



of Companies

36th Annual Report 2023

UMER GROUP OF COMPANIES

BLESSED TEXTILES LIMITED



Vision

A leader company maintaining an excellent level of ethical and professional standards.



Mission Statement

To become an exceptional manufacturer of textile products global market.



Blessed Textiles Limited

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Corporate Information

Governing Board

Mr. Mohammad Salim	Non-Executive Director / Chairman
Mr. Muhammad Shaheen	Executive Director
Mr. Adil Shakeel	Executive Director
Mr. Khurram Salim	Non-Executive Director
Mr. Bilal Sharif	Non-Executive Director
Mr. Muhammad Amin	Executive Director /CEO
Mrs. Samia Bilal	Non-Executive Director
Mr. Tauqeer Ahmed Sheikh	Independent Director
Mr. Asif Elahi	Independent Director
Mr. Mustafa Tanvir	Independent Director

Chief Financial Officer

Mr. Abdul Basit Janjua	FCA
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Company Secretary

Mr. Ghulam Mohiuddin	ACMA
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Audit Committee

Mr. Tauqeer Ahmed Sheikh	Chairman
Mr. Bilal Sharif	Member
Mr. Khurram Salim	Member

Human Resource Committee

Mr. Tauqeer Ahmed Sheikh	Chairman
Mr. Adil Shakeel	Member
Mr. Khurram Salim	Member

Statutory Auditors

M/s Rehman Sarfraz Rahim Iqbal Rafiq (Chartered Accountants)
72, Faisal Town, Lahore.

Legal Advisor

M. Zahid Farooq- Advocate Lahore High Court

Bankers

Bank Alfalah Limited	Samba Bank Limited
Dubai Islamic Bank	United Bank Limited
Faysal Bank Ltd	Bank Islami Pakistan Ltd
Habib Bank Limited	Bank Al Habib Limited
MCB Bank Limited	Habib Metropolitan Bank Ltd
Meezan Bank Limited	Askari Bank Ltd
The Bank of Punjab	

Share Registrar

Hameed Majeed Associated (Private) Limited
5th Floor Karachi Chamber, Karachi.

Registered Office

Umer House, 23/1, Sector 23, S. M. Farooq Road,
Korangi Industrial Area, Karachi, Pakistan
Tel : 021 35115177 - 80
Email: khioff@umergroup.com
URL : <http://www.umergroup.com>

Liaison / Correspondence Office

9th Floor, City Towers, 6-K, Main Boulevard
Gulberg - II, Lahore, Pakistan
Tel : 042 111 130 130 ; Fax: 042 -35770015
Email: lhroff@umergroup.com

Manufacturing Units

Spinning Units I & III and Weaving Unit - II are located at:
Ferozewatwaan, Sheikhpura, Punjab. Tel: 056- 3731446-7

Spinning Units - IV is located at:
18KM Sheikhpura Faisalabad Road, Ferozewattoan



BLESSED TEXTILES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of the members of **Blessed Textiles Limited** will be held on Friday, 27th October 2023 at 03:30 pm at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

The following ordinary and special business is proposed to be conducted in the meeting:

Ordinary Business:

1. To confirm the minutes of the last annual general meeting held on 27th October, 2022.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2023 together with the Auditors' and Directors' Report thereon.
3. To approve the cash dividends at 165.00% (PKR 16.50 per share) for the year ended 30th June, 2023, as recommended by the Board of Directors.
4. To appoint the auditors for the next term i.e. year 2023-2024 and fix their remuneration as per last year at PKR 2,000,000.00. The retiring auditor Messer's Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, being eligible, offer themselves for reappointment.

5. Special Business:

(A) To approve by way of special resolution with or without modification the following resolutions in respect of related party transactions under the provisions of Section 208 of the Companies Act, 2017:

(i) "Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2023, be and are hereby ratified, approved and confirmed."

(ii) "Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2024.

Further Resolved That that transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval."

(B) To approve by way of ordinary resolution with or without modification the transmission of annual audited financial statements of the company to members through QR enable code and weblink as allowed by Security and Exchange Commission of Pakistan vide its' S.R.O. 389(I)/ 2023 dated March 21, 2023 instead of CD/DVD/USB.

(i) Resolved That, the consent of the members be and is hereby accorded to transmit the annual audited financial statements including auditor's report, directors' report, chairman's review and other reports contained therein to the members of company through QR enable code and weblink.

6. Any Other Business:

To transact any other business with the permission of the chairman.

The statement of material facts in relation to aforesaid special business as required under section 134(3) of the Act and SRO 423 (I)/2018 is enclosed.

Moreover, the notice along with statement of material fact have been dispatched to the shareholders by post and uploaded placed on company website at "www.umergroup.com".

Karachi:

(By the order of the Board)

Dated: 28th September, 2023

Ghulam Mohiuddin

Company Secretary

Notes:

1. For attending the meeting electronically

In pursuance of SMD/SE/2(20)2021/117 to ensure the participation of members in the general meeting electronically, the members can attend the meeting through video link facility, "Zoom" which is available on Google Play or Apple App Store. The entitled member(s) can access with following ID and password:

Join Zoom Meeting

<https://us05web.zoom.us/j/4444034718?pwd=dTlrcUxGTWdzWEowci9qV01uMm4vUT09>

Meeting ID: 444 403 4718

Passcode: btlcorp

2. The Shares Transfer Books of the Company will remain closed from 20th October 2023 to 27th October, 2023 (both days inclusive). Transfers received in order at the registered office of the company situated at Umer House, 23/l, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 19th October 2023 will be treated in time for the purpose of entitlement of dividend and to attend the Annual General Meeting of the company.
3. Members interested to attend the virtual meeting through some other member as proxy are requested to send their proxy form (Enclosed) via email at btl.corporate@umergroup.com or at the registered office of the company not later than 48 hours before the time of holding the meeting.
4. Pursuant to section 132(2) of Companies Act, 2017 the company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the company reside, provided that the Company receives their demand to participate in annual general meeting through video-link at least seven (07) days prior to the date of meeting.

In this regard, it is requested to fill the following Form and submit at the registered address of the Company at least 10 days before holding of the Annual General Meeting:

*"I/We, _____ being a member of **Blessed Textiles Limited**, holder of _____ Ordinary Shares vide folio _____ hereby opt for video conference facility at _____."*

Signature of Member

5. In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares and dividend or modarba certificates as on June 30, 2023 have been uploaded on our website: www.umergroup.com. In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office with regard to any unclaimed dividend, shares or modarba certificates.

6. Members are requested to immediately inform us on any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.

Pursuant to the provisions of the Finance Act 2023 effective July 1, 2023, the rates of deduction of income tax from dividend payments under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

- a. For filer of income tax return 15%
- b. For non-filers of income tax return 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to Hameed Majeed Associates (Private) Limited, by the first day of Book Closure.

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing.

In the event of non-receipt of the information by 19th October 2023, each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly

7. Section 242 of Companies Act 2017 which states that, "Any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders". In compliance of section 242 SECP issued a circular CLD/CCD/PR(11)/2017 No.18/2017 dated 1-Aug-17 requiring listed companies to obtain electronic dividend mandate from the Shareholders and in this regard a notice had already been sent to all the shareholders.

Further, Securities and Exchange Commission of Pakistan (SECP) vide notification No. SRO 1145(1)2017 dated November 6, 2017 in terms of provision of section 242 of the Companies Act, 2017 issued regulations for distribution of dividends by the listed companies requiring entitled

shareholders to provide valid information pertaining to designated bank account including name of bank, title of account, address of bank branch and international bank account number. In this regard we request all registered shareholders to provide the bank details in order to credit their cash dividends directly to their bank account, if declared. Also provide us verification of bank detail with your concern bank and submit to in case of book-entry securities in CDS, to CDS participants and in case of physical securities to the Company's Share Registrar.

8. Pursuant to Notification vide SRO 787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. www.umergroup.com. Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than

2MB file in size. Further, it is the responsibility of the member to timely update the Share Registrar of any change in the registered e-mail address.

9. E-Voting, members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of the Act and applicable clauses of Companies (Postal Ballot) Regulations 2018 issued vide amended SRO 254(1)/2018.
 - a) The schedule and procedure of postal ballot / E-Voting will be placed on the company's website i.e., www.umergroup.com before seven (7) days of the meeting.
 - b) The procedure for e-voting facility will be shared through email with those members of the company who have valid cell numbers/email addresses (Registered email ID) available in the register of members by the end of 20th October, 2023. Thus, those members who intend to exercise their right to vote through E-Voting shall provide their valid cell numbers and email on or before 20th October, 2023 with the registrar of the company or email us at: ("btl.corporate@umergroup.com").
 - c) The board of directors under the clause 5 of SRO 254(1)/2018 have appointed the share registrar of the company M/s Hameed Majeed & Associates (Pvt) Ltd to conduct the e-Voting services. They have their own secured web portal system to perform the services adequately in a smooth manner.
 - d) The board of directors under the clause 11 of SRO 254(1)/2018 have appointed Messer's Mushtaq and Company, Chartered Accountants, being eligible with satisfactory QCR rating from ICAP. They possess necessary knowledge and experience to independently scrutinize and conduct the voting services.
10. Under the provision of Section 72 of the Act, the shareholders are now required to replace their physical shares with book-entry form at earliest. Accordingly, the physical shares are now required to be converted into Book-Entry Form and kept by Shareholders in their Central Depository System (CDS) Accounts. The CDS Account can be opened and maintained by any CDC Participant {Stock Broker or CDC Investor Account Services Department (CDC IAS) of Central Depository Company of Pakistan Limited situated at Karachi, Lahore and Islamabad.

The following are key features of holding shares in book-entry form in CDC:

- Book-Entry shares cannot be lost, stolen or spoiled.
- No need for issuance of duplicate shares.
- Book-Entry shares can instantly be traded (Sell/Purchase) in Stock Market.
- No requirement of transfer deed for transfer/sale of Book-Entry shares.
- Book-Entry shares can be pledged for availing of any financing facility.
- Instant credit of Bonus and Right shares entitlements in Book-Entry form.
- 24/07 online access of CDS Accounts for reviewing portfolio information.
- Easy access of periodic Account statements of CDS Accounts.

Statement of Material Facts Under Section 134 (3) of The Companies Act, 2017

Items pertaining to 5(A)(i) of the notice for ratification and approval of the related party transactions during the year ended June 30, 2023.

The related party transactions (RPT) were carried out at arm's length during the normal course of business activity during the year ended June 30, 2023 with its associated undertaking and related parties in accordance with its corporate policy, applicable laws and regulations in compliance with the provisions of IAS 24. All the RPT reviewed and approved by the board of directors were duly placed before head of internal audit for approval, followed by the approval of audit committee

However, since common directorship exists between the related parties (by virtue of being the shareholder or common directorship), these transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the financial statements for the year ended June 30, 2023.

The transactions entered into with the related parties include, but are not limited to, sale & purchase of goods, dividends paid and received, investments and divestment made (in accordance with the approval of shareholders and board where applicable). The nature of relationship with these related parties has also been stated in the financial statements for the year ended June 30, 2023.

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. The details of Company's related parties, with whom the Company had transactions during the year or has balances outstanding as

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding
Faisal Spinning Mills Limited	Associated company	Common directorship	18.49%
Bhanero Textiles Mills Limited	Associated company	Common directorship	0.00%
Bhanero Energy Limited	Associated company	Common directorship	0.00%
Admiral (Private) Limited	Associated company	Common directorship	0.00%
Mohammad Amin	Key management personnel	Chief executive officer	4.39%
Adil Shakeel	Key management personnel	Director	4.12%
Mohammad Shaheen	Key management personnel	Director	1.07%
Hamza Shakeel	Close relative of KMP	Son of director	4.12%
Nazli Begum	Close relative of KMP	Director's spouse	3.66%
Faisal Shakeel	Close relative of KMP	Son of director	4.12%

Transactions with key management personnel are limited to payment of short term employee benefits only. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an orderly transaction between market participants at the date of transaction.

There are no balances outstanding with related parties as at the reporting date. Detail of transactions with related parties

		30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
Transactions with related parties			
Nature of relationship	Nature of transactions		
Associated companies	Sale of yarn	3,356,216,662	2,487,791,243
	Sale of fabric	1,051,083,659	820,808,742
	Sale of cotton	703,026,274	523,266,757
	Sale of stores and spares	-	1,648,969
	Purchase of cotton	42,394,987	2,167,629
	Purchase of yarn	260,596,294	339,101,486
	Purchase of fabric	5,775,328	12,943,257
	Purchase of electricity	3,995,550	15,443,209
	Services received	309,000	309,000
Key management personnel	Short term employee benefits	31,200,000	31,200,000
	Loan from sponsors obtained	22,113,900	-
Sponsors	Loan from sponsors obtained	80,546,600	-

Items pertaining to 5(A)(ii) of the notice for board authorization to approve related party transactions that will be conducted during the period July 1, 2023 to June 30, 2024.

The Company shall be entering into transactions with its related parties during the year ending June 30, 2024 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business activity. Since, there has been common directorship in the related party transactions, the Board seeks member's consent to approve such transactions with the related parties from time-to-time on case to case basis for the fiscal year ending June 30, 2024 and such transactions shall be deemed to be approved by the shareholders. The nature and scope of such related party transactions is explained above and these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

Items pertaining to 5(B)(i) of the notice for circulation of annual audited accounts via QR enabled code:

Considering the digital evolvement, the SECP vide S.R.O. 389 (I)/2023 dated March 21, 2023, subject to the approval of the members of the company, has allowed listed companies to circulate the Annual Report including audited financial statements, auditor's report and Directors report, etc to its members through QR enabled code and weblink and also permitted that the circulation of annual financial statements through CD/DVD/USB may be discontinued. In this regard the notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act and the company shall ensure that the QR code and web link is accurate and members are able to download the required information at all times.

Chairman Review Report

The Chairman Review Report is enclosed as required under the provision of section 192(4) of Companies Act 2017 for the year ended June 30, 2023 to opine chairman review on overall performance and effectiveness of the board of Blessed Textiles Limited (Board) in achieving its objectives. The board of directors of Blessed Textiles Ltd (“BTL”) has applied governance standards in an efficient and transparent manner in accordance with the regulations of the Code of Corporate Governance Regulations 2019 (Code), the guidelines and provisions of the Companies Act 2017 (Act), the Securities and Exchange Commission of Pakistan (Commission), and the Pakistan Stock Exchange (PSX).

The country expect that this season cotton production may surpass 10 million cotton as supply of cotton for processing at ginning mills has increased dramatically. Having the terrible last year owing to the floods in Sindh and Baluchistan that caused heavy losses to agriculture sector, the country is reviving optimism after a string of poor harvests in recent years. The cotton is the backbone of the national economy and its revival is inevitable for the country's survival since the import of cotton caused hefty outflow on FCY. The sector which is already struggling with high borrowing and energy cost, global slowdown of textile sectors and decline in exports, the projected harvest for this season may bring some hopefulness for dwindling textile sector.

The chairman review report is intended to present corporate governance as applied by the board of BTL and its executive management and to describe the BTL internal control along with risk management procedures. The board at BTL is responsible for adoption of best corporate governance practices by the company and monitoring effectiveness of such practices. The members of the BTL board ensures high ethical standards in performing their responsibilities.

Risk Management

The BTL board established robust risk management policies, which were reviewed on a regular basis for the identification, assessment, and prioritization of risks, followed by minimizing, monitoring, and controlling the impact of risk realities and enhancing opportunity potential through the application of coordinated and economical resources. The company's developed plans and objectives are constantly monitored for progress towards the objectives, while independent directors challenge the board's perspectives to ensure effective decision-making.

Board Evaluation

The BTL continues to play a vital role in setting the course of the Company, promoting its success and performance and guiding the management to conduct operations in conformity with the strategies approved by the board while upholding the principles of good corporate governance. The annual evaluation of the Board has been carried out under the Code of Corporate Governance to ensure that the Board's overall performance is in line with the developed comprehensive criteria. During the year under

review, the Board has played an effective role in managing the affairs of the Company showing successful operational & financial performance.

Stakeholder Management

The BTL has an extensive and functional website is maintained to keep shareholders up to date on corporate financial performance, notices, and announcements. Every year, the company holds a Corporate Briefing Session in which members of the executive team, typically the Chairman, CEO, CFO, and Company Secretary, deliver information to shareholders and investors about the company's historic performance, financials, and future prospects.

Corporate Governance

The BTL board closely follows corporate governance principles and strives for incessant development rather than perfection. The board ensures code compliance in the selection of the chief financial officer, company secretary, and head of internal audit. To ensure audit function independence, the board in cooperation with the audit committee, established a strong internal audit department that functionally reports to the audit committee. The internal audit team was made up of personnel who had the necessary expertise and skills to carry out their duties efficiently. Both the audit and human resource committees are chaired by independent directors and comprised of non-executive directors.

Governing Board and Committees Formation

In order be effective in today's business world, the board must has diversity within its members to manage ever increasingly complex and challenging matters. At BTL we believes that diverse board brings an expansive array of perspectives as a result of synergy that creates a powerful dynamic to meet the future challenges. By recognizing the fact that diversity on board increasing globally where we are not an exception, the reconstituted board of ten directors comprised of three non-executive, three executive, three independent and one female director (NXD) with an appropriate fusion of age, gender and experience. The entire Board is accredited under the requirements of the Code for directors training program (DTP). Both the human resource and audit committees to the Board chaired by an independent director and all the members comprising of the non-executive directors who proactively participates in committee proceedings. Besides, the human resource committee ensures that remuneration to executive directors and chief executive officer should commensurate with their skills, expertise and responsibility without compromising their independence.



Mohammad Salim

(Chairman)

28th September 2023, Karachi.

Directors Report

Dear Members

The Directors of your Company are pleased to present herewith the audit report on financial statement of the Company for the year ended June 30, 2023.

Financial Recitals

Financial results of company for the year ended to June 30, 2023 are:

	30-Jun-23	30-Jun-22
	Rupees	Rupees
Revenue from contracts with customers - net	24,156,586,324	22,030,768,817
Cost of sales	(21,584,363,517)	(16,976,189,058)
Gross profit	2,572,222,807	5,054,579,759
Selling and distribution expenses	(427,916,625)	(511,136,730)
Administrative expenses	(240,788,101)	(200,567,090)
Other expenses	(74,205,911)	(279,726,591)
	(742,910,637)	(991,430,411)
Impairment reversals/(allow ance) for expected credit losses	89,113,977	(75,311,940)
	1,918,426,147	3,987,837,408
Other income	92,851,253	22,945,379
Operating profit	2,011,277,400	4,010,782,787
Finance cost	(997,356,701)	(221,279,054)
Profit before taxation	1,013,920,699	3,789,503,733
Provision for taxation	(263,096,447)	(582,802,679)
Profit after taxation	750,824,252	3,206,701,054

Despite of deterioration in economic conditions, high inflation and borrowing coupled with energy crisis and political dilemma the company revenue has been increased by almost 9.65 percent i.e from PKR 22,030.768 million to PKR 24,156.586 million during the current year ended June 30, 2023 as compared to corresponding year.

The gross profit to sales in current year decreased from 22.94 percent to 10.65 percent during the corresponding years.

Similarly, the company profitability has also been decreased during the current year where it posted a net profit after tax of PKR 750.824 million as compared corresponding period where it stood at PKR 3,206.701 million.

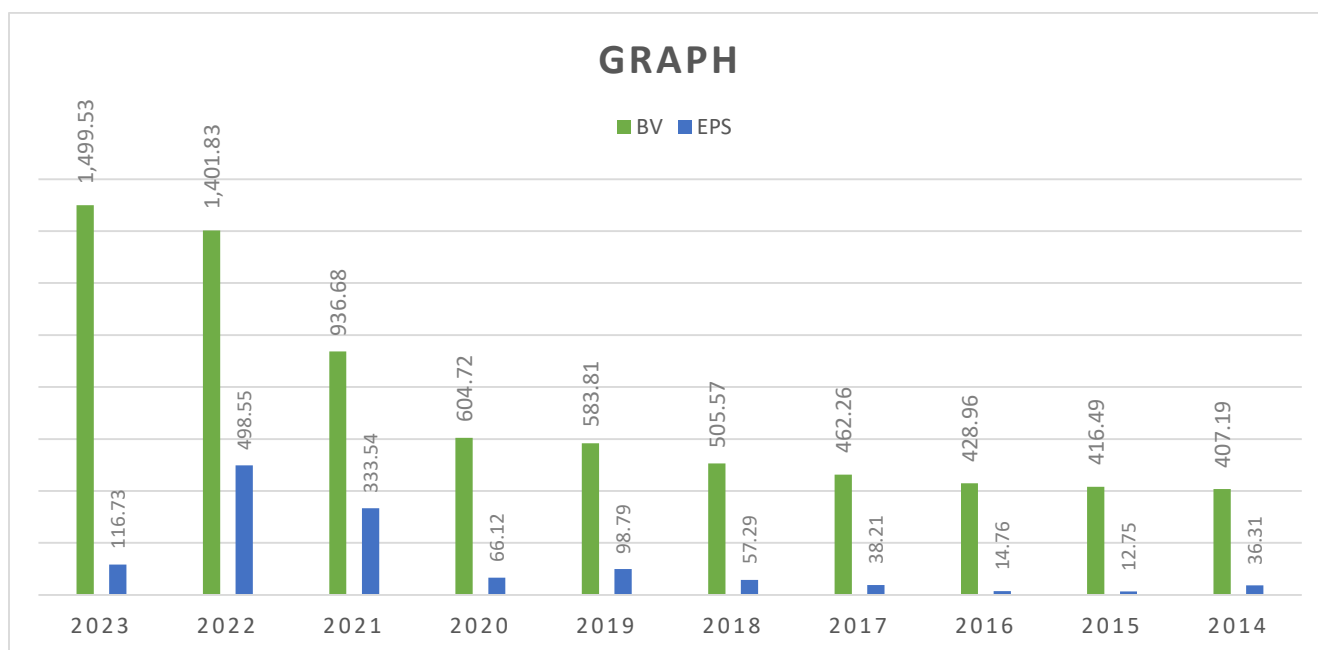
Dividend and General Reserves Appropriation

The board of directors are pleased to approve the cash dividend of 165.00 percent i.e PKR 16.50 per share as recommendation by the audit committee subject to the approval shareholders in forthcoming annual general meeting scheduled for October 27, 2023.

