



*of Companies*

35<sup>th</sup> Annual Report 2022

**UMER GROUP OF COMPANIES**

**BLESSED TEXTILES LIMITED**



## **Vision**

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



## **Mission Statement**

To become an exceptional manufacturer of textile products global market.

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## Corporate Information

### Governing Board

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

### Chief Financial Officer

Mr. Abdul Basit Janjua	FCA
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### Company Secretary

Mr. Ghulam Mohiuddin	ACMA
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### Audit Committee

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

### Human Resource Committee

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

### Statutory Auditors

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

### Legal Advisor

M. Zahid Farooq- Advocate Lahore High Court

### Bankers

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

### Share Registrar

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

### Registered Office

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

### Liaison / Correspondence Office

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

### Manufacturing Units

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

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



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of the members of **Blessed Textiles Limited** will be held on Thursday, 27<sup>th</sup> October 2022 at 03:30 pm at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

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

### Ordinary Business:

1. To confirm the minutes of the last annual general meeting held on 27<sup>th</sup> October, 2021.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30<sup>th</sup> June, 2022 together with the Auditors' and Directors' Report thereon.
3. To approve the cash dividends at 330.00% (PKR 33.00 per share) for the year ended 30<sup>th</sup> June, 2022, as recommended by the Board of Directors.
4. To appoint the auditors for the next term i.e. year 2022-2023 and fix their remuneration at PKR 2,000,000.00. The retiring auditor Messer's Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, being eligible, offer themselves for reappointment.

### 5. Special Business:

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

**(i) "Resolved That** Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2022, be and are hereby ratified, approved and confirmed."

**(ii) "Resolved That** the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2023.

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

### 6. Any Other Business:

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

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

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

The copy of minutes of the extra ordinary general meeting of the company held on October 27, 2021 has also been enclosed and uploaded with aforesaid notice of AGM.

Karachi:

Dated: 28<sup>th</sup> September, 2022

(By the order of the Board)

Ghulam Mohiuddin  
Company Secretary

## Notes:

### 1. For attending the meeting electronically

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

Join Zoom Meeting

**<https://zoom.us/j/4444033918?pwd=dTlrcUxGTWdzWEowci9qV01uMm4vUT09>**

Meeting ID: 444 403 3918

Passcode: btlcorp

2. The Shares Transfer Books of the Company will remain closed from 20<sup>th</sup> October 2022 to 27<sup>th</sup> October, 2022 (both days inclusive). Transfers received in order at the registered office of the company situated at Umer House, 23/l, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 19<sup>th</sup> October 2022 will be treated in time for the purpose of entitlement of dividend and to attend the Annual General Meeting of the company.
3. Members interested to attend the virtual meeting through some other member as proxy are requested to send their proxy form (Enclosed) via email at [btl.corporate@umergroup.com](mailto:btl.corporate@umergroup.com) or at the registered office of the company not later than 48 hours before the time of holding the meeting.
4. Pursuant to section 132(2) of Companies Act, 2017 the company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the company reside, provided that the Company receives their demand to participate in annual general meeting through video-link at least seven (07) days prior to the date of meeting.

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

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

\_\_\_\_\_  
*Signature of Member*

5. In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares and dividend or modarba certificates as on June 30, 2022 have been uploaded on our website: [www.umergroup.com](http://www.umergroup.com). In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office with regard to any unclaimed dividend, shares or modarba certificates.
6. Members are requested to immediately inform of any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.

Pursuant to the provisions of the Finance Act 2022 effective July 1, 2022, the rates of deduction of income tax from dividend payments under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

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

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

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

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

In the event of non-receipt of the information by 19<sup>th</sup> October 2022, each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly

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

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

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

8. Pursuant to Notification vide SRO 787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. [www.umergroup.com](http://www.umergroup.com). Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 2MB file in size. Further, it is the responsibility of the member to timely update the Share Registrar of any change in the registered e-mail address.
9. E-Voting, members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.
10. Under the provision of Section 72 of the Act, the shareholders are now required to replace their physical shares with book-entry form at earliest. Accordingly, the physical shares are now required to be converted into Book-Entry Form and kept by Shareholders in their Central Depository System (CDS) Accounts. The CDS Account can be opened and maintained by any CDC Participant {Stock Broker or CDC Investor Account Services Department (CDC IAS) of Central Depository Company of Pakistan Limited situated at Karachi, Lahore and Islamabad.

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

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

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

#### Items pertaining to 5(A)(i) of the notice for ratification and approval of the related party transactions during the year ended June 30, 2022.

The related party transactions (RPT) were carried out at arm's length during the normal course of business activity during the year ended June 30, 2022 with its associated undertaking and related parties in accordance with its corporate policy, applicable laws, regulations compliance with the provisions of IAS 24. All the RPT reviewed and approved by the board of directors were duly placed before head of internal audit for approval, followed by the approval of audit committee

However, since common directorship exists between the related parties (by virtue of being the shareholder or common directorship), these transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the financial statements for the year ended June 30, 2022

The transactions entered into with the related parties include, but are not limited to, sale & purchase of goods, dividends paid and received, investments and divestment made (in accordance with the approval of shareholders and board where applicable). The nature of relationship with these related parties has also been stated in the financial statements for the year ended June 30, 2022.



## TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding
Faisal Spinning Mills Limited	Associated company	Common directorship	18.49%
Bhanero Textiles Mills Limited	Associated company	Common directorship	0.00%
Bhanero Energy Limited	Associated company	Common directorship	0.00%
Admiral (Private) Limited	Associated company	Common directorship	0.00%
Mohammad Amin	Key management personnel	Chief executive officer	4.39%
Adil Shakeel	Key management personnel	Director	4.12%
Mohammad Shaheen	Key management personnel	Director	1.07%

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

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

	30-Jun-22	30-Jun-21	
	<i>Rupees</i>	<i>Rupees</i>	
<b>Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
Associated companies	Sale of yarn	2,487,791,243	1,133,443,021
	Sale of fabric	820,808,742	116,391,006
	Sale of cotton	523,266,757	307,399,183
	Sale of stores and spares	1,648,969	-
	Purchase of cotton	2,167,629	12,337,111
	Purchase of yarn	339,101,486	384,789,264
	Purchase of fabric	12,943,257	29,233,732
	Purchase of electricity	15,443,209	5,679,238
	Services received	309,000	309,000

Items pertaining to 5(A)(ii) of the notice for board authorization to approve related party transactions that will be conducted during the period July 1, 2022 to June 30, 2023.

The Company shall be entering into transactions with its related parties during the year ending June 30, 2023 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business activity. Since, there has been common directorship in the related party transactions, the Board seeks member's consent to approve such transactions with the related parties from time-to-time on case to case basis for the fiscal year ending June 30, 2023 and such transactions shall be deemed to be approved by the shareholders. The nature and scope of such related party transactions is explained above and these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

## Chairman Review Report

As required under section 192(4) of Companies Act 2017 attached herewith a review report for the year ended June 30, 2022 by the chairman on overall performance and effectiveness of the board of Blessed Textiles Limited (Board) in achieving its objectives. The prevailing economic crisis with high exchange rate of US\$, rising of both oil and commodity pricing, depleting reserves, high inflation and borrowing cost are wreaking havoc the economy of the country.

The global outlook doesn't seem supportive for the textile sector since high energy costs due to Russia-Ukraine crisis, supply-chain disruptions owing pandemic-related lockdowns in China, surging commodities prices coupled with rising interest rates and high inflationary pressure adding the risk of recession. Nonetheless, I believe that by utmost efforts of the board we can smoothly steered the company in these challenging times.

The company has an effective governance framework in place which complies with the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures and meetings of the Board and its committees.

On the governance side, performance of our Board members remained exceptional throughout the year as the company follows high corporate governance standards that assist in attaining company's objectives and meeting the expectation of our stakeholders. The company has an independent internal audit function which believes in a risk-based audit methodology and the internal audit reports were duly presented to the Board on quarterly basis. The Board and Audit Committee meets at every quarter before circulation of accounts where board and committee members participate quite proactively.

The annual evaluation of the Board has been carried out under the Code of Corporate Governance to ensure that the Board's overall performance is in line with the developed comprehensive criteria. During

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

The Board shall continue to play a vital role in setting the course of the Company, promoting its success and performance and guiding the management to conduct operations in conformity with the strategies approved by the Board while upholding the principles of good corporate governance.

As each stakeholder group requires a tailored engagement approach to foster effective communication the Board has established effective communication vehicles for regular engagement with both internal and external stakeholders which is a core element of our success. There has been effective and expeditious mechanism in place for redressal in case of any grievance of its shareholders.

All the the ten members of the Board, are accredited under the requirements of the Code for directors training program (DTP).

Karachi: Dated 28, September 2022



**Mohammad Salim**

(Chairman)

## Directors Report

Dear Members

The Directors of your Company are pleased to present herewith the audit report on financial statement of the Company for the year ended June 30, 2022.

### Financial Recitals

Financial results of company for the year ended to June 30, 2022 are:

	<b>30-Jun-22</b>	<b>30-Jun-21</b>
	<i>Rupees</i>	<i>Rupees</i>
<b>Revenue from contracts with customers - net</b>	<b>22,030,768,817</b>	15,430,533,712
Cost of sales	<b>(16,976,189,058)</b>	(12,120,589,534)
<b>Gross profit</b>	<b>5,054,579,759</b>	3,309,944,178
Selling and distribution expenses	<b>(511,136,730)</b>	(316,315,380)
Administrative expenses	<b>(200,567,090)</b>	(166,462,203)
Other expenses	<b>(279,726,591)</b>	(182,810,406)
	<b>(991,430,411)</b>	(665,587,989)
Impairment (allow ance)/reversals for expected credit losses	<b>(75,311,940)</b>	12,311,797
	<b>3,987,837,408</b>	2,656,667,986
Other income	<b>22,945,379</b>	9,827,814
<b>Operating profit</b>	<b>4,010,782,787</b>	2,666,495,800
Finance cost	<b>(221,279,054)</b>	(224,785,156)
<b>Profit before taxation</b>	<b>3,789,503,733</b>	2,441,710,644
Provision for taxation	<b>(582,802,679)</b>	(296,409,468)
<b>Profit after taxation</b>	<b>3,206,701,054</b>	2,145,301,176
<b>Earnings per share - basic and diluted</b>	<b>498.55</b>	333.54

The revenue has been significantly increased by almost 43 percent i.e from PKR 15,430.533 million to PKR 22,030.768 million during the current year ended June 30, 2022 as compared to corresponding year.

