(Percentage)	0.00%	57.33%
Fair value of investment	(Rupees)	-	110,000,000

36.1 The company discontinued provident fund from September 2022 and continue to operate a defined benefit plan unfunded gratuity scheme covering all permanent employees.

37. NUMBER OF EMPLOYEES

	2023	2022
Total number of employees as at June 30:		
Permanent	1502	1568
Temporary	1182	1297
Average number of total employees during the year	2692	2896

38. PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning

Number of spindles installed	133,344	133,344
Number of spindles worked	133,344	133,344
Number of shifts per day	3	3
Installed capacity after conversion into 20/s count (Kgs)	57,347,935	57,347,935
Actual production of yarn 36,409,543 Kgs (2021: 31,080,423 Kgs) after conversion into 20/s count (Kgs)	54,453,588	50,002,760

Weaving

Number of looms installed	280	280
Number of looms worked	280	280
Number of shifts per day	3	3
Annual production capacity converted into 60 picks (Square Meters)	42,536,384	42,536,384
Actual production converted into 60 picks (Square Meters)	37,787,473	35,679,338

38.1 Reasons for shortfall:

- It is difficult to determine precisely the production / rated capacity since it fluctuates widely depending on various factors such as speed, width and quality etc.
- The actual production is planned to meet the market demand.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through the mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimise risk. The overall risk management is carried out by the finance department under the oversight of Board of Directors in line with the policies approved by the Board.

	2023 Rupees	2022 Rupees
39.1 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets at amortised cost:		
Long term deposits	20,475,784	27,975,784
Trade debts	3,765,446,396	4,313,378,831
Loans, advances and deposit	14,591,498	3,145,061
Other receivables	5,719,802	2,518,182
Cash and bank balances	3,682,132,733	2,772,922,754
	<u>7,488,366,213</u>	<u>7,119,940,612</u>
Financial asset at fair value:		
Short term investments	<u>100,660,852</u>	<u>125,076,301</u>
Financial liabilities at amortised cost:		
Trade and other payables	1,573,649,288	1,111,045,052
Interest / mark up payable	92,636,667	117,871,419
Short term borrowings	3,047,299,701	3,973,559,386
Unclaimed dividend	9,313,318	8,039,833
Long term finance	4,059,880,957	4,787,650,744
	<u>8,782,779,931</u>	<u>9,998,166,434</u>

39.2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). Risks measured and managed by the Company are explained below:

39.2.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk at the reporting date is as follows:

	2023 Rupees	2022 Rupees
Long term deposits	20,475,784	27,975,784
Trade debts	3,765,446,396	4,313,378,831
Loans, advances and deposit	14,591,498	3,145,061
Other receivables	11,841,723	8,640,103
Short term investment	100,660,852	125,076,301
Bank balances	3,631,654,861	2,753,127,167
	<u>7,544,671,114</u>	<u>7,231,343,246</u>

Due to Company's long standing relations with counterparties and after giving due consideration to their financial standing, the management does not expect non performance by these counter parties on their obligations to the Company except trade debts considered doubtful.

For trade debts credit quality of the customer is assessed, taking into consideration its financial position and previous dealings. Individual credit limits are set. The management regularly monitor and review customers credit exposure. The aging of trade debts as at statement of

financial position date is as under:

	2023 Rupees	2022 Rupees
Not past due	3,505,946,090	4,277,567,280
Past due	351,686,067	127,997,312
Less: Provision for doubtful debts	(92,185,761)	(92,185,761)
	259,500,306	35,811,551
	3,765,446,396	4,313,378,831

Appropriate provision has been made in respect of past due trade debts considered doubtful. The credit risk exposure is limited in respect of bank balances and short term investment as these are placed with local banks having good credit rating from international and local credit rating agencies.

The short term investment and bank balances alongwith credit rating is as follows.