Earnings per Share and Break-up Value of Share

The investors use the breakup value to evaluate a company's financial health and identify the best entry point for investment, earnings per share (EPS) is a key metric used to determine the common shareholder's portion of the company's profit whereas investors use the breakup value to assess a company's financial strength and determine the best entry point for investment. The company's governing board works to maximize shareholder returns while preserving the company's financial stability.

The earning per share for the year ended 30th June, 2023 is PKR 116.73 as compared to the year 30th June, 2022 where it stood at 498.55. Similarly, the breakup value per share for the year ended 30th June, 2023 is PKR 1,499.53 as compared to the corresponding year where it was stood at PKR 1,401.83.



Working Capital Management

The sound financial foundation and operational performance of a firm depend on effective working capital management. The capacity to use working capital management to maintain a strong balance between growth, profitability, and liquidity is a sign of successful business management. The board makes sure a business runs smoothly by keeping an eye on and making the best use of its current assets and obligations.

Though there's has been a decrease in current ratio during the year ended June 30, 2023 is 1.59 (Year 2022: 2.58) but still it depicts company ability to pay its current obligation effortlessly. During the current

year the company has paid PKR 353.291 million on account long term finances whereas PKR 326.252 million has been paid for debt servicing.

Financing Structure

The capital of shareholders is maximized while the total cost of capital is reduced with the appropriate financial mix of capital. By avoiding excess or under capitalization, the board seeks a prudent balance between equity and debt that a company employs to finance its assets, ongoing operations, and future expansion. This increases its profits, which are then distributed as larger returns to stakeholders.

The gearing ratio has been increased during the current period under review where it stands at 1.46 during the current year ended June 30, 2023 (Year 2022: 0.66) owing to increase in long term financing for our new spinning unit.

Balancing, Modernization & Replacement

During the current year an amount of PKR 780.00 million approximately has been added in machinery and renewable energy initiative for in order to maintain the pace with technological advancements.

Establishment of a New Spinning Unit

The spinning unit IV approved by board of directors in February, 2021 comprising of 13,056 spindles having the production capacity of 450 bags per day approximately in Sheikhpura, Punjab has successfully completed the trial production. By the grace of Allah, the unit is fully operational and commenced its commercial production in July 2023.

Credit Rating

The entity's rating has been reaffirmed at 'A/A-1' (Single A/A-One) by Messer's VIS Credit Rating Company Limited published on September 26, 2023 for the current year. The entity's outlook has been assigned as 'Stable' on given ratings.

Financial Statements

As required under Companies Act 2017, listing regulations of PSX and directives issued by the SECP the Chief Executive Officer and Chief Financial Officer presented the financial statements of the company for the year ended June 30, 2023, duly endorsed under their respective signatures for consideration, approval and authorization by the board of directors for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company, Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants and the auditors have issued clean audit report on the financial statements for the year ended 30th June 2023 and clean review report on Statement of Code of Corporate Governance Regulations, 2019 "Code". These reports are attached with the financial statements.

Accounting Standards

The accounting policies of the Company fully reflect the requirements of the Companies Act, 2017 and such approved International Accounting Standards and International Financial Reporting Standards as have been notified under this Act as well as through directives issued by the Securities and Exchange Commission of Pakistan.

Outlook of the Economy

The current negative macroeconomic environment, both internationally and domestically, high interest rates, inflationary pressures, growing raw material costs, the country's prolonged energy crisis, and a global decline in demand, particularly from North America and Europe, pose medium-term challenges to the industry.

The 2021 to 2023 global energy crisis began in the aftermath of the covid-19 pandemic and Ukrainian conflict with much of the globe facing shortages and increased prices in oil, gas and electricity markets. The persistent effects of covid-19 continue to shape the Pakistan's textile industry since the lockdowns were eased earlier in the region, the textile sector seized chances and signed manufacturing deals with Western nations. Along with government import tax reductions and subsidised covid-related funding programmes like TERF, this large volume redirection to Pakistan helped to fuel strong export development during FY20-22. However, a later stage brought about more difficulties with geopolitical upheaval, such as the conflict in Ukraine, along with global interest rate increases intended to control post-pandemic inflation caused supply chain disruptions and an energy crisis. These factors caused a slowdown in the market for textiles around the world, which was reflected in a 15 percent year-over-year fall in Pakistan's textile exports in FY23, which came to USD 16.5 billion (against USD 19.3 billion in FY22).

Pakistan currently dealing with the all-pervasive effects of low economic growth at meagre 0.3 percent, coupled with high inflation at a critical crossroad of 27.4 per cent in August 23, the 22 percent interest rate that have severely damaged the business environment without achieving its intended objective of controlling inflation. This economic challenge carries far-reaching consequences, shaping not only the nation's present but also its future trajectory. High economic uncertainty brought on by high inflation rates makes it difficult for the companies to plan and make investments resulting hampering of economic growth by this uncertainty, which may discourage both domestic and foreign investment.

The energy sector's inefficiency is another problem that has to be addressed. For economic stability and prosperity, a dependable and affordable energy supply is crucial. Due to the growing unsustainable management of energy demand and Pakistan's continued reliance on imported fossil fuels and obsolete coal technology has had an impact on the country's energy security, cost-effectiveness, compliance with international criteria for energy efficiency and decarbonization. Pakistan has tremendous potential to fulfill its growing energy demand from the renewables including solar, wind, hydro, geothermal and biomass, as these resources are greatly available in the country. For instance, solar is currently the most appealing alternative energy source and has attracted a lot of attention.

The textile industry used lot of energy during the production process and GHG emissions which are released into the environment during the manufacture of raw materials, harvesting, dying, and disposing of discarded textiles, which are all significant phases in the production of textiles. The switch over by Pakistan's textile industry towards Renewable energy (RE) solutions not only saves money and resources but also improves the sector's overall compliance with international energy efficiency and industrial decarbonization criteria, such as those required by the European Green Deal with GSP+ renewal due in December 2023. While major textile firms are promoting renewable energy projects, such as solarization programmes and the installation of equipment like waste heat recovery boilers and the conversion of boilers to biomass fuels and if wisely planned the appropriate financial allocations to set up autonomous sustainable electrification, the textile sector can take the lead in this. Additionally, RE technologies are developing into reasonably priced solutions for supplying the industry, which might improve the industrial processes' cost effectiveness.

Hence, we suggest Pakistani government to encouraged private sector participation in initiatives aimed at reducing carbon emissions and supported the development of RE. The government must solve the current drawbacks of the net-metering plan for solar energy, wheeling fees, and continue to offer regionally competitive energy pricing in order to regain sustainability and advance towards the adoption of RE solutions. This will help the sector make the most of the nation's current RE potential, lessen dependency on fossil fuels, and improve competitiveness in the international export market. The effort must promote decarbonization by increasing the mix of renewable energy sources and implementing energy-saving technologies while keeping in mind the external pressure and internal needs for energy efficiency.

Compliance with Code of Corporate Governance

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

Statement on Corporate and Financial Reporting Framework

The Directors of your company are aware of their responsibilities under Companies Act 2017, Regulations under Code of Corporate Governance Regulations 2019 "Code", Rule Book of the Pakistan Stock Exchange Limited and directives issued by Securities & Exchange Commission of Pakistan. As a part of the compliance to the regulators we confirm the following:

- These financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control was sound in design and has been effectively implemented and monitored.
- There were no significant doubts upon the company's ability to continue as a going concern.

- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- We have prepared and circulated a Code of Conduct and business strategy among directors and employees.
- The Board of Directors has adopted a vision and mission statement and a statement of overall corporate strategy.
- All the directors have attended its general meeting unless preclude due to reasonable reason.
- All the directors are assigned with their responsibilities, roles, remuneration, powers and obligation at the commencement of their terms in accordance with Code of Corporate Governance, Companies Act and Article of Association.
- All the directors of the Company are accredited / exempted under Directors Training Program (DTP) as required by the Code of Corporate Governance regulation.
- There has been a proper updated record of the significant policies duly approved by the board of directors on human resource, whistle blower, procurement, communication mechanism with stakeholders, environment, health and safety, director's remuneration, anti-money laundering and risk management etc.
- As required by the Code of Corporate Governance and Companies Act 2017, we have included the following information in this report:
 - Statement of pattern of shareholding has been given separately.
 - Statement of shares held by associated undertakings and related persons.
 - Statement of the board meetings and annual general meeting held during the year and attendance by each director has been given separately.
 - Chairman review report under the provisions of section 192(4) of the Companies Act.
 - Statement of compliance duly signed by the chairman under regulation 36 of the Code.
 - Key operating and financial statistics for last six years. Information about taxes and levies had been adequately disclosed in the annexed audited financial statements.
 - The company strictly follow the guidelines issued by SECP on prohibition of insider trading for listed companies and no trading in the Company's shares was carried by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children except as disclosed in pattern of shareholding.

Pattern of Shareholding

The pattern of shareholding and relevant information thereon is annexed accordingly.

Related Party Transactions

The Related Party Transactions (RPT) and their status are adequately disclosed by complying the requirement under IAS 24. Moreover, there is a robust policy in place for all in pursuant to the notification issued by Securities and Exchange Commission of Pakistan vide SRO 768(1)2019 and the guidelines have been duly incorporated in the company policy with regard to transactions and maintenance of records.

The RPT were duly approved by the internal audit followed by the approval of the audit committee before presentation of the same in the board meeting, to ensure that all the transactions are at arm's length during the normal conduct of business activity.

All the RPT's during the current fiscal year ending June 30, 2023 will be presented before the general meeting of the company for members approval. Similarly, the board has also decided to avail the approval of members in the general meeting of the company for the transactions to be carried during the fiscal year ending June 30, 2024 and same shall be placed before the shareholders in the next annual general meeting for their formal ratification/approval.

Board Evaluation

The company conducted an internal board review process to evaluate the performance of the board, its committees, and the clarity of the leadership roles for better responsibility in decision-making, with a primary focus on the governing boards and its committees' committees' efficacy. The data gathered through surveys distributed as well as data resulting from our discussions with committee and board members. Members of the committee and board have also answered to a thorough questionnaire involving a two-way dialogue process on major corporate governance issues.

A thorough internal evaluation has been conducted in accordance with regulation 10(3)(v) of the Code during the current fiscal year to identify areas of strength and areas where improvements can be made to enhance overall board performance and functioning.

Board Composition

As required under regulation 34 of Code the board of ten (10) directors is comprised as follows;

Sr No	Category	Gender		Total
		Male	Female	
(i)	Independent Directors	3	0	3
(ii)	Executive Directors	3	0	3
(ii)	Non- Executive Directors	3	1	4

Board and Audit Committee Meetings

- All the directors, eligible to attend the meeting have attended the general meetings of the company in person or through video conference under Regulation 10(6) of the Code unless precluded from doing so due to any reasonable cause.
- Following are the number of meetings held and attended by board of directors, audit committee and human resource & remuneration committee during 2022-23:

Name of Directors	Board of Directors		Committees			
			Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	6	6	-	-	-	-
Mr. Muhammad Shaheen	6	6	-	-	-	-
Mr. Khurram Salim	6	6	6	6	1	1
Mr. Bilal Sharif	6	6	6	6	-	-
Mr. Muhammad Amin	6	6	-	-	-	-
Mr. Adil Shakeel	6	6	-	-	1	1
Mr. Tauqeer Ahmed Sheikh	6	6	6	6	1	1
Mr. Asif Elahi	6	6	-	-	-	-
Mr. Mustafa Tanvir	6	6	-	-	-	-
Mrs. Samia Bilal	6	5	-	-	-	-

Audit Committee

Sr	Name	Designation	Category
I	Tauqeer A Sheikh	Chairman	Independent Director
ii	Bilal Sharif	Member	Non- Executive Director
iii	Khurram Salim	Member	Non- Executive Director

The audit committee comprises of three members of which chairman is an independent director whereas all the other are non-executive directors and discharge its responsibilities under terms of reference assigned by the board of directors.

The appointment of financial literate member has been made in line with Regulation 27(1)(iii) in the Chapter 10 of the Code. The audit committee met regularly in compliance with the Regulation 27(2) of the Code to review the both interim and annual financial statements before the approval of board of directors along with an additional meeting once a year with an external auditor in absence of the CFO and another with an internal auditor in absence of both the CFO and external auditor.

A company's board of directors' audit committee (AC), which has full knowledge of the company's procedures and internal controls, is in charge of overseeing the financial reporting and disclosure process. In order to oversee the selection of accounting policies and principles and to guarantee compliance with laws and regulations, the AC typically coordinates with the management team, independent auditor, and internal auditors.

The AC works closely with management to ensure that the necessary measures are taken on the detection of fraud and makes sure that the proper policies and procedures are in place for the prevention and identification of fraud, such as asset misappropriation, corruption, and financial statement fraud.

By making sure that a code of conduct is put into place and that efficient communication routes are established up, the AC significantly contributes to establishing the tone of an organisation. The AC must be informed about matters including ongoing investigations and disciplinary proceedings as well as what management is doing to ensure compliance with laws and regulations. The AC members are skilled at identifying accounting errors and abnormalities and work together to prevent fraudulent activity.

Human Resource and Remuneration Committee

Sr	Name	Designation	Category
i	Tauqeer A Sheikh	Chairman	Independent Director
ii	Khurram Salim	Member	Non- Executive Director
iii	Adil Shakeel	Member	Executive Director

The human resource and remuneration committee (HRRC) is comprised of three members of which majority are non-executive directors whereas chairman is an independent director. The HRRC recommends significant human resource management policies to the Board for selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO.

The purpose of HRRC is to maximize the productivity of an organization by optimizing the effectiveness of its board, management team and its employees. The HRRC responsible for recommending human resource management policy to the Board. The Committee shall have overall responsibility for recommending selection, evaluation, compensation (including retirement benefits) and succession planning of CEO, CFO and Company Secretary.

The HRRC assists the board and management with recruitment & training of the Senior Management, remuneration, performance evaluation, succession planning and measures for effective utilization of the human capital.

Corporate Social Responsibility Policy

The company ensures that it has a beneficial impact on local communities and the environment, the corporation establishes policies relating to a company's ethical, sustainable, and environmental responsibilities.

The company has a social obligation towards community and the environment in all aspects of its operations, including pollution, waste, product safety, and labour. This includes not only providing funds to the community and social environment, but also maintaining good long-term relationships with parties related to the company. The company manages a comprehensive Corporate Social Responsibility (CRS) policy to operate in an economically, socially, and environmentally sustainable manner by reducing pollution and greenhouse gas emissions, using natural resources sustainably, minimising and properly disposing of waste, and promoting re-cycling during the manufacturing process. Renewable energy holds immense importance for Pakistan's current energy crisis sector and sustainable development by harnessing the country's abundant sunlight via solar energy alternative. The company has taken renewable energy initiative at its various units to reduce carbon emissions, achieve energy independence and greener environment.

Health, Safety and Environment Policy

The company is devoted to providing a safe and healthy workplace as well as environmental protection, and it fully believes that safety and environmental protection are good business, and that all work-related accidents, illnesses, property losses, and negative environmental consequences are avoidable. To meet this objective, the organisation ensures that management bears full responsibility for worker and environmental protection. A comprehensive group life insurance policy is already in place for employees in the event of an unforeseen disaster. The corporation has also created health coverage plans for its administrative personnel in both the Karachi and Lahore offices.

Health, safety, and environmental issues are given equal weight with the company's other commercial objectives, and they are integrated into all aspects of work. The organisation actively strives to continuously enhance health, safety, and environmental performance. Water and air pollution, chemical and oil spills, smog, drinking water quality, land conservation and management, and wildlife protection are all priorities for the company.

Directors Remuneration Policy

The director's remuneration policy is a cornerstone for efficiency and stability of company for retaining right talent in the board and senior management to drive the company's long-term objectives.

Since the board and senior management of the company carries responsibilities to provide strategic direction, vital business decisions and implementation, it is crucial that they should be made more responsible and accountable for their performance. The remuneration practices of senior management and board members is one of the very important aspects of overall Corporate Governance framework, as it

influences the performance of the company, which resultantly impact the returns to ordinary shareholders and the stability of the company.

The remuneration policy is prepared under the recommendations and suggestions by human resource and remuneration committee (HRRC) to the board subject to the provisions of the Companies Act 2017, Companies' Article of Association and Code of Corporate Governance Regulations, 2019.

The executive directors entitled for the fixed monthly remuneration and other perquisites recommended by HRRC which were duly approved by the board and followed by the approval of members in general meeting of the company.

In pursuance of section 227(l)(a) of the Act, the following remuneration (Note 30) has been paid to the directors of the company during the current fiscal year:

- a) Mr. Muhammad Amin (CEO) - PKR 800,000.00 per month.
- b) Mr. Muhammad Shaheen (ED) - PKR 1,000,000.00 per month.
- c) Mr. Adil Shakeel (ED) - PKR 800,000.00 per month.

Besides, the other fringe benefits for above directors includes company maintained vehicle with fuel, business travelling and communication expenses.

No fee or remuneration has been paid to any other directors of the company.

Auditors

The present auditor's M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants shall retire on the conclusion of the annual general meeting scheduled for October 27, 2023 however, being eligible they have offered themselves for re-appointment. The audit committee has suggested the appointment of M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, as external auditor for the year ended 30th June 2024. The external auditor M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan. The firm and all its partner are in compliance with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan and they are registered with Audit Oversight Board under section 36I of SECP Act, 1997.

The statutory auditors neither performed any of the decision making, internal audit or management functions nor they have any sort of relationship with any directors or executives of the company. The engagement partners were rotated after completion of every five years.

The Board of Directors also recommended the appointment of M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, as external auditor for the year ended 30th June 2023 and the remuneration of the auditors has been fixed as per last year at PKR 2,000,000.00 (Year 2022: PKR 2,000,000.00) for the year 2023-24 as recommended by the audit committee to the board under regulation 32(3) of the Code. The

remuneration is inclusive of out of pocket expenses and the assignments includes annual statutory audit, limited scope review and review report under corporate governance.

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of financial year of the Company to which the balance sheet relates and the date of report of directors' report.

Acknowledgement

I am extremely obligated to the board of directors, valued shareholders, customers, lenders, suppliers, and other stakeholders for their encouragement, confidence, and support and would like to express my gratitude to every employee for their commitment, perseverance, and hard work in helping the business succeed.

For and on behalf of the Board



Muhammad Amin
(Chief Executive)



Mohammad Salim
(Director)

Karachi: 28th September, 2023

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The statement is being presented to comply with the requirement of regulation 36(1) contained in Code of Corporate Governance Regulations, 2019 for the purpose of establishing a framework of good corporate governance, whereby a company quoted at Pakistan Stock Exchange Limited is managed in compliance with best practices of corporate governance.

Blessed Textiles Limited Year Ending June 30, 2023

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

1. The total number of directors are ten (10) as per the following:-

- a. Male : Nine (9)
- b. Female : One(1)

2. The composition of the Board is as follows:

Sr	Category	Name
i)	Independent Directors (*)	Mr. Tauqeer Ahmed Sheikh Mr. Asif Elahi Mr. Mustafa Tanvir
iii)	Non- Executive Directors	Mr. Khurram Salim Mr. Mohammad Salim Mr. Bilal Sharif
ii)	Executive Directors	Mr. Muhammad Shaheen Mr. Muhammad Amin Mr. Adil Shakeel
iv)	Female director	Mrs. Samia Bilal

(*) Explanation required under Regulation 6(1) of Code:

While calculating the minimum number of ID directors the fraction was not rounded upwards to 1. The reason being that as per general rule only number exceeding 0.5 shall be rounded to next number.

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

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

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

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

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

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

9. The Board has arranged Directors' Training program for the following:

The entire board is accredited under directors training program.

(Name of Executive & Designation - (N/A);

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

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

(a) Audit Committee

Name	Designation
Mr. Tauqeer Ahmed Sheikh	Chairman - Independent Director
Mr. Khurram Salim	Member - Non- Executive Director
Mr. Bilal Sharif	Member - Non- Executive Director

(b) Human Resource & Remuneration Committee

Name	Designation
Mr. Tauqeer Ahmed Sheikh	Chairman - Independent Director
Mr. Khurram Salim	Member - Non- Executive Director
Mr. Adil Shakeel	Member - Executive Director

c) Nomination Committee (N/A)

Explanation

As the formation of Nomination Committee (NC) is not mandatory under regulation 29 of the Code, the functions and responsibilities of NC are performed by the Human Resources & Remuneration Committee.

d) Risk Management Committee (N/A)

Explanation

As the formation of Risk Management Committee (RMC) is not mandatory under regulation 30 of the Code, the functions and responsibilities of RMC are performed Audit Committee.

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

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,-

Name of Committee	Frequency of Meeting
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly
Nomination Committee	Not applicable
Risk Management Committee	Not applicable

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

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

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

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (N/A):

For and on behalf of the Board



MOHAMMAD SALIM

(Chairman)

Karachi

September 28, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of BLESSED TEXTILES 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 **BLESSED TEXTILES LIMITED** ['the Company'] for the year ended **30 June 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. 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 **30 June 2023**.


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 28 September 2023

UDIN: CR2023107048LExKnTuj



INDEPENDENT AUDITOR'S REPORT

To the members of BLESSED TEXTILES LIMITED Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **BLESSED TEXTILES LIMITED** ['the Company'], which comprise the statement of financial position as at **30 June 2023**, 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 30 June 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit 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.

Key audit matter	How our audit addressed the matter
<p>1. Valuation of stock in trade</p> <p>Stock in trade amounts to Rs 13,817 million as at the reporting date. The valuation of stock in trade at cost has different components, which includes judgment in relation to the allocation of labour and overheads which are incurred in bringing the stock to its present location and condition. Judgment has also been applied by management in determining the Net Realizable Value ['NRV'] of stock in trade.</p> <p>The estimates and judgments applied by management are influenced by the amount of direct costs incurred historically, expectations of repeat orders to utilize the stock in trade, sales contract in hand and historically realized sales prices.</p>	<p>To address the valuation of stock in trade, we assessed historical costs recorded in the stock in trade valuation; testing on a sample basis with purchase invoices. We tested the reasonability of assumptions applied by the management in allocating direct labour and direct overhead costs to stock in trade.</p> <p>We also assessed management's determination of the net realizable value of stock in trade by performing tests on the sales prices secured by the Company for similar or comparable items of stock in trade.</p>

Key audit matter

The significance of the balance coupled with the judgment involved has resulted in the valuation of stock in trade being identified as a key audit matter.

