

***SUNRAYS TEXTILE MILLS LIMITED***



***ANNUAL REPORT  
2021***

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**COMPANY PROFILE**  
**BOARD OF DIRECTORS**

- |     |                      |                 |
|-----|----------------------|-----------------|
| 1.  | Mian Imran Ahmed     | Chairman        |
| 2.  | Mr. Kashif Riaz      | Chief Executive |
| 3.  | Mr. Naveed Ahmed     |                 |
| 4.  | Mian Shahzad Ahmed   |                 |
| 5.  | Mrs. Fadia Kashif    |                 |
| 6.  | Mr. Irfan Ahmed      |                 |
| 7.  | Mr. Shahwaiz Ahmed   |                 |
| 8.  | Mr. Shafqat Masood   |                 |
| 9.  | Mr. Faisal Hanif     |                 |
| 10. | Ms. Azra Yaqub Vawda |                 |
| 11. | Mr. Farooq Hassan    |                 |

**AUDIT COMMITTEE**

- |    |                    |            |
|----|--------------------|------------|
| 1. | Mr. Faisal Hanif   | (Chairman) |
| 2. | Mr. Shahwaiz Ahmed | (Member)   |
| 3. | Mr. Naveed Ahmed   | (Member)   |

**HUMAN RESOURCES AND REMUNERATION COMMITTEE**

- |    |                  |            |
|----|------------------|------------|
| 1. | Mr. Faisal Hanif | (Chairman) |
| 2. | Mr. Irfan Ahmed  | (Member)   |
| 3. | Mr. Fadia Kashif | (Member)   |

**CHIEF FINANCIAL OFFICER**

Mr. Shabbir Kausar

**CHIEF INTERNAL AUDITOR**

Mr. Imran Iftikhar

**COMPANY SECRETARY**

Mr. Ahmed Faheem Niazi

**LEGAL ADVISOR**

Mr. Yousuf Naseem

Advocates & Solicitors

**REGISTERED OFFICE**

5<sup>th</sup> floor, Office # 508, Beaumont Plaza,  
Beaumont Road, Civil Lines Quarters, Karachi

**SYMBOL OF THE COMPANY**

SUTM

**WEBSITE**

<http://www.Indus-group.com>

**REGISTRAR & SHARE TRANSFER OFFICE**

JWAFFS REGISTRAR SERVICES (PVT) LTD

407 -408, Al – Ameera Center,  
Shahrah-e-Iraq, Saddar Karachi.

Tel. 35662023 – 24

Fax. 35221192

**FACTORY LOCATION**

Khanpur Shomali Bagga Sher M.M. Road Muzaffar Garh

**BANKERS**

MCB Bank Limited  
Allied Bank Limited  
Soneri Bank Limited  
United Bank Limited  
Meezan Bank Limited  
Habib Bank Limited  
Bank Alfalah Limited

**AUDITORS**

Yousuf Adil  
Chartered Accountants

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of **Sunrays Textile Mills Limited** will be held at Indus Dyeing & Manufacturing Company Limited, Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi on Thursday, October 28, 2021 at 03:30 P.M. to transact the following business:

## ORDINARY BUSINESS:

1. To confirm minutes of the Extraordinary General Meeting held on July 26, 2021.
2. To receive, consider, approve and adopt the audited consolidated and un consolidated financial statements of the Company for the financial year ended June 30, 2021, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report;
3. To appoint the Statutory Auditors for the year ending June 30, 2022 and to fix their remuneration. The Board of Directors on the recommendation of Audit Committee has recommended the appointment of retiring auditors, Messers Yousuf Adil, Chartered Accountants who being eligible have offered themselves for re-appointment;
4. To approve interim cash dividend of Rs. 20/- per share i.e. 200% **already paid** by the Company (declared on October 31, 2020) and 200% bonus share **already paid/credited** (declared on March 31, 2021) **as a final dividend** for the year ended June 30, 2021.

## SPECIAL BUSINESS:

5. To consider and approve of enhancement in monthly remuneration of the Chief Executive and two full time working Directors namely Mr. Naveed Ahmed and Mr. Sheikh Shafqat Masood.
6. To ratify the transactions carried out by the Company with related parties disclosed in the Financial Statements for the year ended June 30, 2021 by passing the following resolution with or without modification:  
"RESOLVED THAT all related parties transactions carried out by the Company as disclosed in Note No 37 of the Financial Statements of the Company for the year ended June 30, 2021 be and are hereby noted, ratified and approved."
7. To approve potential transactions with related parties intended to be carried out in the financial year 2021-2022 and to authorize the Board of directors of the Company to carry out such related party transactions at its discretion from time to time, irrespective of the composition of the Board of Directors.  
The resolutions to be passed in this respect (with or without modification) as special resolutions are as under:  
"RESOLVED THAT in accordance with the policy approved by the Board and subject to such conditions as may be specified from time to time, the Company be and is hereby authorized to carry out transactions with the related parties for the fiscal year 2021-22."  
"RESOLVED FURTHER THAT the Board of directors of the Company may, at its discretion, approves specific related party/parties transaction(s) from time to time, irrespective of the composition of the Board, and in accordance with the provisions of related laws/regulations and Company's policy pertaining to related parties transactions till the next Annual General Meeting.  
RESOLVED FURTHER THAT all such transactions shall be placed before the shareholders in the next Annual General Meeting for their noting/ratification/approval."
8. To transact any other business with the permission of the chair.

By Order of the Board

**Ahmed Faheem Niazi**  
Company Secretary

Karachi

Date: October 05, 2021

## NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 21, 2021 to October 28, 2021 (both days inclusive) and the Final Cash Dividend will be paid to the Members whose name appear in the Register of Members. Transfers received in order at the Office of Company's Share Registrar M/s Jwaffs Registrar Services (Pvt) Ltd, 407-408 Al-Ameera Center, Shahra-e-Iraq, Saddar Karachi. ('Registrar') at the close of business on October 20, 2021 will be considered in time to attend and vote at the Meeting.
  2. Financial Statements for the year ended June 30, 2021 will be available at the website of the Company [www.indus-group.com](http://www.indus-group.com) twenty one days before the date of meeting.  
Further, as per approval obtained from members in Annual General Meeting of the Company held on October 31, 2016 to circulate Annual Audited Accounts through CD/DVD/USB in accordance with SRO 470(I)/2016 dated May 31, 2016 of Securities and Exchange Commission of Pakistan (SECP); Annual Audited Accounts of the Company for the year ended June 30, 2021 are being dispatched to the Members through CD/DVD. The Members may request a hard copy of Annual Audited Accounts free of cost. Standard request form is available at the website of the Company [www.indus-group.com](http://www.indus-group.com)
  3. Pursuant to Section 223 of the Companies Act, 2017, the Company is allowed to send audited financial statements and reports to its members electronically. Members are therefore requested to provide their valid email IDs. For convenience, a Standard Request Form has also been made available on the Company's website [www.indus-group.com](http://www.indus-group.com)
  4. Members (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non deduction of Zakat Form CZ-50 with the Registrar of the Company M/s Jwaffs Registrar Services (Pvt) Ltd, 407-408 Al-Ameera Center, Shahra-e-Iraq, Saddar Karachi.
  6. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
  7. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.
- A. FOR ATTENDING THE MEETING:**
- i. In case of individuals, the accounts holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his original CNIC or Passport at the time of attending the Meeting.
  - ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
- B. FOR APPOINTING PROXIES:**
- i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
  - ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
  - iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
  - iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
  - v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

8. Members are requested to notify Change in their addresses, if any; in case of book entry securities in CDS to their respective participants/investor account services and in case of physical shares to the Registrar of the Company by quoting their folio numbers and name of the Company at the above mentioned address, if not earlier notified/submitted.

**9 Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001**

Pursuant to the provisions of the Finance Act 2019 effective July 1, 2019, the rates of deduction of income tax from dividend payments under the income Tax Ordinance, have been revised as follows:

(a)	Rate of tax deduction for filer of income tax returns	15%
(b)	Rate of deduction for non-filer of income tax returns	30%

The income tax is deducted from the payment of dividend according to Active Tax-Payers List (ATL) provided on the website of FBR. All those shareholders who are filers of income tax returns are therefore advised to ensure that their names are entered into ATL to enable the Company to withhold income tax from payment of cash dividend @ 15% instead of 30%.

Further, according to clarification received from FBR, withholding 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 held by the shareholders.

In this regard, all shareholders who hold shares jointly are requested to provide the shareholding proportions of Principal Shareholder and Joint-holders in respect of shares held by them to our Shares Registrar, in writing. The joint accounts information must reach to our Shares Registrar within 10 days of this notice. In case of non-receipt of the information, it will be assumed that the shares are equally held by Principal Shareholder and the Joint-holder(s). Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be.

**10 Dividend Mandate and Payment of Cash Dividend through Electronic Mode**

The provisions of Section 242 of the Companies Act, 2017 require that the dividend payable in cash shall only be paid through electronic mode directly into the bank accounts designated by the entitled shareholders. Therefore, for making compliance to the provisions of the law, all those physical shareholders who have not yet submitted their IBAN bank account details to the Company are requested to provide the same on the Dividend Mandate Form available on Company website at [www.indus-group.com](http://www.indus-group.com).

Non CDC shareholders are requested to send valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity) to the Registrar of the Company. Please note that CNIC number is mandatory for issuance of dividend warrants and in the absence of this information payment of dividend shall be withheld.

CDC shareholders who have also not provided their IBAN bank account details are also requested to provide the same to their Participants in CDC and ensure that their IBAN bank account details are updated. In case of unavailability of IBAN, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

**11 Video-Link Arrangement for online Participation in the 30<sup>th</sup> Annual General Meeting of the Company Due to Covid-19**

Shareholders interested in attending the Annual General Meeting (AGM) through video link facility are requested to get themselves registered with the Company Secretary office at least two working days before the holding of the time of AGM at [gaisarmuzaffar28@gmail.com](mailto:gaisarmuzaffar28@gmail.com) by providing the following details:-

Name of Shareholder	CNIC NO	Folio CDC No.	Cell No.	Email address

- The Login facility will remain open from 03:15 P.M. till the end of the meeting.
- Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.
- Shareholders will be able to login and participate in AGM proceedings through their smart phone or computer devices from their home after completing all the facilities required for the identification and verification of the Shareholders.

The Company will follow the best practices and comply with the instructions of the Government and SECP to ensure protective measure are in place for the well-being of its members.

**12. Video Conference Facility**

Members may avail video conference facility for this Annual General Meeting other than Karachi, provided the Company receives consent (standard format is given below) at least 07 days prior to the date of the Meeting from members holding in aggregate 10% or more shareholding residing at respective city.

The Company will intimate respective members regarding venue of the video-link facility before the date of Meeting along with complete information necessary to enable them to access the facility.

"I/we \_\_\_\_\_ of \_\_\_\_\_ being member(s) of Sunrays Textile Mills Limited, holder of \_\_\_\_\_ Ordinary Share(s) as per Registered Folio No./CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_ in respect of 30<sup>th</sup> Annual General Meeting of the Company.

\_\_\_\_\_  
Signature of Member"

**13. Deposit of Physical Shares into Central Depository**

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. Further SECP vide Letter dated March 26, 2021 has advised to comply Section 72 of the Act and encourage shareholders to convert their shares in book-entry form.

In light of above, shareholders holding physical share certificates are requested to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scrip less form. This will facilitate the shareholders to streamline their information in member's Register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scrip less form allows for swift sale / purchase.

### **Statement under Section 134 (3) of the Companies Act, 2017**

This statement sets out the material facts concerning the special business to be transacted at the 30<sup>th</sup> Annual General Meeting of the Company to be held at Indus Dyeing & Manufacturing Company Limited. Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi.

#### **Agenda Item no 5**

Due to increase in the cost of living, the enhancement in the monthly remuneration from Rs. 1.8 (M) per month up to Rs. 2.5 (M) tax free is being proposed for Mr. Kashif Riaz, Chief Executive Officer, Mr. Naveed Ahmed and Mr. Sheikh Shafqat Masood, Director. Therefore approval of the shareholders of the Company is being sought by passing an ordinary resolution. The said remuneration is in addition to Company maintained car, medical expenses, residential utilities, travelling, recreational, telephone and cell phone expenses etc in accordance with the company policy.

#### **Explanation on Agenda Item No. 6 & 7**

The related parties transactions carried out in normal course of business with associated companies and related parties were being approved by the Board of Directors as recommended by the Audit Committee on quarterly basis pursuant to Section 208 of the Companies Act, 2017 and Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the group companies, the quorum of directors could not be formed for approval of these transactions pursuant to Section 207 of the Companies Act, 2017 and therefore, these transactions have to be approved by the shareholders in General Meeting as a special resolution in terms of section 208 of the said Act.

The transactions with related parties carried out during the fiscal year 2020-2021 to be ratified as disclosed in Note No 37 of the Financial Statements of the Company for the year ended June 30, 2021

Likewise, since related party transactions are an ongoing process and a restriction to carry out business with related parties merely due to absence of valid quorum would adversely affect the business of the Company. Therefore, shareholders are being approached to grant the broad approval for such transactions to be entered into by the Company, from time to time, at the discretion of the Board (and irrespective of its composition). The Company shall comply with its policy pertaining to transactions with related parties as stated above to ensure that the same continue to be carried out in a fair and transparent manner and on an arm's length basis. This would also ensure compliance with the Section 208(1) of the Companies Act, 2017 of which requires that shareholders' approval shall be required where the majority directors are interested in any related party transactions and regulation 4 of the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 which sets out the conditions for transactions with related parties to be characterized as "arm's length transactions" and states that the parties to the transaction must be unrelated in any way.

Further; it is not possible for the Company or the directors to accurately predict the nature of the related party transaction(s) or the specific related party(ies) with which the transaction(s) shall be carried out. In view of the same and In order to ensure smooth supply during the year, the Company seeks the broad approval of the shareholders that the Board may cause the Company to enter into transactions with related party / parties from time to time in its wisdom and in accordance with the policy of the Company for the fiscal year 2021-22.

All such transactions will be clearly stipulated at the end of the next financial year in the company's Annual Report. However, in addition to this all such transactions shall also be placed before the shareholders in the next General Meeting for their noting/ratification/approval.

The Directors are interested in these resolutions only to the extent of their common directorship and shareholding in the associated companies.

## **VISION**

To be a most successful company in terms of quality products, services & Financials.

## **MISSION**

To provide quality products & services to our customers and handsome return to the shareholders.

## **CHAIRMAN'S REVIEW**

**FOR THE YEAR ENDED JUNE 30, 2021**

It is my privilege and pleasure in presenting to the members of Sunrays Textile Mills Limited, review on the performance of the Company for the financial year ended June 30, 2021. I would take this opportunity to invite you for the 30<sup>th</sup> Annual General Meeting of the company.

### **Review of the Boards Performance**

During the pandemic, the Board remained engaged with the management which helped it to meet the exceptional and unforeseen challenges. The continuous monitoring of the Board throughout the period and the deliberations to the management were cardinal in achieving all the targets and overcoming the pandemic impacts. The Board has performed remarkably well even through the impacts of the pandemic have been devastating. The Company successfully steered through the uncertain times with emphasis on health and safety yet, ensuring business continuity, on the back of guidance from the Board of Directors. STML has a Eleven-member Board of Directors, which comprises individuals with diverse backgrounds, having core competencies, knowledge, and expertise relevant to the business of the Company. All Board Members and the Leadership team of the Company are humbled by your overwhelming response and are determined to deliver as per your expectations. The Board provides strategic direction to the management and fulfills its fiduciary responsibilities with a sense of commitment.

The Board has constituted the Boards' Audit Committee, Human Resource & Remuneration Committee, Nomination Committee, and Risk Management Committee. These committees provided valuable input and assistance to the Board. The Audit Committee particularly focuses on the detailed review of financial statements and internal controls. These sub-committees held meetings and reported to the Board as per stipulations of the Listed Companies (Code of Corporate Governance) Regulations, 2019. Best practices of corporate governance having been embedded into the Company's culture to maintain the highest level of professionalism and business conduct.

An annual evaluation of performance of the Board, members of the Board, and its committees was carried out with the help of a formal and effective mechanism. Based on the feedback received through this mechanism overall role of the Board has been found to be effective. The Board has fulfilled all its mandatory responsibilities including ensuring compliance with all legal and regulatory requirements for the Company.

I would like to share that all the Directors, including Independent Directors, fully participated and contributed to the decision-making process of the Board. The Board performed its duties and responsibilities diligently, inter alia, by:

- Ensuring that Mission, Vision, and Values of the Company are being followed;
- Effectively guiding the Company in its strategic affairs;
- Setting annual goals and targets for the management;
- Overseeing management's performance and focusing on major risk areas;
- Evaluating significant investments;
- Ensuring high standards of Corporate Governance to preserve stakeholders' value;

Furthermore, throughout the year, all significant issues were presented to the Board or its committees, particularly, all related party transactions of the Company were approved by the Board on the recommendation of the Audit Committee. The Audit Committee and Human Resource & Remuneration Committee met regularly to strengthen the functions of the Board. The Board carried out its self-evaluation and identified potential areas for further improvement, in line with the global best practices.

### **Review of Company's Performance**

The business operations remain disrupted during first six months period but there after textile sales grown substantially during the last six months which is evident from the profit & loss account. There is an increase in sales of 33% over the last year and whereas the gross profit margins improved from 14% to 18%. The net profit after tax has been increased from 560 million to 1,150 million.

On behalf of the Board, I would like to say a big thank to all our customers for their continued confidence on the Company. I would like to express my appreciation for the contribution of the Board, excellent efforts put in by our management and employees and finally I would like to thank all the financial institutions who have stuck with us and supported us through very difficult times. I hope and pray that the Company may maintain the momentum of growth in the future years

September 30, 2021

  
Mian Imran Ahmed  
Chairman

## **DIRECTOR'S REPORT TO SHAREHOLDERS**

**For the Year Ended June 30<sup>th</sup>, 2021**

The Directors of Sunrays Textile Mills Limited are pleased to present the Annual Report together with the audited Financial Statements for the year ended June 30<sup>th</sup>, 2021 before the 30<sup>th</sup> Annual General Meeting of the Company.