The gross profit to sales in current year increased from 21.45 percent to 22.94 percent during the corresponding periods under consideration.

The company profitability has been considerably increased during the current year where it posted a net profit after tax of PKR 3,206.701 million as compared corresponding period where it stood at PKR 2,145.301 million.

## Dividend and General Reserves Appropriation

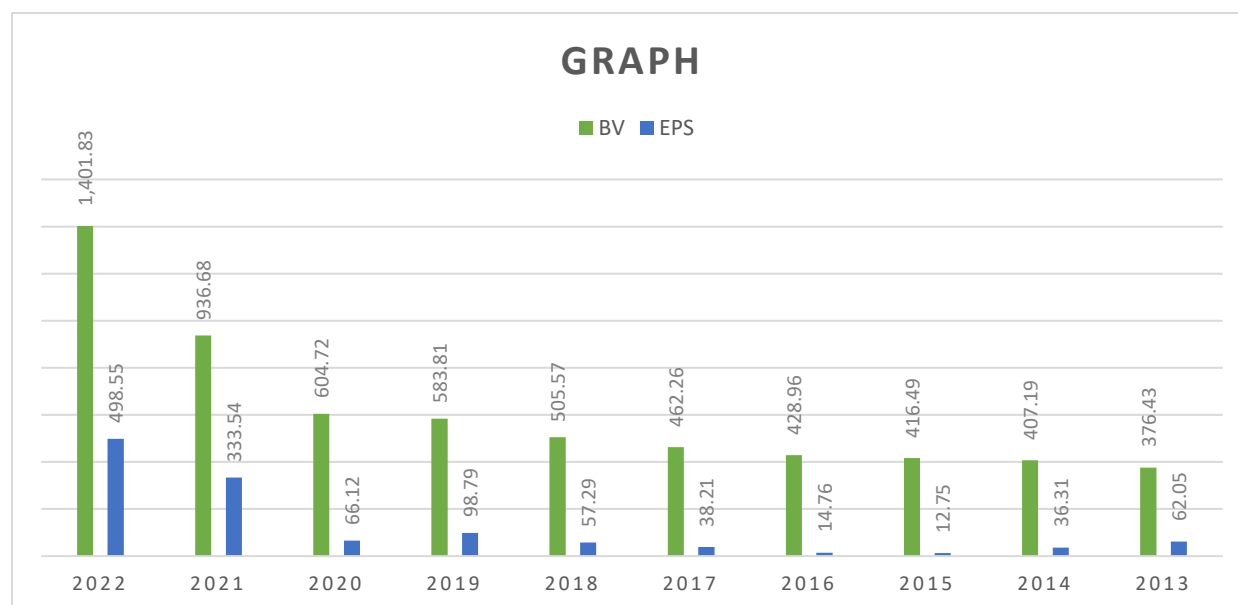
The board of directors are pleased to approve the cash dividend of 330.00 percent i.e PKR 33.00 per share as recommendation by the audit committee subject to the approval shareholders in forthcoming annual general meeting scheduled for October 27, 2022.

Moreover, the directors proposed to transfer an amount of PKR 1,500.00 million to the general reserve to meet any unanticipated contingencies in future.

## Earnings per Share and Break-up Value of Share

The EPS figure is important because it is used by investors and analysts to assess company performance, to predict future earnings, and to estimate the value of the company's shares. The higher the EPS, the more profitable the company is considered to be and the more profits are available for distribution to its shareholders. whereas investors use the breakup value to assess the financial steadiness of a company.

The earning per share for the year ended 30<sup>th</sup> June, 2022 is PKR 498.55 as compared to the year 30<sup>th</sup> June, 2021 where it stood at 333.54 Similarly, the breakup value per share for the year ended 30<sup>th</sup> June, 2022 is PKR 1,401.83 as compared to the corresponding year where it was stood at PKR 936.68.



## Cash Flow Management

The company to ensure that it has a sufficient liquidity to run its operations smoothly by an effectively deployment of working capital management process for managing short-term assets and liabilities by projecting future needs that enables it capacity to continue its operations smoothly with sufficient ability to satisfy current maturity of long-term obligations, short-term debt and upcoming operational expenses.

Though there's has been a decrease in current ratio during the year ended June 30, 2022 is 2.58 (Year 2021:4.61) but still it depicts company ability to pay its current obligation effortlessly. During the current year the company has paid PKR 445.656 million on account long term finances whereas PKR 112.891 million has been paid for debt servicing.

### **Financing Structure**

Capital structure is one of the most vital and complex areas of decision making to any organization due to its relationship with other financing variable and its closely related to the value of the company and returns and wealth maximization of the shareholders.

The gearing ratio has been increased during the current period under review where it stands at 0.66 during the current year ended June 30, 2022 (Year 2021: 0.39) but still in acceptable limits as per industry norms.

### **Balancing, Modernization & Replacement**

During the current year an amount of PKR 500.00 million approximately has been added in plant and machinery for in order to maintain the pace with technological advancements.

### **Establishment of a New Spinning Unit**

The board of directors in their meeting held on February 25, 2021 have approved for setting up a new spinning unit of 13,056 spindles in Sheikhpura, Punjab.

The production is estimated to be around 450 bags per day comprising of coarse count of PC, CVC and lycra yarn targeted primarily for the consumption in local market.

The establishment of the new unit will render the cost of production significantly due to economies of scale as the existing production, technical and administration staff are fully capable of handling the new project without incurring any major cost for human resource. The automation in the unit required lesser workforce which will helps us to improve quality control, wastages and efficiency besides having energy efficient machineries to reduce utility expense.

It is expected that trial production will hopefully begin by April 2023 whereas it's anticipated that commercial production will be commenced probably by July 2023.

### **Credit Rating**

The entity's rating has been upgraded to 'A/A-1' (Single A/A-One) from 'A-/A-1' (Single A Minus/A-One) by Messer's VIS Credit Rating Company Limited published on August 11, 2022 for the current year. The entity's outlook has been assigned as 'Stable' on given ratings.

### **Financial Statements**

As required under Companies Act 2017, listing regulations of PSX and directives issued by the SECP the Chief Executive Officer and Chief Financial Officer presented the financial statements of the company for the year ended June 30, 2022, duly endorsed under their respective signatures for consideration, approval and authorization by the board of directors for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company, Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants and the auditors have issued clean audit report on the financial statements for the year ended 30<sup>th</sup> June 2022 and clean review report on Statement of Code of Corporate Governance Regulations, 2019 “Code”. These reports are attached with the financial statements.

### **Accounting Standards**

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

### **Outlook of the Economy**

A cautious global recovery in 2021 has been followed by the bleak developments in 2022 where the output contracted in the second quarter of this year, owing to downturns in China and Russia. Several shocks have hit a world economy already weakened by the pandemic. The higher inflation worldwide, in particular US and major European countries triggering tighter financial conditions coupled with slowdown in China owing to covid outbreaks and lockdowns and further negative spillovers from the war in Ukraine.

As per World Bank report, the growth in Pakistan is expected to around 4.0 percent in 2022-23 (FY 2020-21:5.7 percent) as foreign demand slows significantly. During the fiscal year ended June 2022, country witnessed a enormous fiscal deficit of PKR 5.26 trillion (7.9 percent of the recently rebased GDP) against the initial target of PKR 3.4 trillion (5.1 percent of the rebased GDP. The government missed the deficit target both due to the deployment of lesser-than-targeted net revenue and higher-than-targeted current expenses. Presently, with the flooding situation and political instability it seems quite tough that the government will keep the deficit within the targeted limit of 4.9 percent of GDP for fiscal year ending June 2023. It's highly probable that revenue collections could be affected noticeably following the floods in Sindh and Balochistan that caused heavy losses to agriculture, livestock, wholesale and retail trade besides damaging houses, roads, railways and other infrastructure.

As per data released by PBS the country's annual CPI inflation reached to 27.3 percent in August 2022 from 24.9 percent in July 2022, the highest since May of 1975. The non-food items, mainly fuel and electricity charges, were the major reason for the rise besides, swelling prices for vegetables, pulses, cooking oil, wheat flour and milk were also a significant factor. The country's economic outlook remained uncertain and blurry, the inflation of 27.3 percent is expected to go even higher as deadly floods hit the country.

The the sharp depreciation of Pak Rupee also causing price hike since the PKR in interbank is trading around 228 - 230 in September, 2022. Albeit, the IMF finally revived its Extended Fund Facility (EFF) programme for Pakistan, as its board approved the disbursement of \$1.1 billion for the seventh and eighth tranches. However, the rupee still not showing any major gain against greenback since it's been believed that IMF programme has already factored in both stock and currency markets. The International Monetary Fund (IMF) projected average value of the rupee at Rs 226 against greenback for fiscal year 2022-23.

The State Bank of Pakistan maintained the policy rate at 15 percent in their MPC meeting in August 2022, being a measures exercise to cool the overheating economy and contain the current account deficit.

The continuous torrential rains and floods have engulfed Pakistan's cotton fields resulting in irreparable loss to the cotton crop & officials estimated that around 45 percent of cotton has also been flooded. The government had estimated an output of 11 million cotton bales this year, however, it is now expected to be somewhere around 7.5 million bales, the shortage will need to be bridged through imports. The rates of cotton have reached the highest level in the history of Pakistan, the spot rates of cotton are on continuous rise both in local and international markets. The price of quality cotton is Rs 24,000 per maund and the price of high-quality Phutti cotton is Rs 11,000 to 13,000 per 40 kg and the spot rate of Karachi Cotton Association (KCA) is Rs23,000 per maund in August 2022.

In spite of grim scenario the the textile sector witnessed a growth of 25.53 percent for the fiscal year 2021-22, the exports were posted \$19.329 billion compared to \$15.399 billion during 2020-21(*Source: PBS*).

Unfortunately, the higher policy and inflation rates along with sliding of PKR against the greenback will adversely impact the outlook of economy. In existing scenario, the cost of production for the textile sector will definitely be increased since they have to recourse towards cotton imports in exceptionally challenging and uncertain global environment.

## **Compliance with Code of Corporate Governance**

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

## **Statement on Corporate and Financial Reporting Framework**

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

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



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

### **Pattern of Shareholding**

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

## Related Party Transactions

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

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

All the RPT's during the current fiscal year ending June 30, 2022 will be presented before the general meeting of the company for members approval. Similarly, the board has also decided to avail the approval of members in the general meeting of the company for the transactions to be carried during the fiscal year ending June 30, 2023 and same shall be placed before the shareholders in the next annual general meeting for their formal ratification/approval.