The disclosures in relation to stock in trade are included in note 22 to the annexed financial statements.

How our audit addressed the matter

2. Revenue recognition

Refer to notes 5.12 and 28 to the financial statements.

The amount of revenue is the most significant class of transaction on the statement of profit or loss. Net revenue has increased by 10 percent in comparison with the previous year. Revenue is recognized when control of the underlying products has been transferred to the customer. We identified revenue recognition as a key audit matter since it is a key performance measure for the Company and gives rise to the risk associated with the judgement in determining the transfer of control of products as well as creates an incentive for fraudulently overstating revenue by recognizing revenue before transfer of control.

Our audit procedures in respect of recognition of revenue, amongst others, included the following:

- Assessing the appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards;
- Obtaining an understanding of and testing the design and operating effectiveness of controls design to ensure that revenue is recognized in the appropriate accounting period;
- Comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period;
- Critically assessing manual journals posted to revenue to identify unusual or irregular items; and
- Testing, on a sample basis, invoices and inspecting credit notes issued subsequent to year end for accuracy of revenue.

2. Tax contingencies

As disclosed in note 35 to the annexed financial statements, various tax matters are pending adjudication at various levels with the taxation authorities and other legal forums. Such contingencies require the management to make judgments and estimates in relation to the interpretation of tax laws and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the management's judgments and estimates in relation to such contingencies may be complex and can significantly impact the financial statements. For such reasons we have considered tax contingencies as a key audit matter.

Our key audit procedures in this area included, amongst others, a review of the correspondence of the Company with the relevant tax authorities and tax advisors including judgments or orders passed by the competent authorities.

We also obtained and reviewed confirmations from the Company's external tax advisor for their views on the status of each case and an overall opinion on the open tax position of the Company.

We involved internal tax experts to assess and review the management's conclusions on contingent tax matters and evaluated whether adequate disclosures have been made in the annexed financial statements.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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 user taken on the basis of these financial statements.

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

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

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

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

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

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 **ALI RAZA JAFFERY**.


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 28 September 2023

UDIN: AR202310704vdZTU4HX



BLESSED TEXTILES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	6	65,000,000	65,000,000
Issued share capital	7	64,320,000	64,320,000
General reserve	8	7,000,000,000	7,000,000,000
Loan from sponsors	9	102,660,500	-
Retained earnings		2,477,991,507	1,952,231,183
TOTAL EQUITY		9,644,972,007	9,016,551,183
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances	10	4,452,609,765	3,061,920,470
Long term payables	11	676,623,553	416,759,648
Employees retirement benefits	12	235,492,661	185,493,380
Deferred taxation	13	269,132,925	222,777,079
Deferred grant	14	65,937,572	85,293,434
		5,699,796,476	3,972,244,011
CURRENT LIABILITIES			
Trade and other payables	15	1,675,260,606	1,230,672,526
Unclaimed dividend		8,613,908	7,809,531
Accrued interest/profit	16	629,628,589	60,290,812
Short term borrowings	17	9,243,031,713	2,559,054,165
Income tax payable	26	-	114,419,490
Current portion of non-current liabilities	18	368,669,904	364,483,938
		11,925,204,720	4,336,730,462
TOTAL LIABILITIES		17,625,001,196	8,308,974,473
CONTINGENCIES AND COMMITMENTS	19		
TOTAL EQUITY AND LIABILITIES		27,269,973,203	17,325,525,656

The annexed notes from 1 to 54 form an integral part of these financial statements.

Director

Chief Financial Officer

Chief Executive

BLESSED TEXTILES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	20	8,313,996,317	6,104,324,714
Long term deposits	21	50,441,329	47,485,185
		8,364,437,646	6,151,809,899
CURRENT ASSETS			
Stores and spares		219,827,850	185,918,306
Stock in trade	22	13,817,307,187	5,537,502,379
Trade receivables	23	2,343,689,065	1,758,705,012
Short term deposits	24	389,590,577	474,465,177
Advances and other receivables	25	215,319,703	122,695,538
Sales tax refundable/adjustable		1,126,810,553	516,419,271
Advance income tax	26	311,363,436	-
Cash and bank balances	27	481,627,186	2,578,010,074
		18,905,535,557	11,173,715,757
TOTAL ASSETS		27,269,973,203	17,325,525,656

The annexed notes from 1 to 54 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

BLESSED TEXTILES LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
Revenue from contracts with customers - net	28	24,156,586,324	22,030,768,817
Cost of sales	29	(21,584,363,517)	(16,976,189,058)
Gross profit		2,572,222,807	5,054,579,759
Selling and distribution expenses	30	(427,916,625)	(511,136,730)
Administrative expenses	31	(240,788,101)	(200,567,090)
Other expenses	32	(74,205,911)	(279,726,591)
		(742,910,637)	(991,430,411)
Impairment reversals/(allowance) for expected credit losses	43.1.6	89,113,977	(75,311,940)
		1,918,426,147	3,987,837,408
Other income	33	92,851,253	22,945,379
Operating profit		2,011,277,400	4,010,782,787
Finance cost	34	(997,356,701)	(221,279,054)
Profit before taxation		1,013,920,699	3,789,503,733
Provision for taxation	35	(263,096,447)	(582,802,679)
Profit after taxation		750,824,252	3,206,701,054
Earnings per share - basic and diluted	36	116.73	498.55

The annexed notes from 1 to 54 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

BLESSED TEXTILES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit obligation	12.4	(15,650,738)	(3,096,464)
Related taxation attributable to:			
- origination and reversal of temporary differences	13.1	2,842,810	497,322
- changes in tax rates		-	-
		(12,807,928)	(2,599,142)
Other comprehensive loss		(12,807,928)	(2,599,142)
Profit after taxation		750,824,252	3,206,701,054
Total comprehensive income		738,016,324	3,204,101,912

The annexed notes from 1 to 54 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

BLESSED TEXTILES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Share capital	Revenue reserves			
	Issued share capital	General reserve	Loan from sponsors	Retained earnings	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees
As at 01 July 2021	64,320,000	5,500,000,000	-	460,385,271	6,024,705,271
Comprehensive income					
Profit after taxation	-	-	-	3,206,701,054	3,206,701,054
Other comprehensive loss	-	-	-	(2,599,142)	(2,599,142)
Total comprehensive income	-	-	-	3,204,101,912	3,204,101,912
Transaction with owners					
Final dividend @ 330% i.e Rs. 33 per ordinary share	-	-	-	(212,256,000)	(212,256,000)
Other transactions					
Loan from sponsors obtained	-	-	-	-	-
Profit transferred to general reserve	-	1,500,000,000	-	(1,500,000,000)	-
As at 30 June 2022	64,320,000	7,000,000,000	-	1,952,231,183	9,016,551,183
As at 01 July 2022	64,320,000	7,000,000,000	-	1,952,231,183	9,016,551,183
Comprehensive income					
Profit after taxation	-	-	-	750,824,252	750,824,252
Other comprehensive loss	-	-	-	(12,807,928)	(12,807,928)
Total comprehensive income	-	-	-	738,016,324	738,016,324
Transaction with owners					
Final dividend @ 330% i.e Rs. 33 per ordinary share	-	-	-	(212,256,000)	(212,256,000)
Other transactions					
Loan from sponsors obtained	-	-	102,660,500	-	102,660,500
Profit transferred to general reserve	-	-	-	-	-
As at 30 June 2023	64,320,000	7,000,000,000	102,660,500	2,477,991,507	9,644,972,007

The annexed notes from 1 to 54 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

BLESSED TEXTILES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash (used in)/generated from operations	37	(6,388,441,703)	1,794,762,026
Payments for:			
Employees retirement benefits		(44,499,825)	(47,591,415)
Interest/profit on borrowings		(326,252,184)	(112,891,361)
Income tax		(638,151,554)	(354,974,383)
Net cash (used in)/generated from operating activities		(7,397,345,266)	1,279,304,867
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,678,172,430)	(2,620,124,195)
Proceeds from disposal of property, plant and equipment		13,020,202	3,900,000
Purchase of short term investments		(4,850,000,000)	-
Proceeds from disposal of short term investments		4,850,507,594	-
Dividend received		8,665,256	-
Net cash used in investing activities		(2,655,979,378)	(2,616,224,195)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from sponsors obtained		102,660,500	-
Long term finances obtained		1,728,810,449	1,517,309,256
Repayment of long term finances		(353,291,050)	(445,656,930)
Net increase in short term borrowings		6,683,977,548	2,559,054,165
Dividend paid		(211,451,623)	(210,939,324)
Net cash generated from financing activities		7,950,705,824	3,419,767,167
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,102,618,820)	2,082,847,839
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		2,578,010,074	493,118,022
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		6,235,932	2,044,213
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	38	481,627,186	2,578,010,074

The annexed notes from 1 to 54 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 LEGAL STATUS AND OPERATIONS

Blessed Textiles Limited ['the Company'] was incorporated in Pakistan as a Public Limited Company under the repealed Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The Company is primarily engaged in the manufacture and sale of yarn and woven fabric, however, it is also engaged in the generation of electricity for self consumption. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at 18 KM, Feroze Wattoan, Sheikhpura Road, District Sheikhpura in the Province of Punjab.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards ['IFRS'] issued by the International Accounting Standards Board ['IASB'] as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan 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 IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Financial assets	Amortized cost
Employee retirement benefits	Present value

2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.3.1 Critical accounting judgements

Judgments made by management in the application of accounting and reporting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

(a) Business model assessment (see note 42.1)

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(b) Significant increase in credit risk (see note 43.1)

As explained in note 43.1, expected credit losses ['ECL'] are measured, based on the Company's risk grading framework, as an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

2.3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

(a) Calculation of impairment allowance for expected credit losses on financial assets (see note 43.1.3)

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 331.426 million (30-Jun-22: Rs. 499.42 million). Further information on the Company's credit risk management practices and credit quality and impairment of financial assets is referred to in note 43.1.3.

(b) Present value of defined benefit obligation (see note 12)

The determination of the Company's defined benefit obligation depends on certain assumptions, which include selection of the discount rate, average rate of increase in salaries and mortality rates. The discount rate is set by reference to market yields at the end of the reporting period on government bonds as there is no deep market for high quality corporate bonds in Pakistan. Average rate of increase in salary are based on market expectations, inflation and historical trends. Mortality rates are based upon SLIC(2001-05) mortality table. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Company's financial statements within the next year.

Present value of the Company's defined benefit obligation has been determined by an independent actuary, Najeeb Consultants (Private) Limited, and is stated in the statement of financial position at Rs. 235.493 million (30-Jun-22: Rs. 185.493 million). Further information on the carrying amounts of the Company's defined benefit obligation and the sensitivity of those amounts to changes in assumptions is referred to in note 12.

(c) Taxation provisions (see note 35)

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provisions for current tax and tax contingencies. The provision for current tax is estimated at Rs. 213.898 million (30-Jun-22: Rs. 580.324 million). The management believes that the provision for current tax made in the financial statements is sufficient to discharge related tax liability.

Provision for deferred tax of Rs. 49.199 million (30-Jun-22: Rs. 2.479 million) has been estimated after taking into account historical and future turnover and profit trends and their taxability under the current tax law.

Further information on the taxation provisions is referred to in note 35.

2.4 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these financial statements have been rounded to the nearest Rupees unless specified otherwise.

2.5 Date of authorization for issue

These financial statements were authorized for issue on 28 September 2023 by the Board of Directors of the Company.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised standards, interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures, except as stated otherwise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

3.1 Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations)

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

3.2 Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling 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 cost of producing those items, in profit or loss.

3.3 Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

3.4 Annual Improvements to IFRS Standards 2018–2020

The annual improvements have made amendments to the following standards:

- **IFRS 1 - First Time Adoption of International Financial Reporting Standards** - The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- **IFRS 9 - Financial Instruments** - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- **IFRS 16 - Leases** - The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- **IAS 41 - Agriculture** - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements)	01 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)	01 January 2023
International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12 - Income Taxes)	01 January 2023
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).	01 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 - Leases)	01 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1 - Presentation of Financial Statements)	01 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments : Disclosures)	01 January 2024

Other than afore mentioned standards, interpretations and amendments, IASB has also issued the following standards which have

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

not been notified by the Securities and Exchange Commission of Pakistan ['SECP']:

IFRS 1 - First Time Adoption of International Financial Reporting Standards

IFRS 17 - Insurance contracts

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's financial statements other than in presentation/disclosures.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Property, plant and equipment

Property, plant and equipment assets held for use in the production or supply of goods or services or for administrative purposes, are stated in the statement of financial position at their at cost less accumulated depreciation and accumulated impairment losses, except for freehold land, which is not depreciated.

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the cost of material, labour and appropriate overheads directly relating to the construction, erection and installation of the asset and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other assets of the same class, commences when the assets are ready for their intended use.

Depreciation is recognized in profit or loss, using rates specified in note 20.1, so as to write off the cost of assets (other than freehold land and assets under construction) over their useful lives, using the reducing balance method. Depreciation commences from the month in which the item is ready for intended use and is discontinued from the month in which the asset is disposed or classified as held for disposal.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

A property, plant and equipment asset is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of such assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

5.2 Stores and spares

These are generally held for internal use and are valued at cost. Cost is determined on the basis of weighted average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. For items which are considered obsolete, the carrying amount is written down to nil. Spare parts held exclusively for capitalization are classified as property, plant and equipment.

5.3 Stock in trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

Category	Basis of determination of cost
Raw material	Moving average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Stock in transit	Invoice price plus related cost incurred up to the reporting date

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and an appropriate proportion of manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5.4 Employee benefits

5.4.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

5.4.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of remeasurements which are recognized in other comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation. The details of the scheme are referred to in note 12 to the financial statements.

5.5 Financial instruments

5.5.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

5.5.2 Classification

The Company classifies its financial assets 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 liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at initial recognition as follows:

(a) Financial assets at amortized cost

These are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows 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.

(b) Financial assets at fair value through other comprehensive income ['fair value through OCI']

These are:

- (i) financial assets held within a business model whose objective is achieved by both collecting contractual cashflows 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; and
- (ii) investments in equity instruments, that are not held for trading nor contingent consideration recognized by the Company as acquirer in a business combination, for which the Company makes an irrevocable election at initial recognition to present changes in fair value on subsequent measurement in other comprehensive income.

(c) Financial assets at fair value through profit or loss

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Company makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

(d) Financial liabilities at amortized cost

These are financial liabilities which are not derivatives, financial guarantee contracts, commitments to provide loans at below-market interest rate, contingent consideration payable to an acquirer in a business combination or financial liabilities that arise when transfer of a financial asset does not qualify for derecognition.

(e) Financial liabilities at fair value through profit or loss

These are financial liabilities which have not been classified as 'financial liabilities at amortized cost' or for which the Company makes an irrevocable election at initial recognition to designate as 'financial liabilities at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

5.5.3 Measurement

The particular measurement methods adopted are disclosed in individual policy statements associated with each financial instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5.5.4 Derecognition

A financial asset is derecognized when the Company's contractual rights to the cash flows from the financial assets expire or when the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Company's obligations specified in the contract expire or a discharged or cancelled.

5.5.5 Off-setting

A financial asset and financial liability is offset and the net amount reported in the statement of financial position if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.5.6 Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

5.6 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

5.7 Loans and borrowings

5.7.1 Loans and borrowings, except for loans from sponsors specified in note 5.7.2, are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

5.7.2 Interest free loans from sponsors, for which there is no agreed schedule or tenor for repayment and which are repayable at the Company's discretion, are recognized as equity. These, both on initial recognition and subsequently, are measured at cost.

5.8 Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

5.9 Trade and other payables

5.9.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.9.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

5.10 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5.11 Trade and other receivables

5.11.1 Financial assets

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at fair value at the date of transaction, plus attributable transaction costs, except for trade receivables that do not have a significant financing component, which are measured at undiscounted invoice price. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.11.2 Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

5.12 Contracts with customers

5.12.1 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue from a contract with customer when the Company satisfies an obligation specified in that contract. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

<u>Product/service</u>	<u>Nature and timing of satisfaction of performance obligations, including significant payment terms</u>	<u>Revenue recognition policies</u>
Yarn, Fabric, Cotton, Polyester, Waste and others	Performance obligations are satisfied when goods are dispatched to the customers. Invoices are generated at that point in time and are usually payable within a period ranging from 30 days to 90 days. There are no customer loyalty programs or warranty provisions. However, some contracts allow for return of goods if those do not meet the requirements or specifications provided in the contract.	Revenue is recognised at a point in time when the goods are dispatched to customers.

5.12.2 Contract assets

Contract assets represent work performed upto the reporting date which has not been invoiced to customers because the related performance obligations remain partially unsatisfied as at the reporting date.

5.12.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

5.13 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards as applicable in Pakistan, and is presented in 'statement of comprehensive income'.

5.14 Borrowing costs

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

5.15 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5.15.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

5.15.2 Deferred taxation

Deferred tax is accounted for using the 'balance sheet approach' providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by The Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5.16 Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The amount of grant is recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the tenure of loan.

5.17 Earnings per share ['EPS']

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.18 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at banks. Interest income on cash and cash equivalents is recognized using effective interest method.

5.19 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

5.20 Impairment

5.20.1 Financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of trade receivables, for which the Company recognizes lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions, and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

5.20.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.21 Segment reporting

Segment reporting is based on the operating segments that are reported in the manner consistent with internal reporting of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other income and expenses, share of profit/loss of associates and provision for taxes.

5.22 Dividend distribution to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

5.23 Fair value measurements

'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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non performance risk.

None of the Company's accounting policies and disclosures require the measurement of fair values.

6 AUTHORIZED SHARE CAPITAL

30-Jun-23	30-Jun-22		30-Jun-23	30-Jun-22
<i>No. of shares</i>	<i>No. of shares</i>		<i>Rupees</i>	<i>Rupees</i>
6,500,000	6,500,000	Ordinary shares of Rs. 10 each	65,000,000	65,000,000
6,500,000	6,500,000		65,000,000	65,000,000

7 ISSUED SHARE CAPITAL

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

30-Jun-23	30-Jun-22		30-Jun-23	30-Jun-22
No. of shares	No. of shares		Rupees	Rupees
Ordinary shares of Rs. 10 each				
6,432,000	6,432,000	Issued for cash	64,320,000	64,320,000
6,432,000	6,432,000		64,320,000	64,320,000

8 GENERAL RESERVE

General reserve is being maintained to have adequate resources for future requirements and business operations.

	30-Jun-23	30-Jun-22
	Rupees	Rupees
9 LOAN FROM SPONSORS		
As at beginning of the year	-	-
Obtained during the year	102,660,500	-
Repaid during the year	-	-
As at end of the year	102,660,500	-

- 9.1 These represent unsecured and interest free loans obtained from directors and sponsors. There is no agreed schedule or tenor for repayment of these loans and as such these are for an indefinite period, repayable at the Company's discretion. These loans are presented as equity as per "Technical Release 32 - Accounting for Directors' Loan" issued by The Institute of Chartered Accountants of Pakistan.

	Note	30-Jun-23	30-Jun-22
		Rupees	Rupees
10 LONG TERM FINANCES			
These represent long term finances utilized under interest/profit arrangements from banking companies and financial institutions			
MCB Bank Limited			
Demand Finance	10.1	739,801,593	185,561,385
Long Term Financing Facility	10.2	993,800,173	1,204,042,568
Temporary Economic Refinancing Facility	10.3	329,514,489	317,787,957
		2,063,116,255	1,707,391,910
Meezan Bank Limited			
Diminishing Musharakah	10.4	1,083,579,699	-
Long Term Financing Facility	10.5	1,656,126,026	1,634,717,336
		2,739,705,725	1,634,717,336
Bank Alfalah Limited			
Refinance Scheme	10.6	-	64,983,833
		4,802,821,980	3,407,093,079
Current maturity presented under current liabilities	18	(350,212,215)	(345,172,609)
		4,452,609,765	3,061,920,470

- 10.1 These finances have been obtained from MCB Bank Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at rates ranging from three months KIBOR plus 0.40% to 0.45% (30-Jun-22: three months KIBOR plus 0.40% to 0.45%) per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in December 2032.

- 10.2 These finances have been obtained from MCB Bank Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at SBP rate plus 0.40% (30-Jun-22: SBP rate plus 0.40%) per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in May 2030.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 10.3** These finances have been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. These finances carry interest at a below-market rate of SBP rate plus 0.40% (30-Jun-22: SBP rate plus 0.40%) per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in August 2031. The amortized cost of these finances has been determined using discount rates ranging from of 7.71% to 8.02% being the prevailing market rates of interest for similar instruments at the date of disbursement. The difference between the amortised cost and face value has been recognized as deferred grant (See note 14). The details are as follows:

	Note	30-Jun-23	30-Jun-22
		Rupees	<i>Rupees</i>
Face value of finance		413,909,750	421,834,000
Unamortized deferred grant	14	(84,395,261)	(104,046,043)
		329,514,489	317,787,957

- 10.4** These finances have been obtained from Meezan Bank Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry profit at three months KIBOR plus 0.35% per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in April 2033.

- 10.5** These finances have been obtained from Meezan Bank Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry profit at SBP rate plus 1.50% (30-Jun-22: SBP rate plus 1.50%) per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in June 2032.

- 10.6** These finances were obtained from Bank Alfalah Limited to finance payment of wages and salaries of workers and employees for six months from April 2020 to September 2020 and were secured by charge over current assets of the Company. These finances carried interest at a below-market rate of SBP rate plus 0.75% (30-Jun-22: SBP rate plus 0.75%) per annum, payable quarterly. These finances were repayable in eight equal quarterly installments with final maturity due in October 2022. The amortized cost of these finances was determined using discount rates ranging from of 7.47% to 8.05% being the prevailing market rates of interest for similar instruments at the date of disbursement. The difference between the amortised cost and face value was recognized as deferred grant (See note 14). These finances were fully repaid during the year. The details are as follows:

	Note	30-Jun-23	30-Jun-22
		Rupees	<i>Rupees</i>
Face value of finance		-	65,542,553
Unamortized deferred grant	14	-	(558,720)
		-	64,983,833

- 10.7** For mortgages and charges on assets as security for liabilities, refer to note 46 to the financial statements.