### **COMPOSITION OF BOARD**

The composition of the Board is in compliance with the requirements of the Code of Corporate Governance regulations, 2019 applicable on listed entities which is given below:

#### **Total Number of Directors**

Male	09
Female	02

#### **Composition**

Executive Director	02
Independent Director	03

Category	Names
Independent Directors	Mr. Faisal Hanif Ms. Azra Yaqub Vawda Mr. Farooq Hassan
Executive Directors	Mr. Kashif Riaz (CEO) Mr. Sheikh Shafqat Masood
Non Executive Directors	Mian Shahzad Ahmed Mian Imran Ahmed Mrs. Fadia Kashif Mr. Irfan Ahmed Mr. Naveed Ahmed Mr. Shahwaiz Ahmed

### **Financial and operational result**

The Company earned pretax profit of Rs. 1,239.043 Million for the year ended June 30, 2021.

	Rs.000	
Highlights:	2021	2020
Pretax profit for the year	1,239,043	646,430
Taxation	(88,879)	(86,266)
Profit after taxation	1,150,164	560,164
Deferred tax and others	3,748	(58)
Un-appropriated profit brought forward	2,264,945	2,039,548
Annual dividend for the year ended June 30, 2019	-	(172,500)
1 <sup>st</sup> interim dividend for the period ended December 31, 2019	-	(103,500)
2nd interim dividend for the period ended March 31, 2020	-	(103,500)
1 <sup>st</sup> interim dividend for the period ended December 31, 2020	(138,000)	
Profit available for appropriations	3,280,857	2,220,154
Transfer from surplus on revaluation of fixed assets	19,074	21,192
Transfer of revaluation surplus due to disposal of revalued assets	15,993	23,599
Un-appropriated profit carried forward	3,315,924	2,264,945

The earnings per share is Rs. 55.56 (Par value Rs. 10/= per share) (2020: Rs.27.06)

**DIVIDEND**

The Board of Directors in their meeting held on March 01, 2021 have declared two (2) ordinary shares for every one (1) ordinary share held as interim dividend in the form of bonus shares for the year ending June 30, 2021. For this purpose, the authorized capital of Company has been increased from Rs. 100 million to Rs. 500 million in extra-ordinary general meeting held on 24th February 2021. In addition to this, the Board of Directors in their meeting held on October 29, 2020 declared first interim cash dividend @ 200% i.e. Rs. 20/- per share for the year ended 30th June 2021.

**BUSINESS OVERVIEW**

Yours Company earned pre-tax profit Rs. 1,239 Million as compared to Rs. 646.430 Million for the last corresponding year. Sales during the year was Rs. 8,641 Million (2020 : Rs. 6,476 Million) against total cost of sales of Rs. 7,059 Million (2020 : Rs. 5,565 Million) resulting in a gross profit of Rs. 1,582 Million (2020 : Rs. 910.718 million).

By the Grace of ALMIGHTY ALLAH, Company execution is magnificent with development in sales and profitability. The organization's sales developed by 33.43% and load of more established cotton inventories contributed attractive edges and expanded productivity. During the year Rs. 20.705(M) were invested in the fixed assets. This is part of the company's BMR plan to improve the quality and reduce the manufacturing cost. Retained earnings/ internal cash flow were used to finance this program.

**FUTURE OUTLOOK**

Pakistan's textile exports seem to have largely recovered from the Covid pandemic and current financial year confirms that the textile and export shipments are back on growth track both in terms of their quantity and dollar value. The external factors that have helped the orders double since July, to include the US-China tensions, and ongoing supply disruptions induced by the Covid-19 pandemic in India and Bangladesh.

Thus, It can be concluded that the textile industry of Pakistan has huge potential to expand, if it takes into consideration the various obstacles that require immediate and necessary actions, especially by the government to strengthen the sector. Therefore, the government should take serious initiatives to safeguard domestic industry which is the highest foreign exchange earner and largest urban employment provider. To develop the textile business in the global platform Pakistan should meet more and more customer's needs. The government's policy is highly essential to create a comfortable atmosphere in the trade and business for foreign investment. In today's highly competitive global environment, the textile sector needs to improve its supply chain, improve productivity, and maximize value - addition to be able to survive. Failure in taking steps can pull the textile industry down leading to the failure to compete in the international market.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company always committed to prioritize its social responsibilities in the best interest of all stakeholders and overall business environment. This being a continuous process, the conservation of natural resources, reduction in wastages, enhancement of recycling, improvement of energy efficiency and enhancement of environmental performance by reducing spills and releases were the top priorities while observing the "Corporate Social Responsibility". Like prior years targets were set for reduction in the natural gas consumption and use of water based on the achievements made in prior years

The continued initiatives included;

- Waste water treatment
- conservation of natural resources
- reduction in wastages
- enhancement of recycling, improvement of energy efficiency, and
- enhancement of environmental performance by reducing spills and releases

**POST BALANCE SHEET EVENTS**

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

**RELATED PARTY TRANSACTION**

In accordance with the requirement of Code of Corporate Governance, the company presented all related party transactions before the audit committee and the board for the review and approval. The details of all related Party transactions have been provided in Note 37 of the annexed financial statements for the year ended June 30, 2020.

**CORPORATE GOVERNANCE , FINANCIAL REPORTING AND INTERNAL CONTROL SYSTEM**

The Director confirms compliance with corporate and financial reporting framework as per the Listing Regulations of the Stock Exchange as follows:

- The financial statements, prepared by the management of the company present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There has been no deviation from the best practice of corporate governance, as mentioned in the listing regulations.
- Key operating and financial data for the last six year is annexed.
- There are no statutory payments on account of taxes, duties, levies and charge which are outstanding as on June 30th 2019 except for those disclosed in financial statements.
- There has been no trading of shares by Chief Executive, Director, Financial Officer, Company Secretary, their spouses and minor children, during the year.

**Board & SUB Committee Meetings**

- During the year meetings of the Board were held Attendance by each director is as follows.

Name of Directors	Board of Directors 6- Meetings	Audit Committee 5-Meetings	HR &R 1- Meeting
	Attended	Attended	Attended
Mr. Naveed Ahmed *	6/6	1/4	
Mr. Shahzad Ahmed	6/6		
Mian Riaz Ahmed	3/6		
Mr. Irfan Ahmed	4/6		1/1
Mian Imran Ahmed	6/6	3/4	
Mr. Kashif Riaz	5/6		
Mr. Sheikh Shafqat Masood	5/6		
Mrs. Fadia Kashif*	2/6		
Mr. Shahwaiz Ahmed	6/6	4/4	1/1
Mr. Farooq Hassan	6/6		
Mr. Faisal Hanif	6/6	4/4	1/1
MS. Azra Yaqub Vawda	4/6		

\* Mr. Naveed Ahmed appointed as member of audit Committee and Mrs. Fadia Kashif appointed as a member of the Human Resources Committee w.e.f March 16, 2021.

**DIRECTORS REMUNERATION**

The directors have a formal remuneration policy for its directors (Executive/Non - Executive) duly approved by the Board of Directors. The policy has been designed as a component of HR strategy and both are required to support business strategy. The Board believes that the policy is appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the company as well as to create congruence between Directors, executives and shareholders.

**APPOINTMENT OF AUDITORS**

Messer's Yousaf Adil, Chartered Accountants, (Yousuf Adil) independent correspondent firm of Deloitte Touché Tohmatsu Limited, a reputable Chartered Accountants Firm completed its tenure of appointment with the company and being eligible has offered its services for another term. The Board of Directors of Company, based on the recommendation of the audit committee of the board, has proposed Yousuf Adil for reappointment as auditors of the company for the ensuring year.

**AUDIT COMMITTEE**

The Board of Directors constituted a fully functional Audit Committee comprising three members, one is Independent Director and two are non-executive Director. The terms of reference of the committee, inter alia, consists of ensuring transparent internal audits, accounting and control systems, adequate reporting structure as well as determining appropriate measure to safeguard the Company's assets.

**PATTERN OF SHAREHOLDING**

The pattern of share holding as at June 30<sup>th</sup>, 2021 as required under the Companies Act 2017, and the code of Corporate Governance, is annexed to this report.

**INTERNAL AUDIT FUNCTION**

The board have setup efficient and energetic internal control system with operational, financial and compliance controls to carry on the business of the company. Internal audit findings are reviewed by the Audit Committee, and where necessary, action is taken in the basis of recommendations contained in the internal audit reports.

**WEB PRESENCE**

Annual and periodic financial statements of the company are also available on the website of the company <http://indus-group.com> for information of the shareholders and others.

**ACKNOWLEDGEMENT**

The directors are pleased to place on record their appreciation for the contribution made by employees of the company and look forward for same cordial relationship in coming years. In addition, management also acknowledges the role of all the financial institutions, customers, suppliers and other stakeholders for their continued support.

On Behalf of the board of Directors

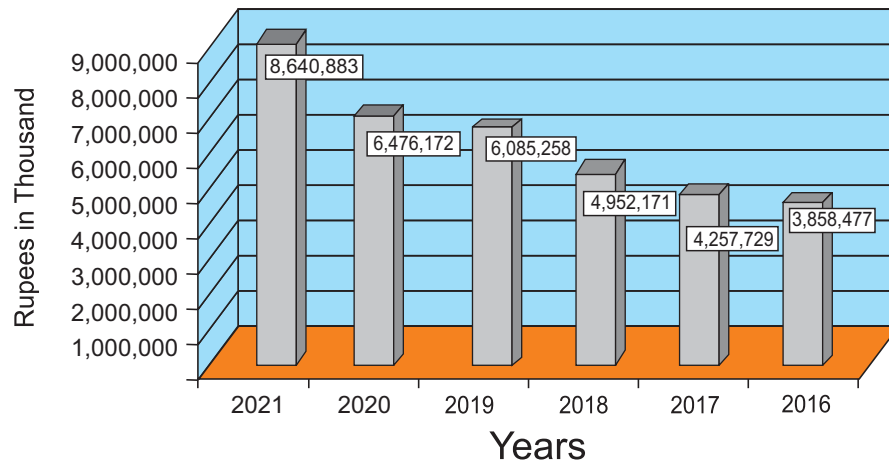
*Ilash Af-*

Chief Executive Officer

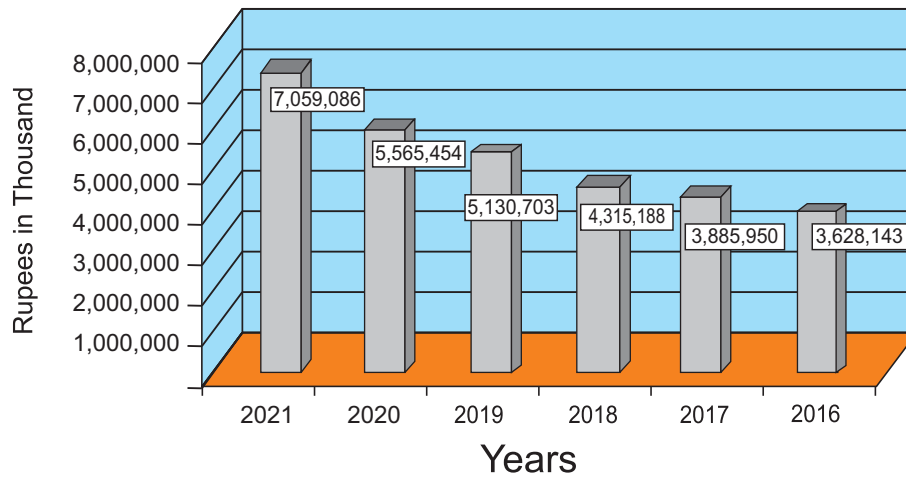
Karachi

September 30, 2021

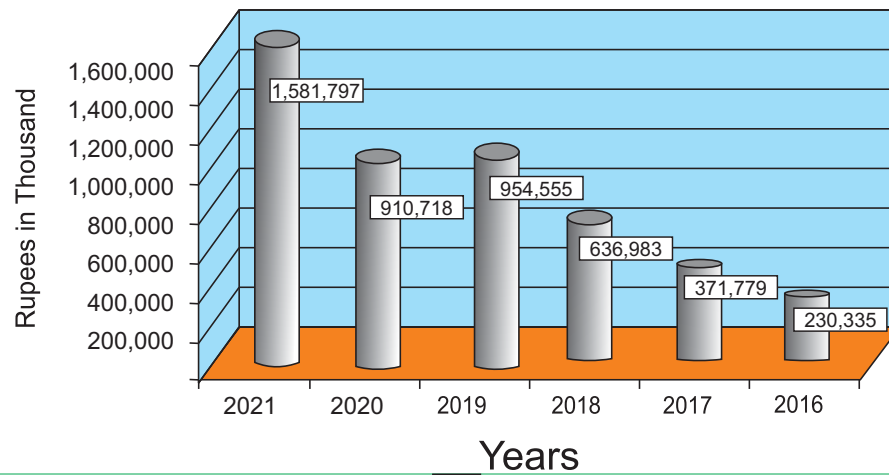
## Sales



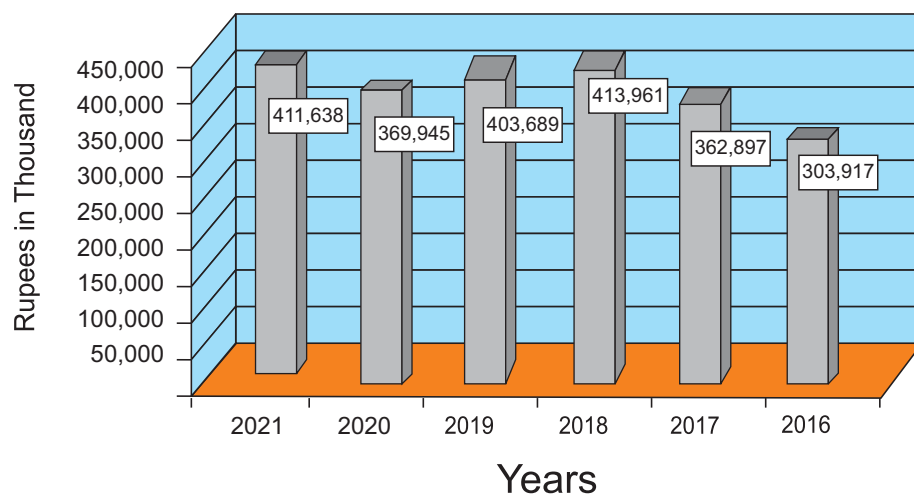
## Cost Of Goods Sold



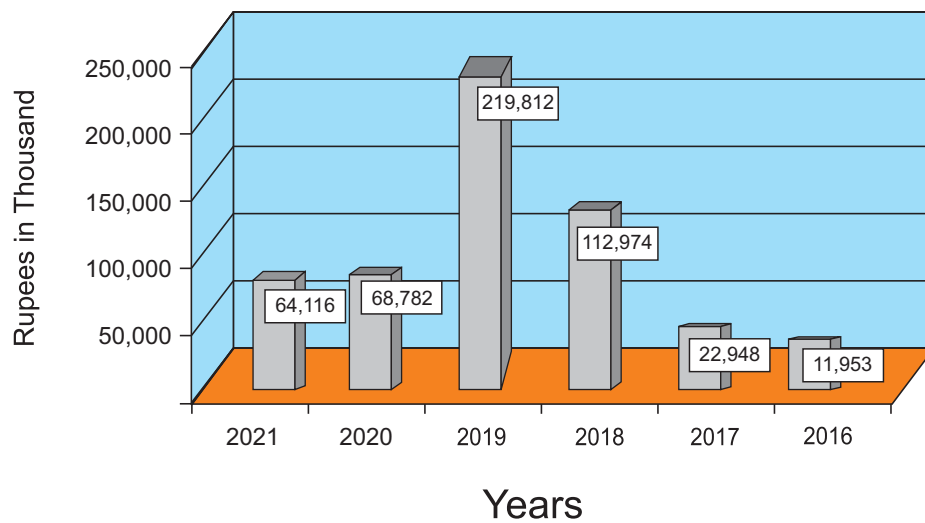
## Gross Profit



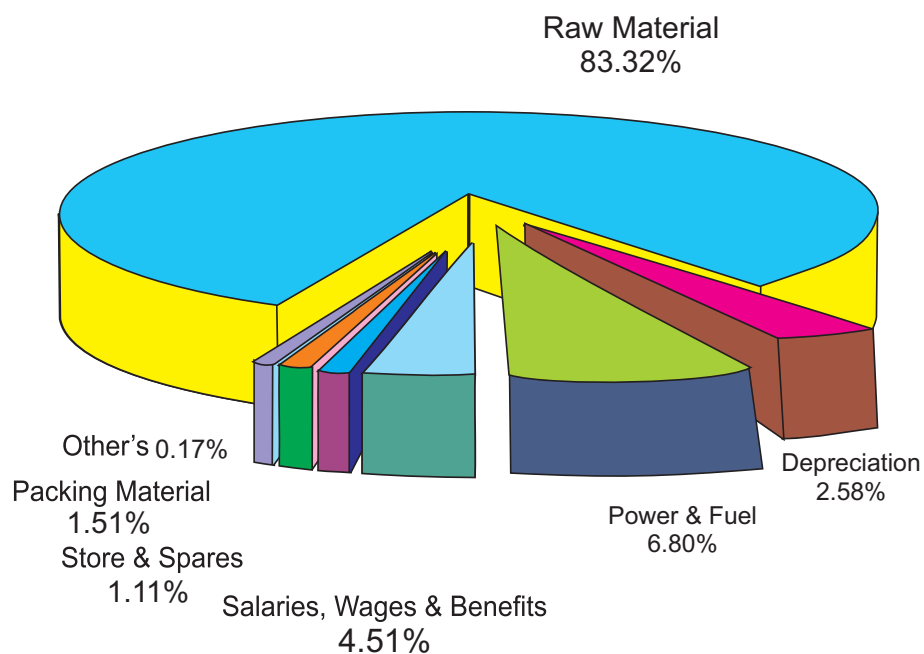
## Power and Fuel Charges



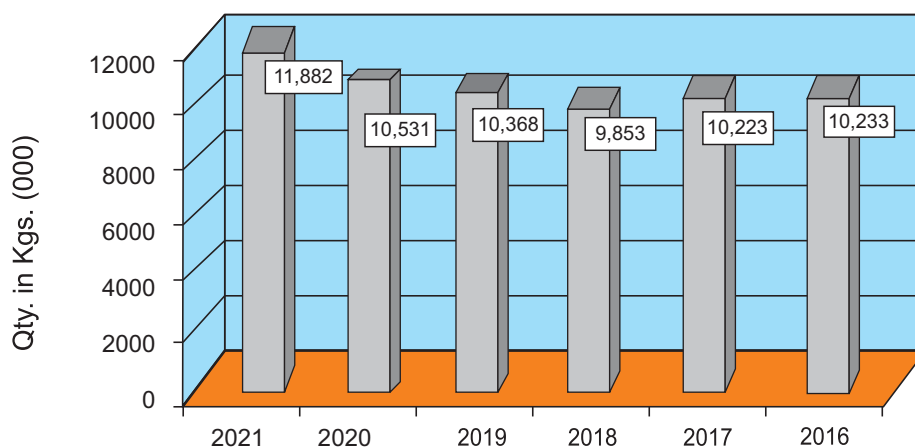
## Financial Charges



# Manufacturing Cost



## Production in 20/S Count



## SIX YEAR KEY OPERATING AND FINANCIAL DATA

### FROM 2016 TO 2021

(Rupees in 000)