Credit Rating	2023 Rupees	2022 Rupees
Short term investment		
A-1+	100,660,852	125,076,301
Bank balances		
AAA	3,025,208,080	197,278,803
AA+	43,682,290	22,166,744
AA	487,553,855	233,560
Others	75,210,636	2,533,448,059
	3,631,654,861	2,753,127,166

39.2.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

i) 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 interest rate risk arises from borrowings from banks. The interest rate profile of the Company's interest bearing financial instruments is presented in relevant notes to the financial statements.

Sensitivity analysis

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period.

Fair value sensitivity analysis for fixed rate

The Company has no fixed rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not effect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

Had the interest rate been increased / decreased by 1% at the reporting date with all other variables held constant, profit for the year and equity would have been lower / higher by Rs.78.63 million (2022: Rs. 69.07 million).

ii) 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 with foreign undertakings. The Company is exposed to currency risk on foreign debtors. The total foreign currency risk exposure on reporting date amounted to Rs. 643.65 million (2022: Rs. 1,258.73 million).

At June 30, 2023, had the currency been weakened / strengthened by 5% against the U.S dollar and Euro, with all other variables held constant, profit for the year and equity would have been higher / lower by Rs.46.04 million (2022: Rs. 71.18 million).

iii Equity price risk

Trading and investing in equity securities give rise to equity price risk. At the financial position date the Company is exposed to equity price risk in respect of investments. The total equity price risk exposure on reporting date amounted to Rs. 100.660 million (2022: Rs. 125.076 million).

At June 30, 2023, had the quoted securities prices been increased / decreased by 5%, with all other variables held constant, short term investments and equity would have been higher / lower by Rs. 5.03 million (2022: Rs. 5.14 million).

39.3 Fair values of financial instruments

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

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.

39.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay financing from / to financial institutions.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total of long term finance and short term borrowings. Total capital comprises shareholders'

equity as shown in the financial position under 'share capital and reserves' and net debt (net of cash and cash equivalent).

The salient information relating to capital risk management of the company as of June 30, 2023 and 2022 were as follows:

	Note	2023 Rupees	2022 Rupees
Total Debt	16 &17	7,107,180,658	8,761,210,130
Less: Cash and bank balances	13	<u>3,682,132,733</u>	<u>2,772,922,754</u>
Net Debt		3,425,047,925	5,988,287,376
Total equity		<u>15,762,391,065</u>	<u>14,691,347,479</u>
Total capital		<u>19,187,438,990</u>	<u>20,679,634,855</u>
Gearing ratio		17.85%	28.96%

40. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 05,2023 by the Board of Directors of the Company.

41. GENERAL

41.1 Figures have been rounded off to the nearest Rupee except where mentioned rounding off in Rupees in thousands.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Pattern of Shareholding

AS ON 30-06-2023

No. of Shareholders	Shareholding		Total
	From	To	Shares held
187	1	100	5,901
879	101	500	250,893
545	501	1,000	386,799
1,521	1,001	5,000	1,882,134
30	5,001	10,000	215,662
16	1,001	15,000	211,344
4	15,001	20,000	68,069
4	20,001	25,000	88,422
1	30,001	35,000	34,891
1	35,001	40,000	37,000
1	40,001	45,000	43,646
4	45,001	50,000	195,171
2	60,001	65,000	123,166
1	65,001	70,000	66,000
1	70,001	75,000	71,000
1	80,001	85,000	80,500
1	95,001	100,000	100,000
1	105,001	110,000	108,862
1	120,001	125,000	125,000
1	195,001	200,000	198,857
1	210,001	215,000	211,492
1	370,001	375,000	371,500
1	1,085,001	1,090,000	1,090,000
1	2,240,001	2,245,000	2,244,338
1	40,730,001	40,735,000	40,734,628
1	142,475,001	142,480,000	142,475,824
3,208			191,421,099