	Note	30-Jun-23	30-Jun-22
		Rupees	<i>Rupees</i>

11 LONG TERM PAYABLES

These include the following:

Infrastructure Cess	11.1	570,690,072	305,653,487
Gas Infrastructure Development Cess	11.2	105,933,481	111,106,161
		676,623,553	416,759,648

11.1 Infrastructure tax

Sindh Infrastructure Cess was levied by Excise and Taxation Officer [‘ETO’] Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan and Punjab Infrastructure Tax levied by ETO Government of Punjab on movement of imported goods entering the Punjab Province from outside Pakistan. Sindh High Court decided the case against the Company and directed to pay the outstanding amount to Excise and Taxation Department. The Company has filed appeal in Supreme Court of Pakistan and obtained stay on the recovery of these levies. During the pendency of final judgement on this, the Honorable Courts granting stay have directed the petitioners to arrange bank guarantees in favour of ETO.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

11.2 Gas Infrastructure Development Cess

This represents cess levied, through the Gas Infrastructure Development Cess ['GIDC'] Act, 2011 later re-imposed by the Gas Infrastructure Development Cess Act, 2015, the recovery of which has been stayed by the High Court of Sindh. (see note 19.1.2).

12 EMPLOYEES RETIREMENT BENEFITS

The Company operates an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. The scheme is administered by the management of the Company under the supervision and directions of the Board of Directors of the Company. The amount recognized in statement of financial position represents present value of defined benefit obligation.

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
12.1 Movement in present value of defined benefit obligation			
As at beginning of the year		185,493,380	170,827,388
Charged to profit or loss for the year	12.2	78,848,368	59,160,943
Benefits paid during the year		(44,499,825)	(47,591,415)
Remeasurements recognized in other comprehensive income	12.4	15,650,738	3,096,464
As at end of the year		235,492,661	185,493,380
12.2 Charge to profit or loss			
Current service cost		53,393,671	42,421,893
Interest cost		25,454,697	16,739,050
		78,848,368	59,160,943
12.3 The charge to profit or loss has been allocated as follows			
Cost of sales	29.2	64,318,367	47,735,431
Administrative expenses	31.1	14,530,001	11,425,512
		78,848,368	59,160,943
12.4 Remeasurements recognized in other comprehensive income			
Actuarial loss arising from:			
Change in financial assumptions		-	-
Change in experience adjustments		15,650,738	3,096,464
		15,650,738	3,096,464
12.5 Principal actuarial assumptions			
Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries, Najeeb Consultants (Private) Limited. The principal assumptions used in determining present value of defined benefit obligation are:			
		30-Jun-23	30-Jun-22
Discount rate		16.25%	13.25%
Expected rates of increase in salary		15.25%	12.25%
12.6 Average duration of the defined benefit obligation			
The average duration of the defined benefit obligation is 6 years.			
12.7 Expected charge to profit or loss for the next financial year			
The expected charge to profit or loss for the year ending 30 June 2024 amounts to Rs. 101.54 million.			
12.8 Sensitivity analysis			
An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:			

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30-Jun-23		30-Jun-22	
	Change in actuarial assumption	Defined benefit obligation	Change in actuarial assumption	Defined benefit obligation
		<i>Rupees</i>		<i>Rupees</i>
Discount rate	+ 1%	227,631,324	+ 1%	179,337,483
	- 1%	243,744,062	- 1%	191,964,782
Expected rate of increase in salary	+ 1%	243,744,062	+ 1%	191,964,782
	- 1%	227,497,041	- 1%	179,229,580

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

12.9 Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on corporate bonds since the private sector bond market is sufficiently developed in Pakistan. An increase in market yield resulting in a higher discount rate will decrease the defined benefit liability.

Longevity risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of employees. An increase in salary of employees will increase the defined benefit obligation.

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
13 DEFERRED TAXATION			
Deferred tax liability on taxable temporary differences	13.1	508,006,446	272,512,666
Deferred tax asset on deductible temporary differences	13.1	(238,873,521)	(49,735,587)
		269,132,925	222,777,079

13.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	30-Jun-23			
	As at 01-Jul-22 <i>Rupees</i>	Recognized in profit or loss <i>Rupees</i>	Recognized in OCI <i>Rupees</i>	As at 30-Jun-23 <i>Rupees</i>
Deferred tax liabilities				
Operating fixed assets	272,512,666	235,493,780	-	508,006,446
Deferred tax assets				
Employees retirement benefits	(29,792,035)	26,266,514	(2,842,810)	(6,368,331)
Impairment allowance for expected credit losses	(19,943,552)	(22,831,490)	-	(42,775,042)
Unused tax credit and losses	-	(189,730,148)	-	(189,730,148)
	(49,735,587)	(186,295,124)	(2,842,810)	(238,873,521)
	222,777,079	49,198,656	(2,842,810)	269,132,925

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30-Jun-22			
	As at 01-Jul-21 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at 30-Jun-22 Rupees
Deferred tax liabilities				
Operating fixed assets	254,470,368	18,042,298	-	272,512,666
Deferred tax assets				
Employees retirement benefits	(26,185,304)	(3,109,409)	(497,322)	(29,792,035)
Impairment allowance for expected credit losses	(7,489,833)	(12,453,719)	-	(19,943,552)
Unused tax credit and losses	-	-	-	-
	(33,675,137)	(15,563,128)	(497,322)	(49,735,587)
	220,795,231	2,479,170	(497,322)	222,777,079

13.2 Deferred tax arising from timing differences pertaining to income from business is provided for only that portion of timing differences that represent income taxable under normal provisions of the Income Tax Ordinance, 2001 ['the Ordinance'] as revenue from export sales of the Company is subject to taxation under the final tax regime, while the remaining portion of revenue attracts assessment under normal provisions of the Ordinance. These differences are calculated at that proportion of total timing differences that the local sales, other than the indirect exports taxable under section 154 (3) of the Ordinance, bear to the total sales revenue based on historical and future trends. Deferred tax has been calculated at 35% (30-Jun-22: 33%) of the timing differences so determined based on tax rates notified by the Government of Pakistan for future tax years.

14 DEFERRED GRANT

The State Bank of Pakistan ['SBP'] through IH&SMEFD circular no. 1 of 2020 dated 17 March 2020, introduced a 'Temporary Economic Refinance Facility' ['TERF']. Further SBP through IH&SMEFD circular no. 6 of 2020 dated 10 April 2020, introduced a 'Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concern' ['the Refinance Scheme']. The purpose of these schemes was to provide relief to dampen the effects of COVID - 19 by providing loans at interest rates that are below normal lending rates.

The Company obtained financing of Rs. 262.17 million under the Refinance Scheme (see note 10.6) and of Rs. 421.834 million under TERF (see note 10.3). The benefit of below market interest rates, measured as the difference between the fair value of loan on the date of disbursement and its face value on that date has been recognised as deferred grant.

The movement during the year is as follows:

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
As at beginning of the year		104,604,763	107,385,141
Recognized during the year		-	21,934,636
Amortization during the year		(20,209,502)	(24,715,014)
As at end of the year		84,395,261	104,604,763
Current maturity presented under current liabilities	18	(18,457,689)	(19,311,329)
		65,937,572	85,293,434

15 TRADE AND OTHER PAYABLES

Trade creditors		896,304,069	490,914,257
Accrued liabilities		483,956,971	324,516,135
Advances from customers		22,158,035	19,952,412
Workers' Profit Participation Fund	15.2	50,350,386	203,436,516
Workers' Welfare Fund	15.3	176,797,600	156,042,075
Other payables	15.1	45,693,545	35,811,131
		1,675,260,606	1,230,672,526

15.1 Other payables include cess levied under the Cotton Cess Act, 1923, the recovery of which has been stayed by the High Court of Lahore. (see note 19.1.3).

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
15.2 Workers' Profit Participation Fund			
As at beginning of the year		203,436,516	131,344,910
Interest on funds utilized by the Company	15.2.1	12,851,999	4,915,548
Charged to profit or loss for the year	32	50,350,386	203,436,516
Paid during the year		(216,288,515)	(136,260,458)
As at end of the year		50,350,386	203,436,516
15.2.1 Interest is charged at 247.5% (30-Jun-22: 247.5%) per annum.			
15.3 Workers' Welfare Fund			
As at beginning of the year		156,042,075	80,252,000
Charged to profit or loss for the year	32	20,755,525	75,790,075
As at end of the year		176,797,600	156,042,075
16 ACCRUED INTEREST/PROFIT			
Long term finances		259,549,100	33,699,008
Short term borrowings		370,079,489	26,591,804
		629,628,589	60,290,812
17 SHORT TERM BORROWINGS			
Secured			
These represent short term finances utilized under interest/profit arrangements from banking companies			
Running finances	17.1	1,911,343,692	1,499,054,165
Running Musharakah	17.1	3,203,688,021	600,000,000
Term loans	17.1	4,128,000,000	460,000,000
		9,243,031,713	2,559,054,165
17.1 These facilities has been obtained from various banking companies for working capital requirements and are secured by charge over all present and future current assets of the Company and demand promissory notes. These carry interest/profit at rates ranging from one to three months KIBOR plus 0.10% to 1.00% (30-Jun-22: one to three months KIBOR plus 0.10% to 1.00%) per annum, payable quarterly/on maturity.			
17.2 The aggregate available short term funded facilities amounts to Rs. 16,300 million (30-Jun-22: Rs. 9,223 million) out of which Rs. 7,057 million (30-Jun-22: Rs. 6,662 million) remained unavailed as at the reporting date.			
17.3 For mortgages and charges on assets as security for liabilities, refer to note 46 to the financial statements.			
	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
18 CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term finances	10	350,212,215	345,172,609
Deferred grant	14	18,457,689	19,311,329
		368,669,904	364,483,938
19 CONTINGENCIES AND COMMITMENTS			
19.1 Contingencies			
19.1.1 Various banking companies have issued guarantees on behalf of the Company and discounted receivables of the Company as detailed below:			

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
Bank guarantees	975,921,946	697,060,426
Bills discounted	2,069,000,000	2,041,000,000

19.1.2 In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess ['GIDC'] Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court of Pakistan ['the SCP'] on the subject, where it had up held that the earlier introduction of GIDC Act 2011 was unconstitutional and ultra vires on the ground, amongst others, that GIDC was a 'Fee' and not a 'Tax' and the same suit was also filed against Federation of Pakistan, OGRA, SSGC and SNGPL in different Honorable High Courts of Pakistan by Industry at Large. In May 2015, the Government passed the GIDC Act, 2015. The Company vide petition 1234/2020 filed before the High Court of Sindh challenged the recovery of GIDC installments. The High Court of Sindh vide its order dated 22 November 2020 has suspended the recovery of GIDC installments. No further date is fixed for hearing. Further, the Company vide petition 1848/2021 dated 30 August 2021 filed before the High Court of Sindh challenged the levy of GIDC on the ground of the Government's failure to comply with the Supreme Court's judgment dated 13 August 2020 in relation to commencement of work on specified projects. However, the Company has recognized liability for GIDC amounting to Rs. 105.933 million (30-Jun-22: Rs. 111.106 million). (see note 11).

19.1.3 The Company vide petition ICA 239111 of 2018 filed before the High Court of Lahore challenged the recovery of Cotton Cess against the judgment passed in writ petition No. 31009 of 2016 and writ petition No. 214708 of 2018 respectively. No further date is fixed for hearing.

19.1.4 Contingencies related to tax matters are referred to in note 35 to the financial statements.

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
19.2 Commitments		
19.2.1 Commitments under irrevocable letters of credit for:		
- purchase of property, plant and equipment	-	1,608,252,518
- purchase of stores and spares	21,941,957	120,785,968
- purchase of raw material	439,610,072	3,083,888,542
	461,552,029	4,812,927,028

19.2.2 Commitments for capital expenditure - 101,990,961

19.2.3 Commitments under ijarah contracts

The aggregated amount of ujarah payments for ijarah financing and the period in which these payments will become due are as

	Note	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
- payments not later than one year		17,546,257	7,116,730
- payments later than one year		50,959,084	26,348,279
		68,505,341	33,465,009

20 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	20.1	7,710,715,045	3,830,370,203
Capital work in progress	20.2	603,281,272	2,273,954,511
		8,313,996,317	6,104,324,714

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

20.1 Operating fixed assets

	30-Jun-23										
	COST					Rate	DEPRECIATION				Net book value as at 30-Jun-23
	As at 01-Jul-22	Additions	Disposals	Transfers	As at 30-Jun-23		As at 01-Jul-22	For the year	Adjustment	As at 30-Jun-23	
Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees	
Freehold land	111,404,566	1,691,100	-	-	113,095,666	-	-	-	-	-	113,095,666
Buildings on freehold land											
Factory buildings	921,293,032	-	-	983,080,724	1,904,373,756	10	591,165,272	41,832,351	-	632,997,623	1,271,376,133
Non-factory buildings	157,036,907	-	-	195,630,511	352,667,418	5	66,559,063	5,339,020	-	71,898,083	280,769,335
	1,078,329,939	-	-	1,178,711,235	2,257,041,174		657,724,335	47,171,371	-	704,895,706	1,552,145,468
Plant and machinery	6,327,220,998	-	(59,844,166)	2,897,198,758	9,164,575,590	10	3,236,361,337	356,907,385	(50,643,204)	3,542,625,518	5,621,950,072
Equipment and other assets	146,855,922	-	-	-	146,855,922	25-35	120,942,357	11,647,409	-	132,589,766	14,266,156
Electric installations	352,194,988	-	-	271,123,046	623,318,034	10	208,845,640	35,148,272	-	243,993,912	379,324,122
Office equipment - head office	3,519,521	-	-	-	3,519,521	10	1,336,355	208,999	-	1,545,354	1,974,167
Office equipment - factory	7,987,095	-	-	-	7,987,095	10	2,855,994	390,672	-	3,246,666	4,740,429
Furniture and fixtures - head office	199,098	-	-	-	199,098	10	178,296	2,080	-	180,376	18,722
Furniture and fixtures - factory	8,004,207	-	-	-	8,004,207	10	6,299,475	170,472	-	6,469,947	1,534,260
Vehicles	94,946,903	121,530	(10,140,877)	-	84,927,556	20	65,749,245	5,710,101	(8,197,773)	63,261,573	21,665,983
	8,130,663,237	1,812,630	(69,985,043)	4,347,033,039	12,409,523,863		4,300,293,034	457,356,761	(58,840,977)	4,698,808,818	7,710,715,045

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30-Jun-22										
	COST					Rate	DEPRECIATION				Net book value as at 30-Jun-22
	As at 01-Jul-21	Additions	Disposals	Transfers	As at 30-Jun-22		As at 01-Jul-21	For the year	Adjustment	As at 30-Jun-22	
<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	%	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	
Freehold land	82,341,549	29,063,017	-	-	111,404,566	-	-	-	-	-	111,404,566
Buildings on freehold land											
Factory buildings	918,015,433	-	-	3,277,599	921,293,032	10	554,700,590	36,464,682	-	591,165,272	330,127,760
Non-factory buildings	157,036,907	-	-	-	157,036,907	5	61,797,071	4,761,992	-	66,559,063	90,477,844
	1,075,052,340	-	-	3,277,599	1,078,329,939		616,497,661	41,226,674	-	657,724,335	420,605,604
Plant and machinery	5,848,995,633	-	(22,930,986)	501,156,351	6,327,220,998	10	2,939,555,386	318,539,277	(21,733,326)	3,236,361,337	3,090,859,661
Equipment and other assets	118,395,803	-	-	28,460,119	146,855,922	25-35	111,936,513	9,005,844	-	120,942,357	25,913,565
Electric installations	350,881,862	-	-	1,313,126	352,194,988	10	193,039,522	15,806,118	-	208,845,640	143,349,348
Office equipment - head office	3,519,521	-	-	-	3,519,521	10	1,126,802	209,553	-	1,336,355	2,183,166
Office equipment - factory	7,987,095	-	-	-	7,987,095	10	2,695,944	160,050	-	2,855,994	5,131,101
Furniture and fixtures - head office	199,098	-	-	-	199,098	10	175,985	2,311	-	178,296	20,802
Furniture and fixtures - factory	8,004,207	-	-	-	8,004,207	10	6,110,060	189,415	-	6,299,475	1,704,732
Vehicles	99,017,666	-	(4,070,763)	-	94,946,903	20	62,015,872	7,326,391	(3,593,018)	65,749,245	29,197,658
	7,594,394,774	29,063,017	(27,001,749)	534,207,195	8,130,663,237		3,933,153,745	392,465,633	(25,326,344)	4,300,293,034	3,830,370,203

20.1.1 Free hold land of the Company is located at Ferozewattoan, Sheikhpura with a total area of 811 Kanal 11 Marla (30-Jun-22: 808 Kanal 19 Marla).

20.1.2 Transfers represent transfers from capital work in progress on related assets becoming available for use.

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

20.1.3 Disposal of property, plant and equipment

Particulars	30-Jun-23					Mode of disposal	Particulars of buyer
	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain on disposal		
	Rupees	Rupees	Rupees	Rupees	Rupees		
Plant and machinery							
Gas Generators Waukesha	13,835,835	11,709,005	2,126,830	2,150,000	23,170	Negotiation	Muhammad Nawaz, Jhang.
Gas Generators Waukesha	13,835,835	11,709,005	2,126,830	2,150,000	23,170	Negotiation	Muhammad Nawaz, Jhang.
Gas Generators Waukesha	13,835,835	11,709,005	2,126,830	2,150,000	23,170	Negotiation	Muhammad Nawaz, Jhang.
Alternator	5,929,643	5,018,143	911,500	920,000	8,500	Negotiation	Muhammad Nawaz, Jhang.
Alternator	5,929,643	5,018,143	911,500	920,000	8,500	Negotiation	Muhammad Nawaz, Jhang.
Alternator	5,929,643	5,018,143	911,500	920,000	8,500	Negotiation	Muhammad Nawaz, Jhang.
Assets having net book value less than Rs. 500,000 each	547,732	461,760	85,972	110,202	24,230	Negotiation	Muhammad Nawaz, Jhang.
	59,844,166	50,643,204	9,200,962	9,320,202	119,240		
Vehicles							
Honda Civic	7,353,117	6,299,718	1,053,399	2,100,000	1,046,601	Negotiation	Muhammad Altaf, Lahore.
Audi A5	2,787,760	1,898,055	889,705	1,600,000	710,295	Negotiation	Muhammad Mohsin Khan, Lahore.
	10,140,877	8,197,773	1,943,104	3,700,000	1,756,896		
	69,985,043	58,840,977	11,144,066	13,020,202	1,876,136		

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Particulars	30-Jun-22					Mode of disposal	Particulars of buyer
	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain on disposal		
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>		
Plant and machinery							
Simplex Toyota	13,418,532	12,828,488	590,044	1,200,000	609,956	Negotiation	Olympia Textile International, Lahore.
Drawing Frames	6,257,584	5,842,544	415,040	900,000	484,960	Negotiation	Olympia Textile International, Lahore.
Cheese Winder	3,254,870	3,062,294	192,576	600,000	407,424	Negotiation	Hanif Trading Corporation, Lahore.
	22,930,986	21,733,326	1,197,660	2,700,000	1,502,340		
Vehicles							
Honda City	1,507,060	1,363,581	143,479	400,000	256,521	Negotiation	Ghulam Asghar, Islamabad.
Toyota Corolla	1,593,269	1,356,257	237,012	500,000	262,988	Negotiation	Muhammad Altaf, Lahore.
Suzuki Cultus	970,434	873,180	97,254	300,000	202,746	Negotiation	Muhammad Salim, Lahore.
	4,070,763	3,593,018	477,745	1,200,000	722,255		
	27,001,749	25,326,344	1,675,405	3,900,000	2,224,595		

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
20.1.4 The depreciation charge for the year has been allocated as follows:			
Cost of sales	29	450,874,437	384,577,913
Administrative expenses	31	6,482,324	7,887,720
		457,356,761	392,465,633

20.2 Capital work in progress

	30-Jun-23			
	As at			As at
	01-Jul-22	Additions	Transfers	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Buildings on freehold land	915,598,814	272,943,572	(1,178,711,235)	9,831,151
Plant and machinery	1,305,253,614	2,156,473,991	(2,897,198,758)	564,528,847
Equipment and other assets	-	-	-	-
Electric Installations	53,102,083	246,942,237	(271,123,046)	28,921,274
	2,273,954,511	2,676,359,800	(4,347,033,039)	603,281,272

	30-Jun-22			
	As at			As at
	01-Jul-21	Additions	Transfers	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Buildings on freehold land	10,950,005	907,926,408	(3,277,599)	915,598,814
Plant and machinery	188,779,161	1,617,630,804	(501,156,351)	1,305,253,614
Equipment and other assets	-	28,460,119	(28,460,119)	-
Electric Installations	17,371,362	37,043,847	(1,313,126)	53,102,083
	217,100,528	2,591,061,178	(534,207,195)	2,273,954,511

20.2.1 Plant and machinery includes borrowing cost capitalized during the year amounting to Rs. 216,432,497 (30-Jun-22: Rs. 21,245,764) at capitalization rate of 3.5% to 22.48% (30-Jun-22: 1.40% to 15.05%). The expansion has been financed by long term financing.

21 LONG TERM DEPOSITS

These have been deposited with various utility companies. These are classified as 'financial assets at amortized cost' under IFRS 9 which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
22 STOCK IN TRADE			
Raw material		12,312,989,616	4,621,548,853
Work in process		361,993,456	194,440,534
Finished goods	22.1	1,142,324,115	721,512,992
		13,817,307,187	5,537,502,379

22.1 Stock of finished goods includes stock of waste valued at Rs. 23,771,659 (30-Jun-22: Rs. 4,646,837). The entire stock of waste is valued at net realizable value.