## Board Evaluation

Thorough, rigorous, and recurring evaluations are an important mechanism to assess the performance and effectiveness of the board. The regular assessment of board encourages collaborative decision making and high performance by individual directors. It also encourages directors to work together effectively to reduce conflict in the boardroom and embed a culture of good governance and team spirit.

In compliance of the regulation 10(3)(v) of Code during the current fiscal year an exhaustive and well-structured evaluation has been carried out internally to identify areas of strength and areas where improvements can be made to improve overall improvement in the functioning and performance of the board.

A comprehensive review has been carried out accompanied by statutory documents, agenda of meetings, minutes of board and committee meetings, significant policies in place and other ancillary documents, questionnaires, interactions with the board and committee members.

## Board Composition

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

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

## Board and Audit Committee Meetings

- All the directors, eligible to attend the meeting have attended the general meetings of the company in person or through video conference under Regulation 10(6) of the Code unless precluded from doing so due to any reasonable
- Following are the number of meetings held and attended by board of directors, audit committee and human resource & remuneration committee during 2021-22:

Name of Directors	Board of Directors		Committees			
			Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Mohammad Shaheen	4	4	-	-	-	-
Mr. Khurram Salim	4	4	6	6	1	1
Mr. Bilal Sharif	4	4	6	6	-	-
Mr. Mohammad Amin	4	4	-	-	-	-
Mr. Adil Shakeel	4	4	-	-	1	1
Mr. Tauqeer Ahmed Sheikh	3	3	4	4	1	1
Mr. Iqbal Mehboob	1	1	2	2	-	-
Mr. Asif Elahi	4	4	-	-	-	-
Mr. Mustafa Tanvir	4	4	-	-	-	-
Mrs. Samia Bilal	4	4	-	-	-	-

## Audit Committee

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

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

The appointment of financial literate member has been made in line with Regulation 27(1)(iii) in the Chapter X of the Code.

The meetings of audit committee were held at regular intervals in compliance with the Regulation 27(2) of the Code to review the both interim and annual financial statements before the approval of board of directors along with an additional meeting once a year with an external auditor without the CFO and other with an internal auditor without the presence of the CFO and external auditor.

The AC is a sub-group of a company's board of directors responsible for the oversight of the financial reporting and disclosure process of the company with complete awareness of the processes and internal controls of the company. The AC normally liaise with the management team, independent auditor, and internal auditors to monitor the choice of accounting policies and principles and to ensure compliance with laws and regulations.

The AC ensures that appropriate policies and processes are in place for the prevention and identification of fraud, such as asset misappropriation, corruption, and financial statement fraud and closely works with management to make sure that necessary steps are taken on the detection of fraud.

The AC regularly meets with management and the statutory auditors to discuss the quarterly and audited annual financial statements of the company while during the annual audit, the audit committee meets separately with external auditor's and head of internal audit in compliance of regulation 27(2)(iii) of Code to discuss matters that need to be discussed confidentially.

The AC plays a significant role in setting the tone of an organization by ensuring to implement a code of conduct and establish effective communication channels. The AC are fully aware of what management is doing to achieve compliance with laws and regulations, and they must be knowledgeable about issues such as ongoing investigations and disciplinary actions. The AC members collectively works toward preventing fraud and are adept at detecting willful accounting errors and anomalies.

### **Human Resource and Remuneration Committee**

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

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

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

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

### **Corporate Social Responsibility Policy**

The company develops policies relating to a company's ethical, sustainable and environmental responsibilities by ensuring a company has a positive impact on local communities and the environment.

The company has a social responsibility towards its community and the environment in all aspects of the company's operations such as problems that have an impact on the environment such as pollution, waste, product safety and labor but not limited to providing funds to the community and social environment, but also includes maintaining good long-term relationships with parties related to the company. The company manages a comprehensive Corporate Social Responsibility (CRS) policy to operate in an economically, socially and environmentally sustainable manner by maintaining environmental with an aim to reduce pollution and greenhouse gas emissions, sustainable use of natural resources, minimizing and proper disposal of wastage, promoting re-cycling during manufacturing process.

### **Health, Safety and Environment Policy**

The company is committed to ensuring a safe and healthful workplace and protecting the environment and firmly believes that safety and protecting the environment is good business and that all work-related injuries, illnesses, property losses and adverse environmental impacts are preventable. To fulfill this commitment, the company ensure that management accepts full responsibility for protecting workers and the environment. In case of any unforeseen mishap with any employee a comprehensive group life insurance is already in place for workers. The company also provides made arrangements for health policy for its administrative employees at both Karachi and Lahore offices.

The company aligns health, safety and environmental considerations equal status with the company's other business objectives and integrate them into all aspects of work and actively strive to continuously improve health, safety and environmental performance.

The company policy is vigilant on water and air pollution, chemical and oil spills, smog, drinking water quality, land conservation and management, and wildlife protection.

### **Directors Remuneration Policy**

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

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

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

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

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

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

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

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

### **Auditors**

The present auditor's M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants shall retire on the conclusion of the annual general meeting scheduled for October 27, 2022 however, being eligible they have offered themselves for re-appointment. The audit committee has suggested the appointment of M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, as external auditor for the year ended 30<sup>th</sup> June 2023. The external auditor M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan. The firm and all its partner are in compliance with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan and they are registered with Audit Oversight Board under section 36l of SECP Act, 1997.

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

The Board of Directors also recommended the appointment of M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, as external auditor for the year ended 30<sup>th</sup> June 2023 and the remuneration of the auditors has been fixed at PKR 2,000,000.00 for the year 2022-23 as recommended by the audit committee to the board under regulation 32(3) of the Code. The remuneration is inclusive of out of pocket expenses and the assignments includes annual statutory audit, limited scope review and review report under corporate governance.

### **Material Changes and Commitments**

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

### **Acknowledgement**

I am highly indebted to Board of Directors, valued shareholders, customers, bankers, suppliers and other stakeholders for their support, trust and confidence. I also appreciate to all employees for their loyalty dedication and hard work which enabled the Company to achieve its objectives.

### **For and on behalf of the Board**



**Muhammad Amin**  
(Chief Executive)



**Mohammad Salim**  
(Director)

**Karachi: 28<sup>th</sup> September, 2022**

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

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

**Blessed Textiles Limited  
Year Ending June 30, 2022**

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

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

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

2. The composition of the Board is as follows:

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

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

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

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

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



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

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

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

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

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

The entire board is accredited under directors training program.

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

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

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

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

**(a) Audit Committee**

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

**(b) Human Resource & Remuneration Committee**

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

**c) Nomination Committee (N/A)**

Explanation

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

**d) Risk Management Committee (N/A)**

Explanation

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

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

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

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

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

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

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

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

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

**For and on behalf of the Board**



**MOHAMMAD SALIM**

(Chairman)

Karachi

September 28, 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of **BLESSED TEXTILES LIMITED**

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

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

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

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

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

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



**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

Lahore | 28 September 2022

UDIN: CR202210185gEuTWmQhO



## INDEPENDENT AUDITOR'S REPORT

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

#### Opinion

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

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

#### Basis for Opinion

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

#### Key Audit Matters

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

Key audit matter	How our audit addressed the matter
<p><b>1. Valuation of stock in trade</b></p> <p>Stock in trade amounts to Rs 5,538 million as at the reporting date. The valuation of stock in trade at cost has different components, which includes judgment in relation to the allocation of labour and overheads which are incurred in bringing the stock to its present location and condition. Judgment has also been applied by management in determining the Net Realizable Value ['NRV'] of stock in trade.</p> <p>The estimates and judgments applied by management are influenced by the amount of direct costs incurred historically, expectations of repeat orders to utilize the stock in trade, sales contract in hand and historically realized sales prices.</p>	<p>To address the valuation of stock in trade, we assessed historical costs recorded in the stock in trade valuation; testing on a sample basis with purchase invoices. We tested the reasonability of assumptions applied by the management in allocating direct labour and direct overhead costs to stock in trade.</p> <p>We also assessed management's determination of the net realizable value of stock in trade by performing tests on the sales prices secured by the Company for similar or comparable items of stock in trade.</p>

**RSRIR**

### Key audit matter

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

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

### How our audit addressed the matter

#### 2. Revenue recognition

Refer to notes 5.12 and 27 to the financial statements.

The amount of revenue is the most significant class of transaction on the statement of profit or loss. Net revenue has increased by 53 percent in comparison with the previous year. Revenue is recognized when control of the underlying products has been transferred to the customer. We identified revenue recognition as a key audit matter since it is a key performance measure for the Company and gives rise to the risk associated with the judgement in determining the transfer of control of products as well as creates an incentive for fraudulently overstating revenue by recognizing revenue before transfer of control.

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

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

#### 2. Tax contingencies

As disclosed in note 34 to the annexed financial statements, various tax matters are pending adjudication at various levels with the taxation authorities and other legal forums. Such contingencies require the management to make judgments and estimates in relation to the interpretation of tax laws and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the management's judgments and estimates in relation to such contingencies may be complex and can significantly impact the financial statements. For such reasons we have considered tax contingencies as a key audit matter.

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

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

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

DSP-12

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

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

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

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

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

### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

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

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

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

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

DSRIR

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

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

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

### Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is **ZUBAIR IRFAN MALIK**.