	2021	2020	2019	2018	2017	2016
<b>OPERATING DATA</b>						
Sales	8,640,883	6,476,172	6,085,258	4,952,171	4,257,729	3,858,477
Cost of Goods Sold	7,059,086	5,565,454	5,130,703	4,315,188	3,885,950	3,628,143
Gross Profit	1,581,797	910,718	954,555	636,983	371,779	230,335
Profit Before Taxation	1,239,043	646,430	474,979	278,908	191,387	77,445
Profit After Taxation	1,150,164	560,164	471,778	281,885	141,738	33,704
<b>FINANCIAL DATA</b>						
Paid Up Capital	207,000	69,000	69,000	69,000	69,000	69,000
Fixed Assets	1,663,452	1,813,371	1,849,895	1,508,584	1,185,010	1,170,645
Current Assets	4,296,801	3,091,115	4,185,540	4,184,174	2,859,534	2,278,545
Current Liabilities	547,933	416,746	1,948,356	2,398,481	1,500,404	999,157
<b>KEY RATIOS</b>						
Gross Margin	18.31%	14.06%	15.86%	12.86%	8.73%	5.97%
Net Profit	13.31%	8.65%	7.75%	5.69%	3.33%	0.87%
Current Ratio	7.84	7.41	2.15	1.74	1.91	2.28
Earning Per Share(Rupees)	55.56	81.18	68.37	40.85	20.92	5.47
<b>STATISTICS</b>						
Number Of Spindle	34792	33127	33468	32994	34912	34405
Production in to 20/S Count(in 000 Kgs)	11882	10531	10368	9853	10223	10233

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

**For the Year Ended June 30, 2021**

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

1. The total number of directors are 11 as per follows;

- a) Male 9
- b) Female 2

2. The composition of Board is as followed;

Category	Names
Independent Directors	Ms. Azra Yaqub Vawda Mr. Farooq Hassan Mr. Faisal Hanif
Non-Executive Directors	Mian Shahzad Ahmed Mr. Naveed Ahmed Mr. Shahwaiz Ahmed Mrs. Fadia kashif Mian Imran Ahmed Mr. Irfan Ahmed
Executive Directors	Mr. Kashif Riaz (CEO) Sheikh Shafqat Masood
Female Director	Ms. Azra Yaqub Vawda Mrs. Fadia kashif

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 board.
8. The Board of directors have a formal policy and transparent procedures for the remuneration of the directors in accordance with the Act and these Regulations;
9. Majority of the directors of the company are exempt from the requirement of the directors training program or has obtained the certificate.
10. The board has approved appointment of CFO, Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The Financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

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

a) Audit Committee

Chairman	Mr. Faisal Hanif
Members	Mr. Naveed Ahmed Mr. Shahwaiz Ahmed

b) HR and Remuneration Committee

Chairman	Mr. Faisal Hanif
Member	Mrs. Fadia Kashif Mr. Irfan Ahmed

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

14. The frequency of the meeting of the committee were as per following:

a) Audit Committee (Quarterly)

b) HR and Remuneration Committee (yearly)

15. The board has set up an effective internal audit function;


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 (Spouses, parents, dependents and non-dependents children) of the Chief Executive officer, Chief Financial Officer, head of Internal Audit, Company Secretary or directors 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 regards;

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

- As per regulation 6, it is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors and currently, there are three independent directors in a board of eleven directors. With regard to compliance with Regulation 6 pertaining to fraction contained in one -third number and not rounded up as one, Management believes that three Independent Directors are sufficient to represent minority shareholders which are only 28.28% of total shareholders.

On behalf of the Board of Directors

  
Mian Imran Ahmed  
Chairman

September 30, 2021

## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SUNRAYS TEXTILE MILLS LIMITED**

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Sunrays Textile Mills Limited** (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021

*Deloitte Yousuf Adil*

**Chartered Accountants**

**Place : MULTAN**

**September 30, 2021**

## **INDEPENDENT AUDITOR'S REPORT**

### **To the members of Sunrays Textile Mills Limited Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of Sunrays Textile Mills Limited (the Company) which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and its comprehensive income, 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. Following is the key audit matter:

<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<b>1. Revenue Recognition</b>	
<p>The Company's revenue from contracts comprise of revenue from local and export sale of yarn which has been disclosed in note 24 to the financial statements.</p> <p>Revenue from the sale is recognized, when control of goods is transferred to the customer and the performance obligation is satisfied i.e. on dispatch of goods (note 4.13).</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of control to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.</p>	<p>Our audit procedures to address the Key Audit Matter included the following:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of and assessing the design and implementation and operating effectiveness of controls around recognition of revenue;</li><li>• Assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;</li><li>• Checked on a sample basis whether the recorded sales transactions are based on transfer of goods to the customer, satisfying the performance obligation and were recorded in the appropriate accounting period.</li><li>• Assessed the adequacy of disclosure in the financial statements.</li></ul>

## **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.

### **Responsibilities of Management and the 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 the 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs 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 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 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 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.

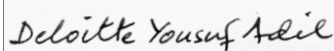
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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



#### **Chartered Accountants**

Multan.


September 30, 2021

# STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

<b>ASSETS</b>		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>----- Rupees -----</b>	
<b>Non-current assets</b>			
Property, plant and equipment	5	1,661,109,666	1,811,029,055
Investment property	6	2,342,055	2,342,055
Long term deposits		6,991,200	6,991,200
		<b>1,670,442,921</b>	<b>1,820,362,310</b>
<b>Current assets</b>			
Stores and spares	7	104,108,416	96,673,516
Stock in trade	8	1,649,540,605	1,823,689,111
Trade debts	9	1,186,277,053	342,661,323
Loans and advances	10	144,399,921	121,442,496
Trade deposits and short term prepayments	11	3,239,226	3,721,722
Other receivables	12	26,719,292	37,146,406
Short term investments	13	835,013,940	409,227,046
Sales tax refundable		119,270,292	107,121,128
Income tax refundable		107,472,573	116,807,008
Cash and bank balances	14	120,759,269	32,624,872
		<b>4,296,800,587</b>	<b>3,091,114,628</b>
<b>Total assets</b>		<b>5,967,243,508</b>	<b>4,911,476,938</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital	15	207,000,000	69,000,000
Share premium		3,600,000	3,600,000
Surplus on revaluation of property, plant and equipment	16	269,214,931	289,188,794
General reserves		612,000,000	750,000,000
Unappropriated profit		3,315,924,412	2,264,945,574
		<b>4,407,739,343</b>	<b>3,376,734,368</b>
<b>Non-current liabilities</b>			
Long term financing	17	854,634,313	927,141,618
Deferred liabilities	18	156,936,701	190,854,525
		<b>1,011,571,014</b>	<b>1,117,996,143</b>
<b>Current liabilities</b>			
Trade and other payables	19	261,784,169	230,187,328
Accrued markup	20	10,266,875	19,630,111
Short term borrowings	21	29,537,798	18,852,705
Current portion of long term financing	17	133,102,824	42,000,249
Current portion of deferred grant	18	2,696,056	-
Unclaimed dividend		22,183,456	20,746,083
Provision for taxation	22	88,361,973	85,329,951
		<b>547,933,151</b>	<b>416,746,427</b>
<b>Contingencies and commitments</b>	23		
<b>Total equity and liabilities</b>		<b>5,967,243,508</b>	<b>4,911,476,938</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer


  
Mian Imran Ahmed  
Chairman

## **STATEMENT OF PROFIT OR LOSS** **FOR THE YEAR ENDED JUNE 30, 2021**

	<i>Note</i>	<i>2021</i> ----- <i>Rupees</i> -----	<i>2020</i>
Revenue from Contracts - net	24	8,640,883,390	6,476,171,798
Cost of sales	25	<b>(7,059,086,333)</b>	(5,567,431,028)
Gross profit		<b>1,581,797,057</b>	908,740,770
Loss on other operations	26	-	-
		<b>1,581,797,057</b>	<b>908,740,770</b>
Distribution cost	27	<b>(140,826,188)</b>	(90,869,659)
Administrative expenses	28	<b>(168,520,186)</b>	(133,837,591)
Other expenses	29	<b>(65,713,449)</b>	(40,217,306)
Finance cost	30	<b>(64,116,279)</b>	(68,781,772)
Other income	31	<b>96,422,462</b>	71,395,739
		<b>(342,753,640)</b>	(262,310,589)
Profit before taxation		<b>1,239,043,417</b>	646,430,181
Taxation	32	<b>(88,879,156)</b>	(86,266,481)
Profit for the year		<b>1,150,164,261</b>	560,163,700
<b>Earnings per share - basic and diluted</b>	33	<b>55.56</b>	Restated <b>27.06</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

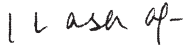
  
Mian Imran Ahmed  
Chairman

## **STATEMENT OF COMPREHENSIVE INCOME** **FOR THE YEAR ENDED JUNE 30, 2021**

	<i>Note</i>	<i>2021</i> ----- <i>Rupees</i> -----	<i>2020</i> ----- <i>Rupees</i> -----
Profit for the year		1,150,164,261	560,163,700
<b>Other comprehensive income - net of tax</b>			
<b>Items that will not be reclassified to statement of profit or loss</b>			
Remeasurement of defined benefit obligation - gratuity	18.2	3,747,996	(57,926)
<b>Total comprehensive income for the year</b>		<b>1,153,912,257</b>	<b>560,105,774</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED JUNE 30, 2021

	Share capital	Capital reserves		Revenue reserves		Total
		Share premium	Surplus on revaluation of fixed assets	General reserve	Unappropriated profit	
Rupees						
Balance as at June 30, 2019	69,000,000	3,600,000	333,980,558	750,000,000	2,039,548,036	3,196,128,594
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	560,163,700	560,163,700
Other comprehensive loss	-	-	-	-	(57,926)	(57,926)
<b>Total comprehensive income for the year</b>	-	-	-	-	560,105,774	560,105,774
<b>Transactions with owners</b>						
Annual dividend for the year ended June 30, 2019 @ Rs. 25 per share	-	-	-	-	(172,500,000)	(172,500,000)
1st interim dividend for the period ended December 31, 2019 @ Rs. 15 per share	-	-	-	-	(103,500,000)	(103,500,000)
2nd interim dividend for the period ended March 31, 2020 @ Rs. 15 per share	-	-	-	-	(103,500,000)	(103,500,000)
Transfer from surplus on revaluation of property, plant and equipment						
account of incremental depreciation			(21,192,839)	-	21,192,839	-
Transfer of revaluation surplus due to disposal of revalued assets			(23,598,925)		23,598,925	-
Balance as at June 30, 2020	69,000,000	3,600,000	289,188,794	750,000,000	2,264,945,574	3,376,734,368
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	1,150,164,261	1,150,164,261
Other comprehensive income	-	-	-	-	3,747,996	3,747,996
<b>Total comprehensive income for the year</b>	-	-	-	-	1,153,912,257	1,153,912,257
<b>Transactions with owners</b>						
1st interim dividend for the period ended September 30, 2020 @ Rs. 20 per share	-	-	-	-	(138,000,000)	(138,000,000)
Bonus shares issue in proportion of 2 shares for every 1 shares held	138,000,000	-	-	(138,000,000)	-	-
Transfer from surplus on revaluation of property, plant and equipment						
account of incremental depreciation	-	-	(19,073,555)	-	19,073,555	-
Transfer of revaluation surplus due to disposal of revalued assets	-	-	(15,993,026)	-	15,993,026	-
Reversal of deferred tax liability	-	-	15,092,718	-	-	15,092,718
<b>Balance as at June 30, 2021</b>	<b>207,000,000</b>	<b>3,600,000</b>	<b>269,214,931</b>	<b>612,000,000</b>	<b>3,315,924,412</b>	<b>4,407,739,343</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.



Shabbir Kausar  
Chief Financial Officer



Kashif Riaz  
Chief Executive Officer



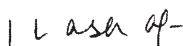
Mian Imran Ahmed  
Chairman

## **STATEMENT OF CASH FLOWS** **FOR THE YEAR ENDED JUNE 30, 2021**

	2021	2020
	----- Rupees -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,239,043,417	646,430,181
Adjustments for:		
Depreciation on property, plant and equipment	168,554,893	173,170,447
Unrealized gain on re-measurement of other financial assets-net	(50,483,705)	(12,210,453)
Realized gain on disposal of other financial assets-net	(5,746,619)	(4,054,388)
Provision for staff retirement benefits - gratuity	19,194,484	21,666,444
Reversal of deferred tax liability	15,092,718	-
Gain on sale of property, plant and equipment- net	(343,434)	(46,000,640)
Dividend income	(27,831,814)	(5,062,193)
Gain on remeasurement of (GIDC)	(7,524,837)	-
Interest income	(617,125)	(6,825,168)
Finance cost	64,116,279	68,781,772
<b>Operating cash flows before changes in working capital</b>	<b>1,413,454,257</b>	<b>835,896,002</b>
<b>Changes in working capital</b>		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(7,434,900)	(16,172,033)
Stock in trade	174,148,506	(57,978,133)
Trade debts	(843,615,730)	1,543,723,490
Loans and advances (excluding advance income tax )	(18,168,419)	(6,051,851)
Trade deposits and short term prepayments	482,496	2,713,191
Sales tax refundable	(12,149,164)	(55,249,360)
Income tax refundable	9,334,435	(37,070,593)
Other receivables	10,427,114	(10,272,840)
<i>Increase in current liabilities</i>		
Trade and other payables	905,948	(41,664,451)
	<b>(686,069,714)</b>	<b>1,321,977,420</b>
<b>Cash generated from operations</b>	<b>727,384,543</b>	<b>2,157,873,422</b>
Finance cost paid	(73,479,515)	(76,421,205)
Staff retirement benefits - gratuity paid	(11,353,020)	(9,787,040)
Income taxes paid	(90,636,140)	(49,886,590)
<b>Net cash generated from operating activities</b>	<b>551,915,868</b>	<b>2,021,778,587</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(20,705,045)	(147,029,455)
Additions to capital work in progress	-	(28,751,200)
Proceeds from disposal of property, plant and equipment	2,412,974	85,134,500
Payment for purchase of short term investments	(3,570,681,594)	(1,781,946,210)
Proceeds from disposal of short term investments	3,201,125,025	1,501,828,226
Dividend income	27,831,814	5,062,193
Interest income	617,125	6,825,168
<b>Net cash used in investing activities</b>	<b>(359,399,701)</b>	<b>(358,876,778)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	70,162,290	141,436,767
Repayment of long term finances	(48,666,526)	(14,773,530)
Short term borrowings - net	10,685,093	(1,459,782,822)
Dividends paid	(136,562,627)	(370,654,543)
<b>Net cash used in financing activities</b>	<b>(104,381,770)</b>	<b>(1,703,774,128)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<b>88,134,397</b>	<b>(40,872,319)</b>
Cash and cash equivalents at beginning of the year	<b>32,624,872</b>	<b>73,497,191</b>
<b>Cash and cash equivalents at end of the year</b>	<b>120,759,269</b>	<b>32,624,872</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED JUNE 30, 2021**

### **1. GENERAL INFORMATION**

- 1.1** Sunrays Textile Mills Limited "the Company" was incorporated in Pakistan on August 27, 1987 as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is principally engaged in trade, manufacture and sale of yarn. The Company has also been operating ginning units and ice factories under leasing arrangements but these have not been operational during the previous year. The registered office of the Company is situated at Office no. 508, 5th floor, Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi. The area of the mill is 114 kanals and 10 marlas, and is located at Khanpur Shumali khewat no. 359, District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab. The Company has also purchased land of 22 kanals 5 marlas located at Mouza Kot Mahna Sing, Tehsil Kot Radha Kishan, District Kasur previous the year.

### **2. BASIS OF PRESENTATION**

#### **2.1 Statement of compliance**

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS's, 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 under historical cost convention except indicated in note 4.1, 4.4 and 4.11.

#### **2.3 Functional and presentation currency**

The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

#### **2.4 Significant accounting estimates and judgments**

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

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

In preparing these financial statements, the significant judgement made by the management in applying accounting policies include:

- useful life and residual values of depreciable assets (note 4.5 and 5.1)
- allowance for expected credit losses;
- provision for current tax and deferred tax (note 4.2 and 30)
- revaluation of assets pertaining to freehold land, building on freehold land, plant and machinery and cost value of investment property;
- staff retirement benefits (note 4.1 and 17)
- net realizable value of stock-in-trade (note 4.8 and 8)

### **3. STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED DURING THE YEAR**

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

### **3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2021**

**3.1.1** The following standards, amendments and interpretations are effective for the year ended June 30, 2021.

#### **Standards or Interpretations with no significant Effective from accounting period impact Beginning on or after:**

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions.	June 01, 2020
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS.	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business.	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material.	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform.	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

### **3.2 New accounting standards / amendments and IFRS interpretations that are not yet**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

#### **Effective from accounting period beginning on or after:**

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021.	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework.	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use.	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract.	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies.	January 01, 2023

#### **Effective from accounting period Beginning on or after:**

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates.	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

**3.3** Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the SECP:

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

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

##### **4.1 Staff retirement benefits**

The Company operates an unfunded gratuity scheme covering all its employees. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation. Actuarial gains and losses are recognized immediately as they arise in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested. Otherwise it is amortized on a straight line basis over the average period until the amended benefits become vested.

Details of the scheme are given in the note 18.1 to these financial statements.

##### **4.2 Taxation**

###### **Current**

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available, if any. For income covered under final tax regime, taxation is based on applicable tax rates under such regime.