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
23 TRADE RECEIVABLES			
Gross amount due			
- local - <i>unsecured</i>		2,054,791,873	1,566,224,220
- foreign - <i>secured</i>	23.1	323,857,660	316,555,237
		2,378,649,533	1,882,779,457
Impairment allowance for expected credit loss	23.2	(34,960,468)	(124,074,445)
		2,343,689,065	1,758,705,012
23.1	These are secured through letters of credit and lien on export documents.		
23.2 Impairment allowance for expected credit loss			
As at beginning of the year		124,074,445	48,762,505
Recognized during the year	43.1.6	5,253,515	94,367,492
Reversed during the year	43.1.6	(94,367,492)	(19,055,552)
As at end of the year		34,960,468	124,074,445
24 SHORT TERM DEPOSITS			
These represent deposits with a banking company against bank guarantees and carry return at rates ranging from 5.50% to 19.05% (30-Jun-22: 4.20% to 13.00%) per annum.			
	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
25 ADVANCES AND OTHER RECEIVABLES			
Advances to suppliers		145,570,163	83,734,205
Advances to employees	25.1	13,950,327	11,457,948
Prepayments		4,436,513	3,496,347
Other receivables	25.2	51,362,700	24,007,038
		215,319,703	122,695,538
25.1	These represent advances to employees against future salaries and post employment benefits in accordance with the Company policy.		
	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
25.2 Particulars of other receivables			
Other receivables		51,462,283	24,106,621
Impairment allowance for doubtful receivables		(99,583)	(99,583)
		51,362,700	24,007,038
26 INCOME TAX PAYABLE / ADVANCE INCOME TAX			
Advance income tax/income tax refundable		618,353,277	768,735,116
Provision for taxation	35	(306,989,841)	(883,154,606)
		311,363,436	(114,419,490)
27 CASH AND BANK BALANCES			
Cash in hand		2,475,736	-
Cash at banks			
Current accounts - <i>local currency</i>		431,867,225	1,314,711,858
Deposit accounts - <i>local currency</i>	27.1	8,613,908	1,257,809,530
Current accounts - <i>foreign currency</i>		38,670,317	5,488,686
		481,627,186	2,578,010,074

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

27.1 These represents saving/deposit accounts with a banking company and carries return at the rates ranging from 6.31% to 10.07% (30-Jun-22: 2.59% to 14.00%) per annum.

28 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	30-Jun-23		
	Local Rupees	Export Rupees	Total Rupees
Yarn	11,255,464,052	9,849,367,511	21,104,831,563
Fabric	3,344,640,061	1,664,724,816	5,009,364,877
Cotton and polyester	791,375,031	-	791,375,031
Waste and other	307,025,030	-	307,025,030
	15,698,504,174	11,514,092,327	27,212,596,501
Sales tax	(2,331,726,132)	(724,284,045)	(3,056,010,177)
	13,366,778,042	10,789,808,282	24,156,586,324
	30-Jun-22		
	Local Rupees	Export Rupees	Total Rupees
Yarn	9,823,180,257	8,117,379,695	17,940,559,952
Fabric	2,837,374,148	2,829,032,457	5,666,406,605
Cotton and polyester	523,266,756	-	523,266,756
Waste and other	232,122,986	-	232,122,986
	13,415,944,147	10,946,412,152	24,362,356,299
Sales tax	(1,949,710,739)	(381,876,743)	(2,331,587,482)
	11,466,233,408	10,564,535,409	22,030,768,817

28.1 Export sales include indirect exports made during the year amounting to Rs. 4,171,748,482 (30-Jun-22: Rs. 2,628,210,525).

	Note	30-Jun-23	30-Jun-22
		Rupees	Rupees
29 COST OF SALES			
Raw material consumed	29.1	17,444,633,692	13,546,742,038
Stores and spares consumed		462,190,464	405,297,344
Salaries, wages and benefits	29.2	1,030,535,090	822,090,669
Fee and subscription		2,046,392	1,678,907
Fuel and power		2,078,184,496	1,322,465,108
Insurance		50,967,251	38,583,720
Vehicle running and maintenance		22,233,798	14,675,409
Rent, rates and taxes		288,941	466,085
Repair and maintenance		36,412,907	31,835,370
Communication		1,007,249	780,309
Traveling, conveyance and entertainment		3,788,783	2,761,070
Depreciation	20.1.4	450,874,437	384,577,913
Others		5,136,362	7,100,993
Manufacturing cost		21,588,299,862	16,579,054,935
Work in process			
As at beginning of the year		194,440,534	158,046,741
As at end of the year		(361,993,456)	(194,440,534)
		(167,552,922)	(36,393,793)
Cost of goods manufactured		21,420,746,940	16,542,661,142
Finished goods			
As at beginning of the year		721,512,992	666,965,294
Purchased during the year		14,940,616	59,154,945
As at end of the year		(1,142,324,115)	(721,512,992)
		(405,870,507)	4,607,247
Cost of cotton sold	29.3	569,487,084	428,920,669
		21,584,363,517	16,976,189,058

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
29.1 Raw material consumed		
As at beginning of the year	4,621,548,853	3,180,025,089
Purchased during the year	25,718,630,994	15,453,051,390
Sold during the year	(582,556,539)	(464,785,588)
As at end of the year	(12,312,989,616)	(4,621,548,853)
	17,444,633,692	13,546,742,038

29.2 These include charge in respect of employees retirement benefits amounting to Rs. 64,318,367 (30-Jun-22: Rs. 47,735,431).

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
29.3 Cost of cotton sold			
Cost of purchase		567,743,491	423,979,614
Salaries, wages and benefits		316,554	180,000
Loading and unloading		87,476	18,704
Insurance		1,339,563	737,762
Finance cost		-	4,004,589
		569,487,084	428,920,669

30 SELLING AND DISTRIBUTION EXPENSES

Export

Ocean freight and forwarding	230,231,505	299,994,007
Export development surcharge	16,251,471	20,345,775
Commission	57,884,148	93,788,769
Others	3,293,027	4,057,220
	307,660,151	418,185,771

Local

Inland transportation	7,699,869	6,198,942
Quality claims	8,924,214	-
Commission	103,618,153	84,158,432
Others	14,238	2,593,585
	120,256,474	92,950,959
	427,916,625	511,136,730

31 ADMINISTRATIVE EXPENSES

Directors' remuneration		31,200,000	31,200,000
Salaries and benefits	31.1	114,145,725	106,305,305
Traveling, conveyance and entertainment		12,194,646	7,251,063
Printing and stationery		2,900,817	1,631,643
Communication		1,310,922	1,218,185
Vehicles running and maintenance		14,522,622	8,047,154
Legal and professional		8,540,966	3,026,342
Auditor's remuneration	31.2	2,000,000	1,809,000
Fee and subscription		8,223,285	6,685,869
Depreciation	20.1.4	6,482,324	7,887,720
Rent, rates and utilities		20,543,292	16,597,333
Oracle license and support fee		844,644	3,513,776
Others		1,808,181	2,301,486
Ijarah rentals		16,070,677	3,092,214
		240,788,101	200,567,090

31.1 These include charge in respect of employees retirement benefits amounting to Rs. 14,530,001 (30-Jun-22: Rs. 11,425,512).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
31.2 Auditor's remuneration			
Annual statutory audit		1,811,500	1,620,500
Limited scope review		128,500	128,500
Review report under Code of Corporate Governance		50,000	50,000
Out of pocket expenses		10,000	10,000
		2,000,000	1,809,000
32 OTHER EXPENSES			
Workers' Profit Participation Fund	15.2	50,350,386	203,436,516
Workers' Welfare Fund	15.2	20,755,525	75,790,075
Donations		3,100,000	500,000
		74,205,911	279,726,591
32.1 Particulars of donees to whom donations exceed Rs. 1,000,000 or 10% of total amount of donation, whichever is higher are as			Rupees
Lahore Institute of Health Sciences			2,000,000
	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
33 OTHER INCOME			
Gain on financial instruments			
Foreign exchange gain		6,235,932	2,044,213
Gain on disposal of investments		507,594	-
Dividend income		10,194,419	-
Return on bank deposits	24	73,990,136	18,133,505
		90,928,081	20,177,718
Other income			
Gain on disposal of property, plant and equipment	20.1.3	1,876,136	2,224,596
Duty drawback on export		47,036	543,065
		1,923,172	2,767,661
		92,851,253	22,945,379
34 FINANCE COST			
Interest/profit on borrowings:			
long term finances		109,320,851	57,411,092
short term borrowings		786,269,110	98,381,025
		895,589,961	155,792,117
Interest on workers' profit participation fund	15.2	12,851,999	4,915,548
Bank charges and commission	34.1	88,914,741	60,571,389
		997,356,701	221,279,054

34.1 These include letters of credit discounting charges amounting to Rs. 77,986,016 (30-Jun-22: Rs. 52,455,311).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	<i>Note</i>	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
35 PROVISION FOR TAXATION			
Current taxation			
for current year	35.1	306,989,841	580,323,509
for prior year		(93,092,050)	-
		213,897,791	580,323,509
Deferred taxation			
attributable to origination and reversal of temporary differences		35,697,015	(27,975,345)
attributable to changes in tax rates		13,501,641	30,454,515
	13.1	49,198,656	2,479,170
		263,096,447	582,802,679

35.1 Provision for current tax has been made in accordance with section 4C, 113 and 154 (30-Jun-22: section 4C, 18 and 154) of the Income Tax Ordinance, 2001 [‘the Ordinance’]. There is no relationship between aggregate tax expense and accounting profit for year ended 30 June 2023. Accordingly no numerical reconciliation has been presented for year ended 30 June 2023. Reconciliation between average effective tax rate and applicable tax rate for the year ended 30 June 2022 is as follows:

	<i>Unit</i>	30-Jun-22
Profit before taxation	<i>Rupees</i>	3,789,503,733
Provision for taxation	<i>Rupees</i>	582,802,679
Average effective tax rate	%	15.38
Tax effects of:		
Adjustments for prior years	%	-
Income chargeable to tax at different rates	%	(2.80)
Admissible deductions, losses and tax credits	%	22.56
Super tax on high earning persons	%	3.93
Deferred taxation	%	(0.07)
Applicable tax rate	%	39.00

35.2 Assessments upto assessment year 2002-2003 have been finalized under the relevant provisions of the Repealed Income Tax Ordinance, 1979.

35.3 The income tax assessments of the Company up to and including tax year 2022 have been completed by the concerned income tax authorities or are deemed to have been so completed under the provisions of section 120 of the Ordinance except as explained in note 35.4.

35.4 The Government has levied Super Tax on high earning persons, which was levied by the Government for the tax year 2022 in addition to corporate tax rate of 29%. The Company together with other parties challenged it for tax year 2022 in the Sindh High Court who decided the matter in favour of the petitioners ultra vires to the Constitution of Pakistan. The FBR challenged the said decision before the Supreme Court of Pakistan who, vide interim order dated February 2023, directed that the taxpayers shall pay super tax to Nazir on the direction of sindh high court. The Company, complying with the directions, provided security of 100% super tax to the Nazir of High Court. 50% of which was encashed and deposited with the FBR. The hearing and appeal before the Supreme Court of Pakistan is pending.

	<i>Unit</i>	30-Jun-23	30-Jun-22
36 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit attributable to ordinary shareholders	<i>Rupees</i>	750,824,252	3,206,701,054
Weighted average number of ordinary shares outstanding during the year	<i>No. of shares</i>	6,432,000	6,432,000
Earnings per share	<i>Rupees</i>	116.73	498.55

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees		
37 CASH GENERATED FROM OPERATIONS					
Profit before taxation		1,013,920,699	3,789,503,733		
Adjustments for non-cash and other items					
Interest/profit on borrowings		895,589,961	155,792,117		
Gain on disposal of property, plant and equipment		(1,876,136)	(2,224,596)		
Foreign exchange gain		(6,235,932)	(2,044,213)		
Gain on disposal of investments		(507,594)	-		
Dividend income		(10,194,419)	-		
Impairment (reversals)/allowance for expected credit losses		(89,113,977)	75,311,940		
Provision for employees retirement benefits		78,848,368	59,160,943		
Depreciation		457,356,761	392,465,633		
		1,323,867,032	678,461,824		
		2,337,787,731	4,467,965,557		
Changes in working capital					
Long term deposits		(2,956,144)	(22,556,790)		
Stores and spares		(33,909,544)	(79,210,077)		
Stock in trade		(8,279,804,808)	(1,532,465,255)		
Trade receivables		(495,870,076)	(698,589,762)		
Short term deposits		84,874,600	(290,374,600)		
Advances and other receivables		(92,624,165)	(86,618,677)		
Sales tax refundable		(610,391,282)	(470,347,725)		
Trade and other payables		444,588,080	388,920,261		
Long term payables		259,863,905	118,039,094		
		(8,726,229,434)	(2,673,203,531)		
Cash (used in)/generated from operations		(6,388,441,703)	1,794,762,026		
38 CASH AND CASH EQUIVALENTS					
Bank balances	27	481,627,186	2,578,010,074		
		481,627,186	2,578,010,074		
39 CHANGES FROM FINANCING CASH FLOWS					
		30-Jun-23			
		Loan from sponsors Rupees	Long term finances Rupees	Short term borrowings Rupees	Unclaimed dividend Rupees
As at beginning of the year		-	3,407,093,079	2,559,054,165	7,809,531
Loan from sponsors obtained		102,660,500	-	-	-
Long term finances obtained		-	1,728,810,449	-	-
Repayment of long term finances		-	(353,291,050)	-	-
Deferred grant recognized		-	-	-	-
Long term finances accretion		-	20,209,502	-	-
Net increase in short term borrowings		-	-	6,683,977,548	-
Dividend declared		-	-	-	212,256,000
Dividend paid		-	-	-	(211,451,623)
As at end of the year		102,660,500	4,802,821,980	9,243,031,713	8,613,908

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30-Jun-22			
	Loan from sponsors <i>Rupees</i>	Long term finances <i>Rupees</i>	Short term borrowings <i>Rupees</i>	Unclaimed dividend <i>Rupees</i>
As at beginning of the year	-	2,332,660,376	-	6,492,855
Loan from sponsors obtained	-	-	-	-
Long term finances obtained	-	1,517,309,256	-	-
Repayment of long term finances	-	(445,656,930)	-	-
Deferred grant recognized	-	(21,934,636)	-	-
Long term finances accretion	-	24,715,013	-	-
Net increase in short term borrowings	-	-	2,559,054,165	-
Dividend declared	-	-	-	212,256,000
Dividend paid	-	-	-	(210,939,324)
As at end of the year	-	3,407,093,079	2,559,054,165	7,809,531

40 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. The details of Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding in the Company
Faisal Spinning Mills Limited	Associated company	Common directorship	18.49%
Bhanero Textiles Mills Limited	Associated company	Common directorship	0.00%
Bhanero Energy Limited	Associated company	Common directorship	0.00%
Admiral (Private) Limited	Associated company	Common directorship	0.00%
Mohammad Amin	Key management personnel	Chief executive officer	4.39%
Adil Shakeel	Key management personnel	Director	4.12%
Mohammad Shaheen	Key management personnel	Director	1.07%
Nazli Begum	Close relative of KMP	Director's mother	3.66%
Hamza Shakeel	Close relative of KMP	Director's brother	4.12%
Faisal Shakeel	Close relative of KMP	Director's brother	4.12%

Transactions with key management personnel are limited to payment of short term employee benefits only. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an orderly transaction between market participants at the date of transaction.

There are no balances outstanding with related parties as at the reporting date. Detail of transactions with related parties is as follows:

		30-Jun-23 <i>Rupees</i>	30-Jun-22 <i>Rupees</i>
40.1	Transactions with related parties		
Nature of relationship	Nature of transactions		
Associated companies	Sale of yarn	3,356,216,662	2,487,791,243
	Sale of fabric	1,051,083,659	820,808,742
	Sale of cotton	703,026,274	523,266,757
	Sale of stores and spares	-	1,648,969
	Purchase of cotton	42,394,987	2,167,629
	Purchase of yarn	260,596,294	339,101,486
	Purchase of fabric	5,775,328	12,943,257
	Purchase of electricity	3,995,550	15,443,209
	Services received	309,000	309,000
Key management personnel	Short term employee benefits	31,200,000	31,200,000
	Loan from sponsors obtained	22,113,900	-
Sponsors	Loan from sponsors obtained	80,546,600	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
40.1 Balances with related parties			
Nature of relationship	Nature of balances		
Key management personnel	Loan from sponsors	22,113,900	-
Sponsors	Loan from sponsors	80,546,600	-

41 CONTRACTS WITH CUSTOMERS

41.1 Contract balances

The information about receivables and contract liabilities from contracts with customers is as follows:

Nature of balance	Presented in financial statements as	Note	30-Jun-23	30-Jun-22
			<i>Rupees</i>	<i>Rupees</i>
Receivables	Trade receivables	23	2,378,649,533	1,882,779,457
Contract liabilities	Advances from customers	15	22,158,035	19,952,412
			2,400,807,568	1,902,731,869

41.2 Changes in contract liabilities

Significant changes in contract liabilities are as follows:

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year	19,952,412	24,358,994
Revenue recognized against contract liability as at beginning of the year	(19,952,412)	(24,358,994)
Net increase due to cash received in excess of revenue recognized	22,158,035	19,952,412
As at end of the year	15	22,158,035

41.3 Impairment losses

The Company during the year has recognized Rs. 5.254 million (30-Jun-22: Rs. 94.367 million) as impairment allowance for expected credit losses on receivables (trade receivables) arising from the Company's contracts with customers. Further, impairment allowance amounting to Rs. 94.367 million (30-Jun-22: Rs. 19.056 million) was reversed during the year on actual recovery. See note 23.2.

42 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	Note	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
42.1 Financial assets			
<i>Financial assets at amortized cost</i>			
Long term deposits	21	50,441,329	47,485,185
Trade receivables	23	2,343,689,065	1,758,705,012
Advances to employees	25	13,950,327	11,457,948
Short term deposits	24	389,590,577	474,465,177
Bank balances	27	481,627,186	2,578,010,074
		3,279,298,484	4,870,123,396

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
42.2 Financial liabilities			
<i>Financial liabilities at amortized cost</i>			
Long term finances	10	4,802,821,980	3,407,093,079
Short term borrowings	17	9,243,031,713	2,559,054,165
Accrued interest/profit		629,628,589	60,290,812
Trade creditors	15	896,304,069	490,914,257
Accrued liabilities	15	483,956,971	324,516,135
Unclaimed dividend	15	8,613,908	7,809,531
		16,064,357,230	6,849,677,979

43 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

43.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

43.1.1 Credit risk management practices

In order to minimise credit risk, the Company has adopted a policy of only dealing with credit worthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. Particularly for customers, a dedicated team responsible for the determination of credit limits uses a credit scoring system to assess the potential as well as existing customers' credit quality and assigns or updates credit limits accordingly. The ageing profile of trade receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

The Company reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Company considers a financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due in the normal course of business based on history with the counterparty.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. This is usually the case with various customers of the Company where the Company has long standing business relationship with these customers and any amounts that are past due by more than 30 days in the normal course of business are considered 'performing' based on history with the customers. Therefore despite the foregoing, the Company considers some past due trade receivables to have low credit risk where the debtor has a good history of meeting its contractual cash flow obligations and is expected to maintain the same in future.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Company considers 'default' to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery.

The Company's credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has low credit risk	Trade receivables: Lifetime ECL Other assets: 12-month ECL
Doubtful	Credit risk has increased significantly since initial recognition	Lifetime ECL
In default	There is evidence indicating the assets is credit-impaired	Lifetime ECL
Write-off	There is no realistic prospect of recovery	Amount is written-off

43.1.2 Exposure to credit risk

Credit risk principally arises from the Company's Repayments and receivables. The maximum exposure to credit risk as at the reporting date is as follows:

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
Financial assets at amortized cost			
Long term deposits	21	50,441,329	47,485,185
Trade receivables	23	2,378,649,533	1,882,779,457
Advances to employees	25	13,950,327	11,457,948
Security deposits	25	389,590,577	474,465,177
Bank balances	27	481,627,186	2,578,010,074
		3,314,258,952	4,994,197,841

43.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Company's financial assets exposed to credit risk is as follows:

	Note	External credit rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount Rupees	Loss allowance Rupees
Long term deposits	21	N/A	Performing	12-month ECL	50,441,329	-
Trade receivables	23	N/A	Performing	Lifetime ECL	2,348,302,337	4,613,272
	23	N/A	In-default	Lifetime ECL	30,347,196	30,347,196
					2,378,649,533	34,960,468
Advances to employees	25	N/A	Performing	12-month ECL	13,950,327	-
Short term deposits	25	N/A	Performing	12-month ECL	389,590,577	-
Bank balances	27	A1 - A1+	N/A	12-month ECL	481,627,186	-
					3,314,258,952	34,960,468

(a) Long term deposits

Long term deposits comprise security deposits placed with various utility companies. These deposits are placed for an indefinite period without any fixed maturity and will be due for refund only if the Company ceases to use the underlying services. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(b) Trade receivables

For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on trade receivables by using internal credit risk gradings. As at the reporting date, trade receivables amounting to Rs. 30.347 million are considered to be credit impaired and thus 'in-default'. All other trade receivables are considered 'performing' including those past due as there is no significant increase in credit risk in respect of these debts since initial recognition. The ageing analysis of trade receivables as at the reporting date is as follows:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
Neither past due nor impaired	1,854,807,440	1,233,258,426
Past due by upto 30 days	404,356,847	112,216,035
Past due by 31 days to 180 days	89,138,050	439,733,507
Past due by 181 days or more	30,347,196	97,571,489
	2,378,649,533	1,882,779,457

(c) Advances to employees

Advances to employees have been given against future salaries and post-employment benefits. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(d) Short term deposits

These are placed with financial institutions with reasonably high credit ratings and therefore no credit loss is expected. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(e) Bank balances

The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

43.1.4 Concentrations of credit risk

There are no significant concentrations of credit risk.

43.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets with the exception of trade receivables amounting to Rs. 323.858 million (30-Jun-22: Rs. 316.555 million), which are partially secured through letters of credit and advances to employees which are secured against future salaries and post-employment benefits.

43.1.6 Changes in impairment allowance for expected credit losses

The changes in impairment allowance for expected credit losses are as follows:

	Note	30-Jun-23	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year		124,074,445	48,762,505
Impairment loss on trade receivables arising from contracts with customers			
- recognized during the year	23.2	5,253,515	94,367,492
- reversed during the year	23.2	(94,367,492)	(19,055,552)
Net change in impairment allowance		(89,113,977)	75,311,940
As at end of the year		34,960,468	124,074,445

43.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

43.2.1 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. The Company also maintains various lines of credit with banking companies.