  
**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**

*Chartered Accountants*

Lahore | 28 September 2022

UDIN: AR2022101853QDUEGfa7





# BLESSED TEXTILES LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	30-Jun-22 Rupees	30-Jun-21 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>	6	<b>65,000,000</b>	65,000,000
Issued share capital	7	<b>64,320,000</b>	64,320,000
General reserve	8	<b>7,000,000,000</b>	5,500,000,000
Retained earnings		<b>1,952,231,183</b>	460,385,271
<b>TOTAL EQUITY</b>		<b>9,016,551,183</b>	6,024,705,271
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term finances	9	<b>3,061,920,470</b>	1,893,205,869
Long term payables	10	<b>416,759,648</b>	298,720,554
Employees retirement benefits	11	<b>185,493,380</b>	170,827,388
Deferred taxation	12	<b>222,777,079</b>	220,795,231
Deferred grant	13	<b>85,293,434</b>	85,352,667
		<b>3,972,244,011</b>	2,668,901,709
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	<b>1,230,672,526</b>	841,752,265
Unclaimed dividend		<b>7,809,531</b>	6,492,855
Accrued interest/profit	15	<b>60,290,812</b>	17,390,056
Short term borrowings	16	<b>2,559,054,165</b>	-
Income tax payable	17	<b>114,419,490</b>	-
Current portion of non-current liabilities	18	<b>364,483,938</b>	461,486,981
		<b>4,336,730,462</b>	1,327,122,157
<b>TOTAL LIABILITIES</b>		<b>8,308,974,473</b>	3,996,023,866
<b>CONTINGENCIES AND COMMITMENTS</b>	19		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,325,525,656</b>	10,020,729,137

*The annexed notes from 1 to 53 form an integral part of these financial statements.*



Director



Chief Financial Officer



Chief Executive

# BLESSED TEXTILES LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	<i>Note</i>	30-Jun-22 <i>Rupees</i>	30-Jun-21 <i>Rupees</i>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	20	6,104,324,714	3,878,341,557
Long term deposits	21	47,485,185	24,928,395
		6,151,809,899	3,903,269,952
<b>CURRENT ASSETS</b>			
Stores and spares		185,918,306	106,708,229
Stock in trade	22	5,537,502,379	4,005,037,124
Trade receivables	23	1,758,705,012	1,135,427,190
Short term deposits	24	474,465,177	184,090,577
Advances and other receivables	25	122,695,538	36,076,861
Sales tax refundable/adjustable		516,419,271	46,071,546
Advance income tax	17	-	110,929,636
Bank balances	26	2,578,010,074	493,118,022
		11,173,715,757	6,117,459,185
<b>TOTAL ASSETS</b>		<b>17,325,525,656</b>	<b>10,020,729,137</b>

*The annexed notes from 1 to 53 form an integral part of these financial statements.*



Director



Chief Financial Officer



Chief Executive

# BLESSED TEXTILES LIMITED

## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2022

	<i>Note</i>	<b>30-Jun-22</b> <i>Rupees</i>	<b>30-Jun-21</b> <i>Rupees</i>
Revenue from contracts with customers - net	27	22,030,768,817	15,430,533,712
Cost of sales	28	<b>(16,976,189,058)</b>	(12,120,589,534)
<b>Gross profit</b>		<b>5,054,579,759</b>	3,309,944,178
Selling and distribution expenses	29	<b>(511,136,730)</b>	(316,315,380)
Administrative expenses	30	<b>(200,567,090)</b>	(166,462,203)
Other expenses	31	<b>(279,726,591)</b>	(182,810,406)
		<b>(991,430,411)</b>	(665,587,989)
Impairment (allowance)/reversals for expected credit losses	42.1.6	<b>(75,311,940)</b>	12,311,797
		<b>3,987,837,408</b>	2,656,667,986
Other income	32	<b>22,945,379</b>	9,827,814
<b>Operating profit</b>		<b>4,010,782,787</b>	2,666,495,800
Finance cost	33	<b>(221,279,054)</b>	(224,785,156)
<b>Profit before taxation</b>		<b>3,789,503,733</b>	2,441,710,644
Provision for taxation	34	<b>(582,802,679)</b>	(296,409,468)
<b>Profit after taxation</b>		<b>3,206,701,054</b>	2,145,301,176
<b>Earnings per share - basic and diluted</b>	35	<b>498.55</b>	333.54

*The annexed notes from 1 to 53 form an integral part of these financial statements.*



Director



Chief Financial Officer



Chief Executive

# BLESSED TEXTILES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	30-Jun-22 Rupees	30-Jun-21 Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit obligation	11.4	(3,096,464)	(11,979,401)
Related taxation attributable to:			
- origination and reversal of temporary differences	12.1	497,322	1,836,264
- changes in tax rates		-	-
		(2,599,142)	(10,143,137)
<b>Other comprehensive loss</b>		<b>(2,599,142)</b>	<b>(10,143,137)</b>
<b>Profit after taxation</b>		<b>3,206,701,054</b>	<b>2,145,301,176</b>
<b>Total comprehensive income</b>		<b>3,204,101,912</b>	<b>2,135,158,039</b>

*The annexed notes from 1 to 53 form an integral part of these financial statements.*



Director



Chief Financial Officer



Chief Executive

# BLESSED TEXTILES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Share capital		Revenue reserves		Total equity
	Issued share capital	General reserve	Retained earnings		
	Rupees	Rupees	Rupees	Rupees	
<b>Balance as at 01 July 2020</b>	64,320,000	3,800,000,000	25,227,232	3,889,547,232	
<b>Comprehensive income</b>					
Profit after taxation	-	-	2,145,301,176	2,145,301,176	
Other comprehensive loss	-	-	(10,143,137)	(10,143,137)	
<b>Total comprehensive income</b>	-	-	2,135,158,039	2,135,158,039	
<b>Transaction with owners</b>	-	-	-	-	
<b>Other transactions</b>					
Profit transferred to general reserve	-	1,700,000,000	(1,700,000,000)	-	
<b>Balance as at 30 June 2021</b>	64,320,000	5,500,000,000	460,385,271	6,024,705,271	
<b>Balance as at 01 July 2021</b>	64,320,000	5,500,000,000	460,385,271	6,024,705,271	
<b>Comprehensive income</b>					
Profit after taxation	-	-	3,206,701,054	3,206,701,054	
Other comprehensive loss	-	-	(2,599,142)	(2,599,142)	
<b>Total comprehensive income</b>	-	-	3,204,101,912	3,204,101,912	
<b>Transaction with owners</b>					
Final dividend @ 330% i.e Rs. 33 per ordinary share	-	-	(212,256,000)	(212,256,000)	
<b>Other transactions</b>					
Profit transferred to general reserve	-	1,500,000,000	(1,500,000,000)	-	
<b>Balance as at 30 June 2022</b>	64,320,000	7,000,000,000	1,952,231,183	9,016,551,183	

The annexed notes from 1 to 53 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

# BLESSED TEXTILES LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	30-Jun-22 Rupees	30-Jun-21 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	36	1,794,762,026	4,107,940,702
Payments for:			
Employees retirement benefits		(47,591,415)	(40,585,420)
Interest/profit on borrowings		(112,891,361)	(247,084,306)
Income tax		(354,974,383)	(24,972,319)
<b>Net cash generated from operating activities</b>		<b>1,279,304,867</b>	<b>3,795,298,657</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(2,620,124,195)	(465,017,859)
Proceeds from disposal of property, plant and equipment		3,900,000	22,483,834
<b>Net cash used in investing activities</b>		<b>(2,616,224,195)</b>	<b>(442,534,025)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term finances obtained		1,517,309,256	525,043,919
Repayment of long term finances		(445,656,930)	(106,642,577)
Net increase/(decrease) in short term borrowings		2,559,054,165	(3,480,258,201)
Dividend paid		(210,939,324)	(145,549)
<b>Net cash generated from/(used in) financing activities</b>		<b>3,419,767,167</b>	<b>(3,062,002,408)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>2,082,847,839</b>	<b>290,762,224</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>493,118,022</b>	<b>202,877,965</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>2,044,213</b>	<b>(522,167)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	37	<b>2,578,010,074</b>	<b>493,118,022</b>

*The annexed notes from 1 to 53 form an integral part of these financial statements.*



Director



Chief Financial Officer



Chief Executive

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 1 LEGAL STATUS AND OPERATIONS

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

#### 2.2 Basis of measurement

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

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

#### 2.3 Critical accounting judgements and key sources of estimation uncertainty

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

##### 2.3.1 Critical accounting judgements

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

###### (a) Business model assessment (see note 41.1)

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

###### (b) Significant increase in credit risk (see note 42.1)

As explained in note 42.1, expected credit losses [ECL] are measured, based on the Company's risk grading framework, as an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 2.3.2 Key sources of estimation uncertainty

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

#### (a) Calculation of impairment allowance for expected credit losses on financial assets (see note 42.1.3)

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 499.42 million (30-Jun-21: Rs. 189.75 million). Further information on the Company's credit risk management practices and credit quality and impairment of financial assets is referred to in note 42.1.3.

#### (b) Present value of defined benefit obligation (see note 11)

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

Present value of the Company's defined benefit obligation has been determined by an independent actuary, Najeeb Consultants (Private) Limited, and is stated in the statement of financial position at Rs. 185.493 million (30-June-21: Rs. 170.827 million). Further information on the carrying amounts of the Company's defined benefit obligation and the sensitivity of those amounts to changes in assumptions is referred to in note 11.

#### (c) Taxation provisions (see note 34)

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provisions for current tax and tax contingencies. The provision for current tax is estimated at Rs. 580.324 million (30-Jun-21: Rs. 285.939 million). The management believes that the provision for current tax made in the financial statements is sufficient to discharge related tax liability.

Provision for deferred tax of Rs. 2.479 million (30-Jun-21: Rs. 10.47 million) has been estimated after taking into account historical and future turnover and profit trends and their taxability under the current tax law.

Further information on the taxation provisions is referred to in note 34.

### 2.4 Functional currency

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

### 2.5 Date of authorization for issue

These financial statements were authorized for issue on 28 September 2022 by the Board of Directors of the Company.

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

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

#### 3.1 Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurement, and IFRS 7 - Financial Instruments: Disclosures, IFRS 4 - Insurance Contracts, IFRS 16 - Leases)

The amendments in Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

#### 3.2 COVID-19 - Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16 - Leases)

The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

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

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



# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Effective date (annual periods beginning on or after)
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).	01 January 2023
Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations).	01 January 2022
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment).	01 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets).	01 January 2022
Annual Improvements to IFRS Standards 2018–2020.	01 January 2022
Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements).	01 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors).	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes).	01 January 2023
Other than afore mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan [“SECP”]:	
IFRS 1 - First Time Adoption of International Financial Reporting Standards	
IFRS 17 - Insurance contracts	
The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's financial statements other than in presentation/disclosures.	

### 5 SIGNIFICANT ACCOUNTING POLICIES

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

#### 5.1 Property, plant and equipment

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

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

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

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

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

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.2 Stores and spares

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

### 5.3 Stock in trade

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

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

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

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

### 5.4 Employee benefits

#### 5.4.1 Short-term employee benefits

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

#### 5.4.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of remeasurements which are recognized in other comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation. The details of the scheme are referred to in note 11 to the financial statements.

### 5.5 Financial instruments

#### 5.5.1 Recognition

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

#### 5.5.2 Classification

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at initial recognition as follows:

##### (a) Financial assets at amortized cost

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

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

These are:

- (i) financial assets held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- (ii) investments in equity instruments, that are not held for trading nor contingent consideration recognized by the Company as acquirer in a business combination, for which the Company makes an irrevocable election at initial recognition to present changes in fair value on subsequent measurement in other comprehensive income.