###### **Deferred**

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

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

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

###### **Dividend distribution**

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

###### **Foreign currencies**

**4.4** Transactions in currencies other than Pakistani Rupees are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used. Gains and losses arising on retranslation are included in profit or loss for the period.

**4.5 Property, plant and equipment**

Property, plant and equipment except free hold land, building on freehold land, plant and machinery and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses.

**Revaluation**

Free hold land, building on free hold land and plant and machinery are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the statement of financial position date. Any revaluation increase arising on the revaluation of such assets is credited in 'Surplus on revaluation of property, plant and equipment'. A decrease in the carrying amount arising surplus on revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation account relating to previously revalued assets. To the extent of incremental depreciation charged on revalued assets, on disposal of revalued assets and the related surplus on revaluation (net of deferred tax) is transferred directly to unappropriated profit.

Depreciation is charged to income applying reducing balance method to write-off the cost over the estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Rates of depreciation are stated in note 5. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition up to the month preceding the disposal respectively.

Gains / losses on disposal of operating assets, if any, are recognized in statement of profit or loss account, as and when incurred. Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal.

Normal repairs and maintenance are charged to statement of profit or loss account as and when incurred. Major renewals and improvements are capitalized and assets replaced, if any, other than those kept as stand-by are retired.

**Capital work-in-progress**

Capital work-in-progress (CWIP) is stated at cost less any recognized impairment loss. All expenditures connected to the specific assets incurred during installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are available for use.

**4.6 Investment property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss. Any gain or loss on disposal of investment property, calculated as difference between the proceeds from disposal and the carrying amount is recognised in the statement of profit or loss.

**4.7 Stores and spares**

These are valued at lower of cost or net realizable value, cost is determined on the basis of moving average cost less allowance for obsolete and slow moving items, except for items in transit which are valued at cost incurred to the statement of financial position.

**4.8 Stock in trade**

These are valued at lower of cost and net realizable value. Cost is determined by applying the following basis:

Raw material

- At mills

- In transit

Work in process

Finished goods

Waste

Weighted average cost

At cost incurred to the statement of financial position

Average manufacturing cost

Average manufacturing cost

Net realizable value

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

**4.9 Trade debts**

Trade debts and other receivables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method less allowance for expected credit losses.

#### **4.10 Impairment of non-financial assets**

The Company assesses at each statement of financial position date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amount and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised recoverable amount but limited to the extent of carrying amount that would have been determined had no impairment loss been recognized in prior periods. Reversal of impairment loss is recognized as income.

#### **4.11 Financial Instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### **4.11.1 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. 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. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### **Classification of financial assets**

###### **a) Debt instruments measured at amortised cost**

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

As at reporting date, the Company carries cash and cash equivalents, trade receivables and sales tax refund bonds at amortized cost.

###### **b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)**

Debt instruments that meet specified conditions and are measured subsequently at fair value through other comprehensive income (FVTOCI).

As at reporting date, the Company does not hold any debt instrument classified as at FVTOCI.

###### **c) Equity instruments designated as at FVTOCI**

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

As at reporting date, the Company does not hold any equity instrument classified as at FVTOCI.

###### **d) Financial assets measured subsequently at fair value through profit or loss (FVTPL)**

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

As at reporting date, the Company carries investments in shares of listed companies and units of mutual funds classified as at FVTPL.

**Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost or at FVTPL, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for month ECL. Lifetime ECL represents the expected

that financial instrument at an amount equal to 12- credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. 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. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

**Definition of default:**

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

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

**Write-off policy**

The Company writes off financial assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognised in profit or loss.

**Derecognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### **4.11.2 Financial liabilities**

##### **Subsequent measurement of financial liabilities**

Financial liabilities that are not

- contingent consideration of an acquirer in a business combination,
- held-for- trading, or
- designated as at FVTPL, are measured subsequently at amortised cost using the effective

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

#### **4.11.3 Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### **4.11.4 Off setting of financial assets and financial liabilities**

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

#### **4.12 Trade and other payables**

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

#### **4.13 Revenue recognition**

The Company is in the business of sale of goods. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer and the performance obligation is satisfied under the contract at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

- Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

- Export rebate is recognized on accrual basis at the time of making the Export sales.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns, volume rebates). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

#### **4.14 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash and cheques in hand, balances with banks on current, saving and deposit accounts.

#### **4.15 Borrowing cost**

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

All other borrowing costs are charged to income in the period in which these are incurred.

#### 4.16 Borrowings

Loans and borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance cost is accounted for on an accrual basis and are included in mark-up accrued on loans to the extent of amount remaining unpaid, if any.

#### 4.17 Earning Per share

The Company presents basic and diluted earnings per share (EPS) data. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 5. PROPERTY, PLANT AND EQUIPMENT

		2021	2020
	Note	----- Rupees -----	
Operating assets	5.1	1,661,109,666	1,782,277,855
Capital work-in-progress	5.4	-	28,751,200
		<b>1,661,109,666</b>	<b>1,811,029,055</b>

#### 5.1 Operating assets

Particulars	Cost / revalued amount			Depreciation			Written down value as at June 30	Rate
	Opening	Additions / (disposal)	Closing	Opening	For the year / (on disposal)	Closing		
----- Rupees -----								
Owned								
Freehold land	191,940,053	974,438	192,914,491	-	-	-	192,914,491	-
Building on freehold land	357,052,783	-	357,052,783	141,433,868	21,561,892	162,995,760	194,057,023	10%
Plant and machinery	2,353,749,823	43,184,159	2,378,734,973	1,073,082,947	131,311,807	1,188,157,068	1,190,577,905	10%
		(18,199,009)			(16,237,686)			
Electric installations	69,644,240	-	69,644,240	39,371,347	3,027,289	42,398,636	27,245,604	10%
Factory equipments	4,255,496	-	4,255,496	2,537,851	171,765	2,709,616	1,545,880	10%
Office equipments	4,708,546	175,000	4,883,546	3,885,873	96,850	3,982,723	900,823	10%
Electric appliances	4,617,405	-	4,617,405	3,178,710	143,870	3,322,580	1,294,825	10%
Furniture and fittings	9,377,319	-	9,377,319	6,405,355	297,196	6,702,551	2,674,768	10%
Vehicles	123,672,166	5,122,648	127,793,914	66,844,025	11,944,224	77,895,567	49,898,347	20%
		(1,000,900)			(892,682)			
2021	3,119,017,831	49,456,245	3,149,274,167	1,336,739,976	168,554,893	1,488,164,501	1,661,109,666	
		(19,199,909)			(17,130,368)			
----- Rupees -----								
Owned								
Freehold land	204,829,500	21,048,053	191,940,053	-	-	-	191,940,053	-
		(33,937,500)						
Building on freehold land	349,855,491	7,197,292	357,052,783	117,476,211	23,957,657	141,433,868	215,618,915	10%
Plant and machinery	2,262,265,477	91,484,346	2,353,749,823	940,104,477	132,978,470	1,073,082,947	1,280,666,876	10%
Electric installations	69,644,240	-	69,644,240	36,007,692	3,363,655	39,371,347	30,272,893	10%
Factory equipments	4,255,496	-	4,255,496	2,347,002	190,849	2,537,851	1,717,645	10%
Office equipments	4,708,546	-	4,708,546	3,794,465	91,408	3,885,873	822,673	10%
Electric appliances	4,617,405	-	4,617,405	3,018,855	159,855	3,178,710	1,438,695	10%
Furniture and fittings	9,183,629	193,690	9,377,319	6,077,628	327,727	6,405,355	2,971,964	10%
Vehicles	112,273,026	28,245,500	123,672,166	66,393,199	12,100,826	66,844,025	56,828,141	20%
		(16,846,360)			(11,650,000)			
2020	3,021,632,810	148,168,881	3,119,017,831	1,175,219,529	173,170,447	1,336,739,976	1,782,277,855	
		(50,783,860)			(11,650,000)			

#### 5.2 Disposal of property, plant and equipment of book value exceeding Rs. 500,000

Particulars	Cost	Accumulated Depreciation	Carrying value	Sale proceeds	Gain	Mode of Disposal	Relationship	Particulars of buyers
----- Rupees -----								
<b>For the year ended 2021</b>								
<b>Plant and machinery</b>								
China Card	12,500,917	10,924,417	1,576,500	1,705,983	129,483	Negotiation	Third party	Combine Spinning Pvt Ltd
Murata Auto Coner	5,304,119	4,948,635	355,484	416,667	61,183	Negotiation	Third party	Muhammad Umer Farooq
	<b>17,805,036</b>	<b>15,873,052</b>	<b>1,931,984</b>	<b>2,122,650</b>	<b>190,666</b>			
<b>For the year ended 2020</b>								
<b>Land</b>								
90 Kanal 5 marla	33,937,500	-	33,937,500	79,187,500	45,250,000	Negotiation	Related party	Indus Home Limited
<b>Vehicle</b>								
Honda civic MN-6061	2,213,500	1,583,479	630,021	660,000	29,979	Negotiation	Third party	Chaudhary Hamid Mehmood
Honda civic MN-3486	2,269,000	1,623,182	645,818	675,000	29,182	Negotiation	Third party	Muhammad Khalid
Honda civic MN-5678	2,213,500	1,583,479	630,021	675,000	44,979	Negotiation	Third party	Muhammad Naeem Ramzan
Corolla altis LEA-3596	2,822,000	705,500	2,116,500	2,300,000	183,500	Negotiation	Third party	Muhammad Nabeel Mohsin
	<b>43,455,500</b>	<b>5,495,640</b>	<b>37,959,860</b>	<b>83,497,500</b>	<b>45,537,640</b>			

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>----- Rupees -----</b>	<b>----- Rupees -----</b>
<b>5.3</b>	Depreciation for the year has been allocated as under:		
	Cost of goods sold 25	<b>156,070,442</b>	160,490,631
	Administrative expenses 28	<b>12,484,451</b>	12,679,816
		<b>168,554,893</b>	173,170,447
<b>5.4</b>	<b>Capital Work in Progress</b>		
	Machinery in transit	-	28,751,200
	Building	-	-
	5.4.1	<b>-</b>	<b>28,751,200</b>
<b>5.4.1</b>	<b>Movement in capital work in progress</b>		
	Opening balance	<b>28,751,200</b>	<b>1,139,426</b>
	Additions during the year	-	<b>28,751,200</b>
	Transferred to operating assets	<b>(28,751,200)</b>	<b>(1,139,426)</b>
		<b>-</b>	<b>28,751,200</b>
<b>5.5</b>	The Company has its freehold land, building on freehold land and plant and machinery revalued on June 30, 2019 by M.Y.K Associates (Private) Limited, an independent valuer. The basis used for the revaluation of these assets were as follows:		
	<b>Freehold land</b>		
	Fair market value of the land was assessed through inquiries in the vicinity of land, recent market deals and information obtained through estate agents and property dealers of the area.		
	<b>Building on freehold land</b>		
	Fair market value of the building was assessed mainly through new construction value, depreciation cost factors, state of infrastructure, current trends in prices of real estate in the vicinity and information obtained through estate agents, builders and developers.		
	<b>Plant and machinery</b>		
	Fair market value of the plant and machinery was assessed through inquiries of local authorized dealers who deal in old and new similar type of plant and machineries. Replacement value was then ascertained from competitive rates of the plant and machinery and thereafter, an average depreciation factor was applied on the replacement value of the plant and machinery.		
	Forced sale value of the above items of property, plant and equipment is as follows:		
		<b>Rupees</b>	
	Freehold land	36,633,600	
	Building on freehold land	185,903,424	
	Plant and machinery	925,512,700	
		<b>1,148,049,724</b>	
<b>5.6</b>	Had there been no revaluation the related figures of freehold land, building on freehold land and plant and machinery as at the statement of financial position date would have been as follows;		
		<b>2021</b>	<b>2020</b>
		<b>----- Rupees -----</b>	<b>----- Rupees -----</b>
	Freehold land	<b>79,368,530</b>	78,394,092
	Building on freehold land	<b>41,745,178</b>	46,383,532
	Plant and machinery	<b>1,187,220,780</b>	1,259,166,708
		<b>1,308,334,488</b>	1,383,944,332
<b>6.</b>	<b>INVESTMENT PROPERTY</b>		
	Investment property comprises of land held by the Company for capital appreciation purposes, and is not currently in use by the Company for business purposes. The fair value as at June 30, 2019 is Rs. 46.49 million. The forced sale value has been assessed as at June 30, 2019 is Rs. 37.19 million. The investment property is located at Shujabad, District Multan.		
<b>7.</b>	<b>STORES AND SPARES</b>	<b>2021</b>	<b>2020</b>
		<b>----- Rupees -----</b>	<b>----- Rupees -----</b>
	Stores	<b>67,182,421</b>	73,254,129
	Spares	<b>36,925,995</b>	23,419,387
		<b>104,108,416</b>	96,673,516

	<i>Note</i>	<b>2021</b> ----- Rupees -----	<b>2020</b>
<b>8. STOCK-IN-TRADE</b>			
Raw material		1,235,098,282	1,335,668,164
Raw material in-transit		249,398,825	323,398,238
Work in process		40,247,255	35,073,406
Finished goods		33,632,473	122,828,379
Waste		91,163,770	6,720,924
		<b>1,649,540,605</b>	<b>1,823,689,111</b>
<b>9. TRADE DEBTS</b>			
Foreign - secured and considered good		795,989,799	59,499,472
Local - unsecured	9.1	393,054,090	291,567,669
		<b>1,189,043,889</b>	351,067,141
Bad debts written off	29	(500,638)	(6,139,620)
Allowance for expected credit losses	9.2	(2,266,198)	(2,266,198)
		<b>1,186,277,053</b>	<b>342,661,323</b>
<b>9.1</b>	It includes due from associated undertakings relating to sale of yarn in normal course of business. Detail of balances due is as follows:		
Indus Home Limited	9.5 & 37	<b>14,222,881</b>	9,906,754
<b>9.2 Allowance for expected credit losses</b>			
Opening balance as at July 1		2,266,198	288,702
Expected credit losses		-	1,977,496
Closing balance as at June 30		<b>2,266,198</b>	<b>2,266,198</b>
<b>9.3</b>	Trade debts are generally on 60 to 90 days credit terms.		
<b>9.4</b>	As at year end, trade receivables of Rs. 573,833 (2020: Rs. 465,857) were past due.		
<b>9.5</b>	The maximum outstanding balance during the year due from Indus Home Limited Rs. 14.22 million (2020: Rs. 9.9 million).		
<b>10. LOANS AND ADVANCES</b>			
<b>Considered good</b>			
Due from employees	10.1	25,405,492	14,657,804
Advances :			
Income tax		88,725,852	83,936,846
To suppliers / services		29,287,904	21,267,715
To contractors		59,556	168,530
Letter of credit margin		921,117	1,411,601
		<b>144,399,921</b>	<b>121,442,496</b>
<b>10.1</b>	This constitutes interest free loans given to employees which are secured against gratuity and are normally deducted from their salaries as per agreed installments.		
<b>11. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Bank guarantee margin		3,239,226	3,239,226
Prepayments		-	482,496
		<b>3,239,226</b>	<b>3,721,722</b>
<b>12. OTHER RECEIVABLES</b>			
Cotton claims - considered good		24,314,962	34,222,443
Rebate claims		2,122,182	2,122,182
Other		282,148	801,781
		<b>26,719,292</b>	<b>37,146,406</b>

13. SHORT TERM INVESTMENTS		2021		2020	
		----- Rupees -----			
Investments - at fair value through profit or loss		835,013,940		409,227,046	
		835,013,940		409,227,046	
13.1 Market value of other financial assets					
2021		2020			
Number of units		Investments in units of mutual funds			
215,675	213,195	NAFA Stock Fund	3,460,138		2,551,566
294,101	290,444	ABL Stock Fund	4,663,819		3,356,340
1,096,443	-	MCB Cash Management Optimizer	110,695,934		
107,284	106,429	UBL Stock Advantage Fund	8,424,975		6,403,808
30,104,702	-	National Investment Trust	290,221,369		
430,416	-	Alfaluh GHP Money Market Fund	42,283,410		
-	2,702,903	Lakson Money Market Fund	-		271,827,990
1,797,784	-	First Habib Cash Fund	180,928,251		
34,298	-	NAFA Money Market	339,504		
758	741	Nafa Islamic Energy Fund	7,187		
Number of shares		Investment in ordinary shares of listed companies			
138,000	59,000	Engro Fertilizer Limited	9,697,260		3,556,520
-	35,500	Engro Power Generation Limited	-		717,810
275,000	112,000	Fatima Fertilizer Company Limited	7,906,250		2,993,760
-	31,500	Fauji Fertilizer Bin Qasim Limited	-		502,740
16,500	16,500	Nishat Mills Limited	1,539,450		1,287,165
190,353	108,800	United Bank Limited	23,261,137		11,245,568
164,000	-	Bank Al Habib Limited	11,499,680		
		Pak International Bulk			
18,262	18,262	Terminal Limited	207,822		160,706
-	13,500	Pakgen Power Limited	-		162,135
		Pakistan Telecommunication			
-	69,000	Company Limited	-		612,720
-	31,350	Treet Corporation Limited	-		559,911
		Oil and Gas Development			
91,914	69,700	Company Limited	8,734,587		7,597,300
		Abbott Laboratories Pakistan			
-	1,400	Limited	-		928,200
-	142,500	K-Electric Limited	-		428,925
44,225	30,950	Lucky Cement Limited	38,185,634		14,285,901
25,000	25,000	Sui Southern Gas Company Limited	332,500		333,500
35,044,715	4,078,674		742,388,907		329,518,855
2021		2020			
Number of shares		----- Rupees -----			
35,044,715	4,078,674		742,388,907		329,518,855
87,300	44,500	Habib Bank Limited	10,682,901		4,310,715
-	560	Exide Pakistan Limited	-		151,256
-	1,500	Artistic Denim Mills Limited	-		73,350
32,300	16,700	MCB Bank Limited	5,162,509		2,706,569
-	3,675	Cyan Limited	-		82,686
13,000	13,000	Kot Addu Power Company Limited	576,550		261,950
-	12,000	Kohinoor Energy Limited	-		419,760
82,500	82,500	Nishat Chunian Power Limited	1,239,151		1,247,400
32,920	19,000	Engro Corporation Limited	9,698,561		5,565,480