Categories of shareholders

AS ON 30-06-2023

Categories of Shareholders	Number	Shares held	Percentage
Directors, Chief Executive and their spouse and minor children			
Mr. Muhammad Zahid	1	40,734,628	21.28
Mr. Faisal Masood Afzal	1	1,060	0.00
Mr. Ahmad Zahid	2	143,565,824	75.00
Mrs. Mehreen Fahad	1	500	0.00
Mr. Sajjad Hussain Shah	1	499	0.00
Mr. Shahbaz Haider Agha.	1	500	0.00
Mr. Muhammad Ali	1	500	0.00
Associated Companies, undertakings and related parties	-	-	0.00
NIT AND ICP	-	-	0.00
M/S Industrial Development Bank of Pakistan	1	4,709	0.00
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Modarabas, Pension Fund And Riet Management.	-	-	0.00
Mutual Fund	-	-	0.00
Joint Stock Companies	7	2,290,425	1.20
Ind. / General Public			
Local	3,208	4,822,454	2.52
Foreign.	-	-	-
Total	3,224	191,421,099	100.00

Shareholders holding 5% (or more)

2

184,300,452

96.28

FORM OF PROXY

I/We, _____ of _____, holding Computerized National Identity Card (CNIC)/Passport No. _____ and being a member of Zahidjee Textile Mills Limited, hereby appoint _____ of _____, holding CNIC/Passport No. _____, or failing him/her hereby appoint _____ of _____, holding CNIC/Passport No. _____, as my/our proxy to vote for me/us and on my/our behalf at the (Annual, Extra-ordinary, as the case may be) general meeting of company to be held on the day of and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____

WITNESS:

- 1. Signature _____
Name _____
Address _____
CNIC No. _____

- 2. Signature _____
Name _____
Address _____
CNIC No. _____

CDC Account No.

Revenue Stamp of Rs. 5/-

To be signed by the above named shareholder

Notes:

- 1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
- 2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- 3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
- 4. The proxy-holder shall produce his/her original CNIC at the time of the meeting.
- 5. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

پراکسی فارم

میں / ہم ----- ساکن ----- حامل کمپیوٹرائزڈ کارڈ (CNIC) / پاسپورٹ نمبر -----

اور بطور رکن زاهد جی ٹیکسٹائل ملز لمیٹڈ ----- حامل کمپیوٹرائزڈ کارڈ (CNIC) / پاسپورٹ نمبر -----

یا اس کی عدم موجودگی میں ----- حامل کمپیوٹرائزڈ کارڈ (CNIC) / پاسپورٹ نمبر ----- کو مورخہ ----- کو

منقعد ہونے والے سالانہ اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس کے لیے میری / ہماری جانب سے ووٹ ڈالنے کے لیے بطور نمائندہ (پراکسی) تقرر کرتا ہوں / کرتی ہوں / کرتے ہیں۔

گواہان کی موجودگی میں میرے / ہمارے / ہماری دستخط / مہر بروز ----- کو ثبت کئے گئے / کی گئی۔

گواہان:

-----	1-	دستخط
-----	2-	دستخط
-----		نام
-----		نام
-----		پتہ
-----		پتہ
-----		کمپیوٹرائزڈ شناختی کارڈ نمبر
-----		کمپیوٹرائزڈ شناختی کارڈ نمبر

پانچ روپے کی اسٹمپ

حصص یافتہ کے دستخط

سی ڈی سی اکاؤنٹ نمبر

سی ڈی سی اکاؤنٹ نمبر

نوٹس:

- 1- یہ پراکسی فارم، مکمل اور دستخط شدہ، کمپنی کے رجسٹرڈ دفتر میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے پراکسی کا ممبر ہونا لازمی ہے۔
- 2- پراکسی فارم پر دو گواہان کے نام، پتے اور سی این آئی سی نمبر درج ہونے چاہیے۔
- 3- پراکسی فارم کے ساتھ تقرر کرنے والے اور پراکسی کے حامل فرد کے سی این آئی سی کی تصدیق شدہ نقول جمع کی جائیں گی۔
- 4- اجلاس کے وقت پراکسی کا حامل شخص اپنا اصل شناختی کارڈ فراہم کرے گا۔
- 5- کارپوریٹ ادارے کی صورت میں، ادارے کے بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹرنی بشمول نمونہ دستخط پراکسی فارم کے ساتھ جمع ہوں گی۔

ZAHIDJEE TEXTILE MILLS LIMITED

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