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

43.2.2 Exposure to liquidity risk

The followings is the analysis of contractual maturities of financial liabilities, including estimated interest/profit payments.

	30-Jun-23				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	4,802,821,980	5,842,778,941	549,258,004	3,226,614,646	2,066,906,291
Short term borrowings	9,243,031,713	9,716,798,322	9,716,798,322	-	-
Accrued interest/profit	629,628,589	629,628,589	629,628,589	-	-
Trade creditors	896,304,069	896,304,069	896,304,069	-	-
Accrued liabilities	483,956,971	483,956,971	483,956,971	-	-
Unclaimed dividend	8,613,908	8,613,908	8,613,908	-	-
	16,064,357,230	17,578,080,800	12,284,559,863	3,226,614,646	2,066,906,291

	30-Jun-22				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	3,407,093,079	3,998,777,083	453,042,282	2,132,607,059	1,413,127,742
Short term borrowings	2,559,054,165	2,561,441,014	2,561,441,014	-	-
Accrued interest/profit	60,290,812	60,290,812	60,290,812	-	-
Trade creditors	490,914,257	490,914,257	490,914,257	-	-
Accrued liabilities	324,516,135	324,516,135	324,516,135	-	-
Unclaimed dividend	7,809,531	7,809,531	7,809,531	-	-
	6,849,677,979	7,443,748,832	3,898,014,031	2,132,607,059	1,413,127,742

43.3 Market risk

43.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency.

(a) Currency risk management

The Company manages its exposure to currency risk through continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities/payments to assets/receipts and using source inputs in foreign currency.

(b) Exposure to currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

	30-Jun-23 Rupees	30-Jun-22 Rupees
Financial assets		
Trade receivables		
USD	323,857,660	316,555,237
Bank balances		
USD	38,670,317	5,488,686
	362,527,977	322,043,923
Financial liabilities	-	-
Net balance sheet exposure	362,527,977	322,043,923

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
Foreign currency commitments		
CHF	(4,871,685)	(177,181,192)
EUR	(13,645,606)	(911,728,402)
JPY	(3,424,666)	(39,428,751)
USD	(439,610,072)	(3,684,588,683)
	(461,552,029)	(4,812,927,028)
Net exposure	(99,024,052)	(4,490,883,105)

(c) Exchange rates applied as at the reporting date

The following spot exchange rates were applied as at the reporting date.

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
CHF	320.34	215.96
EURO	313.72	215.75
USD	286.60	206.00
JPY	2.00	1.51

(d) Sensitivity analysis

A five percent appreciation in Pak Rupee against foreign currencies would have decreased profit for the year and equity as at the reporting date by Rs. 18.126 million (30-Jun-22: Rs. 16.102 million). A five percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year and equity. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

43.3.2 Interest/profit rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

(a) interest/profit bearing financial instruments

The effective interest/profit rates for interest/profit bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest/profit bearing financial instruments as at the reporting date are as follows:

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	2,979,440,688	3,221,531,694
Variable rate instruments		
Financial assets	389,590,577	474,465,177
Financial liabilities	11,066,413,005	2,744,615,550

(b) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

(c) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year and equity as at the reporting date by Rs. 106.768 million (30-Jun-22: Rs. 22.702 million). A decrease of 100 basis points would have had an equal but opposite effect on profit and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

(d) Interest rate risk management

The Company manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.

43.3.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is not exposed to price risk since the fair values of the Company's financial instruments are not based on market prices.

44 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders. The Company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances including current maturity. Total capital employed includes total equity as shown in the statement of financial position plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

	<i>Unit</i>	30-Jun-23	30-Jun-22
Total debt	<i>Rupees</i>	4,887,217,241	3,511,697,842
Total equity	<i>Rupees</i>	9,644,972,007	9,016,551,183
		14,532,189,248	12,528,249,025
Gearing	<i>% age</i>	33.63%	28.03%

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finance.

45 FAIR VALUE MEASUREMENTS

45.1 Financial Instruments

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all the financial instruments to approximate their fair values.

45.2 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than financial instruments are measured at fair value.

	30-Jun-23	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
46 RESTRICTION ON TITLE, AND ASSETS MORTGAGED/PLEDGED AS SECURITY		
Mortgages and charges		
Charge over current assets	21,732,980,000	12,299,000,000
Charge over fixed assets	8,200,330,000	7,587,690,000

47 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30-Jun-23		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	9,600,000	21,600,000	43,278,628
Allowances and perquisites	-	-	8,677,766
Post employment benefits	-	-	7,754,727
	9,600,000	21,600,000	59,711,121
Number of persons	1	2	15

	30-Jun-22		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	9,600,000	21,600,000	32,835,947
Allowances and perquisites	-	-	8,278,200
Post employment benefits	-	-	5,070,188
	9,600,000	21,600,000	46,184,335
Number of persons	1	2	12

48 SEGMENT INFORMATION

48.1 Products and services from which reportable segments derive their revenues

Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The Company's reportable segments are therefore as follows:

Segment	Product
Spinning	Yarn
Weaving	Fabric

Information regarding Company's reportable segments is presented below.

48.2 Information about reportable segments

	30-Jun-23		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	19,779,985,779	4,376,600,545	24,156,586,324
Intersegment revenues	258,779,412	-	258,779,412
Depreciation	344,394,839	112,961,922	457,356,761
Segment results	1,773,554,971	237,722,429	2,011,277,400
Segment assets	23,957,158,427	2,951,010,011	26,908,168,438
Segment liabilities	1,542,194,559	818,034,275	2,360,228,834
Interest income	64,661,369	9,328,767	73,990,136
Additions to non-current assets	2,481,842,470	196,329,960	2,678,172,430
Disposals of property, plant and equipment	9,200,962	1,943,104	11,144,066
	30-Jun-22		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	16,883,809,651	5,146,959,166	22,030,768,817
Intersegment revenues	558,012,055	-	558,012,055
Depreciation	293,989,132	98,476,501	392,465,633
Segment results	3,674,956,825	335,825,962	4,010,782,787
Segment assets	14,619,379,071	2,658,661,400	17,278,040,471
Segment liabilities	1,113,369,136	474,497,317	1,587,866,453
Interest income	18,133,505	-	18,133,505
Additions to non-current assets	2,423,915,765	196,208,430	2,620,124,195
Disposals of property, plant and equipment	1,294,914	380,491	1,675,405

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment results represent operating profit earned by the segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

48.3 Reconciliations of reportable segment information

48.3.1 Segment revenues

	30-Jun-23		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	20,038,765,191	4,376,600,545	24,415,365,736
Inter-segment revenues	(258,779,412)	-	(258,779,412)
Total for the Company	19,779,985,779	4,376,600,545	24,156,586,324

	30-Jun-22		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	17,441,821,706	5,146,959,166	22,588,780,872
Inter-segment revenues	(558,012,055)	-	(558,012,055)
Total for the Company	16,883,809,651	5,146,959,166	22,030,768,817

48.3.2 Segment assets

	30-Jun-23		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	23,957,158,427	2,951,010,011	26,908,168,438
Unallocated assets			
Long term deposits			50,441,329
Current taxation			311,363,436
Total for the Company	23,957,158,427	2,951,010,011	27,269,973,203

	30-Jun-22		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	14,619,379,071	2,658,661,400	17,278,040,471
Unallocated assets			
Long term deposits			47,485,185
Current taxation			-
Total for the Company	14,619,379,071	2,658,661,400	17,325,525,656

48.3.3 Segment liabilities

	30-Jun-23		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	1,542,194,559	818,034,275	2,360,228,834
Un-allocated liabilities			
Long term finances			4,802,821,980
Deferred taxation			269,132,925
Deferred grant			84,395,261
Short term borrowings			9,243,031,713
Accrued interest/profit			629,628,589
Workers' Profit Participation Fund			50,350,386
Workers' Welfare Fund			176,797,600
Unclaimed dividend			8,613,908
Total for the Company	1,542,194,559	818,034,275	17,625,001,196

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30-Jun-22		Total Rupees
	Spinning Rupees	Weaving Rupees	
Total for reportable segments	1,113,369,136	474,497,317	1,587,866,453
Un-allocated liabilities			
Long term finances			3,407,093,079
Deferred taxation			222,777,079
Deferred grant			104,604,763
Short term borrowings			2,559,054,165
Accrued interest/profit			60,290,812
Workers' Profit Participation Fund			203,436,516
Workers' Welfare Fund			156,042,075
Unclaimed dividend			7,809,531
Total for the Company	1,113,369,136	474,497,317	8,308,974,473

48.4 Geographical information

The Company's operations are not distributed geographically.

48.5 Information about significant customers

Sales include Rs. 4,474.114 million and Rs. 2524.886 million of revenue derived from sales to two customers, Faisal Spinning Mills Limited and Nishat Mills Limited respectively. There is no other single significant external customer to whom sales in excess of 10% of the Company's total sales were made during the year.

	30-Jun-23	30-Jun-22
	No of shares	No of shares
49 SHARES IN THE COMPANY HELD BY RELATED PARTIES		
Ordinary shares in the Company held by a related party is as follows:		
Faisal Spinning Mills Limited	1,189,160	1,189,160
	1,189,160	1,189,160

50 PLANT CAPACITY AND ACTUAL PRODUCTION

	Unit	30-Jun-23	30-Jun-22
Spinning			
Number of spindles installed	No.	86,496	73,440
Plant capacity on the basis of utilization converted into 20s count	Kgs'000	35,154	29,570
Actual production during the year	Kgs'000	28,165	28,551
Weaving			
Number of looms installed	No.	150	150
Plant capacity on the basis of utilization converted into 50 picks	Mtrs'000	27,848	30,866
Actual production converted into 50 picks	Mtrs'000	25,061	25,004

It is difficult to precisely compare production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindle speed and twist, picks etc. It would also vary according to the pattern of production adopted in a particular year.

The Company installed a new spinning unit of 13,056 spindles which started its trial run production later during the year whereas plant capacity has been calculated on annual basis.

BLESSED TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

51 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on 28 September 2023 has proposed dividend on ordinary shares at Rs. 16.50 per ordinary share of Rs. 10 each. The proposed dividend is subject to approval of the Company's shareholders in the forthcoming annual general meeting and thus has not been included as a liability in the financial statements.

52 NUMBER OF EMPLOYEES

	30-Jun-23	30-Jun-22
Total number of employees	1,634	1,496
Average number of employees	1,628	1,433

53 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

54 GENERAL

Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year.



Director



Chief Financial Officer



Chief Executive

Blessed Textiles Limited

Historical Data for the Year Ended June 30, 2023

Year-Wise Operating Data

2023	2022	2021	2020	2019	2018
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Spinning Unit

Spindle installed	86,496	73,440	72,240	68,640	68,640	68,640
Spindles worked	86,496	73,440	72,240	68,640	68,640	68,640
Installed capacity after conversion into 20/s count - Kg	30,254,000	29,570,000	27,583,000	23,405,000	23,405,000	23,405,000
Actual production converted into 20s - Kg	28,166,000	28,551,000	26,639,000	25,354,000	25,285,000	25,240,000

Weaving Unit

Air jet looms installed	150	150	150	140	140	140
Air jet looms worked	150	150	150	140	140	140
Installed capacity after conversion into 50 picks - Meter	27,848,000	30,866,000	29,355,000	29,355,000	29,355,000	20,352,500
Actual production converted to 50 picks - Meter	25,061,000	25,044,000	23,820,000	23,714,000	25,773,000	26,942,000

Year-Wise Financial Data

2023	2022	2021	2020	2019	2018
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Rupees in Thousands**Profit and loss account**

Turnover (Net)	24,156,586	22,030,769	15,430,567	12,359,646	12,346,175	10,257,434
Gross profit	2,572,223	5,054,580	3,309,978	1,247,768	1,612,731	1,071,515
Operating profit	2,011,277	4,010,783	2,666,496	855,987	1,159,828	690,724
Financial expenses	997,357	221,279	224,785	306,630	371,504	186,788
Profit before tax	1,013,921	3,789,504	2,441,711	549,357	788,324	503,936
Profit after tax	750,824	3,206,701	2,145,301	425,277	635,425	368,475
Cash dividend	106,128	212,256	212,256	150,509	127,354	147,936

Balance Sheet

Share Capital	64,320	64,320	64,320	64,320	64,320	64,320
Reserves	7,000,000	7,000,000	5,500,000	3,800,000	3,500,000	3,000,000
Shareholder equity	9,644,972	9,016,551	6,024,705	3,889,547	3,755,089	3,251,805
Long term loans	4,452,610	3,061,920	1,893,206	1,959,433	1,600,162	1,543,020
Short term loan	9,243,032	2,559,054	-	3,480,258	2,190,947	3,146,462
Current liabilities	11,925,205	4,336,730	1,327,122	4,271,426	3,185,410	3,980,546
Current portion of long term loans	368,670	364,484	461,487	59,566	369,637	303,439
Fixed assets	7,710,715	3,830,370	3,661,241	3,811,341	3,781,060	3,595,552
Current assets	18,905,536	11,173,716	6,117,459	6,936,294	5,333,098	5,695,622

Ratios**Performance**

Sales growth percentage - Year to Year basis

Gross profit (%)

Profit before tax (%)

Profit after tax (%)

	2023	2022	2021	2020	2019	2018
Sales growth percentage - Year to Year basis	9.65%	42.77%	24.85%	0.11%	20.36%	27.20%
Gross profit (%)	10.65%	22.94%	21.45%	10.10%	13.06%	10.45%
Profit before tax (%)	4.20%	17.20%	15.82%	4.44%	6.39%	4.91%
Profit after tax (%)	3.11%	14.56%	13.90%	3.44%	5.15%	3.59%

Breakup value per share - Rupees per share

Market value of share - at the year end - Rupees per share

	2023	2022	2021	2020	2019	2018
Breakup value per share - Rupees per share	1499.53	1401.83	936.68	604.72	583.81	505.57
Market value of share - at the year end - Rupees per share	331.62	490.00	440.00	255.00	239.90	355.30

Earnings per share - Rupees per share

Price earning ratio

	2023	2022	2021	2020	2019	2018
Earnings per share - Rupees per share	116.73	498.55	333.54	66.12	98.79	57.29
Price earning ratio	2.84	0.98	1.32	3.86	2.43	6.20

Leverage

Gearing ratio

Debt to equity (%)

Interest covering ratio

	2023	2022	2021	2020	2019	2018
Gearing ratio	1.46	0.66	0.39	1.41	1.11	1.54
Debt to equity (%)	46.17%	33.96%	31.42%	50.38%	42.61%	47.45%
Interest covering ratio	2.02	18.13	11.86	2.79	3.12	3.70

Liquidity ratio

Current ratio

	2023	2022	2021	2020	2019	2018
Current ratio	1.59	2.58	4.61	1.62	1.67	1.43

BLESSED TEXTILE LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2023

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Director's, CEO, Their Spouse and Minor Children	22	2,289,984	35.60
2	Associated Companies, Undertaking and Related Parties	19	3,147,516	48.94
3	Banks / Financial Institutions and Stock Funds	2	18,531	0.29
4	Insurance Company	1	393,900	6.12
5	General Public / Individuals	592	562,200	8.74
6	Joint Stock Companies	4	1,700	0.03
7	Other Companies	5	18,169	0.28
		645	6,432,000	100.00

BLESSED TEXTILE LIMITED
AS AT JUNE 30, 2023

Sr #	Shareholder Category	Percentage	No. of Shares
1	ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES		
	M/S. FAISAL SPINNING MILLS LTD	18.49	1,189,160
	MR. MUHAMMAD SHAKEEL	0.47	30,000
	MR. FARRUKH SALEEM	1.41	91,000
	MR. YOUSUF SALEEM	1.96	126,100
	MR. SAQIB SALEEM	1.47	94,700
	MR. MUHAMMAD QASIM	4.17	268,100
	MR. FAISAL SHAKEEL	4.12	265,196
	MR. HAMZA SHAKEEL	4.12	265,197
	MR. ABDULLAH BILAL	1.53	98,100
	MR. MUHAMMAD UMER	0.04	2,500
	MR. YAHYAA FARRUKH	2.35	151,194
	MRS. NAZLI BEGUM	3.66	235,196
	MRS. SABA YOUSUF	1.71	109,794
	MRS. SABA SAQIB	2.29	147,494
	MRS. SUMBUL QASIM	1.15	73,785
2	Director's, CEO, Their Spouse and Minor Children		
	MR. MUHAMMAD SHAHEEN	1.07	69,000
	MR. MUHAMMAD SALEEM	0.78	50,000
	MR. KHURRAM SALEEM	0.99	63,900
	MR. BILAL SHARIF	3.58	230,285
	MR. MUHAMMAD AMIN	4.39	282,400
	MR. ADIL SHAKEEL	4.12	265,196
	MR. MUSTAFA TANVIR	0.04	2,500
	MR. ASIF ELAHI	0.04	2,500
	MR. TAUQEER AHMED SHEIKH	0.04	2,500
	MRS. SAMIA BILAL	8.33	536,000
	MRS. YASMIN BEGUM	0.65	42,000
	MRS. SEEMA BEGUM	0.63	40,600
	MRS. AMNA KHURRAM	2.73	175,803
	MRS. FATIMA AMIN	5.14	330,400
	MRS. MARIUM ADIL	0.01	500
	MASTER AZAAN BILAL	1.53	98,200
	MASTER ALI BILAL	1.53	98,200
3	BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS AND INSURANCE COMPANIES		
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	6.12	393,900
	NATIONAL BANK OF PAKISTAN	0.00	31
	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	0.29	18,500

4	JOINT STOCK COMPANIES	0.03	1,700
5	INDIVIDUAL SHAREHOLDERS	8.74	562,200
6	OTHER COMPANIES	0.28	18,169
	TOTAL	100.00	6,432,000
7	DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN		
8	SHAREHOLDERS HOLDING 05% OR MORE		
	M/S. FAISAL SPINNING MILLS LTD	18.49	1,189,160
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	6.12	393,900
	MRS. SAMIA BILAL	8.33	536,000
	MRS. FATIMA AMIN	5.14	330,400

BLESSED TEXTILE LIMITED
PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2023

NUMBERS OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD	Percentage
	FROM	TO		
356	1	100	12,652	0.20
162	101	500	62,761	0.98
37	501	1000	33,001	0.51
37	1001	5000	100,300	1.56
6	5001	10000	42,344	0.66
8	10001	15000	101,527	1.58
2	15001	20000	36,700	0.57
2	20001	25000	42,500	0.66
2	25001	30000	60,000	0.93
1	35001	40000	37,100	0.58
2	40001	45000	82,600	1.28
2	45001	50000	97,500	1.52
1	50001	55000	53,400	0.83
2	60001	65000	126,400	1.97
1	65001	70000	69,000	1.07
2	70001	75000	147,030	2.29
3	90001	95000	280,485	4.36
4	95001	100000	391,200	6.08
1	125001	130000	126,100	1.96
1	130001	135000	135,000	2.10
2	135001	140000	273,700	4.26
1	160001	165000	163,200	2.54
1	190001	195000	191,951	2.98
1	235001	240000	235,196	3.66
3	265001	270000	798,493	12.41
1	280001	285000	282,400	4.39
1	330001	335000	330,400	5.14
1	390001	395000	393,900	6.12
1	535001	540000	536,000	8.33
1	1185001	1190000	1,189,160	18.49
645			6,432,000	100.00








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










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ڈائریکٹرز رپورٹ

محترم ممبران آپ کی کمپنی کے ڈائریکٹرز 30 جون 2023 کو ختم ہوئے سال کے لئے کمپنی کے مالی بیان پر آڈٹ رپورٹ پیش کرنے کے ساتھ خوش ہیں۔

مالی نتائج

کمپنی کے مالی نتائج 30 جون 2023 کو ختم ہوئے۔

	30-Jun-23 Rupees	30-Jun-22 Rupees
Revenue from contracts with customers - net	24,156,586,324	22,030,768,817
Cost of sales	(21,584,363,517)	(16,976,189,058)
Gross profit	2,572,222,807	5,054,579,759
Selling and distribution expenses	(427,916,625)	(511,136,730)
Administrative expenses	(240,788,101)	(200,567,090)
Other expenses	(74,205,911)	(279,726,591)
Impairment reversals/(allowance) for expected credit losses	(742,910,637)	(991,430,411)
Other income	89,113,977	(75,311,940)
	1,918,426,147	3,987,837,408
Operating profit	92,851,253	22,945,379
Finance cost	(997,356,701)	(221,279,054)
Profit before taxation	1,013,920,699	3,789,503,733
Provision for taxation	(263,096,447)	(582,802,679)
Profit after taxation	750,824,252	3,206,701,054

معاشی حالات کی خرابی، بلند افراط زر اور قرض لینے کے ساتھ ساتھ توانائی کے بحران اور سیاسی مخمصے کے باوجود کمپنی کی آمدنی میں تقریباً 9.65 فیصد اضافہ ہوا ہے جو کہ 30 جون 2023 کو ختم ہونے والے رواں سال کے دوران 22,030.768 ملین روپے سے بڑھ کر 24,156.586 ملین روپے ہو گیا ہے۔ سال رواں سال فروخت کے لیے مجموعی منافع اسی سال کے دوران 22.94 فیصد سے کم ہو کر 10.65 فیصد ہو گیا۔