		2021	2020	
		----- Rupees -----		
<b>Crescent Steel and Allied products</b>				
24,200	24,200	Limited	2,032,316	1,101,100
-	61,500	Askari Bank Limited	-	843,165
-	47,970	Kohat Cement Company Limited	-	6,593,477
16,700	16,700	Engro Foods Limited	1,921,836	1,227,617
2,200	2,200	GlaxoSmithKline Pakistan Limited	364,474	382,976
-	6,150	Ferozsons Laboratories Limited	-	1,847,645
205,500	205,500	Fauji Cement Company Limited	4,726,500	3,468,840
7,540	7,540	Kohinoor Textile Limited	567,008	267,745
-	4,500	Arif Habib Corporation Limited	-	135,000
-	10,450	Cherat Cement Limited	-	910,927
69,000	69,000	D.G Khan Cement Company Limited	8,136,480	5,887,770
65,600	65,600	Maple Leaf Cement Factory Limited	3,081,888	1,704,288
-	20,520	Attock Cement Pakistan Limited	-	2,557,408
29,000	25,000	Mughal Iron & Steel Industries Limited	3,027,600	997,000
-	100	Pak International Container Terminal Limited	-	17,200
-	8,200	Packages Limited	-	2,847,122
20,000	17,500	Bestway Cement Limited	3,230,400	1,902,775
-	3,038	Cherat Packaging Limited	-	355,902
3,200	3,200	EFU General Insurance Limited	371,168	351,936
-	29,100	Fecto Cement Limited	-	605,862
-	14,000	Saif Power Limited	-	224,980
152,140	80,900	Hub Power Company Limited	12,120,994	5,865,250
-	50,000	Aisha Steel Mills Limited	-	460,500
2,120	3,504	Mari Petroleum Company Limited	3,231,707	4,333,225
70,400	70,400	Pak Elektron Limited	2,468,224	1,614,272
-	10,400	Shell Pakistan Limited	-	1,898,832
38,397	33,000	Meezan Bank Limited	4,431,398	2,272,050
-	1,320	Biafo Industries Limited	-	189,710
-	2,300	National Refinery Limited	-	246,744
-	4,320	Pakistan State Oil Company Limited	-	683,251
9,545	9,545	Searl Pakistan Limited	2,315,808	1,901,650
21,000	500	Interloop Limited	1,470,630	21,960
11,100	11,100	International Steels Limited	1,036,851	573,315
1,400	-	GlaxoSmithKline Consumer Health Care Pakistan Limited	350,126	-
36,068,177	5,227,266		825,780,803	399,599,891
2021	2020			
Number of shares				
36,068,177	5,227,266		825,780,803	399,599,891
-	1,057	Millat Tractors Limited	-	746,411
69,500	69,500	Bank Al Falah Limited	2,236,510	2,333,115
4,000	4,000	Archroma Pakistan Limited	2,290,000	2,357,600
11,950	11,950	Pakistan Oilfields Limited	4,706,627	4,190,029
36,153,627	5,313,773		835,013,940	409,227,046

#### 14. CASH AND BANK BALANCES

Note

		2021	2020
		----- Rupees -----	
Cash in hand		224,577	450,288
Cash at bank			
- Current accounts		115,392,049	22,043,615
- Deposit accounts	14.1	979	25,475
- Saving accounts	14.1	141,664	124,015
- Term deposit receipts	14.1	5,000,000	9,981,479
		120,534,692	32,174,584
		120,759,269	32,624,872

14.1 Effective markup rate in respect of saving, deposit accounts and term deposits receipts ranges from 5.50% to 6.25% (2020: 7.60% to 10%) per annum.

**15. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

2021	2020	2021	2020
----- Number of shares -----		----- Rupees -----	
<b>Authorized capital</b>			
<b>50,000,000</b>	10,000,000	<b>500,000,000</b>	100,000,000
<b>Issued, subscribed and paid up capital</b>			
	Ordinary shares of Rs. 10 each		
<b>20,700,000</b>	6,900,000	<b>207,000,000</b>	69,000,000
	fully paid in cash		

**15.1.** There has been bonus shares issue in proportion of 2 shares for every 1 shares held of Rs. 138,000,000 during the reporting year.

**15.2.** The Company has only one class of ordinary shares which carry no right to fixed income.

**15.3.** Shareholders are entitled to cast vote proportionate to the paid up value of shares carrying voting rights. All shares rank equally with regard to the Company's residual assets.

2021	2020
----- Rupees -----	
<b>16. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	
<b>Note</b>	
16.1	
<b>16.1 Surplus on revaluation of property, plant and equipment</b>	
Opening balance	<b>304,281,512</b>
Transferred to unappropriated profit on account of :	
Incremental depreciation	<b>(19,073,555)</b>
Revaluation surplus due to disposal of revalued assets	<b>(15,993,026)</b>
	<b>(35,066,581)</b>
Closing balance	<b>269,214,931</b>
<b>Related deferred tax liability</b>	
Opening balance	<b>(15,092,718)</b>
Reversal of deferred tax liability	<b>15,092,718</b>
	<b>-</b>
Closing balance	<b>269,214,931</b>

**17. LONG TERM FINANCING**

**From banking companies - secured Term finance:**

Allied Bank Limited	17.1	-	78,360,480
Allied Bank Limited	17.2	-	26,596,127
Bank Alfalah Limited	17.3	-	27,022,565
		-	131,979,172

**LTFF:**

United Bank Limited	17.4	<b>51,707,355</b>	51,707,355
Bank Alfalah Limited	17.5	<b>375,000,000</b>	347,977,435
MCB Bank Limited	17.6	<b>405,907,786</b>	428,020,310
Allied Bank Limited	17.7	<b>79,662,010</b>	9,457,595
Allied Bank Limited	17.8	<b>78,360,480</b>	-
Deferred grant	18	<b>(204,438)</b>	-
		<b>990,433,193</b>	837,162,695
		<b>990,433,193</b>	969,141,867
Less: Current portion		<b>(133,102,824)</b>	(42,000,249)
Less: Current portion of deferred grant		<b>(2,696,056)</b>	
		<b>854,634,313</b>	<b>927,141,618</b>

**17.1 Allied Bank Limited - Term Finance**

This finance has been obtained from Allied Bank Limited for Balance, Moderization and Replacement (BMR). The loan is repayable in 16 equal half yearly installments commencing from Dec 22, 2022 with 2 years grace period. It carries mark up at the rate of 6 Months KIBOR + 1.50%. The finance is secured against first pari passu charge over all present and future fixed assets of the company for Rs. 134 Million inclusive of 25% Margin. However, the term finance facility has been transferred to LTFF during the year.

**17.2 Allied Bank Limited - Term Finance (salaries and wages)**

This finance has been obtained from Allied Bank Limited to pay salaries & wages under SBP's Refinance Scheme for payment of wages & salaries. The loan is repayable 8 equal quarterly installments commencing from Jan 31, 2021 with 6 months grace period. It carries mark up at the rate of 3 Months KIBOR + 0.50%. The finance is secured against ranking charge of amounting Rs. 92 million over plant and machinery on fixed assets (P&M) with 25% Margin. However, the term finance facility has been transferred to LTFF during the year.

**17.3 Bank Alfalah Limited - Term Finance**

This finance has been obtained from Bank Alfalah for BMR. The loan is repayable 32 equal quarterly installments commencing from April 02, 2022 with 2 years grace period. It carries mark up at the rate of 6 Months KIBOR + 1%. The finance is secured against first pari passu charge of PKR 500 Million over all current and future fixed assets of the company with 25% Margin. However, the term finance facility has been transferred to LTFF during the year.

**17.4 United Bank Limited - LTFF**

This finance has been obtained from United bank Limited for BMR. The loan is repayable in 10 equal half yearly installments commencing from Feb 18, 2019 with 11 months grace period. carries markup at flat rate 3%. This finance is secured against first pari passu charge amounting Rs. 125 million over all present and future fixed assets of the Company with 25% margin.

**17.5 Bank Alfalah Limited- LTFF**

This finance has been obtained from Bank Alfalah Limited for BMR. The loan is repayable in 32 equal quarterly installments commencing from June 18, 2021 with 2 years grace period. carries markup at flat rate of 3%. The finance is secured against first pari passu charge amounting to Rs. 500 million over all present and future fixed assets of the Company with 25% margin.

**17.6 MCB Bank Limited - LTFF**

This finance has been obtained from MCB Bank Limited for BMR. The loan is repayable in 16 equal half yearly installments commencing from April 18, 2020 with 2 years grace period. It markup at rate of 2.5%. The finance is secured against first pari passu charge amounting to Rs. 600 million over all present and future fixed assets of the Company with 25% margin.

**17.7 Allied Bank Limited - LTFF (salaries and wages)**

This finance has been obtained from Allied Bank to pay salaries and wages under SBP's Refinance Scheme for payment of wages and salaries. The loan is repayable in 8 equal quarterly installments commencing from Jan 31, 2021. It carries mark up at flat rate of 1.25%. The finance is secured against first pari passu charge amounting to Rs. 152 million over all present and future fixed assets of the

**17.8 Allied Bank Limited - LTFF**

This finance was obtained from Allied Bank Limited for BMR under term finance arrangements and has been converted to LTFF during the period. The loan is repayable in 16 equal half yearly installments commencing from Dec 22, 2022 with 2 year grace period. It carries mark up at SBP rate + 1.5% per annum. The finance is secured against first pari passu charge over all present and future fixed assets of the company for Rs. 134 Million inclusive of 25% Margin.

18. DEFERRED LIABILITIES	Note	2021	2020
		----- Rupees -----	-----
Staff retirement benefits - gratuity	18.1	86,267,353	82,173,885
Provision for Gas Infrastructure Development Cess (GIDC)	18.4	70,464,910	108,680,640
Deferred Grant	18.5	204,438	-
		<u>156,936,701</u>	<u>190,854,525</u>

<b>18.1 Staff retirement benefits - gratuity</b>		<b>Note</b>	<b>2021</b>	<b>2020</b>
			<b>----- Rupees -----</b>	
<b>Liability recognized in the statement of financial position</b>				
Present value of defined benefit obligation			<b>86,267,353</b>	82,173,885
			<b>86,267,353</b>	<b>82,173,885</b>
<b>Movement in the net liability</b>				
Opening balance			<b>82,173,885</b>	70,236,555
Charge for the year			<b>19,194,484</b>	21,666,444
Payment made during the year			<b>(11,353,020)</b>	(9,787,040)
Actuarial (gain) / loss from changes in experience adjustments			<b>(4,089,344)</b>	1,914,633
Actuarial loss / (gain) from changes in financial assumptions			<b>341,348</b>	(1,856,707)
			<b>86,267,353</b>	<b>82,173,885</b>
<b>Changes in present value of defined benefit obligation</b>				
Opening defined benefit obligation			<b>82,173,885</b>	70,236,555
Current service cost			<b>12,692,207</b>	12,355,062
Interest cost			<b>6,502,277</b>	9,311,382
Benefits paid			<b>(11,353,020)</b>	(9,787,040)
Actuarial (gain) / loss from changes in experience adjustments			<b>(4,089,344)</b>	1,914,633
Actuarial loss / (gain) from changes in financial assumptions			<b>341,348</b>	(1,856,707)
			<b>86,267,353</b>	<b>82,173,885</b>
<b>Charge for the year</b>				
Current service cost			<b>12,692,207</b>	12,355,062
Interest cost			<b>6,502,277</b>	9,311,382
			<b>19,194,484</b>	<b>21,666,444</b>
<b>Allocation of charge for the year</b>				
Cost of sales		25.2	<b>14,394,484</b>	16,572,000
Administrative expenses		28.1	<b>4,800,000</b>	5,094,444
			<b>19,194,484</b>	<b>21,666,444</b>
<b>18.2 Remeasurement loss recognised in other comprehensive income</b>				
Actuarial (gain) / loss from changes in experience adjustments			<b>(4,089,344)</b>	1,914,633
Actuarial loss from changes in financial assumptions			<b>341,348</b>	(1,856,707)
Remeasurement loss			<b>(3,747,996)</b>	57,926
As per actuarial valuation carried out as at June 30, 2021 by Nauman Associates using Projected Unit Credit Method, the following significant assumptions have been used for valuation of defined benefit obligation of the Company:				
			<b>2021</b>	<b>2020</b>
Discount rate			<b>10.00%</b>	8.50%
Expected rate of salary increase in future years			<b>9.00%</b>	7.50%
Average expected remaining working life time of employees			<b>6 years</b>	6 years
Mortality rate was based on the EFU 61-66 mortality table.				
			<b>Increase/(decrease) in defined benefit obligation</b>	
<b>18.3 Staff retirement benefits sensitivity analysis</b>			<b>2021</b>	<b>2020</b>
			<b>----- Rupees -----</b>	
Year end sensitivity analysis (+/- 100 bps) on defined benefit obligation:				
Discount rate + 100 bps			<b>81,090,114</b>	76,913,729
Discount rate - 100 bps			<b>92,188,553</b>	88,275,208
Salary Increase + 100 bps			<b>92,371,633</b>	88,561,431
Salary Increase - 100 bps			<b>80,831,626</b>	76,555,722
<b>Maturity Profile</b>				
Average duration of liability			6 years	7 years
<b>Expected contribution for the next year</b>				
The expected contribution to the gratuity scheme for the next year works out to Rs. 19.290 million.				

<b>18.4 Provision for Gas Infrastructure Development</b>	<b>2021</b>	<b>2020</b>
	<b>----- Rupees -----</b>	
<b>Cess(GIDC)</b>	<b>84,999,849</b>	<b>108,680,640</b>
Provision for GIDC	<b>(14,534,939)</b>	<b>-</b>
Less: Current portion	<b>70,464,910</b>	<b>108,680,640</b>

During the current year, on August 13, 2020 the Supreme Court of Pakistan (SCP) through its order declared GIDC Act an intra vires to the constitution and directed all the industrial and commercial entities to pay the Cess that have become due up to July 31, 2020. However, as a concession, the same was allowed to be recovered in twenty four equal monthly installments starting from August 01, 2020. In light of the above stated order of SCP, the Company opted to recognize the Cess as payable in twenty four equal monthly installments and as a result the Company has recorded a gain Rs. 7.54 million on remeasurement of the provision for GIDC in accordance with the provision of IAS 37.

#### **18.5 DEFERRED GRANT**

As mentioned in note **17.7** the State Bank of Pakistan (SBP) through circular 6 dated April 10, 2020 introduced a 'Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concern (the Refinance Scheme). The purpose of the Refinance Scheme is to provide relief to dampen the effects of COVID- 19 by providing loans at concessional interest rates. The Company obtained financing of Rs. 106.22 million under the Refinance Scheme. The benefit of below market interest rates, measured as the difference between the fair value of loan and loan proceeds on the date of disbursement has been recognised as deferred grant. The deferred grant is amortized over the term of the loan i.e., 2.5 years. In line with the recognition of interest expense, the grant is compensatory.

The movement during the year is as follows:

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>----- Rupees -----</b>	
As at July 01		-	-
Recognized during the year		<b>7,604,320</b>	-
Amortized during the year		<b>(4,703,826)</b>	-
As at June 30		<b>2,900,494</b>	-
Less: Current portion		<b>(2,696,056)</b>	-
Non current portion		<b>204,438</b>	-

#### **19. TRADE AND OTHER PAYABLES**

Creditors		<b>165,677,759</b>	<b>131,322,669</b>
Current portion of provision for GIDC	18.4	<b>14,534,939</b>	<b>-</b>
Accrued liabilities		<b>47,504,446</b>	<b>72,143,641</b>
Workers' Profit Participation Fund	19.1	<b>7,212,811</b>	<b>5,522,641</b>
Commission on export sale		<b>22,934,177</b>	<b>13,169,293</b>
Advances from customers		<b>2,331,951</b>	<b>1,687,570</b>
Due to employees		<b>675,695</b>	<b>1,446,768</b>
Due to associated undertakings	19.2, 19.3 & 37	<b>-</b>	<b>321,425</b>
Income tax deducted at source		<b>294,818</b>	<b>453,708</b>
Sales tax deducted at source		<b>617,573</b>	<b>4,119,613</b>
		<b>261,784,169</b>	<b>230,187,328</b>

	<i>Note</i>	<b>2021</b>	<b>2020</b>
		<b>----- Rupees -----</b>	
<b>19.1 Workers' Profit Participation Fund</b>			
Opening balance		5,522,641	498,884
Payment to the fund		(5,522,641)	(498,884)
		-	-
Charge for the year	29	65,212,811	34,022,641
Payment of the fund from current year liability		(58,000,000)	(28,500,000)
Closing balance		7,212,811	5,522,641
<b>19.2 Due to associated undertakings</b>			
<b>On account of trading activities</b>			
Indus Dyeing & Manufacturing Co. Limited		-	321,425
<b>19.3</b>	The maximum outstanding balance during the year due from Indus Dyeing & Manufacturing Co. Limited (associated undertaking) is Rs. Nil (2020 Rs. 3.75 million).		
<b>20. ACCRUED MARKUP</b>			
Accrued markup on:			
- Short term borrowings		3,572,225	12,903,462
- Long term borrowings		6,694,650	6,726,649
		10,266,875	19,630,111
<b>21. SHORT TERM BORROWINGS</b>			
<b>Secured - under markup arrangements from banking Companies</b>			
Running finances (RF)		29,537,798	18,852,705
	21.1	29,537,798	18,852,705
<b>21.1</b>	Short term facilities available from commercial banks under mark up arrangements amount to Rs. 6,475 Million (2020: Rs. 5,975 million) of which facilities aggregating to Rs. 6,446 million ( 2020: Rs. 5,956 million) remained unutilized at the year end. The rate of mark up ranges from 7.81% to 8.69% per annum (2020: 8.76% to 16.05% per annum) payable on quarterly basis. These finances are secured against pledge of raw material and finished goods and charge on current assets of the Company.		
<b>22. PROVISION FOR TAXATION</b>			
Opening balance		85,329,951	35,244,522
Provision made during the year		88,361,973	85,329,951
		173,691,924	120,574,473
Prior year adjustment		14,575,535	(936,530)
Adjustments against completed assessments		(99,905,486)	(34,307,992)
		88,361,973	85,329,951
<b>23. CONTINGENCIES AND COMMITMENTS</b>			
<b>Contingencies</b>			
Bank guarantees	23.1	164,921,302	140,921,302
Foreign bills purchased		587,060,000	625,933,199
In land bills purchased		98,672,017	-
		850,653,319	766,854,501
<b>23.1 Bank guarantees</b>			
<b>In favor of</b>	<b>Bank</b>		
Sui Northern Gas Pipelines Limited	MCB Bank Limited	57,061,261	57,061,261
Ministry of Textile	MCB Bank Limited	599,574	599,574
Excise and taxation	Soneri Bank Limited	23,985,915	23,985,915
Excise and taxation	United Bank Limited	83,000,000	59,000,000
Import Licence Fee	Habib Bank Limited	274,552	-
CCI & E	United Bank Limited	-	274,552
		164,921,302	140,921,302
<b>Commitments</b>			
Under letters of credit for:			
- Stores and spares		-	12,163,672
- Raw material		351,482,855	93,605,004
- Plant and machinery		81,151,500	4,934,160
		432,634,355	110,702,836