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

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

### **(d) Financial liabilities at amortized cost**

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

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

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

### **5.5.3 Measurement**

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

### **5.5.4 Derecognition**

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

### **5.5.5 Off-setting**

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

### **5.5.6 Regular way purchases or sales of financial assets**

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

### **5.6 Ordinary share capital**

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

### **5.7 Loans and borrowings**

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

### **5.8 Short-term leases**

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

### **5.9 Trade and other payables**

#### **5.9.1 Financial liabilities**

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

#### **5.9.2 Non-financial liabilities**

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

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.10 Provisions and contingencies

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

### 5.11 Trade and other receivables

#### 5.11.1 Financial assets

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

#### 5.11.2 Non-financial assets

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

### 5.12 Contracts with customers

#### 5.12.1 Revenue

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

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

#### 5.12.2 Contract assets

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

#### 5.12.3 Contract liabilities

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

### 5.13 Comprehensive income

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

### 5.14 Borrowing costs

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

### 5.15 Income tax

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

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 5.15.1 Current taxation

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

### 5.15.2 Deferred taxation

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

### 5.16 Government grants

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

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

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

### 5.17 Earnings per share ['EPS']

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

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

### 5.18 Cash and cash equivalents

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

### 5.19 Foreign currency transactions and balances

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

### 5.20 Impairment

#### 5.20.1 Financial assets

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

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

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

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

### 5.20.2 Non-financial assets

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

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

### 5.21 Segment reporting

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

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

### 5.22 Dividend distribution to ordinary shareholders

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

### 5.23 Fair value measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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

## 6 AUTHORIZED SHARE CAPITAL

30-Jun-22	30-Jun-21		30-Jun-22	30-Jun-21
No. of shares	No. of shares		Rupees	Rupees
6,500,000	6,500,000	Ordinary shares of Rs. 10 each	65,000,000	65,000,000
6,500,000	6,500,000		65,000,000	65,000,000

## 7 ISSUED SHARE CAPITAL

30-Jun-22	30-Jun-21		30-Jun-22	30-Jun-21
No. of shares	No. of shares		Rupees	Rupees
		<b>Ordinary shares of Rs. 10 each</b>		
6,432,000	6,432,000	Issued for cash	64,320,000	64,320,000
6,432,000	6,432,000		64,320,000	64,320,000

## 8 GENERAL RESERVE

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

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	<i>Note</i>	<b>30-Jun-22</b> <i>Rupees</i>	30-Jun-21 <i>Rupees</i>
<b>9 LONG TERM FINANCES</b>			
These represent long term finances utilized under interest/profit arrangements from banking companies and financial institutions			
MCB Bank Limited			
Demand Finance	9.1	<b>185,561,385</b>	118,375,739
Long Term Financing Facility	9.2	<b>1,204,042,568</b>	1,388,157,953
Temporary Economic Refinancing Facility	9.3	<b>317,787,957</b>	249,731,318
		<b>1,707,391,910</b>	1,756,265,010
Meezan Bank Limited			
Long Term Financing Facility	9.4	<b>1,634,717,336</b>	387,941,180
Bank Alfalah Limited			
Refinance Scheme	9.5	<b>64,983,833</b>	188,454,186
		<b>3,407,093,079</b>	2,332,660,376
Current maturity presented under current liabilities	18	<b>(345,172,609)</b>	(439,454,507)
		<b>3,061,920,470</b>	1,893,205,869

**9.1** These finances have been obtained from MCB Bank Limited against the total sanctioned limit of Rs. 2,805 million to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at three months KIBOR plus 0.45% (30-Jun-21: three months KIBOR plus 0.45%) per annum, payable quarterly. These finances are repayable in twenty four to seventy two equal monthly/quarterly installments with final maturity due in June 2028.

**9.2** These finances have been obtained from MCB Bank Limited against the total sanctioned limit of Rs. 1,888 million to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at SBP rate plus 0.40% (30-Jun-21: SBP rate plus 0.40%) per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in May 2030.

**9.3** These finances have been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. These finances carry interest at a below-market rate of SBP rate plus 0.40% (30-Jun-21: SBP rate plus 0.40%) per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in August 2031. The amortized cost of these finances has been determined using discount rates ranging from of 7.71% to 8.02% being the prevailing market rates of interest for similar instruments at the date of disbursement. The difference between the amortised cost and face value has been recognized as deferred grant (See note ). The details are as follows:

	<i>Note</i>	<b>30-Jun-22</b> <i>Rupees</i>	30-Jun-21 <i>Rupees</i>
Face value of finance		<b>421,834,000</b>	348,943,000
Unamortized deferred grant	13	<b>(104,046,043)</b>	(99,211,682)
		<b>317,787,957</b>	249,731,318

**9.4** These finances have been obtained from Meezan Bank Limited against the total sanctioned limit of Rs. 2,800 million to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry profit at SBP rate plus 1.50% (30-Jun-21: SBP rate plus 1.50%) per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in June 2032.

**9.5** These finances have been obtained from Bank Alfalah Limited to finance payment of wages and salaries of workers and employees for six months from April 2020 to September 2020 and is secured by charge over current assets of the Company. These finances carry interest at a below-market rate of SBP rate plus 0.75% (30-Jun-21: SBP rate plus 0.75%) per annum, payable quarterly. These finances are repayable in eight equal quarterly installments with final maturity due in October 2022. The amortized cost of these finances has been determined using discount rates ranging from of 7.47% to 8.05% being the prevailing market rates of interest for similar instruments at the date of disbursement. The difference between the amortised cost and face value has been recognized as deferred grant (See note 12.1). The details are as follows:

	<i>Note</i>	<b>30-Jun-22</b> <i>Rupees</i>	30-Jun-21 <i>Rupees</i>
Face value of finance		<b>65,542,553</b>	196,627,645
Unamortized deferred grant	13	<b>(558,720)</b>	(8,173,459)
		<b>64,983,833</b>	188,454,186

**9.6** For mortgages and charges on assets as security for liabilities, refer to note 45 to the financial statements.

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	<i>Note</i>	<b>30-Jun-22</b>	30-Jun-21
		<i>Rupees</i>	<i>Rupees</i>
<b>10 LONG TERM PAYABLES</b>			
These include the following:			
Infrastructure Cess	10.1	<b>305,653,487</b>	186,122,088
Gas Infrastructure Development Cess	10.2	<b>111,106,161</b>	112,598,466
		<b>416,759,648</b>	298,720,554

### 10.1 Infrastructure tax

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

### 10.2 Gas Infrastructure Development Cess

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

### 11 EMPLOYEES RETIREMENT BENEFITS

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

	<i>Note</i>	<b>30-Jun-22</b>	30-Jun-21
		<i>Rupees</i>	<i>Rupees</i>
<b>11.1 Movement in present value of defined benefit obligation</b>			
As at beginning of the year		<b>170,827,388</b>	150,094,896
Charged to profit or loss for the year	11.2	<b>59,160,943</b>	49,338,511
Benefits paid during the year		<b>(47,591,415)</b>	(40,585,420)
Remeasurements recognized in other comprehensive income	11.4	<b>3,096,464</b>	11,979,401
As at end of the year		<b>185,493,380</b>	170,827,388
<b>11.2 Charge to profit or loss</b>			
Current service cost		<b>42,421,893</b>	37,189,623
Interest cost		<b>16,739,050</b>	12,148,888
		<b>59,160,943</b>	49,338,511
<b>11.3 The charge to profit or loss has been allocated as follows</b>			
Cost of sales	28.2	<b>47,735,431</b>	40,435,646
Administrative expenses	30.1	<b>11,425,512</b>	8,902,865
		<b>59,160,943</b>	49,338,511
		<b>30-Jun-22</b>	30-Jun-21
		<i>Rupees</i>	<i>Rupees</i>
<b>11.4 Remeasurements recognized in other comprehensive income</b>			
Actuarial loss arising from:			
Change in financial assumptions		-	-
Change in experience adjustments		<b>3,096,464</b>	11,979,401
		<b>3,096,464</b>	11,979,401
<b>11.5 Principal actuarial assumptions</b>			
Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries, Najeeb Consultants (Private) Limited. The principal assumptions used in determining present value of defined benefit obligation are:			
		<b>30-Jun-22</b>	30-Jun-21
Discount rate		<b>13.25%</b>	10.00%
Expected rates of increase in salary		<b>12.25%</b>	9.00%



# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 11.6 Average duration of the defined benefit obligation

The average duration of the defined benefit obligation is 6 years.

### 11.7 Expected charge to profit or loss for the next financial year

The expected charge to profit or loss for the year ending 30 June 2023 amounts to Rs. 73.96 million.

### 11.8 Sensitivity analysis

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

	30-Jun-22		30-Jun-21	
	Change in actuarial assumption	Defined benefit obligation	Change in actuarial assumption	Defined benefit obligation
		Rupees		Rupees
Discount rate	+ 1%	179,337,483	+ 1%	164,934,902
	- 1%	191,964,782	- 1%	177,025,282
Expected rate of increase in salary	+ 1%	191,964,782	+ 1%	177,025,282
	- 1%	179,229,580	- 1%	164,828,539

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

### 11.5 Risk factors

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

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

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

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

	Note	30-Jun-22	30-Jun-21
		Rupees	Rupees
<b>12 DEFERRED TAXATION</b>			
Deferred tax liability on taxable temporary differences	12.1	272,512,666	254,470,368
Deferred tax asset on deductible temporary differences	12.1	(49,735,587)	(33,675,137)
		<b>222,777,079</b>	<b>220,795,231</b>

### 12.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

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

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	30-Jun-21			
	As at 01-Jul-20 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at 30-Jun-21 Rupees
<b>Deferred tax liabilities</b>				
Operating fixed assets	280,659,129	(26,188,761)	-	254,470,368
<b>Deferred tax assets</b>				
Employees retirement benefits	(21,916,595)	(2,432,445)	(1,836,264)	(26,185,304)
Impairment allowance for expected credit losses	(15,334,426)	7,844,593	-	(7,489,833)
	(37,251,021)	5,412,148	(1,836,264)	(33,675,137)
	<b>243,408,108</b>	<b>(20,776,613)</b>	<b>(1,836,264)</b>	<b>220,795,231</b>

- 12.2 Deferred tax arising from timing differences pertaining to income from business is provided for only that portion of timing differences that represent income taxable under normal provisions of the Income Tax Ordinance, 2001 [‘the Ordinance’] as revenue from export sales of the Company is subject to taxation under the final tax regime, while the remaining portion of revenue attracts assessment under normal provisions of the Ordinance. These differences are calculated at that proportion of total timing differences that the local sales, other than the indirect exports taxable under section 154 (3) of the Ordinance, bear to the total sales revenue based on historical and future trends. Deferred tax has been calculated at 33% (30-Jun-2021: 29%) of the timing differences so determined based on tax rates notified by the Government of Pakistan for future tax years.