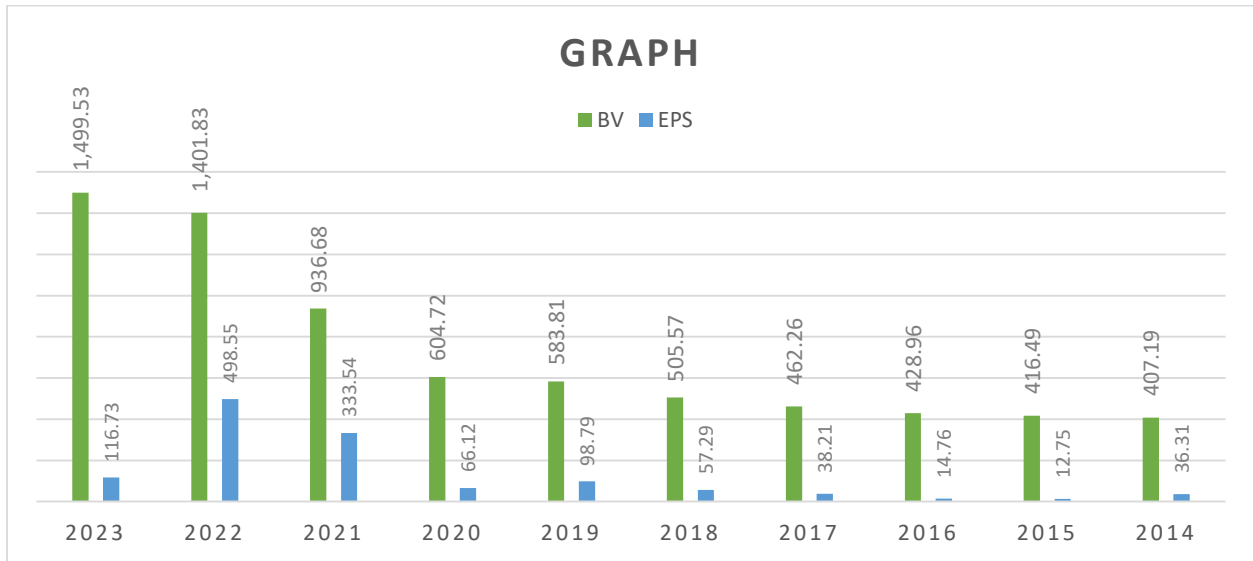
اسی طرح، کمپنی کے منافع میں بھی رواں سال کے دوران کمی واقع ہوئی ہے جہاں اس نے اسی مدت کے مقابلے میں 750.824 PKR ملین کا بعد از ٹیکس منافع حاصل کیا جہاں یہ 3,206.701 PKR ملین رہا۔

منافع اور ریزرو اختصاص۔

بورڈ آف ڈائریکٹرز 27 اکتوبر 2022 کو ہونے والی آئندہ سالانہ جنرل میٹنگ میں آڈٹ کمیٹی کی سفارشات کے مطابق 330.00 فیصد یعنی 33.00 PKR فی حصص کے کیش ڈیویڈنڈ کی منظوری دیتے ہوئے خوش ہیں۔

فی شیئر آمدنی اور شیئر کی بریک اپ ویلیو۔

سرمایہ کار کمپنی کی مالی صحت کا جائزہ لینے اور سرمایہ کاری کے لیے بہترین انٹری پوائنٹ کی نشاندہی کرنے کے لیے بریک اپ ویلیو کا استعمال کرتے ہیں، فی حصص آمدنی (EPS) ایک کلیدی میٹرک ہے جو کمپنی کے منافع کے عام شیئر ہولڈر کے حصے کا تعین کرنے کے لیے استعمال ہوتی ہے جب کہ سرمایہ کار بریک اپ ویلیو کا اندازہ لگانے کے لیے استعمال کرتے ہیں۔ کمپنی کی مالی طاقت اور سرمایہ کاری کے لیے بہترین انٹری پوائنٹ کا تعین کریں۔ کمپنی کا گورننگ بورڈ کمپنی کے مالی استحکام کو برقرار رکھتے ہوئے شیئر ہولڈر کے منافع کو زیادہ سے زیادہ کرنے کے لیے کام کرتا ہے۔ 30 جون، 2023 کو ختم ہونے والے سال کے لیے فی شیئر آمدنی 30 جون، 2022 کے مقابلے میں 116.73 PKR ہے جہاں یہ 498.55 تھی۔ اسی طرح، 30 جون، 2023 کو ختم ہونے والے سال کے لیے فی شیئر بریک اپ ویلیو اسی سال کے مقابلے میں 1,499.53 PKR ہے جہاں یہ 1,401.83 PKR تھی۔



ورکنگ کیپٹل مینجمنٹ

ایک فرم کی مضبوط مالی بنیاد اور آپریشنل کارکردگی کا انحصار موثر ورکنگ کیپٹل مینجمنٹ پر ہوتا ہے۔ ترقی، منافع، اور لیکویڈٹی کے درمیان مضبوط توازن برقرار رکھنے کے لیے ورکنگ کیپٹل مینجمنٹ کو استعمال کرنے کی صلاحیت کامیاب کاروباری انتظام کی علامت ہے۔ بورڈ اس بات کو یقینی بناتا ہے کہ کاروبار اپنے موجودہ اثاثوں اور ذمہ داریوں پر نظر رکھ کر اور اس کا بہترین استعمال کرتے ہوئے آسانی سے چلتا ہے۔

اگرچہ 30 جون 2023 کو ختم ہونے والے سال کے دوران موجودہ تناسب میں کمی واقع ہوئی ہے (1.59 سال 2022: 2.58) لیکن پھر بھی یہ کمپنی کی موجودہ ذمہ داری کو آسانی سے ادا کرنے کی صلاحیت کو ظاہر کرتا ہے۔ موجودہ سال کے دوران کمپنی نے اکاؤنٹ کی طویل مدتی مالیات پر PKR 353.291 ملین ادا کیے ہیں جبکہ قرض کی خدمت کے لیے PKR 326.252 ملین ادا کیے گئے ہیں۔

فنانسنگ ڈھانچہ۔

حصص یافتگان کا سرمایہ زیادہ سے زیادہ ہو جاتا ہے جبکہ سرمائے کے مناسب مالیاتی مرکب کے ساتھ سرمائے کی کل لاگت کو کم کیا جاتا ہے۔ اضافی یا کم سرمایہ کاری سے گریز کرتے ہوئے، بورڈ ایکویٹی اور قرض کے درمیان ایک محتاط توازن کی تلاش کرتا ہے جسے کمپنی اپنے اثاثوں، جاری آپریشنز، اور مستقبل میں توسیع کے لیے استعمال کرتی ہے۔ اس سے اس کے منافع میں اضافہ ہوتا ہے، جو کہ اسٹیک ہولڈرز کو بڑے منافع کے طور پر تقسیم کیا جاتا ہے۔

ہمارے نئے اسپننگ یونٹ کے لیے طویل مدتی فنانسنگ میں اضافے کی وجہ سے 30 جون 2023 (سال 2022: 0.66) کو ختم ہونے والے موجودہ سال کے دوران گیٹرنگ ریشو میں اضافہ کیا گیا ہے جہاں یہ 1.46 پر ہے۔

توازن ، جدید کاری اور تبدیلی

موجودہ سال کے دوران تکنیکی ترقی کے ساتھ رفتار کو برقرار رکھنے کے لیے مشینری اور قابل تجدید توانائی کے اقدام میں تقریباً PKR 780.00 ملین کا اضافہ کیا گیا ہے۔

نئے اسپننگ یونٹ کا قیام

فروری 2021 میں بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ اسپننگ یونٹ IV جس میں 13,056 سپنڈلز شامل ہیں جس کی پیداواری صلاحیت تقریباً 450 بیگز فی دن ہے شیخوپورہ، پنجاب میں کامیابی کے ساتھ آزمائشی پیداوار مکمل کر لی ہے۔ اللہ کے فضل سے یہ یونٹ مکمل طور پر فعال ہے اور اس نے جولائی 2023 میں اپنی تجارتی پیداوار شروع کر دی ہے۔

کریڈٹ ریٹنگ

موجودہ سال کے لیے 26 ستمبر 2023 کو شائع کردہ Messer's VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کے ذریعے ادارے کی درجہ بندی کی 'A/A-1' (سنگل A/A-One) پر دوبارہ تصدیق کر دی گئی ہے۔ دی گئی درجہ بندیوں پر ہستی کے آؤٹ لک کو 'مستحکم' کے طور پر تفویض کیا گیا ہے۔

مالیاتی گوشوارے

جیسا کہ کمپنیز ایکٹ 2017 کے تحت ضرورت ہے، پی ایس ایکس کے ریگولیشن ریگولیشنز اور ایس ای سی پی کی طرف سے جاری کردہ ہدایات چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی بیانات پیش کیے، ان کے متعلقہ دستخطوں کے تحت غور کے لیے توثیق کی گئی، جاری کرنے اور گردش کے لیے بورڈ آف ڈائریکٹرز کی منظوری اور اجازت۔ کمپنی کے مالیاتی بیانات کو کمپنی کے آڈیٹروں نے باقاعدہ طور پر آڈٹ کیا ہے، رحمن سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس اور آڈیٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے مالی بیانات پر کلین آڈٹ رپورٹ جاری کی ہے اور بیان پر صاف جائزہ رپورٹ کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 "کوڈ"۔ یہ رپورٹیں مالی بیانات کے ساتھ منسلک ہیں۔

اکاؤنٹنگ کے معیارات

کمپنی کی اکاؤنٹنگ پالیسیاں کمپنیز ایکٹ، 2017 اور اس طرح کے منظور شدہ بین الاقوامی اکاؤنٹنگ سٹینڈرڈز اور انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز کی مکمل طور پر عکاسی کرتی ہیں جیسا کہ اس ایکٹ کے تحت مطلع کیا گیا ہے اور ساتھ ہی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کے ذریعے۔

معیشہ کا جائزہ

موجودہ منفی میکرو اکنامک ماحول، بین الاقوامی اور ملکی سطح پر، بلند شرح سود، افراط زر کا دباؤ، خام مال کی بڑھتی ہوئی قیمتیں، ملک کا طویل توانائی کا بحران، اور عالمی سطح پر طلب میں کمی، خاص طور پر شمالی امریکہ اور یورپ سے، درمیانی مدت کے چیلنجز کا سامنا ہے۔ صنعت 2021 سے 2023 کا عالمی توانائی بحران کوویڈ 19 وبائی مرض اور یوکرائنی تنازعہ کے نتیجے میں شروع ہوا جس کے ساتھ دنیا کے بیشتر حصے کو قلت کا سامنا کرنا پڑا اور تیل، گیس اور بجلی کی منڈیوں میں قیمتوں میں اضافہ ہوا۔ COVID-19 کے مسلسل اثرات پاکستان کی ٹیکسٹائل انڈسٹری کو تشکیل دیتے رہتے ہیں کیونکہ اس سے قبل خطے میں لاک ڈاؤن میں نرمی کی گئی تھی، ٹیکسٹائل سیکٹر نے مواقع حاصل کیے اور مغربی ممالک کے ساتھ مینوفیکچرنگ کے معاہدے کیے تھے۔ حکومت کے درآمدی ٹیکسوں میں کمی اور TERF جیسے سبسڈی والے کووڈ سے متعلقہ فنڈنگ پروگراموں کے ساتھ ساتھ، پاکستان کے لیے اس بڑے

حجم کی ری ڈائریکشن نے مالی سال 20-22 کے دوران مضبوط برآمدی ترقی کو ہوا دینے میں مدد کی۔ تاہم، بعد کے مرحلے نے جغرافیائی سیاسی اتھل پتھل کے ساتھ مزید مشکلات پیدا کیں، جیسے کہ یوکریین میں تنازعہ، عالمی شرح سود میں اضافے کے ساتھ ساتھ وبائی امراض کے بعد کی افراط زر کو کنٹرول کرنے کے لیے سپلائی چین میں خلل پڑنے اور توانائی کے بحران کی وجہ سے۔ ان عوامل کی وجہ سے دنیا بھر میں ٹیکسٹائل کی مارکیٹ میں سست روی آئی، جس کی عکاسی مالی سال 23 میں پاکستان کی ٹیکسٹائل کی برآمدات میں سال بہ سال 15 فیصد کمی سے ہوئی، جو کہ 16.5 بلین امریکی ڈالر (مالی سال 22 میں 19.3 بلین امریکی ڈالر کے مقابلے) پر آگئی۔ پاکستان اس وقت 23 اگست میں 27.4 فیصد کے ایک اہم سنگم پر اعلیٰ افراط زر کے ساتھ ساتھ 0.3 فیصد کی کم اقتصادی ترقی کے تمام وسیع اثرات سے نمٹ رہا ہے، 22 فیصد سود کی شرح جس نے اپنے مقصد کو حاصل کیے بغیر کاروباری ماحول کو شدید نقصان پہنچایا ہے۔ مہنگائی کو کنٹرول کرنے کا مقصد یہ معاشی چیلنج دور رس نتائج کا حامل ہے، جو نہ صرف قوم کے حال بلکہ اس کے مستقبل کی سمت بھی تشکیل دیتا ہے۔ مہنگائی کی اونچی شرحوں کی وجہ سے پیدا ہونے والی اعلیٰ اقتصادی غیر یقینی صورتحال کمپنیوں کے لیے منصوبہ بندی اور سرمایہ کاری کو مشکل بناتی ہے جس کے نتیجے میں اس غیر یقینی صورتحال کی وجہ سے معاشی ترقی میں رکاوٹ پیدا ہوتی ہے، جس سے ملکی اور غیر ملکی سرمایہ کاری کی حوصلہ شکنی ہو سکتی ہے۔

توانائی کے شعبے کی نا اہلی ایک اور مسئلہ ہے جس پر توجہ دینا ضروری ہے۔ معاشی استحکام اور خوشحالی کے لیے قابل اعتماد اور سستی توانائی کی فراہمی بہت ضروری ہے۔ توانائی کی طلب کے بڑھتے ہوئے غیر پائیدار انتظام اور درآمدی جیواشم ایندھن اور فرسودہ کوئلے کی ٹیکنالوجی پر پاکستان کے مسلسل انحصار کی وجہ سے ملک کی توانائی کی حفاظت، لاگت کی تاثیر، توانائی کی کارکردگی اور ڈیکاربنائزیشن کے بین الاقوامی معیار کی تعمیل پر اثر پڑا ہے۔ پاکستان میں شمسی، ہوا، ہائیڈرو، جیوتھرمل اور بائیو ماس سمیت قابل تجدید ذرائع سے توانائی کی بڑھتی ہوئی طلب کو پورا کرنے کی زبردست صلاحیت ہے، کیونکہ یہ وسائل ملک میں بہت زیادہ دستیاب ہیں۔ مثال کے طور پر، شمسی توانائی اس وقت سب سے زیادہ دلکش متبادل توانائی کا ذریعہ ہے اور اس نے بہت زیادہ توجہ مبذول کی ہے۔

ٹیکسٹائل کی صنعت نے پیداواری عمل اور GHG کے اخراج کے دوران بہت زیادہ توانائی استعمال کی ہے جو کہ خام مال کی تیاری، کٹائی، مرنے، اور ضائع شدہ ٹیکسٹائل کو ضائع کرنے کے دوران ماحول میں چھوڑی جاتی ہے، جو کہ ٹیکسٹائل کی پیداوار کے تمام اہم مراحل ہیں۔ پاکستان کی ٹیکسٹائل انڈسٹری کی جانب سے قابل تجدید توانائی (RE) سلوشنز کی طرف تبدیل ہونے سے نہ صرف پیسے اور وسائل کی بچت ہوتی ہے بلکہ اس شعبے کی بین الاقوامی توانائی کی کارکردگی اور صنعتی ڈیکاربنائزیشن کے معیار کے ساتھ مجموعی تعمیل میں بھی بہتری آتی ہے، جیسا کہ +GSP کی تجدید کے ساتھ یورپی گرین ڈیل کے لیے ضروری ہے۔ دسمبر 2023۔ جب کہ ٹیکسٹائل کی بڑی فرمیں قابل تجدید توانائی کے منصوبوں کو فروغ دے رہی ہیں، جیسے سولرائزیشن پروگرام اور سامان کی تنصیب جیسے فضلہ حرارت کی وصولی کے بوائلرز اور بوائلرز کو بائیو ماس فیول میں تبدیل کرنا اور اگر خود مختار پائیدار بجلی کے قیام کے لیے مناسب مالی مختص کرنے کا دانشمندی سے منصوبہ بنایا گیا تو، ٹیکسٹائل سیکٹر اس میں آگے بڑھ سکتا ہے۔ مزید برآں، RE ٹیکنالوجیز صنعت کو فراہم کرنے کے لیے مناسب قیمت کے حل میں ترقی کر رہی ہیں، جو صنعتی عمل کی لاگت کی تاثیر کو بہتر بنا سکتی ہیں۔

لہذا، ہم پاکستانی حکومت کو مشورہ دیتے ہیں کہ وہ کاربن کے اخراج کو کم کرنے اور RE کی ترقی میں معاونت کرنے والے اقدامات میں نجی شعبے کی شرکت کی حوصلہ افزائی کرے۔ حکومت کو چاہیے کہ وہ شمسی توانائی، وہیلنگ فیس کے لیے نیٹ میٹرنگ پلان کی موجودہ خرابیوں کو دور کرے، اور پائیداری کو دوبارہ حاصل کرنے اور RE سلوشنز کو اپنانے کی جانب پیش قدمی کے لیے علاقائی سطح پر مسابقتی توانائی کی قیمتوں کی پیشکش جاری رکھے۔ اس سے اس شعبے کو ملک کی موجودہ RE صلاحیت کا زیادہ سے زیادہ فائدہ اٹھانے، فوسل فیول پر انحصار کم کرنے اور بین الاقوامی برآمدی منڈی میں مسابقت کو بہتر بنانے میں مدد ملے گی۔ اس کوشش کو توانائی کی بچت کے لیے بیرونی دباؤ اور اندرونی ضروریات کو مدنظر رکھتے ہوئے قابل تجدید توانائی کے ذرائع کے اختلاط کو بڑھا کر اور توانائی کی بچت والی ٹیکنالوجیز کو لاگو کر کے ڈی کاربنائزیشن کو فروغ دینا چاہیے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر بیان۔

آپ کی کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017، کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 "کوڈ"، پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ ہدایات کے تحت اپنی ذمہ داریوں سے آگاہ ہیں۔ ریگولیشنز کی تعمیل کے ایک حصے کے طور پر ہم مندرجہ ذیل کی تصدیق کرتے ہیں:

financial یہ مالیاتی بیانات، جو کمپنی کے انتظام کے ذریعہ تیار کیے گئے ہیں، اس کے معاملات کی منصفانہ حالت، اس کے کام کا نتیجہ، نقد بہاؤ اور ایکوٹی میں تبدیلیوں کو پیش کرتے ہیں۔

the کمپنی کے اکاؤنٹ کی مناسب کتابیں برقرار رکھی گئی ہیں۔

account مناسب حساب کتاب کی پالیسیوں کو مالی بیانات کی تیاری میں مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ معقول اور سمجھدار فیصلے پر مبنی ہے۔

- بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔
- internal اندرونی کنٹرول کا نظام ڈیزائن میں درست تھا اور اسے مؤثر طریقے سے نافذ اور مانیتئر کیا گیا ہے۔
- the کمپنی کی مستقل تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں تھے۔
- corporate کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہوئی، جیسا کہ فہرست سازی کے قواعد و ضوابط میں تفصیلی ہے۔
- ہم نے ڈائریکٹروں اور ملازمین کے درمیان ایک ضابطہ اخلاق اور کاروباری حکمت عملی تیار اور گردش کی ہے۔
- Direct بورڈ آف ڈائریکٹرز نے ویژن اور مشن کا بیان اور مجموعی کارپوریٹ حکمت عملی کا بیان اپنایا ہے۔

- تمام ڈائریکٹرز نے اس کی عام میٹنگ میں شرکت کی ہے جب تک کہ معقول وجہ کی بنا پر روک نہ لگائی جائے۔
- تمام ڈائریکٹرز کو ان کی ذمہ داریوں ، کرداروں ، معاوضوں ، اختیارات اور ذمہ داری کے ساتھ ان کی شرائط کے آغاز پر کوڈ آف کارپوریٹ گورننس ، کمپنیز ایکٹ اور آرٹیکل آف ایسوسی ایشن کے مطابق تفویض کیا جاتا ہے۔
- of کمپنی کے تمام ڈائریکٹرز کو ڈائریکٹر ٹریننگ پروگرام (ڈی ٹی بی) کے تحت تسلیم شدہ / چھوٹ دی گئی ہے جیسا کہ کوڈ آف کارپوریٹ گورننس ریگولیشن کی ضرورت ہے۔
- human انسانی وسائل ، سیٹی بجانے ، خریداری ، اسٹیک ہولڈرز کے ساتھ مواصلاتی طریقہ کار ، ماحولیات ، صحت اور حفاظت ، ڈائریکٹر کا معاوضہ ، اینٹی منی لانڈرنگ اور رسک مینجمنٹ وغیرہ پر بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ اہم پالیسیوں کا مناسب تازہ ترین ریکارڈ موجود ہے۔
- جیسا کہ کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017 کی ضرورت ہے ، ہم نے درج ذیل معلومات کو اس رپورٹ میں شامل کیا ہے۔

- o شیئر ہولڈنگ کے پیٹرن کا بیان الگ سے دیا گیا ہے۔
- o متعلقہ کاروباری اداروں اور متعلقہ افراد کے حصص کا بیان۔
- o سال کے دوران ہونے والی بورڈ میٹنگز اور سالانہ جنرل میٹنگ کا بیان اور ہر ڈائریکٹر کی حاضری الگ سے دی گئی ہے۔
- o کمپنیز ایکٹ کے سیکشن 192 (4) کی دفعات کے تحت چیئرمین جازہ رپورٹ۔
- o ضابطے کے ضابطہ 36 کے تحت چیئرمین کی طرف سے دستخط شدہ تعمیل کا بیان۔
- o six پچھلے چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعدادوشمار۔ ٹیکس اور لیویز کے بارے میں معلومات منسلک آڈٹ شدہ مالی بیانات میں مناسب طریقے سے ظاہر کی گئی تھیں۔
- o listed کمپنی ایس ای سی پی کی طرف سے جاری کردہ ہدایات کی سختی سے پیروی کرتی ہے جو کہ لسٹڈ کمپنیوں کے اندرونی تجارت کی ممانعت پر ہے اور کمپنی کے حصص میں کوئی تجارت اس کے ڈائریکٹر ، سی ای او ، سی ایف او ، کمپنی سیکرٹری ، ہیڈ آف انٹرنل آڈٹ اور ان کے میاں بیوی اور نابالغ بچوں کے علاوہ نہیں شیئر ہولڈنگ کے انداز میں انکشاف