		2021	2020
		----- Rupees -----	
<b>24. Revenue from Contracts - net</b>	<b>Note</b>		
<b>Exports</b>			
Yarn	24.1	7,382,482,618	5,347,462,181
Waste		10,104,732	47,233,028
Rebate claim		-	491,233
		<b>7,392,587,350</b>	<b>5,395,186,442</b>
<b>Local</b>			
Yarn		1,587,307,098	1,109,540,310
Doubling		10,408,623	478,800
Waste		240,033,136	297,843,032
		<b>1,837,748,857</b>	<b>1,407,862,142</b>
Sales tax on local sales		(544,643,942)	(296,177,811)
Commission		(44,808,875)	(30,698,975)
		<b>8,640,883,390</b>	<b>6,476,171,798</b>
<b>24.1</b>	It includes indirect export of Rs. 2,126.67 million ( 2020: Rs. 668.36 million).		
<b>25. COST OF SALES</b>			
Raw material consumed	25.1	5,045,139,882	4,243,662,529
Power and fuel		411,637,918	369,945,257
Salaries, wages and benefits	25.2	273,323,915	261,250,493
Depreciation	5.3	156,070,442	160,490,631
Packing material consumed		91,216,576	71,703,526
Stores and spares consumed		67,597,426	71,462,375
Repairs and maintenance		3,446,278	7,896,146
Insurance		5,291,888	5,142,982
Allowance for expected credit losses		-	1,977,496
Others		1,284,547	725,559
		<b>6,055,008,872</b>	<b>5,194,256,994</b>
<b>Work in process</b>			
Opening stock		35,073,406	39,142,830
Closing stock		(40,247,255)	(35,073,406)
		<b>(5,173,849)</b>	<b>4,069,424</b>
Cost of goods manufactured		<b>6,049,835,023</b>	<b>5,198,326,418</b>
<b>Finished goods</b>			
Opening stock		129,549,303	283,366,289
Purchase of finished goods		1,004,498,250	215,287,624
Closing stock		(124,796,243)	(129,549,303)
		<b>1,009,251,310</b>	<b>369,104,610</b>
		<b>7,059,086,333</b>	<b>5,567,431,028</b>
<b>25.1 Raw material consumed</b>			
Opening stock		1,659,066,402	1,418,964,120
Purchases including purchase expenses		4,621,171,762	4,483,764,811
		<b>6,280,238,164</b>	<b>5,902,728,931</b>
Closing stock		(1,235,098,282)	(1,659,066,402)
		<b>5,045,139,882</b>	<b>4,243,662,529</b>
<b>25.2</b>	It includes Rs.14.4 million (2020: Rs. 16.6 million) in respect of staff retirement benefits - gratuity.		

			2021	2020
			----- Rupees -----	
<b>26. LOSS ON OTHER OPERATIONS</b>	<b>Note</b>			
Profit on ginning factory	26.1		-	-
Loss on Ice Factory	26.2		-	-
			<u>-</u>	<u>-</u>
<b>26.1 Profit on ginning factory</b>				
Transferred to spinning operations			-	-
Sales - net			-	24,237,739
			<u>-</u>	<u>24,237,739</u>
Cost of goods transferred / sold (ginning)	26.1.1		-	(24,237,739)
Gross profit			-	-
Administrative expenses			-	-
Bank charges			-	-
			<u>-</u>	<u>-</u>
Net profit			<u>-</u>	<u>-</u>
<b>26.1.1 Cost of goods transferred / sold (ginning)</b>				
Opening stock			-	24,237,739
Cost of ginning and oil			-	-
Closing stock			-	-
			<u>-</u>	<u>24,237,739</u>
<b>26.2</b>	Loss from other operations arises from the Company's operation of Ice Factory on leasing			
<b>27. DISTRIBUTION COST</b>				
Export development surcharge			11,612,681	10,963,579
Ocean freight			63,527,051	25,977,683
Forwarding expenses			29,053,007	24,672,666
Local freight			15,106,888	12,495,474
Fuel expense			20,789,997	16,378,301
Others			736,564	381,956
			<u>140,826,188</u>	<u>90,869,659</u>
<b>28. ADMINISTRATIVE EXPENSES</b>				
Salaries, wages and benefits	28.1		57,409,664	43,547,606
Directors' remuneration	34		52,563,589	36,103,610
Depreciation	5.3		12,484,451	12,679,816
Vehicle running and maintenance			11,833,231	13,073,862
Travelling and conveyance			2,699,423	4,517,996
Postage, telephone and fax			3,003,368	1,632,098
Electricity, gas and fuel			2,690,451	2,813,677
Printing and stationery			1,790,678	1,499,753
Auditors' remuneration	28.2		1,650,000	1,650,000
Rent, rates and taxes			3,802,738	2,913,840
Donations	28.3		2,349,100	2,535,338
Insurance			1,589,101	1,688,829
Fees, subscription and periodicals			6,335,847	3,345,490
Entertainment			1,833,026	1,904,763
Repairs and maintenance			584,898	1,011,794
Legal and professional charges			2,226,260	795,409
Others			3,674,361	2,123,710
			<u>168,520,186</u>	<u>133,837,591</u>
<b>28.1</b>	It includes Rs. 4.8 million (2020: Rs. 5.09 million) in respect of staff retirement benefits - gratuity.			
<b>28.2 Auditors' remuneration</b>				
Statutory audit			1,100,000	1,100,000
Review report on compliance with COCG			100,000	100,000
Half year review			250,000	250,000
Certificate for CDC and free float shares			200,000	200,000
			<u>1,650,000</u>	<u>1,650,000</u>
<b>28.3</b>	It includes no amount above Rs. 500,000 given to any donee and none of the directors or their spouses has any interest in the donee's fund.			

<b>29. OTHER EXPENSES</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>Rupees</b>	
Workers' Profit Participation Fund	19.1	65,212,811	34,022,641
Unrealized loss on short term investments		-	55,045
Bad debts written off	9	500,638	6,139,620
		<b>65,713,449</b>	<b>40,217,306</b>
<b>30. FINANCE COST</b>			
Interest / mark up on:			
Long term financing		28,617,320	23,984,740
Short term borrowings		29,095,151	37,361,556
Bank charges and commission		6,403,808	7,435,476
		<b>64,116,279</b>	<b>68,781,772</b>
<b>31. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Unrealized gain on remeasurement of short term investments		50,483,705	12,265,498
Realized gain on disposal of short term investments		5,746,619	4,054,388
Interest / profit on bank deposits		617,125	6,825,168
Dividend income		27,831,814	5,062,193
<b>Income from non financial assets</b>			
Gain on sale of property, plant and equipment		343,434	46,000,640
Profit / (Loss) on trading		3,874,928	(2,882,148)
Other		-	70,000
Remeasurement of Gas Infrastructure Development Cess (GIDC)		7,524,837	-
		<b>96,422,462</b>	<b>71,395,739</b>
<b>32. TAXATION</b>			
Current year:			
Current	32.1	88,361,973	85,329,951
Deferred		15,092,718	-
Prior year adjustment		(14,575,535)	936,530
		<b>88,879,156</b>	<b>86,266,481</b>
<b>32.1</b>	The Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001 for the current year.		
<b>32.2</b>	Provision for deferred income tax is not required as the Company is chargeable to tax under section 169 of the Income Tax Ordinance, 2001 and no temporary differences are expected to arise in the		
<b>32.3</b>	Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of presumptive taxation.		
<b>33. EARNINGS PER SHARE - BASIC AND DILUTED</b>		<b>2021</b>	<b>2020</b>
Profit after tax	<b>Rupees</b>	<b>1,150,164,261</b>	<b>560,163,700</b>
Weighted average number of ordinary			
	<b>Numbers</b>	<b>20,700,000</b>	<b>20,700,000</b>
Earnings per share - basic and diluted	<b>Rupees</b>	<b>55.56</b>	<b>27.06</b>
<b>33.1</b>	During the year, the Company issued 200% bonus shares to the existing shareholders resulting in the increase of weighted average number of ordinary shares outstanding at year end to 20,700,000 (2020: 6,900,000). The issuance of bonus shares shall have a retrospective impact thereby restating the shares outstanding at June 30, 2020.		
<b>33.2</b>	There is no dilutive effect on the basic earnings per share of the Company.		

**34. REMUNERATION TO CHIEF EXECUTIVE AND DIRECTOR**

	<b>Chief executive</b>	<b>Director</b>	<b>Executives</b>
<b>2021</b>	<b>----- Rupees -----</b>		
Remuneration	19,636,364	10,506,000	16,862,182
House rent	1,963,636	1,050,600	1,686,218
Conveyance - cars	1,152,644	257,535	2,945,526
Other benefits	10,350,888	7,645,922	6,028,753
	<b>33,103,532</b>	<b>19,460,057</b>	<b>27,522,679</b>
Number of persons	<b>1</b>	<b>1</b>	<b>14</b>
	<b>Chief executive</b>	<b>Director</b>	<b>Executives</b>
<b>2020</b>	<b>----- Rupees -----</b>		
Remuneration	13,090,909	7,527,273	15,334,817
House rent and other benefits	1,309,091	752,727	1,533,482
Conveyance - cars	2,287,078	312,867	2,913,713
Other benefits	6,588,900	4,234,765	2,733,900
	<b>23,275,978</b>	<b>12,827,632</b>	<b>22,515,912</b>
Number of persons	<b>1</b>	<b>1</b>	<b>14</b>

**34.1** Chief Executive and a director are also entitled to free use of the Company maintained cars.

**35. FINANCIAL INSTRUMENTS**

**35.1** The Company has exposure to the following risks from its use of financial instruments:

Credit risk  
Liquidity risk  
Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

**35.2 Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from deposits, trade debts, loans and advances, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<b>2021</b>	<b>2020</b>
	<b>----- Rupees -----</b>	
Trade debts	<b>1,186,277,053</b>	342,661,323
Other receivables	<b>26,719,292</b>	37,146,406
Long term deposits	<b>6,991,200</b>	6,991,200
Bank balances	<b>120,534,692</b>	32,174,584
	<b>1,340,522,237</b>	<b>418,973,513</b>

The Company's credit risk exposures are categorized under the following headings:

**Counterparties**

The Company conducts transactions with the following major counterparties:

Trade debts  
Public sectors  
Banks and other financial institutions

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty Limits that are reviewed and approved by the management Annually.

### 35.2.1 Credit risk related to trade debtors

Trade debts are essentially due from local and foreign customers against sale of yarn and waste material and the Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed subject to established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and any shipments to foreign customers are generally covered by letters of credit.

Trade debts are generally on 60 to 90 days credit terms.

#### Impairment losses

The aging of trade debts at the reporting date was:

	2021		2020	
	Gross	Impairment	Gross	Impairment
	----- Rupees -----			
Not yet due	1,187,969,418	-	344,461,664	-
Past due for:				
- more than 3 months but less than 1 year	325,076	1,800,341	105,817	1,800,341
- more than 1 year but less than 2 years	247,321	105,817	349,535	105,817
- more than 2 years	1,436	360,040	10,505	360,040
	<b>1,188,543,251</b>	<b>2,266,198</b>	<b>344,927,521</b>	<b>2,266,198</b>

#### Concentration of credit risk

Trade debts consist of a large number of diversified customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

### 35.2.2 Credit risk related to banks and other financial institutions

Credit risk on balances with banks is managed by management in accordance with the Company's policy. Excess funds are placed in deposits with reputable banks and financial institutions.

Bank Name	Rating Agency	Long term Loans	Short Term Loans
The Bank of Punjab	PACRA	AA+	A1+
Askari Bank Limited	PACRA	AA+	A1+
Allied Bank Limited	PACRA	AAA	A1+
BankIslami Pakistan Limited	PACRA	A+	A1
Bank Alfalah Limited	PACRA	AA+	A1+
Bank Al Habib Limited	PACRA	AAA	A1+
Faysal Bank Limited	PACRA	AA	A1+
Habib Bank Limited	PACRA	AAA	A1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
United Bank Limited	PACRA	AAA	A-1+
National Bank of Pakistan	PACRA	AAA	A1+
MCB Bank Limited	PACRA	AAA	A1+

### 35.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

### 35.3.1 Liquidity risk table

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Particulars	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years	Total
Long term financing	-	133,102,824	614,350,836	243,183,971	990,637,631
Short term borrowings	-	29,537,798	-	-	29,537,798
Trade and other payables	-	236,792,077	-	-	236,792,077
Accrued mark up	10,266,875	-	-	-	10,266,875
Unclaimed dividend	22,183,456	-	-	-	22,183,456
2021	32,450,331	399,432,699	614,350,836	243,183,971	1,289,417,837
Long term financing	-	42,000,249	617,282,228	309,859,390	969,141,867
Short term borrowings	-	18,852,705	-	-	18,852,705
Trade and other payables	-	205,234,503	-	-	205,234,503
Accrued mark up	19,630,111	-	-	-	19,630,111
Unclaimed dividend	20,746,083	-	-	-	20,746,083
2020	40,376,194	266,087,457	617,282,228	309,859,390	1,233,605,269
Off Statement of financial position items				2021	2020
				----- Rupees -----	
Letters of credit				432,634,355	110,702,836
Bank guarantees				164,921,302	140,921,302
Foreign bills discounted				587,060,000	625,933,199
In land bills purchased				98,672,017	-
Off Statement of financial position gap				1,283,287,674	877,557,337

### 35.4 Market risk

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

#### 35.4.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

##### Exposure to currency risk

The Company is exposed to currency risk on trade debts which are denominated in currency other than the functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

	Rupees	2021	US Dollar	Rupees	2020	US Dollar
Trade debts	795,989,799		5,053,903	59,499,472		352,589
	<b>795,989,799</b>		<b>5,053,903</b>	<b>59,499,472</b>		<b>352,589</b>

The following US Dollar exchange rates were applied during the year:

	2021	2020
	Rupees	Rupees
Average rate	160.24	158.35
Statement of financial position rate	157.50	168.75

##### Sensitivity analysis - foreign currency

At June 30, 2021, if the Rupee had weakened / strengthened by 10% (2020: 10%) against the US Dollar with all other variables held constant, profit for the year would have been lower / higher by Rs. 79.6 million (2020: Rs. 5.9 million), as a result of foreign exchange gains / losses on translation of foreign currency trade debts. Profit / (loss) is less sensitive to movement in Rupee / foreign currency exchange rates in 2021 than 2020 because of low fluctuation in foreign currency exchange rate.

#### 35.4.2 Interest rate risk

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will effect the value of financial instruments. The Company has significant amount of interest based financial assets and financial liabilities which are largely based on variable interest / mark-up rates, therefore the Company has to manage the related finance cost which exposes it to the risk of 3 month and 6 month KIBOR. Since the impact on interest rate exposure is significant to the Company, management is considering the alternative arrangement to manage interest rate exposure in future.

	Effective	2021		Effective	2020
	Interest Rate	Rupees		Interest Rate	Rupees
<b>Fixed rate instruments</b>					
<b>Financial assets:</b>					
- Deposit Accounts	5.50% - 6.25%	142,643		7.60% - 10%	149,490
<b>Variable rate instruments</b>					
<b>Financial liabilities:</b>					
- Long term financing	1.25% - 8.21%	990,637,631		1.25% - 12.03%	969,141,867
- Short term borrowings	7.81% - 8.69%	29,537,798		8.76% - 16.05%	18,852,705
		<b>1,020,318,072</b>			<b>988,144,062</b>

##### Sensitivity analysis - interest rate

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit / loss for the year ended June 30, 2021 would decrease / increase by Rs. 10.20 million (2020: Rs. 9.88 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate financial instruments.

### 35.4.3 Other price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to 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 traded in the market. The Company is not materially exposed to other price risk on financial assets and liabilities, except as mentioned in note 34.4.4.

### 35.4.4 Equity share price risk

The Company is also exposed to the equity price risk arising from the fluctuations due to change in fair value of those equity instruments.

#### Sensitivity analysis - Equity share price risk

A 1% increase / decrease in share prices at year end would have increased / decreased profit for the year as follows

	2021	2020
	----- Rupees -----	
Effect on profit or loss	8,350,139	4,092,270

### 35.5 Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

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

#### 35.5.1 Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments and non financial assets.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any other financial instruments to be classified here other than "Short term investments" as disclosed in note 12, that are classified in level 1 and level 2 as per hierarchy stated above.

The Company follows the revaluation model for its free hold land, building on free hold land, plant and machinery. The fair value measurement as at June 30, 2019 was performed by MYK Associates (Private) Limited. MYK Associates (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of State Bank of Pakistan and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. The fair value of the assets was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property/project, condition, size, utilization, and other relevant factors. In estimating the fair value of free hold land, building on free hold land and plant and machinery, the highest and best use of these assets is their current use.

Since the date of last revaluation, there has been no material change in the market factors that derive fair value of these properties, therefore, management believes that the carrying value of these non financial assets approximate its fair market value.

Short term investments include quoted equity shares. The investment are valued at each reporting date at their fair value by using the prevailing quoted prices of shares on Pakistan Stock Exchange Limited.

June 30, 2021	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Short term investments	193,989,353	641,024,587	-	835,013,940
Free hold land	-	192,914,491	-	192,914,491
Building on free hold land	-	194,057,023	-	194,057,023
Investment property	-	2,342,055	-	2,342,055
Plant and machinery	-	1,190,577,905	-	1,190,577,905
Total	193,989,353	2,220,916,061	-	2,414,905,414
June 30, 2020	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Short term investments	125,081,052	284,145,994	-	409,227,046
Free hold land	-	191,940,053	-	191,940,053
Building on free hold land	-	215,618,915	-	215,618,915
Investment property	-	2,342,055	-	2,342,055
Plant and machinery	-	1,280,666,876	-	1,280,666,876
Total	125,081,052	1,974,713,893	-	2,099,794,945

There were no transfers between levels of fair value hierarchy during the period.