### 13 DEFERRED GRANT

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

The Company obtained financing of Rs. 262.17 million under the Refinance Scheme (see note 9.5) and of Rs. 421.834 million under TERF (see note 9.3). The benefit of below market interest rates, measured as the difference between the fair value of loan on the date of disbursement and its face value on that date has been recognised as deferred grant.

The movement during the year is as follows:

	Note	30-Jun-22 Rupees	30-Jun-21 Rupees
As at beginning of the year		107,385,141	7,745,663
Recognized during the year		21,934,636	115,889,974
Amortization during the year		(24,715,014)	(16,250,496)
As at end of the year		104,604,763	107,385,141
Current maturity presented under current liabilities	18	(19,311,329)	(22,032,474)
		<b>85,293,434</b>	<b>85,352,667</b>

### 14 TRADE AND OTHER PAYABLES

Trade creditors		490,914,257	296,292,556
Accrued liabilities		324,516,135	244,982,975
Advances from customers		19,952,412	24,358,994
Workers’ Profit Participation Fund	14.2	203,436,516	131,344,910
Workers’ Welfare Fund	14.3	156,042,075	80,252,000
Sales tax payable		-	40,261,254
Other payables	14.1	35,811,131	24,259,576
		<b>1,230,672,526</b>	<b>841,752,265</b>

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

	Note	30-Jun-22 Rupees	30-Jun-21 Rupees
<b>14.2 Workers’ Profit Participation Fund</b>			
As at beginning of the year		131,344,910	29,345,844
Interest on funds utilized by the Company	14.2.1	4,915,548	1,419,060
Charged to profit or loss for the year	31	203,436,516	131,344,910
Paid during the year		(136,260,458)	(30,764,904)
As at end of the year		<b>203,436,516</b>	<b>131,344,910</b>

- 14.2.1 Interest is charged at 247.5% (30-Jun-21: 175.5%) per annum.

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 14.3 Workers' Welfare Fund

As at beginning of the year		<b>80,252,000</b>	30,508,671
Charged to profit or loss for the year	31	<b>75,790,075</b>	49,743,329
As at end of the year		<b>156,042,075</b>	80,252,000

### 15 ACCRUED INTEREST/PROFIT

Long term finances		<b>33,699,008</b>	13,480,375
Short term borrowings		<b>26,591,804</b>	3,909,681
		<b>60,290,812</b>	17,390,056

### 16 SHORT TERM BORROWINGS

#### Secured

These represent short term finances utilized under interest/profit arrangements from banking companies

Running finances	16.1	<b>1,499,054,165</b>	-
Running Musharakah	16.1	<b>600,000,000</b>	-
Term loans	16.1	<b>460,000,000</b>	-
		<b>2,559,054,165</b>	-

16.1 These facilities has been obtained from various banking companies for working capital requirements and are secured by charge over all present and future current assets of the Company and demand promissory notes. These carry interest/profit at rates ranging from one to three months KIBOR plus 0.3% to 1.00% per annum, payable quarterly/on maturity.

16.2 The aggregate available short term funded facilities amounts to Rs. 9,223 million (30-Jun-21: Rs. 10,920 million) out of which Rs. 6,662 million (30-Jun-21: Rs. 10,920 million) remained unavailed as at the reporting date.

16.3 For mortgages and charges on assets as security for liabilities, refer to note 45 to the financial statements.

	Note	30-Jun-22	30-Jun-21
		Rupees	Rupees

### 17 INCOME TAX PAYABLE / ADVANCE INCOME TAX

Provision for taxation	34	<b>883,154,606</b>	302,646,426
Advance income tax/income tax refundable		<b>(768,735,116)</b>	(413,576,062)
		<b>114,419,490</b>	(110,929,636)

### 18 CURRENT PORTION OF NON-CURRENT LIABILITIES

Long term finances	9	<b>345,172,609</b>	439,454,507
Deferred grant	13	<b>19,311,329</b>	22,032,474
		<b>364,483,938</b>	461,486,981

### 19 CONTINGENCIES AND COMMITMENTS

#### 19.1 Contingencies

19.1.1 Various banking companies have issued guarantees on behalf of the Company and discounted receivables of the Company as detailed below:

	30-Jun-22	30-Jun-21
	Rupees	Rupees
Bank guarantees	<b>697,060,426</b>	558,460,000
Bills discounted	<b>2,041,000,000</b>	1,175,750,000

19.1.2 In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess [GIDC] Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court of Pakistan [the SCP] on the subject, where it had up held that the earlier introduction of GIDC Act 2011 was unconstitutional and ultra vires on the ground, amongst others, that GIDC was a 'Fee' and not a 'Tax' and the same suit was also filed against Federation of Pakistan, OGRA, SSGC and SNGPL in different Honorable High Courts of Pakistan by Industry at Large. In May 2015, the Government passed the GIDC Act, 2015. The Company vide petition 1234/2020 filed before the High Court of Sindh challenged the recovery of GIDC installments. The High Court of Sindh vide its order dated 22 November 2020 has suspended the recovery of GIDC installments. No further date is fixed for hearing. Further, the Company vide petition 1848/2021 dated 30 August 2021 filed before the High Court of Sindh challenged the levy of GIDC on the ground of the Government's failure to comply with the Supreme Court's judgment dated 13 August 2020 in relation to commencement of work on specified projects. Date of hearing is fixed for 18 November 2022. However, the Company has recognized liability for GIDC amounting to Rs. 111.106 million (30-Jun-21: Rs. 112.598 million). (see note 10).

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

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

19.1.4 Contingencies related to tax matters are referred to in note 34 to the financial statements.

	30-Jun-22	30-Jun-21
	<i>Rupees</i>	<i>Rupees</i>
<b>19.2 Commitments</b>		
<b>19.2.1 Commitments under irrevocable letters of credit for:</b>		
- purchase of property, plant and equipment	1,608,252,518	1,822,818,926
- purchase of stores and spares	120,785,968	67,734,918
- purchase of raw material	3,083,888,542	1,517,594,434
	<b>4,812,927,028</b>	<b>3,408,148,278</b>
	<b>30-Jun-22</b>	<b>30-Jun-21</b>
	<i>Rupees</i>	<i>Rupees</i>

<b>19.2.2 Commitments for capital expenditure</b>	<b>101,990,961</b>	<b>662,801,950</b>
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### 19.2.3 Commitments under ijarah contracts

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

	<i>Note</i>	30-Jun-22	30-Jun-21
		<i>Rupees</i>	<i>Rupees</i>
- payments not later than one year		7,116,730	-
- payments later than one year		26,348,279	-
		<b>33,465,009</b>	<b>-</b>

## 20 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	20.1	3,830,370,203	3,661,241,029
Capital work in progress	20.2	2,273,954,511	217,100,528
		<b>6,104,324,714</b>	<b>3,878,341,557</b>

## BLESSED TEXTILES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### 20.1 Operating fixed assets

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

## BLESSED TEXTILES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	30-Jun-21										Net book value as at 30-Jun-21
	COST					Rate	DEPRECIATION				
	As at 01-Jul-20	Additions	Disposals	Transfers	As at 30-Jun-21		As at 01-Jul-20	For the year	Adjustment	As at 30-Jun-21	
Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees	
Freehold land	89,694,237	9,467,024	(16,819,712)	-	82,341,549	-	-	-	-	-	82,341,549
Buildings on freehold land											
Factory buildings	910,295,591	-	-	7,719,842	918,015,433	10	514,618,192	40,082,398	-	554,700,590	363,314,843
Non-factory buildings	157,036,907	-	-	-	157,036,907	5	56,784,448	5,012,623	-	61,797,071	95,239,836
	1,067,332,498	-	-	7,719,842	1,075,052,340		571,402,640	45,095,021	-	616,497,661	458,554,679
Plant and machinery	5,642,329,725	-	(18,460,534)	225,126,442	5,848,995,633	10	2,654,290,647	300,956,221	(15,691,482)	2,939,555,386	2,909,440,247
Equipment and other assets	118,395,803	-	-	-	118,395,803	25-35	105,211,928	6,724,585	-	111,936,513	6,459,290
Electric installations	334,826,284	-	-	16,055,578	350,881,862	10	176,096,133	16,943,389	-	193,039,522	157,842,340
Office equipment - head office	3,519,521	-	-	-	3,519,521	10	893,964	232,838	-	1,126,802	2,392,719
Office equipment - factory	7,987,095	-	-	-	7,987,095	10	2,518,111	177,833	-	2,695,944	5,291,151
Furniture and fixtures - head office	199,098	-	-	-	199,098	10	173,417	2,568	-	175,985	23,113
Furniture and fixtures - factory	8,004,207	-	-	-	8,004,207	10	5,899,600	210,460	-	6,110,060	1,894,147
Vehicles	91,389,616	7,628,050	-	-	99,017,666	20	53,929,790	8,086,082	-	62,015,872	37,001,794
	7,363,678,084	17,095,074	(35,280,246)	248,901,862	7,594,394,774		3,570,416,230	378,428,997	(15,691,482)	3,933,153,745	3,661,241,029

20.1.1 Free hold land of the Company is located at Ferozewattoan, Sheikhpura with a total area of 808 Kanal 19 Marla (30-Jun-2021: 763 Kanal 19 Marla).