شیئر ہولڈنگ کا نمونہ۔

شیئر ہولڈنگ کا پیٹرن اور اس سے متعلقہ معلومات اس کے مطابق منسلک ہیں۔

متعلقہ پارٹی لین دین

متعلقہ پارٹی ٹرانزیکشنز (RPT) اور ان کی حیثیت کا IAS 24 کے تحت ضرورت کی تعمیل کرتے ہوئے مناسب طور پر انکشاف کیا جاتا ہے۔ مزید برآں، SRO 768 (1) کے ذریعے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ نوٹیفکیشن کے مطابق سب کے لیے ایک مضبوط پالیسی موجود ہے۔ (2019 اور گائیڈ لائنز کو کمپنی کی پالیسی میں لین دین اور ریکارڈ کی دیکھ بھال کے حوالے سے

مناسب طریقے سے شامل کیا گیا ہے۔ آر پی ٹی کو اندرونی آڈٹ کے ذریعے باضابطہ طور پر منظور کیا گیا تھا جس کے بعد بورڈ میٹنگ میں اسے پیش کرنے سے پہلے آڈٹ کمیٹی کی منظوری لی گئی تھی، تاکہ اس بات کو یقینی بنایا جا سکے کہ کاروباری سرگرمی کے معمول کے دوران تمام لین دین مکمل طور پر مکمل ہوں۔ 30 جون 2023 کو ختم ہونے والے موجودہ مالی سال کے دوران تمام آر پی ٹیز کو ممبران کی منظوری کے لیے کمپنی کی جنرل میٹنگ کے سامنے پیش کیا جائے گا۔ اسی طرح، بورڈ نے 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران کئے جانے والے لین دین کے لیے کمپنی کی جنرل میٹنگ میں ممبران کی منظوری حاصل کرنے کا بھی فیصلہ کیا ہے اور اسے اگلے سالانہ جنرل میٹنگ میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔ ان کی رسمی توثیق / منظوری۔

بورڈ کی تشخیص

کمپنی نے بورڈ کی کارکردگی، اس کی کمیٹیوں، اور فیصلہ سازی میں بہتر ذمہ داری کے لیے قیادت کے کرداروں کی وضاحت کے لیے ایک اندرونی بورڈ کا جائزہ لینے کا عمل کیا۔ گورننگ بورڈز اور اس کی کمیٹیوں کی افادیت پر توجہ دیں۔ تقسیم کردہ سروے کے ذریعے جمع کردہ ڈیٹا کے ساتھ ساتھ کمیٹی اور بورڈ کے اراکین کے ساتھ ہماری بات چیت کے نتیجے میں ڈیٹا۔ کمیٹی اور بورڈ کے اراکین نے کارپوریٹ گورننس کے بڑے مسائل پر دو طرفہ مکالمے کے عمل پر مشتمل ایک مکمل سوالنامے کا بھی جواب دیا ہے۔ موجودہ مالی سال کے دوران ضابطہ کے ضابطے 10(3)(v) کے مطابق ایک مکمل داخلی جائزہ لیا گیا ہے تاکہ طاقت کے شعبوں اور ان شعبوں کی نشاندہی کی جا سکے جہاں بورڈ کی مجموعی کارکردگی اور کام کاج کو بڑھانے کے لیے بہتری لائی جا سکتی ہے۔

بورڈ کی تشکیل

ضابطہ 34 کے تحت ضرورت کے مطابق دس (10) ڈائریکٹرز کا بورڈ مندرجہ ذیل پر مشتمل ہے۔

Sr No	Category	Gender		Total
		Male	Female	
(i)	Independent Director	3	0	3
(ii)	Executive Directors	3	0	3
(ii)	Non- Executive Directors	3	1	4

بورڈ اور آڈٹ کمیٹی کے اجلاس

- تمام ڈائریکٹرز، میٹنگ میں شرکت کے اہل، کمپنی کی جنرل میٹنگز میں شرکت کی ہے۔
- کوڈ کے ریگولیشن 10 (6) کے تحت ذاتی طور پر یا ویڈیو کانفرنس کے ذریعے جب تک کسی معقول کی وجہ سے ایسا کرنے سے روک دیا جائے۔ 2022-23 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور ہیومن ریسورس اور معاوضہ کمیٹی کے اجلاس اور شرکت کی میٹنگ کی تعداد درج ذیل ہے۔

Name of Directors	Board of Directors		Committees			
			Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	6	6	-	-	-	-
Mr. Muhammad Shaheen	6	6	-	-	-	-
Mr. Khurram Salim	6	6	6	6	1	1
Mr. Bilal Sharif	6	6	6	6	-	-
Mr. Muhammad Amin	6	6	-	-	-	-
Mr. Adil Shakeel	6	6	-	-	1	1
Mr. Tauqeer Ahmed Sheikh	6	6	6	6	1	1
Mr. Asif Elahi	6	6	-	-	-	-
Mr. Mustafa Tanvir	6	6	-	-	-	-
Mrs. Samia Bilal	6	5	-	-	-	-

آڈٹ کمیٹی

Sr	Name	Designation	Category
i	Khurram Salim	Member	Non- Executive Director
ii	Bilal Sharif	Member	Non- Executive Director
iii	Tauqeer A Sheikh	Chairman	Independent Director

آڈٹ کمیٹی تین ممبران پر مشتمل ہوتی ہے جس میں چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے جبکہ باقی تمام نان ایگزیکٹو ڈائریکٹر ہوتے ہیں اور بورڈ آف ڈائریکٹرز کی طرف سے تفویض کردہ شرائط کے تحت اپنی ذمہ داریاں نبھاتے ہیں۔ مالیاتی خواندہ ممبر کی تقرری ضابطہ کے باب 10 میں ضابطہ 27(1)(iii) کے مطابق کی گئی ہے۔ بورڈ آف ڈائریکٹرز کی منظوری سے قبل عبوری اور سالانہ مالیاتی گوشواروں کا جائزہ لینے کے لیے کوڈ کے ضابطہ 27(2) کی تعمیل میں آڈٹ کمیٹی باقاعدگی سے میٹنگ کرتی تھی اور CFO کی غیر موجودگی میں بیرونی آڈیٹر کے ساتھ سال میں ایک بار اضافی میٹنگ کرتی تھی۔ اور دوسرا CFO اور بیرونی آڈیٹر دونوں کی غیر موجودگی میں اندرونی آڈیٹر کے ساتھ۔ کمپنی کے بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی (AC)، جسے کمپنی کے طریقہ کار اور اندرونی کنٹرول کا مکمل علم ہے، مالیاتی رپورٹنگ اور افشاء کرنے کے عمل کی نگرانی کا انچارج ہے۔ اکاؤنٹنگ پالیسیوں اور اصولوں کے انتخاب کی نگرانی کرنے اور قوانین اور ضوابط کی تعمیل کی ضمانت دینے کے لیے، AC عام طور پر انتظامی ٹیم، آزاد آڈیٹر، اور اندرونی آڈیٹرز کے ساتھ ہم آہنگی کرتا ہے۔

AC اس بات کو یقینی بنانے کے لیے انتظامیہ کے ساتھ مل کر کام کرتا ہے کہ دھوکہ دہی کا پتہ لگانے کے لیے ضروری اقدامات کیے گئے ہیں اور اس بات کو یقینی بناتا ہے کہ دھوکہ دہی کی روک تھام اور شناخت کے لیے مناسب پالیسیاں اور طریقہ کار موجود ہیں، جیسے کہ اثاثوں کا غلط استعمال، بدعنوانی، اور مالیاتی بیان میں دھوکہ دہی۔ اس بات کو یقینی بنا کر کہ ایک ضابطہ اخلاق لاگو کیا گیا ہے اور مواصلات کے موثر راستے قائم کیے گئے ہیں، AC کسی تنظیم کے لہجے کو قائم کرنے میں اہم کردار ادا کرتا ہے۔ AC کو ان معاملات کے بارے میں آگاہ کیا جانا چاہیے جن میں جاری تحقیقات اور تادیبی کارروائیوں کے ساتھ ساتھ انتظامیہ قوانین اور ضوابط کی تعمیل کو یقینی بنانے کے لیے کیا کر رہی ہے۔ AC ممبران اکاؤنٹنگ کی غلطیوں اور اسامانیاتوں کی نشاندہی کرنے میں ماہر ہیں اور دھوکہ دہی کی سرگرمیوں کو روکنے کے لیے مل کر کام کرتے ہیں۔

انسانی وسائل اور معاوضہ کمیٹی

Sr	Name	Designation	Category
i	Tauqeer A Sheikh	Chairman	Independent Director

ii	Khurram Salim	Member	Non- Executive Director
iii	Adil Shakeel	Member	Executive Director

ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HRRC) تین ممبران پر مشتمل ہے جس میں اکثریت نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جبکہ چیئرمین ایک آزاد ڈائریکٹر ہے۔ HRRC سی ای او کے انتخاب، تشخیص، معاوضہ (بشمول ریٹائرمنٹ فوائد) اور جانشینی کی منصوبہ بندی کے لیے بورڈ کو انسانی وسائل کے انتظام کی اہم پالیسیوں کی سفارش کرتا ہے۔

HRRC کا مقصد کسی تنظیم کے بورڈ، انتظامی ٹیم اور اس کے ملازمین کی تاثیر کو بہتر بنا کر اس کی پیداواری صلاحیت کو زیادہ سے زیادہ کرنا ہے۔ HRRC بورڈ کو انسانی وسائل کے انتظام کی پالیسی کی سفارش کرنے کا ذمہ دار ہے۔ CEO، CFO اور کمپنی سیکریٹری کے انتخاب، تشخیص، معاوضے (بشمول ریٹائرمنٹ فوائد) اور جانشینی کی منصوبہ بندی کی سفارش کرنے کی مجموعی ذمہ داری کمیٹی پر ہوگی۔

HRRC سینئر مینجمنٹ کی بھرتی اور تربیت، معاوضے، کارکردگی کا جائزہ، جانشینی کی منصوبہ بندی اور انسانی سرمائے کے موثر استعمال کے لیے اقدامات میں بورڈ اور انتظامیہ کی مدد کرتا ہے۔

کارپوریٹ سماجی ذمہ داری کی پالیسی

کمپنی کمپنی کی اخلاقی، پائیدار اور ماحولیاتی ذمہ داریوں سے متعلق پالیسیاں تیار کرتی ہے اس بات کو یقینی بنا کر کہ کمپنی کا مقامی کمیونٹیز اور ماحول پر مثبت اثر پڑے۔ کمپنی کی اپنی کمیونٹی اور ماحولیات کے تئیں ایک سماجی ذمہ داری ہے کمپنی کے کاموں کے تمام پہلوؤں جیسے مسائل جو ماحول پر اثر انداز ہوتے ہیں جیسے کہ آلودگی، فضلہ، مصنوعات کی حفاظت اور مزدوری لیکن صرف کمیونٹی اور سماجی افراد کو فنڈز فراہم کرنے تک محدود نہیں۔ ماحول، بلکہ کمپنی سے متعلق فریقین کے ساتھ اچھے طویل مدتی تعلقات کو برقرار رکھنا بھی شامل ہے۔ کمپنی آلودگی اور گرین ہاؤس گیسوں کے اخراج کو کم کرنے، قدرتی وسائل کے پائیدار استعمال، ضیاع کو کم سے کم اور مناسب طریقے سے ٹھکانے لگانے کے مقصد کے ساتھ ماحولیاتی برقرار رکھتے ہوئے اقتصادی، سماجی اور ماحولیاتی طور پر پائیدار طریقے سے کام کرنے کے لیے ایک جامع کارپوریٹ سماجی ذمہ داری (CRS) پالیسی کا انتظام کرتی ہے۔ مینوفیکچرنگ کے عمل کے دوران ری سائیکلنگ کو فروغ دینا۔

صحت ، حفاظت اور ماحولیاتی پالیسی

کمپنی اس بات کو یقینی بناتی ہے کہ اس کا مقامی کمیونٹیز اور ماحول پر فائدہ مند اثر پڑے، کارپوریشن کمپنی کی اخلاقی، پائیدار، اور ماحولیاتی ذمہ داریوں سے متعلق پالیسیاں قائم کرتی ہے۔ کمپنی کی اپنی کارروائیوں کے تمام پہلوؤں بشمول آلودگی، فضلہ، مصنوعات کی حفاظت، اور مزدوری میں کمیونٹی اور ماحول کے تئیں سماجی ذمہ داری ہے۔ اس میں نہ صرف کمیونٹی اور سماجی ماحول کو

فٹڈز فراہم کرنا، بلکہ کمپنی سے متعلقہ فریقوں کے ساتھ اچھے طویل مدتی تعلقات کو برقرار رکھنا بھی شامل ہے۔ کمپنی آلودگی اور گرین ہاؤس گیسوں کے اخراج کو کم کرنے، قدرتی وسائل کو پائیدار طریقے سے استعمال کرنے، کچرے کو کم سے کم اور مناسب طریقے سے ٹھکانے لگانے، اور دوبارہ سائیکلنگ کو فروغ دے کر اقتصادی، سماجی اور ماحولیاتی طور پر پائیدار طریقے سے کام کرنے کے لیے ایک جامع کارپوریٹ سماجی ذمہ داری (CRS) پالیسی کا انتظام کرتی ہے۔ مینوفیکچرنگ کے عمل۔

ڈائریکٹر معاوضہ پالیسی

ڈائریکٹر کی معاوضے کی پالیسی کمپنی کے طویل مدتی مقاصد کو آگے بڑھانے کے لیے بورڈ اور سینئر مینجمنٹ میں صحیح ٹیلنٹ کو برقرار رکھنے کے لیے کمپنی کی کارکردگی اور استحکام کا سنگ بنیاد ہے۔ چونکہ کمپنی کا بورڈ اور سینئر مینجمنٹ اسٹریٹجک سمت فراہم کرنے، اہم کاروباری فیصلوں اور عمل درآمد کی ذمہ داریاں نبھاتے ہیں، اس لیے یہ بہت ضروری ہے کہ انہیں ان کی کارکردگی کے لیے زیادہ ذمہ دار اور جوابدہ بنایا جائے۔ سینئر مینجمنٹ اور بورڈ ممبران کے معاوضے کے طریقے کارپوریٹ گورننس کے مجموعی فریم ورک کے بہت اہم پہلوؤں میں سے ایک ہیں، کیونکہ یہ کمپنی کی کارکردگی کو متاثر کرتا ہے، جس کے نتیجے میں عام شیئر ہولڈرز کو واپسی اور کمپنی کے استحکام پر اثر پڑتا ہے۔ معاوضے کی پالیسی کمپنیز ایکٹ 2017، کمپنیز آرٹیکل آف ایسوسی ایشن اور کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کی دفعات کے تحت بورڈ کو انسانی وسائل اور معاوضے کی کمیٹی (HRRC) کی سفارشات اور تجاویز کے تحت تیار کی گئی ہے۔ ایگزیکٹو ڈائریکٹرز مقررہ ماہانہ معاوضے اور HRRC کی طرف سے تجویز کردہ دیگر مراعات کے حقدار ہیں جن کی بورڈ نے باضابطہ طور پر منظوری دی اور اس کے بعد کمپنی کی جنرل میٹنگ میں ممبران کی منظوری لی گئی۔ ایکٹ کے سیکشن 227(a)(I) کے مطابق، موجودہ مالی سال کے دوران کمپنی کے ڈائریکٹرز کو درج ذیل معاوضہ (نوٹ 30) ادا کیا گیا ہے:

(a) جناب محمد امین (CEO) - PKR 800,000.00 ماہانہ۔

(ب) مسٹر محمد شاپین (ED) - PKR 1,000,000.00 ماہانہ۔

(c) مسٹر عادل شکیل (ED) - PKR 800,000.00 ماہانہ۔

اس کے علاوہ، مندرجہ بالا ڈائریکٹرز کے لیے دیگر فوائد میں ایندھن کے ساتھ کمپنی کی دیکھ بھال کی گاڑی، کاروباری سفر اور مواصلاتی اخراجات شامل ہیں۔

کمپنی کے کسی دوسرے ڈائریکٹر کو کوئی فیس یا معاوضہ ادا نہیں کیا گیا ہے۔

قانونی آڈیٹر

موجودہ آڈیٹر میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس 27 اکتوبر 2023 کو ہونے والی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے تاہم اہل ہونے کی وجہ سے انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2024 کو ختم ہونے والے سال کے لیے بطور بیرونی آڈیٹر تعینات کرنے کی تجویز دی ہے۔ ایکسٹرنل آڈیٹر میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو تسلی بخش درجہ بندی دی گئی ہے۔ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت۔ فرم اور اس کے تمام پارٹنر انسٹی ٹیوٹ آف چارٹرڈ

اکاؤنٹنٹس آف پاکستان کی طرف سے اپنائے گئے کوڈ آف ایتھکس پر انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کے ریمنما اصولوں کی تعمیل کرتے ہیں اور وہ ایس ای سی پی ایکٹ 1997 کے سیکشن 136 کے تحت آڈٹ اور سائٹ بورڈ کے ساتھ رجسٹرڈ ہیں۔

قانونی آڈیٹرز نے نہ تو کوئی فیصلہ سازی، اندرونی آڈٹ یا انتظامی کام انجام دیا اور نہ ہی ان کا کمپنی کے کسی ڈائریکٹر یا ایگزیکٹوز کے ساتھ کسی قسم کا تعلق ہے۔ منگنی کے شراکت داروں کو ہر پانچ سال کی تکمیل کے بعد گھمایا جاتا تھا۔ بورڈ آف ڈائریکٹرز نے میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2023 کو ختم ہونے والے سال کے لیے بطور ایکسٹرنل آڈیٹر تعینات کرنے کی بھی سفارش کی اور آڈیٹرز کا معاوضہ گزشتہ سال کے مطابق (Year) PKR 2,000,000.00 مقرر کیا گیا ہے۔ : PKR 2,000,000.00 سال 2023-24 کے لیے جیسا کہ کوڈ کے ضابطہ 32(3) کے تحت آڈٹ کمیٹی نے بورڈ کو تجویز کیا ہے۔ معاوضہ جیب سے باہر کے اخراجات پر مشتمل ہے اور اسائنمنٹس میں سالانہ قانونی آڈٹ، کارپوریٹ گورننس کے تحت محدود دائرہ کار کا جائزہ اور جائزہ رپورٹ شامل ہے۔

مادی تبدیلیاں اور وعدے۔

کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے کمپنی کے مالی سال کے اختتام کے درمیان نہیں ہوئے جس سے بیلنس شیٹ کا تعلق ہے اور ڈائریکٹرز کی رپورٹ کی تاریخ۔

اعتراف

میں بورڈ آف ڈائریکٹرز ، قابل قدر حصص یافتگان ، صارفین ، بینکروں ، سپلائرز اور دیگر اسٹیک ہولڈرز کی ان کی حمایت ، اعتماد اور اعتماد کے لئے انتہائی مقروض ہوں۔ میں بھی تمام ملازمین کی وفاداری سے لگن اور محنت کے لئے ان کی تعریف کرتا ہوں جس سے کمپنی کو اپنے مقاصد حاصل کرنے میں مدد ملی۔

بورڈ کے لئے اور اس کی طرف سے



محمد امین

(چیف ایگزیکٹو)



محمد سلیم

(ڈائریکٹر)

کراچی: 28 ستمبر 2023

Blessed Textiles Ltd

Proxy Form

I/We _____ of _____ being a member of **BLESSED TEXTILES LIMITED** and holder of _____ ordinary share as per Share Register Folio No. _____ and/or CDC Participant ID No. _____ and Sub Account No. _____ hereby appoint Mr./Mrs./Miss _____ of _____ or failing him/her _____ of _____ as my / our proxy to act on my/our behalf at the 36th Annual General Meeting of the Company to be held on Friday, 27th October, 2023 at 03:30 pm at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

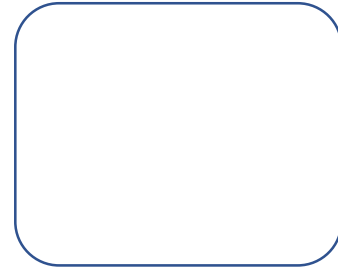
Witness: _____

Signature : _____ (Signature should agree with specimen registered with company)

Name : _____

CNIC/ PP: _____

Address: _____



Affix Rs.5 Revenue Stamp

Signed this _____ day of _____ 2023

Notes:

If a member is unable to attend the meeting, they may complete and sign this proxy form and sent it to the Company Secretary, Bhanero Textile Mills Limited, Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. This proxy form shall reach not less than 48 hours before the time scheduled for holding the meeting.

- (i) The Proxy form shall be witnessed by a person whose name, address and CNIC/Passport number should be stated on the form.
- (ii) Attested copy of CNIC or the Passport of the beneficial owner alongwith the Proxy form should also be submitted.
- (iii) The Proxy nominee shall produce his / her original CNIC or original Passport at the time of the meeting.
- (iv) In case of a Corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature should be submitted (unless it has been provided earlier) along with Proxy form to the Company.

بلیسڈ ٹیکسٹائلز لمیٹڈ

پراکسی فارم

میں _____ کے _____
کے رکن اور عام شیئر کے حامل کی حیثیت کے _____ (شیئر کی تعداد)
رجسٹرڈ کارپوریٹ نمبر _____ اور ایسی ڈی سی فوئیو کا آئی ڈی نمبر _____ اور ذیلی اکاؤنٹ نمبر _____ کے
_____ یا _____ کے
کو کمپنی کے سالانہ اجلاس جو 27 اکتوبر 2023 کو منعقد ہوگا، میں میرے / ہمارے لئے اور میری / ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں / کرتے ہیں۔

دستخط _____ بروز _____ بتاریخ _____ / _____ 2023۔

گواہان:

دستخط: _____

نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پاسپورٹ نمبر: _____

دستخط شیئر ہولڈر

(دستخط کا کمپنی میں رجسٹرڈ نمونے کے ہو، ہو مطابق ہونا ضروری ہے)

دستخط: _____

نام: _____

پتہ: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پاسپورٹ نمبر: _____

نوٹ: نمائندے کو فعال بنانے کے لئے نامزدگی کا فارم مہینہ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانا چاہیے۔ نمائندے کو کمپنی کارکن ہونا ضروری نہیں۔
سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرد افراد درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ تصدیق شدہ نقل یا پاسپورٹ، پراکسی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