**35.6 Financial instruments by category**

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an approximate mix between various sources of finance to minimize risk.

The accounting policies for financial instruments have been applied for line items as below:

**Assets carried at fair value**

Carrying value of investments at fair value through profit or loss

**Assets categorized at amortized cost**

Trade debts

Long term deposits

Trade deposits and short term prepayments

Loans and advances

Cash and bank balances

**Liabilities carried at amortized cost**

Trade and other payables

Long term financing

Short term borrowings

Unclaimed dividend

Accrued mark up

	2021	2020
	Rupees	
	835,013,940	409,227,046
	835,013,940	409,227,046
	1,186,277,053	342,661,323
	6,991,200	6,991,200
	3,239,226	3,239,226
	921,117	1,411,601
	120,759,269	32,624,872
	1,318,187,865	386,928,222
	236,792,077	218,403,796
	990,637,631	969,141,867
	29,537,798	18,852,705
	22,183,456	20,746,083
	10,266,875	19,630,111
	1,289,417,837	1,246,774,562

**36. CAPITAL MANAGEMENT**

The Company objectives when managing capital are:

to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

to provide an adequate return to shareholders by pricing products and services commensurately with Capital comprises all components of equity (i.e. share capital, reserves and unappropriated profit). The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders or issue new shares.

The debt-to-adjusted capital ratios at June 30, were as follows:

	2021	2020
	Rupees	
Total debt	1,020,175,429	987,994,572
Less: Cash and cash equivalents	(120,759,269)	(32,624,872)
Net debt	899,416,160	955,369,700
Total equity	4,407,739,343	3,376,734,368
Adjusted capital	5,307,155,503	4,332,104,068
Debt-to-adjusted capital ratio	16.95%	22.05%

**37. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated undertakings, other related group companies, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under trade debts (note 9.1), trade and other payables (note 19.3) and remuneration of Chief Executive and director (note 34). The Indus Home Limited and Indus Dyeing & Manufacturing Co. Limited is associated undertaking based on common directorship. Other significant transactions with related parties are as follows:

	2021	2020
	Rupees	
<b>Transactions with associated undertakings (due to common directorship)</b>		
<b>Indus Dyeing &amp; Manufacturing Company Limited</b>		
Purchase of goods and services	445,813	-
<b>Indus Home Limited</b>		
Sale of goods and services	295,852,531	184,208,646
Purchase of goods and services	-	20,000,783
Sale of land	-	79,187,500

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

	2021	2020
	Rupees	Rupees
<b>38. PLANT CAPACITY AND PRODUCTION</b>		
Number of spindles installed	34,896	34,896
Number of spindles worked	34,792	33,127
Number of shifts / day	3	3
Installed capacity after conversion into 20/s count Kgs	11,948,706	11,948,706
Actual production of yarn after conversion into 20/s count Kgs	11,882,023	10,531,334

**Reasons for shortfall**

It is difficult to describe precisely the production capacity in spinning unit since fluctuates widely depending on various factors such as count of yarn spun, spindles speed and twist etc. It also varies according to the pattern of production adopted in a particular year.

**39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

	2020	Cash flow	2021
	Rupees	Rupees	Rupees
Long term finances	969,141,867	21,495,764	990,637,631
Short term borrowings	18,852,705	10,685,093	29,537,798
Dividend	20,746,083	1,437,373	22,183,456
	<b>1,008,740,655</b>	<b>33,618,230</b>	<b>1,042,358,885</b>

**40. SEGMENT REPORTING**

The Company's core business is manufacturing and sale of yarn and it generates more than 90% of its revenue and profit from the production and sale of yarn. Decision making process is centralized at head office led by Chief Executive who is continuously involved in day to day operations and regularly reviews operating results and assesses its performance and makes necessary decisions about resources to be allocated to the segments. Currently it has one yarn manufacturing unit. Owing to the similarity in nature of the products and services, nature of the production processes, type or class of customers for the products and services, the methods used to distribute the products, the nature of the regulatory environment all the yarn producing units are aggregated into a single operating segment and the Company's performance is evaluated by the management on an overall basis, therefore these operational segments by location are not separately reportable segments.

**41. NUMBER OF EMPLOYEES**

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

	2021	2020
Total number of employees as at June 30	704	690
Average number of employees during the year	707	730

**42. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION**

In respect of current year, the directors proposed to pay cash dividend of Rs. \_\_\_\_\_ million (2020: Rs. 138 million) @ Rs. \_\_\_\_\_ (2020 : @ Rs. 20) per ordinary share of Rs. 10 each. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting and has not been included as a liability in these financial statements. This will be accounted for subsequently in the year of payment.

**43. CORRESPONDING FIGURES**

The preparation and presentation of these financial statements for the year ended June 30, 2021 is in accordance with the requirements of IFRSs. Following is the major reclassification made for better presentation:

Reclassified from	Reclassified to	Reason	Rupees
Trade and other payables	Deferred liabilities	Better presentation	108,680,640
Administrative expenses	Cost of sales	Better presentation	1,977,496


**44. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on September 30, 2021 by the Board of Directors of the Company.

**45. GENERAL**

Figures have been rounded off to the nearest Rupee, except where stated otherwise.

  
Shabbir Kausar  
Chief Financial Officer

  
Kashif Riaz  
Chief Executive Officer

  
Mian Imran Ahmed  
Chairman

\*میاں نوید احمد 16 مارچ 2021 کو آڈٹ کمیٹی کے رکن مقرر ہوئے اور مسر فادیہ کاشف انسانی وسائل کمیٹی کی رکن مقرر ہوئی ہیں۔

ڈائریکٹر ان کے مشاہرے:

کمپنی ڈائریکٹر ان (فعل اور غیر فعل) کے مشاہروں کے بارے میں کمپنی کے بورڈ آف ڈائریکٹر کی جانب سے منظور شدہ پالیسی پر عمل درآمد کیا جاتا ہے۔ اس پالیسی کو اس طرح سے تیار کیا گیا ہے کہ جو انسانی وسائل اور کاروباری ضروریات دونوں کی حکمت عملی کو ساتھ لے کر چلے۔ بورڈ اس بات پر یقین رکھتا ہے کہ پالیسی اس قدر پر اثر ہوئی چاہیے کہ جو ڈائریکٹر ان کو اپنی جانب راغب کرے اور ان کو اس بات پر آمادہ کرے کہ وہ کمپنی کے معاملات کو اپنی بہترین صلاحیتوں کے مطابق سرانجام دے سکیں۔

آڈیٹرز کا تقرر:-

آڈیٹرز میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹ (یوسف عادل) جو کہ Deloitte Touch Tohmatsu Limited کی آزادانہ فرم ہے۔ اس معروف چارٹرڈ اکاؤنٹنٹ فرم نے کمپنی کے ساتھ اپنی تقرری کی معیاد مکمل کی اور اہل ہونے کے ناطے اپنی خدمات کو ایک اور مدت کے لیے پیش کیا۔ بورڈ آف ڈائریکٹرز نے بورڈ کی آڈٹ کمیٹی کی سفارش پر مبنی، اس فرم کو اگلے سال کے لیے کمپنی کے آڈیٹر کی حیثیت سے دوبارہ تقرری کے لیے تجویز کیا ہے۔

آڈٹ کمیٹی:-

بورڈ آف ڈائریکٹرز نے ایک مکمل باضابطہ آڈٹ کمیٹی تشکیل دی جس میں تین ممبران شامل ہیں، ایک آزاد ڈائریکٹر اور دو غیر فعال ڈائریکٹرز ہیں۔ کمیٹی کے حوالہ سے شرائط شفاف داخلی آڈٹ، اکاؤنٹنگ اور کنٹرول سسٹم، رپورٹنگ کے مناسب ڈھانچے کے ساتھ ساتھ کمپنی کے اثاثوں کی حفاظت کے لیے مناسب اقدام کا تعین کرنے پر مشتمل ہیں۔

ممبران کی ترتیب:-

کمپنی ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس کے مطابق 30 جون 2021 کے اختتام پر ممبران کی ترتیب کے خاکہ سے متعلق معلومات اس رپورٹ کیساتھ علیحدہ سے منسلک ہے۔

اندرونی آڈٹ کنٹرول:-

بورڈ کے پاس کمپنی کے کاروبار کو چلانے کے لیے آپریشنل، مالی اور تعمیل کنٹرول کے ساتھ مؤثر اور مضبوط اندرونی کنٹرول سسٹم موجود ہے۔ اندرونی آڈٹ کے نتائج کا آڈٹ کمیٹی کے ذریعے جائزہ لیا جاتا ہے، اور جہاں ضروری ہو ان آڈٹ رپورٹس میں شامل سفارشات کی بنیاد پر کارروائی کی جاتی ہے۔

ویب پر موجودگی:

کمپنی کے سالانہ اور مختلف مدت کے مالیاتی بیانات کو کمپنی کی ویب سائٹ <http://indus-group.com/> پر موجود ہیں جہاں سے شیئر ہولڈر اور دوسرے لوگ معلومات حاصل کر سکتے ہیں۔

اظہار تشکر:-

ادارے کے ڈائریکٹرز تمام ملازمین کی کوششوں کا اعتراف کرتے ہیں۔ اور آنے والے سالوں میں اسی طرح کے تعلقات دیکھتے ہیں۔ اس کے ساتھ ساتھ کمپنی اپنے صارفین، بینکرز، سپلائرز اور حصہ داروں کے مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

- Asma I

کاشف ریاض

چیف ایگزیکٹو آفیسر

ستمبر 30، 2021

سکتی ہے جس کی وجہ سے بین الاقوامی مارکیٹ میں مقابلہ ناممکن ہو سکتا ہے۔

#### کمپنی کی سماجی ذمہ داریاں:-

کمپنی نے ہمیشہ اپنے سماجی ذمہ داریوں کو تمام حصول داروں اور مجموعی طور پر کاروباری ماحول پر ترجیح دی ہے یہ ایک مسلسل عمل ہے۔ کمپنی قدرتی وسائل کے تحفظ، ضیاع میں کمی، ری سائیکلنگ کو بہتر بنانے، توانائی کی کارکردگی میں بہتری اور ماحولیاتی کارکردگی کو بہتر بنانے میں کوشاں ہے۔ پچھلے سال کی طرح اس سال بھی ہم نے قدرتی گیس کی کھپت اور پانی کے استعمال میں کمی کے احکامات مقرر کئے ہیں۔

#### ہماری طرف سے مندرجہ ذیل کوششیں جاری ہیں۔

☆ گندے پانی کی صفائی ☆ قدرتی وسائل کے تحفظ ☆ مال کے ضائع ہونے میں کمی  
☆ ری سائیکلنگ میں اضافہ، توانائی کی کارکردگی میں بہتری اور ماحولیاتی کارکردگی میں اضافہ  
ہیلنٹس شیٹ بنانے کے بعد کے معاملات:-

ہیلنٹس شیٹ کے اختتامی مراحل میں اور ہیلنٹس شیٹ بنانے کے بعد کوئی ایسا مادی یا معاملاتی معاہدہ نہیں کیا گیا جس سے ہیلنٹس شیٹ کے اعداد و شمار میں کسی طرح کی کوئی تبدیلی واقع ہو اور وہ مٹھی طور پر متاثر ہو۔  
متعلقہ فریقین سے لین و دین:-

کارپوریٹ گورننس کی ضروریات کے مطابق کمپنی نے تمام متعلقہ پارٹی ٹرانزیکشن آڈٹ کمیٹی اور بورڈ کے سامنے جائزہ اور منظوری کے لیے پیش کیے۔  
۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے لیے ملحق شدہ مالی گوشوارے نوٹ 37 میں تمام متعلقہ لین و دین کی تفصیلات فراہم کی گئی ہیں۔

#### ڈائریکٹرز کی ذمہ داریوں کی تفصیل:-

ڈائریکٹر اسٹاک ایکسچینج کی فہرست سازی کے مطابق کارپوریٹ اور مالی رپورٹنگ کے فریم ورک کے مطابق عمل کرتے ہیں۔

☆ کمپنی کے مالیاتی گوشوارے جو کہ کمپنی کی انتظامیہ نے تیار کئے ہیں اس میں تمام لین دین کو شفافیت کے ساتھ درج کیا گیا ہے اس کے ساتھ ساتھ نیا نچ اور ریکش کی آمد و رفت کا بھی واضح اظہار ہے۔  
☆ کمپنی کے حساب کتاب سے متعلق دستاویزات و وضاحت و مہارت کے ساتھ تیار کی گئی ہیں۔

☆ حساب نویس سے متعلق تمام پالیسیوں کو ملکی اور بین الاقوامی قوانین کے مطابق تیار کیا گیا ہے اور جہاں ضرورت محسوس کی گئی وہاں وضاحتیں بھی پیش کی گئی ہیں۔  
☆ اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے جس پر عمل درآمد کیا جاتا ہے۔

☆ جو سٹنگ قواعد و ضوابط میں بیان کیا گیا ہے اس سے انحراف نہیں کیا جاتا۔  
☆ پچھلے چھ سالوں کے متعلقہ اعداد و شمار بھی منسلک کیے گئے ہیں۔

☆ ٹیکس ڈیوٹیوں اور ادا طلب ادائیگیوں کو 30 جون 2021 کے لئے نہیں روکا گیا سوائے ان کے جن کا اظہار مالی گوشوارے برائے 30 جون 2021 میں کیا گیا ہے۔  
☆ جس مدت کا جائزہ لیا جا رہا ہے اس کے دوران کمپنی کے سی ای او، ڈائریکٹرز اور اہل خانہ حصص کے لین و دین میں شامل نہیں۔

#### بورڈ آف ڈائریکٹرز اور مینٹکو:-

سال کے دوران بورڈ کے اجلاس منعقد ہوئے تھے۔ ہر ڈائریکٹر کی حاضری مندرجہ ذیل ہے۔

ڈائریکٹرز کے نام	بورڈ آف ڈائریکٹرز کی 6 مینٹکو	آڈٹ کمیٹی کی 5 مینٹکو	انسانی وسائل اور معاوضہ کمیٹی کی 1 مینٹکو
حاضری	حاضری	حاضری	حاضری
نوید احمد *	6/6	1/4	-
شہزاد احمد	6/6	-	-
ریاض احمد	3/6	-	-
عرفان احمد	4/6	-	1/1
عمران احمد	6/6	3/4	-
کاشف ریاض	5/6	-	-
شیخ شفقت مسعود	5/6	-	-
مسرفاد یہ کاشف *	2/6	-	1/1
شاویز احمد	6/6	4/4	-
فاروق حسن	6/6	-	-
فیصل حنیف	6/6	4/4	1/1
عذر یعقوب	4/6	-	-

## مالی اور آپریشنل نتائج:-

آپ کی کمپنی کا قبل از ٹیکس منافع سال ۲۰۲۱ کے اختتام پر ۱1.239 ارب رہا۔

2020 000 روپے	2021 000 روپے	
646,430	1,239,043	قبل از ٹیکس منافع
(86,266)	(88,879)	ٹیکس
560,164	1,150,164	بعد از ٹیکس منافع
(58)	3,748	دیگر
2,039,548	2,264,945	ابتدائی جمع شدہ منافع
(172,500)	-	سالانہ ڈیویڈنڈ برائے سال ۲۰۱۹
(103,500)	-	پہلا عمو ری ڈیویڈنڈ دسمبر ۲۰۱۹، ۲۰۲۰
(103,500)	-	دوسرا عمو ری ڈیویڈنڈ مارچ ۲۰۲۰، ۲۰۲۱
-	(138,000)	پہلا عمو ری ڈیویڈنڈ دسمبر ۲۰۲۰، ۲۰۲۱
2,220,154	3,280,857	منافع برائے تصرفات
21,192	19,074	فٹسڈ اخراجات کے ریویژن پر سرپلس سے منتقل
23,599	15,993	جائیداد سیل کی وجہ سے سرپلس کی منتقلی
2,264,945	3,315,924	آگے کیا گیا جمع شدہ منافع
27.06 روپے	55.56 روپے	فی حصص آمدن

## ڈیویڈنڈ:-

بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لئے بونس حصص کی شکل میں عبوری منافع کے طور پر رکھے گئے ہر ایک (1) عام حصص کے لئے دو (2) عام حصص کا اعلان کیا ہے۔ اس مقصد کے لئے 24 فروری 2021 کے غیر معمولی اجلاس میں کمپنی کے رجسٹرڈ سرمایہ 100 ملین سے بڑھا کر 500 ملین کر دیا گیا ہے۔ اس کے ساتھ بورڈ آف ڈائریکٹرز نے 29 اکتوبر 2020 کو اپنی منعقدہ اجلاس میں سال 30 جون 2021 کے لئے 200 فیصد پہلے انٹیرم ڈیویڈنڈ کا اعلان کیا ہے جو کہ 20 روپے فی شیئر بنتا ہے۔

## کاروباری تجزیہ:-

آپ کی کمپنی کا اس سال قبل از ٹیکس منافع 11.239 ارب رہا جو کہ گزشتہ سال 64.643 کروڑ تھا۔ دوران سال فروخت 8.641 ارب روپے تھی (6.476 ارب روپے 2020)۔ مصنوعات کی کل لاگت 7.059 ارب روپے تھی (5.567 ارب روپے 2020)۔ جس کے نتیجے میں خام منافع 1.582 ارب رہا (91.071 کروڑ 2020)۔ اللہ تعالیٰ کے فضل سے کمپنی کی کارکردگی فروخت اور منافع میں اضافے کے ساتھ شاندار رہی۔ کمپنی کی فروخت میں 33.43 فیصد کا اضافہ ہوا اور خام مال کے سابقہ زیادہ سٹاکس نے ان پر کشش رزلٹس اور بڑھتی ہوئی پیداواری صلاحیت میں حصہ ڈالا ہے۔ دوران سال 20.705 ملین روپے مقررہ اثاثوں میں سرمایہ کاری کی گئی جو کمپنی کے مجموعی BMR پلان کا حصہ ہے اور اس مقصد کے لئے کمپنی کے اندرونی ذرائع سے وسائل مہیا کیے گئے۔