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

## BLESSED TEXTILES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### 20.1.3 Disposal of property, plant and equipment

Particulars	30-Jun-22					Mode of disposal	Particulars of buyer
	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain on disposal		
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>		
<b>Plant and machinery</b>							
Simplex Toyota	13,418,532	12,828,488	590,044	1,200,000	609,956	Negotiation	Olympia Textile International, Lahore.
Drawing Frames	6,257,584	5,842,544	415,040	900,000	484,960	Negotiation	Olympia Textile International, Lahore.
Cheese Winder	3,254,870	3,062,294	192,576	600,000	407,424	Negotiation	Hanif Trading Corporation, Lahore.
	22,930,986	21,733,326	1,197,660	2,700,000	1,502,340		
<b>Vehicle</b>							
Honda City	1,507,060	1,363,581	143,479	400,000	256,521	Negotiation	Ghulam Asghar, Islamabad.
Toyota Corolla	1,593,269	1,356,257	237,012	500,000	262,988	Negotiation	Muhammad Altaf, Lahore.
Suzuki Cultus	970,434	873,180	97,254	300,000	202,746	Negotiation	Muhammad Salim, Lahore.
	4,070,763	3,593,018	477,745	1,200,000	722,255		
	27,001,749	25,326,344	1,675,405	3,900,000	2,224,595		
<b>30-Jun-21</b>							
Particulars	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain on disposal	Mode of disposal	Particulars of buyer
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>		
<b>Land</b>							
Land	16,819,712	-	16,819,712	19,409,985	2,590,273	Negotiation	Khawaja Zahid Latif, Multan.
<b>Plant and machinery</b>							
Tsudakoma Looms	18,460,534	15,691,482	2,769,052	3,073,849	304,797	Negotiation	Multi Tex, Karachi.
	35,280,246	15,691,482	19,588,764	22,483,834	2,895,070		

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	Note	30-Jun-22	30-Jun-21
		Rupees	Rupees
20.1.4	The depreciation charge for the year has been allocated as follows:		
Cost of sales	28	384,577,913	369,719,216
Administrative expenses	30	7,887,720	8,709,781
		<b>392,465,633</b>	<b>378,428,997</b>

### 20.2 Capital work in progress

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

	30-Jun-21			
	As at 01-Jul-20 Rupees	Additions Rupees	Transfers Rupees	As at 30-Jun-21 Rupees
Buildings on freehold land	3,656,599	15,013,248	(7,719,842)	10,950,005
Plant and machinery	-	413,905,603	(225,126,442)	188,779,161
Equipment and other assets	-	-	-	-
Electric Installations	14,423,006	19,003,934	(16,055,578)	17,371,362
	<b>18,079,605</b>	<b>447,922,785</b>	<b>(248,901,862)</b>	<b>217,100,528</b>

20.2.1 Plant and machinery includes borrowing cost capitalized during the year amounting to Rs. 21,245,764 (30-Jun-21: Rs. 3,538,254) at capitalization rate of 1.40% to 15.05% (30-Jun-21: 1.40% to 3.50%). The expansion has been financed by long term financing.

### 21 LONG TERM DEPOSITS

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

	Note	30-Jun-22	30-Jun-21
		Rupees	Rupees
22	<b>STOCK IN TRADE</b>		
Raw material	22.1	4,621,548,853	3,180,025,089
Work in process		194,440,534	158,046,741
Finished goods	22.2 & 22.3	721,512,992	666,965,294
		<b>5,537,502,379</b>	<b>4,005,037,124</b>

22.1 There were no write downs as on 30 June 2022.

22.2 Stock of finished goods includes stock of waste valued at Rs. 4,646,837 (30-Jun-21: Rs. 1,269,246). The entire stock of waste is valued at net realizable value.

	Note	30-Jun-22	30-Jun-21
		Rupees	Rupees
23	<b>TRADE RECEIVABLES</b>		
Gross amount due			
- local - unsecured		1,566,224,220	840,921,913
- foreign - secured	23.1	316,555,237	343,267,782
		<b>1,882,779,457</b>	<b>1,184,189,695</b>
Impairment allowance for expected credit loss	23.2	(124,074,445)	(48,762,505)
		<b>1,758,705,012</b>	<b>1,135,427,190</b>

23.1 These are secured through letters of credit

### 23.2 Impairment allowance for expected credit loss

As at beginning of the year		48,762,505	61,074,302
Recognized during the year	42.1.6	94,367,492	11,184,679
Reversed during the year	42.1.6	(19,055,552)	(23,496,476)
As at end of the year		<b>124,074,445</b>	<b>48,762,505</b>

### 24 SHORT TERM DEPOSITS

These represent deposits with a banking company against bank guarantees and carry return at rates ranging from 4.20% to 13.00% (30-Jun-21: 4.70% to 11.83%) per annum.





# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

		30-Jun-22	30-Jun-21
		<i>Rupees</i>	<i>Rupees</i>
<b>28.1 Raw material consumed</b>			
As at beginning of the year		3,180,025,089	4,049,593,981
Purchased during the year		15,453,051,390	8,513,440,384
Sold during the year		(464,785,588)	(288,041,147)
As at end of the year		(4,621,548,853)	(3,180,025,089)
		<b>13,546,742,038</b>	<b>9,094,968,129</b>
<b>28.2</b>	These include charge in respect of employees retirement benefits amounting to Rs. 47,735,431 (30-Jun-21: Rs. 40,535,646).		
	<b>Note</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>28.3 Cost of cotton sold</b>			
Cost of purchase		423,979,614	263,220,407
Salaries, wages and benefits		180,000	36,000
Loading and unloading		18,704	17,150
Insurance		737,762	449,439
Commission		-	105,318
Finance cost		4,004,589	3,509,346
		<b>428,920,669</b>	<b>267,337,660</b>
<b>29 SELLING AND DISTRIBUTION EXPENSES</b>			
<b>Export</b>			
Ocean freight and forwarding		299,994,007	165,747,148
Export development surcharge		20,345,775	16,083,392
Commission		93,786,769	67,655,358
Others		4,057,220	1,648,108
		<b>418,185,771</b>	<b>251,134,006</b>
<b>Local</b>			
Inland transportation		6,198,942	4,827,125
Quality claims		-	5,003,006
Commission		84,158,432	55,167,290
Others		2,593,585	183,953
		<b>92,950,959</b>	<b>65,181,374</b>
		<b>511,136,730</b>	<b>316,315,380</b>
<b>30 ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration		31,200,000	31,200,000
Salaries and benefits		106,305,305	86,730,242
Traveling, conveyance and entertainment	30.1	7,251,063	2,225,379
Printing and stationery		1,631,643	2,258,003
Communication		1,218,185	1,275,914
Vehicles running and maintenance		8,047,154	7,448,917
Legal and professional		3,026,342	3,057,726
Auditor's remuneration	30.2	1,809,000	1,538,500
Fee and subscription		6,685,869	5,943,907
Depreciation	20.1.4	7,887,720	8,709,781
Rent, rates and utilities		16,597,333	13,240,199
Oracle license and support fee		3,513,776	1,366,767
Others		2,301,486	1,478,096
Ijarah		3,092,214	-
Inadmissible Input		-	888,772
		<b>200,567,090</b>	<b>166,462,203</b>
<b>30.1</b>	These include charge in respect of employees retirement benefits amounting to Rs. 11,425,512 (30-Jun-21: Rs. 8,902,865).		
	<b>Note</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>30.2 Auditor's remuneration</b>			
Annual statutory audit		1,620,500	1,350,000
Limited scope review		128,500	128,500
Review report under Code of Corporate Governance		50,000	50,000
Out of pocket expenses		10,000	10,000
		<b>1,809,000</b>	<b>1,538,500</b>
<b>31 OTHER EXPENSES</b>			
<b>Loss on financial instruments</b>			
Foreign exchange loss		-	522,167
<b>Other expenses</b>			
Workers' Profit Participation Fund	14.2	203,436,516	131,344,910
Workers' Welfare Fund	14.2	75,790,075	49,743,329
Donations		500,000	1,200,000
		<b>279,726,591</b>	<b>182,288,239</b>
		<b>279,726,591</b>	<b>182,810,406</b>
<b>32 OTHER INCOME</b>			
<b>Gain on financial instruments</b>			
Foreign exchange gain		2,044,213	-
Return on bank deposits	24	18,133,505	6,899,076
		<b>20,177,718</b>	<b>6,899,076</b>
<b>Other income</b>			
Gain on disposal of property, plant and equipment	20.1.3	2,224,596	2,895,070
Duty drawback on export		543,065	33,668
		<b>2,767,661</b>	<b>2,928,738</b>
		<b>22,945,379</b>	<b>9,827,814</b>

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 33 FINANCE COST

Interest/profit on borrowings:			
long term finances		57,411,092	56,189,417
short term borrowings		98,381,025	125,447,530
		155,792,117	181,636,947
Interest on workers' profit participation fund	14.2	4,915,548	1,419,060
Bank charges and commission	33.1	60,571,389	41,729,149
		221,279,054	224,785,156

33.1 These include letters of credit discounting charges amounting to Rs. 52,455,311 (30-Jun-21: Rs. 34,024,689).

	Note	30-Jun-22	30-Jun-21
		Rupees	Rupees

### 34 PROVISION FOR TAXATION

Current taxation			
for current year	34.1	580,323,509	302,646,426
for prior year		-	(16,707,444)
		580,323,509	285,938,982
Deferred taxation			
attributable to origination and reversal of temporary differences		(27,975,345)	10,470,486
attributable to changes in tax rates		30,454,515	-
	12.1	2,479,170	10,470,486
		582,802,679	296,409,468

34.1 Provision for current tax has been made in accordance with section 4C, 18 and 154 (30-Jun-21: section 113 and 154) of the Income Tax Ordinance, 2001 [the Ordinance]. Reconciliation between average effective tax rate and applicable tax rate is as follows:

	Unit	30-Jun-22	30-Jun-21
Profit before taxation	Rupees	3,789,503,733	2,441,710,644
Provision for taxation	Rupees	582,802,679	296,409,468
Average effective tax rate	%	15.38	12.14
Tax effects of:			
Adjustments for prior years	%	-	0.68
Income chargeable to tax at different rates	%	(2.80)	(2.78)
Admissible deductions, losses and tax credits	%	22.56	19.39
Super tax on high earning persons	%	3.93	-
Deferred taxation	%	(0.07)	(0.43)
Applicable tax rate	%	39.00	29.00

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

34.3 The income tax assessments of the Company up to and including tax year 2021 have been completed by the concerned income tax authorities or are deemed to have been so completed under the provisions of section 120 of the Ordinance except as explained in note 34.4 and 34.5.

34.4 For tax year 2021, Additional Commissioner Inland Revenue [ACIR], on 08 April 2022, served notice to amend assessment under section 122(9) of the Ordinance whereby tax credits of Rs. 129.6 million and various deductions/adjustments for Rs. 292.51 million were intended to be disallowed and minimum tax on trading revenue of Rs. 313.85 million was intended to be imposed. The Company has submitted its reply on 28 July 2022. The assessment is pending finalization.