## مستقبل کی صورت حال:-

پاکستان کی ٹیکسٹائل برآمدات میں Covid-19 مرض کی وجہ سے بڑی حد تک اضافہ ہوا ہے۔ اور رواں مالی سال اس بات کی تصدیق کرتا ہے کہ ٹیکسٹائل اور برآمدی ترسیل اپنی مقدار اور ڈالر کی قیمت دونوں کے لحاظ سے ترقی کے راستے پر واپس آگئی ہے۔ بیرونی عوامل جنہوں نے جولائی سے آرڈرز کو دو گنا کرنے میں مدد دی ہے، ان میں امریکہ چین کشیدگی، اور بھارت اور بنگلہ دیش میں کوویڈ 19 وبائی امراض کی وجہ سے جاری سپلائی میں رکاوٹیں شامل ہیں۔ اگر ان مختلف رکاوٹوں کو مد نظر رکھا جائے ان کے لیے فوری اور ضروری اقدامات کی ضرورت ہے۔ خاص طور پر حکومت کی طرف سے اس شعبے کو مظبوط بنانے کے لیے اور ملکی صنعت کی حفاظت کے لیے سنجیدہ اقدامات کرنے چاہئیں جو سب سے زیادہ زرمبادلہ کمانے والا اور سب سے بڑا شہری روزگار فراہم کرنے والا سیکٹر ہے۔

عالمی پلٹ فارم میں ٹیکسٹائل کے کاروبار کی ترقی کے لیے پاکستان کو زیادہ سے زیادہ کسٹمرز کی ضروریات کو پورا کرنا چاہیے۔ غیر ملکی سرمایہ کاری کے لیے تجارت اور کاروبار میں آرام دہ ماحول پیدا کرنے کے لیے حکومت کی پالیسی انتہائی ضروری ہے۔ آج کے انتہائی مسابقتی عالمی ماحول میں، ٹیکسٹائل سیکٹر کو اپنی سپلائی چین کو بہتر بنانے کی ضرورت ہے، پیداوار کو بہتر بنائیں، اور زیادہ سے زیادہ ویلیو ایڈیشن کریں تاکہ کاروبار چل سکیں۔ اقدامات کرنے میں ناکامی ٹیکسٹائل انڈسٹری کو مچھنے پہنچانے کی ضرورت ہے، پیداوار کو بہتر بنائیں، اور زیادہ سے زیادہ ویلیو ایڈیشن کریں تاکہ کاروبار چل سکیں۔ اقدامات کرنے میں ناکامی ٹیکسٹائل انڈسٹری کو مچھنے پہنچانے کی ضرورت ہے، پیداوار کو بہتر بنائیں، اور زیادہ سے زیادہ ویلیو ایڈیشن کریں تاکہ کاروبار چل سکیں۔

## جون ۳۰، ۲۰۲۱ ڈائریکٹرز رپورٹ - سن ریز ٹیکسٹائل ملز لمیٹڈ

سن ریز ٹیکسٹائل ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ویں سالانہ اجلاس ۳۰ جون ۲۰۲۱ کے مالی سال کے اختتام کی سالانہ رپورٹ ہمراہ آڈٹ شدہ مالیاتی گوشوارہ مسرت کے ساتھ پیش کرتے ہیں۔

بورڈ کی تشکیل:-

بورڈ کی تشکیل کارپوریٹ گورننس کے ضابطہ اخلاق، 2017 کے تقاضوں کے مطابق درج ذیل ہے۔

ڈائریکٹرز کی کل تعداد:-

الف - مرد 9 ب - خاتون 2

تشکیل:-

i - آزاد ڈائریکٹر 3 ii - فعال ڈائریکٹر 2

iii - غیر فعال ڈائریکٹر 6

فام	کیٹگری
فیصل حنیف مس عذر المعقوب فاروق حسن	آزاد ڈائریکٹرز
کاخف ریاض شیخ شہقت مسعود	فعال ڈائریکٹرز
میاں شہزاد احمد میاں عمران احمد مسرقادیہ کاخف عرفان احمد نویدا احمد شاہد ویز احمد	غیر فعال ڈائریکٹرز

جون ۲۰۲۱ء

## چیرمین رپورٹ - سن ریڈیکسٹائل ملز لمیٹڈ

سن ریڈیکسٹائل ملز لمیٹڈ، ۲۰۲۱ء کو ختم ہونے والے مالی سال کے لیے کمپنی کی کارکردگی پر جائزہ ممبران کے سامنے پیش کرنا میرے لیے اعزاز اور خوشی کی بات ہے۔  
بورڈ کی کارکردگی کا جائزہ:-

وبائی امراض کے دوران بورڈ انتظامیہ کے ساتھ مصروف رہا جس نے اسے غیر معمولی اور غیر متوقع مشکلات سے مقابلہ کرنے میں مدد فراہم کی ہے۔ اس پورے عرصہ میں بورڈ کی مسلسل نگرانی اور انتظامی امور تمام اہداف کے حصول اور عالمی وباء پر قابو پانے میں اہم تھے۔ وبائی امراض کے تباہ کن اثرات کے باوجود بورڈ نے نمایاں کارکردگی کا مظاہرہ کیا۔ بورڈ آف ڈائریکٹرز کی رہنمائی سے، صحت اور حفاظت پر زور دیتے ہوئے، کاروباری تسلسل کو یقینی بنانے کے ساتھ غیر یقینی حالات میں بھی کاروبار کو کامیابی سے آگے بڑھایا۔

سن ریڈ کے بورڈ آف ڈائریکٹرز کے گیارہ ممبران ہیں۔ جس میں مختلف پس منظر رکھنے والے افراد شامل ہیں، جو کمپنی کے کاروبار سے متعلق بنیادی مہارت، علم اور تجربہ رکھتے ہیں۔ تمام بورڈ ممبران اور کمپنی کی قیادت آپ کے بہترین کام سے خوش اور آپ کی توقعات پر پورا اترنے کے لیے پر عزم ہے۔ بورڈ انتظامیہ کو حکمت عملی فراہم کرتا ہے اور عزم کے احساس کے ساتھ اپنی وفاداری اور ذمہ داریوں کو پورا کرتا ہے۔ بورڈ نے آڈٹ کمیٹی، انسانی وسائل اور معاوضہ کمیٹی، نامزدگی کمیٹی اور رسک مینجمنٹ کمیٹی تشکیل دی ہے۔ ان کمیٹیوں نے بورڈ کو قیمتی آراء سے نوازا اور مدد فراہم کی۔ آڈٹ کمیٹی خاص طور پر مالی گوشوارے اور اندرونی اختیار کے تفصیلی جائزہ پر توجہ مرکوز کرتی ہے۔ ان ذیلی کمیٹیوں نے میٹنگ کی اور لسٹڈ کمپنیوں کے ضابطوں 2019 کے مطابق بورڈ کو رپورٹ کی۔ کارپوریٹ گورنس کے بہترین طریقوں کو کمپنی کے انتظامی معاملات میں شامل کیا گیا ہے تاکہ پیشہ وارانہ مہارت اور کاروباری طرز عمل کو برقرار رکھا جائے۔ بورڈ کے اراکین اور اس کی کمیٹیوں کی کارکردگی کا سالانہ جائزہ رسمی اور موثر طریقہ کار کی مدد سے لیا گیا۔ اس طریقہ کار کے ذریعے موصول ہونے والے تاثرات کی بنیاد پر بورڈ کا مجموعی کردار موثر پایا گیا ہے۔ بورڈ نے کمپنی کی تمام قانونی اور انتظامی ضروریات کی تعمیل کو یقینی بنانے سمیت اپنی تمام ضروری ذمہ داریاں پوری کی ہیں۔

میں یہ بتانا چاہتا ہوں کہ تمام ڈائریکٹرز بشمول آزاد ڈائریکٹرز نے بورڈ کے فیصلہ سازی کے عمل مکمل طور پر حصہ لیا اور اپنا کردار ادا کیا۔ بورڈ نے اپنی تمام فرائض اور ذمہ داریاں احسن طریقے کے ساتھ انجام دیں۔ تفصیل:

\* اس بات کو یقینی بنانا کہ کمپنی کے مشن، وژن اور اقدار پر عمل کیا جا رہا ہے۔

\* کمپنی کو انتظامی معاملات میں موثر طریقے سے رہنمائی کرنا

\* انتظامیہ کے لیے سالانہ اہداف اور مقصد کا تعین کرنا۔

\* مینجمنٹ کی کارکردگی کی نگرانی اور بڑے رسک والے ایریا پر توجہ مرکوز کرنا۔

\* ہم سرمایہ کاری کا اندازہ

\* سٹیک ہولڈرز کی قدر کو محفوظ رکھنے کے لیے کارپوریٹ گورنس کے اعلیٰ معیار کو یقینی بنانا۔

مزید یہ کہ سال بھر میں تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے سامنے پیش کیے گئے، خاص طور پر کمپنی کے تمام متعلقہ پارٹی لین دین کو بورڈ نے آڈٹ کمیٹی کی سفارش پر منظور کیا گیا۔ بورڈ کے افعال کو مضبوط بنانے کے لیے آڈٹ کمیٹی اور انسانی وسائل اور معاوضہ کمیٹی کا باقاعدہ اجلاس ہوا جس میں بورڈ کی کارکردگی کا جائزہ لیا گیا اور عالمی سطح کے بہترین طریقوں کے مطابق مزید بہتری کے لیے ممکنہ اقدامات کی نشاندہی کی۔

کمپنی کی کارکردگی کا جائزہ:-

پہلے چھ ماہ کی مدت کے دوران کاروباری سرگرمیاں متاثر رہیں لیکن اس کے بعد ٹیکسٹائل کی فروخت میں کافی اضافہ ہوا جو نفع اور نقصان کی رپورٹ سے ظاہر ہوتا ہے۔ گزشتہ سال کے مقابلے میں 33 فیصد فروخت میں اضافہ ہوا ہے جبکہ مجموعی منافع کا مارجن 14 فیصد سے بڑھ کر 18 فیصد ہوا ہے۔ بعد از ٹیکس خالص منافع 560 ملین سے بڑھ کر 1,150 ملین ہو گیا ہے۔

بورڈ کی جانب سے میں اپنے تمام صارفین کا کمپنی پر مسلسل اعتماد کے لیے بہت شکریہ ادا کرنا چاہتا ہوں۔ میں بورڈ کی شراکت، ہماری انتظامیہ اور ملازمین کی بہترین کوششوں کے لیے تعریفی کلمات اظہار کرنا چاہتا ہوں اور آخر میں تمام ان مالیاتی اداروں کا شکریہ ادا کرنا چاہتا ہوں جو ہمارے ساتھ کھڑے ہوئے اور مشکل وقت میں ہمارا ساتھ دیا۔ میں امید کرتا ہوں اور دعا کرتا ہوں کہ کمپنی آئندہ سالوں میں ترقی کی رفتار کو برقرار رکھے۔



میاں عمران احمد

چیرمین

30 ستمبر 2021

<b>SUNRAYS TEXTILE MILLS LIMITED</b> <b>PATTERN OF SHARE HOLDING OF SHARES HELD BY THE SHARE HOLDERS</b> <b>As At June 30, 2021</b>				
<b>NUMBER OF SHARE HOLDERS</b>	<b>SHARE - HOLDING</b>		<b>TOTAL SHARES HELD</b>	<b>PERCENTAGE OF TOTAL CAPITAL</b>
	<b>FROM</b>	<b>TO</b>		
779	1	100	18,058	0.09
248	101	500	70,136	0.34
496	501	1,000	422,605	2.04
188	1,001	5,000	335,600	1.62
13	5,001	15,500	134,154	0.65
4	15,501	30,000	70,796	0.34
7	35,001	150,000	516,817	2.50
3	160,001	960,000	3,263,244	15.76
4	960,001	1,950,000	7,181,019	34.69
2	1,950,001	2,415,000	4,414,035	21.32
1	2,415,001	4,275,000	4,273,536	20.65
1,745			<b>20,700,000</b>	<b>100.00</b>
<b>CATEGORIES OF SHARE HOLDERS</b>				
<b>As At June 30, 2021</b>				
<b>CATEGORIES OF SHARE HOLDERS</b>	<b>NUMBER OF SHARE HOLDERS</b>	<b>SHARES HELD</b>	<b>PERCENTAGE %</b>	
1. Individuals	1,713	4459468	21.54	
2. Associated companies	1	208752	1.01	
3. Financial Institution	1	72729	0.35	
4. Insurance Companies	1	120582	0.58	
5. Mutual Fund	1	956526	4.62	
5. Joint Stock companies	13	36008	0.17	
6. Directors, CEO their Spouses & Minor Childrens	15	14845935	71.72	
<b>TOTAL</b>	<b>1,745</b>	<b>20700000</b>	<b>100.00</b>	
<b>DETAIL OF CATEGORIES OF SHARE HOLDERS</b>				
<b>AS AT June 30, 2021</b>				
<b>Name</b>	<b>Number of Shareholders</b>	<b>Shares Held</b>		
<b>INDIVIDUAL</b>	1,713	4,459,468		
<b>ASSOCIATED COMPANIES</b>	01			
M/s Indus Dyeing & Mfg Co.Ltd.		208,752		
<b>FINANCIAL INSTITUTIONS</b>	01			
National Bank of Pakistan		72,729		
		<b>72,729</b>		
<b>JOINT STOCK COMPANIES</b>	13			
TREET CORPORATION LIMITED		26,926		
Y.S. SECURITIES & SERVICES (PVT) LTD.		2,100		
S.H. BUKHARI SECURITIES (PVT) LIMITED		1,200		
NH CAPITAL (PRIVATE) LIMITED		1		
MAPLE LEAF CAPITAL LIMITED		1		
ADEEL & NADEEM SECURITIES (PVT) LTD.		500		
MSMANIAR FINANCIALS (PVT) LTD.		300		
FIKREES (PRIVATE) LIMITED		4,500		
M/S. AZEEM SERVICES (PVT) LTD.		300		
BLACK STONE EQUITIES PVT.LTD.		30		
M/S AZEEM SERVICES (PVT) LTD.		54		
HABIB & SONS LIMITED. (SP)		24		
M/S FIRST CAPITAL EQUITIES LTD		72		
		<b>36,008</b>		

<b>INSURANCE COMPANIES</b>	01	
State Life Insurance Company		120,582
<b>MUTUAL FUND</b>	01	
CDC-Trustee National Investment (Unit) Trust		956,526
		<b>956,526</b>
<b>DIRECTORS, CEO, THEIR SPOUSES &amp; MINOR CHILDERN</b>	15	<b>Shares Held</b>
Shahzad Ahmad		1,945,443
Naveed Ahmad		1,734,279
Kashif Riaz		4,273,536
Imran Ahmad		1,740,483
Irfan Ahmad		1,760,814
Shafqat Masood		13,719
Shahwaiz Ahmed		594
Faisal Hanif		300
Azra Yaqub Vawda		30
Farooq Hassan		15
Fadia Kashif		2,413,356
Aisha Irfan		565,671
Lozina Shahzad		380,085
Shazia Naveed		13,446
Tahia Imran		4,164
		<b>14,845,935</b>
<b>GRAND TOTAL</b>	<b>1,745</b>	<b>20,700,000</b>

**Shareholders Holding 10% or More Voting Interest in the Company**

**AS AT June 30, 2021**

<b>DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDERN</b>	<b>SHARES HELD</b>	<b>PERCENTAGE %</b>
Mr. Kashif Riaz	4,273,536	20.65
Fadia Kashif	2,413,356	11.66

Detail of purchase / sale of shares by Directors, Company Secretary, Head of Internal Audit Department, Chief Finance Officer, Chief Executive Office and their spouses, minor children during 2020-2021

<b>N A M E</b>	<b>Purchase</b>	<b>Sold</b>	<b>Gift</b>
	Nil	Nil	Nil

# FORM OF PROXY

## ANNUAL GENERAL MEETING

Shareholder's Folio No . -----Number of shares held -----I /

We. -----Of (full address) -----

----- being a member of **SUNRAYS TEXTILE MILLS**

**LIMITED** hereby appoint.

Mr. / Mrs. / Ms . -----of (full address) -----

-----or failing him/her/ Mr. / Ms. -----of  
(full address) -----

as my / our proxy in my/our absence to attend and vote for me/us on my/our behalf at the **Annual General**

**Meeting** of the Company to be held on 28<sup>th</sup> day of October, 2021 at 3:30 p.m. plot # 3 &7, Sector-  
25 Korangi industrial Area, Karachi and at any adjourned meeting thereof.

WITNESSES	
WITNESS # 1	WITNESS # 2
SIGNATURE	SIGNATURE
NAME CNIC #	NAME CNIC#

Signature on

Rs. 5/-

Revenue Stamp

**Notes:**

1. *A member entitled to attend and vote at Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member.*
2. *This proxy Form, duly completed and signed, together with Board Resolution / power of Attorney, if any under which it is signed or a notarially certified copy thereof, should be deposited, with our Registrar, Jwaffs Registrar Services (Pvt.) Ltd. 407-408, Al Ammera Centre Sharah Iraq, Saddar Karachi. Telephone No. 35662023 -24, not later than 48 hours before the time of holding the meeting.*
3. *The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity its common seal should be affixed on the instrument.*
4. *Any alteration made in this instrument of proxy should be initialed by the person who signs it.*
5. *Attested copies CNIC or the pas sport of the beneficial owner and proxy shall be provided with the proxy from.*
6. *If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.*
7. *In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register for Members.*
8. *The proxy shall produce his / her original CNIC passport at the time of the meeting.*

AFFIX  
CORRECT  
POSTAGE

The Company Secretary  
**SUNRAYS TEXTILE MILLS LIMITED**  
5<sup>th</sup> Floor 508 Beaumont Plaza Beaumont Road  
Civil Lines Qtrs Karachi

# DIVIDEND MANDATE FORM

The Company Secretary,

Subject Bank account details for payment of Dividend through electronic mode

Dear Sir,

I/we/Messrs., \_\_\_\_\_ being the shareholder(s) of Sunrays Textile Mills Limited [the "Company"], hereby, authorize the Company, to directly credit cash dividend declared by it, my bank account as detailed below:

(i) Shareholder's details:	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. / CDC IAS	
CNIC/NICOP/Passport/NTN No. (Please attach copy)	
Contact Number (landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank account details:	
Title of Bank Account	
IBAN (see Note 1 below)	
Bank's Name	
Branch Name & Code No.	
Branch Address	

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours Sincerely

\_\_\_\_\_  
Signature Of Shareholder

(Please affix Company stamp in case of corporate entity)

Notes:

- (i) Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.
- (ii) This letter must be sent to shareholder's participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of banks account details for credit of cash dividend declared by the Company from time to time.

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