34.5 The Company has filed civil petitions for leave to appeal before the Supreme Court of Pakistan [the SCP] vide CPLA No. 605-K, 606-K of 2020 for Tax Years 2018 and 2019 respectively. The SCP has granted stay subject to the condition that the Company deposits 50% of respective impugned tax amounts of super tax. The Company has paid the 50% of impugned super tax during the previous year.

	Unit	30-Jun-22	30-Jun-21
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### 35 EARNINGS PER SHARE - BASIC AND DILUTED

Profit attributable to ordinary shareholders	Rupees	3,206,701,054	2,145,301,176
Weighted average number of ordinary shares outstanding during the year	No. of shares	6,432,000	6,432,000
Earnings per share	Rupees	498.55	333.54

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

	Note	30-Jun-22	30-Jun-21
		Rupees	Rupees

### 36 CASH GENERATED FROM OPERATIONS

Profit before taxation		3,789,503,733	2,441,710,644
Adjustments for non-cash and other items			
Interest/profit on borrowings		155,792,117	181,636,947
Gain on disposal of property, plant and equipment		(2,224,596)	(2,895,070)
Foreign exchange loss/(gain)		(2,044,213)	522,167
Impairment allowance/(reversals) for expected credit losses		75,311,940	(12,311,797)
Provision for employees retirement benefits		59,160,943	49,338,511
Depreciation		392,465,633	378,428,997
		678,461,824	594,719,755
		4,467,965,557	3,036,430,399
Changes in working capital			
Long term deposits		(22,556,790)	(10,534,300)
Stores and spares		(79,210,077)	(18,870,957)
Stock in trade		(1,532,465,255)	1,016,660,155
Trade receivables		(698,589,762)	(306,433,793)
Short term deposits		(290,374,600)	(56,024,900)
Advances and other receivables		(86,618,677)	99,351,296
Sales tax refundable		(470,347,725)	125,737,731
Trade and other payables		388,920,261	199,633,920
Long term payables		118,039,094	21,991,151
		(2,673,203,531)	1,071,510,303
Cash generated from operations		1,794,762,026	4,107,940,702

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 37 CASH AND CASH EQUIVALENTS

Bank balances	26	2,578,010,074	493,118,022
		<b>2,578,010,074</b>	<b>493,118,022</b>

### 38 CHANGES FROM FINANCING CASH FLOWS

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

	30-Jun-21		
	Long term finances	Short term borrowings	Unclaimed dividend
	Rupees	Rupees	Rupees
As at beginning of the year	2,013,891,529	3,480,258,201	6,638,404
Long term finances obtained	525,043,919	-	-
Repayment of long term finances	(106,642,577)	-	-
Deferred grant recognized	(115,889,974)	-	-
Loan accretion	16,257,479	-	-
Net decrease in short term borrowings	-	(3,480,258,201)	-
Dividend declared	-	-	-
Dividend paid	-	-	(145,549)
<b>As at end of the year</b>	<b>2,332,660,376</b>	<b>-</b>	<b>6,492,855</b>

### 39 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

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

		30-Jun-22	30-Jun-21
		Rupees	Rupees
<b>39.1 Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
Associated companies	Sale of yarn	2,487,791,243	1,133,443,021
	Sale of fabric	820,808,742	116,391,006
	Sale of cotton	523,266,757	307,399,183
	Sale of stores and spares	1,648,969	-
	Purchase of cotton	2,167,629	12,337,111
	Purchase of yarn	339,101,486	384,789,264
	Purchase of fabric	12,943,257	29,233,732
	Purchase of electricity	15,443,209	5,679,238
	Services received	309,000	309,000
Key management personnel	Short term employee benefits	31,200,000	31,200,000

### 40 CONTRACTS WITH CUSTOMERS

#### 40.1 Contract balances

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

Nature of balance	Presented in financial statements as	Note	30-Jun-22	30-Jun-21
			Rupees	Rupees
Receivables	Trade receivables	23	1,882,779,457	1,184,189,695
Contract liabilities	Advances from customers	14	19,952,412	24,358,994
			<b>1,902,731,869</b>	<b>1,208,548,689</b>

#### 40.2 Changes in contract liabilities

Significant changes in contract liabilities are as follows:

	30-Jun-22	30-Jun-21
	Rupees	Rupees
As at beginning of the year	24,358,994	43,324,844
Revenue recognized against contract liability as at beginning of the year	(24,358,994)	(27,943,481)
Net increase due to cash received in excess of revenue recognized	19,952,412	8,977,631
<b>As at end of the year</b>	<b>19,952,412</b>	<b>24,358,994</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**
**40.3 Impairment losses**

The Company during the year has recognized Rs. 94.367 million (30-Jun-21: Rs. 11.185 million) as impairment allowance for expected credit losses on receivables (trade receivables) arising from the Company's contracts with customers. Further, impairment allowance amounting to Rs. 19.056 million (30-Jun-21: Rs. 23.496 million) was reversed during the year on actual recovery. See note 23.2.

**41 FINANCIAL INSTRUMENTS**

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

	Note	30-Jun-22	30-Jun-21
		Rupees	Rupees
<b>41.1 Financial assets</b>			
<i>Financial assets at amortized cost</i>			
Long term deposits	21	47,485,185	24,928,395
Trade receivables	23	1,758,705,012	1,135,427,190
Advances to employees	25	11,457,948	11,169,203
Short term deposits	24	474,465,177	184,090,577
Bank balances	26	2,578,010,074	493,118,022
		<b>4,870,123,396</b>	<b>1,848,733,387</b>
<b>41.2 Financial liabilities</b>			
<i>Financial liabilities at amortized cost</i>			
Long term finances	9	3,407,093,079	2,332,660,376
Short term borrowings	16	2,559,054,165	-
Accrued interest/profit		60,290,812	17,390,056
Trade creditors	14	490,914,257	296,292,556
Accrued liabilities	14	324,516,135	244,982,975
Unclaimed dividend	14	7,809,531	6,492,855
		<b>6,849,677,979</b>	<b>2,897,818,818</b>

**42 FINANCIAL RISK EXPOSURE AND MANAGEMENT**

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

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

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

**42.1 Credit risk**

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

**42.1.1 Credit risk management practices**

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

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

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

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

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

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

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

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

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

**42.1.2 Exposure to credit risk**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	30-Jun-22	30-Jun-21
		Rupees	Rupees
<b>Financial assets at amortized cost</b>			
Long term deposits	21	47,485,185	24,928,395
Trade receivables	23	1,882,779,457	1,184,189,695
Advances to employees	25	11,457,948	11,169,203
Security deposits	25	474,465,177	184,090,577
Bank balances	26	2,578,010,074	493,118,022
		<b>4,994,197,841</b>	<b>1,897,495,892</b>

**42.1.3 Credit quality and impairment**

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

	External credit Note	Internal credit rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
					Rupees	Rupees
Long term deposits	21	N/A	Performing	12-month ECL	47,485,185	-
Trade receivables	23	N/A	Performing	Lifetime ECL	1,785,207,968	26,502,956
	23	N/A	In-default	Lifetime ECL	97,571,489	97,571,489
					1,882,779,457	124,074,445
Advances to employees	25	N/A	Performing	12-month ECL	11,457,948	-
Short term deposits	25	N/A	Performing	12-month ECL	474,465,177	-
Bank balances	26	A1 - A1+	N/A	12-month ECL	2,578,010,074	-
					<b>4,994,197,841</b>	<b>124,074,445</b>

**(a) Long term deposits**

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

**(b) Trade receivables**

For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on trade receivables by using internal credit risk gradings. As at the reporting date, trade receivables amounting to Rs. 124.074 million are considered to be credit impaired and thus 'in-default'. All other trade receivables are considered 'performing' including those past due as there is no significant increase in credit risk in respect of these debts since initial recognition. The ageing analysis of trade receivables as at the reporting date is as follows:

	30-Jun-22	30-Jun-21
	Rupees	Rupees
Neither past due nor impaired	1,233,258,426	893,525,852
Past due by upto 30 days	112,216,035	236,565,718
Past due by 31 days to 180 days	439,733,507	5,355,564
Past due by 181 days or more	97,571,489	48,742,561
	<b>1,882,779,457</b>	<b>1,184,189,695</b>

**(c) Advances to employees**

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

**(d) Short term deposits**

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

**(e) Bank balances**

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

**42.1.4 Concentrations of credit risk**

There are no significant concentrations of credit risk.

**42.1.5 Collateral held**

The Company does not hold any collateral to secure its financial assets with the exception of trade receivables amounting to Rs. 316.555 million (30-Jun-21: Rs. 343.268 million), which are partially secured through letters of credit and advances to employees which are secured against future salaries and post-employment benefits.

**42.1.6 Changes in impairment allowance for expected credit losses**

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

	Note	30-Jun-22	30-Jun-21
		Rupees	Rupees
As at beginning of the year		48,762,505	61,074,302
Impairment loss on trade receivables arising from contracts with customers			
- recognized during the year	23.2	94,367,492	11,184,679
- reversed during the year	23.2	(19,055,552)	(23,496,476)
Net change in impairment allowance		75,311,940	(12,311,797)
As at end of the year		<b>124,074,445</b>	<b>48,762,505</b>

**42.2 Liquidity risk**

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

**42.2.1 Liquidity risk management**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**
**42.2.1 Exposure to liquidity risk**

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

	30-Jun-22				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	3,407,093,079	3,998,777,083	453,042,282	2,132,607,059	1,413,127,742
Short term borrowings	2,559,054,165	2,561,441,014	2,561,441,014	-	-
Accrued interest/profit	60,290,812	60,290,812	60,290,812	-	-
Trade creditors	490,914,257	490,914,257	490,914,257	-	-
Accrued liabilities	324,516,135	324,516,135	324,516,135	-	-
Unclaimed dividend	7,809,531	7,809,531	7,809,531	-	-
	<b>6,849,677,979</b>	<b>7,443,748,832</b>	<b>3,898,014,031</b>	<b>2,132,607,059</b>	<b>1,413,127,742</b>
	30-Jun-21				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	2,332,660,376	2,657,209,382	502,575,643	1,398,823,674	755,810,065
Short term borrowings	-	-	-	-	-
Accrued interest/profit	17,390,056	17,390,056	17,390,056	-	-
Trade creditors	296,292,556	296,292,556	296,292,556	-	-
Accrued liabilities	244,982,975	244,982,975	244,982,975	-	-
Unclaimed dividend	6,492,855	6,492,855	6,492,855	-	-
	<b>2,897,818,818</b>	<b>3,222,367,824</b>	<b>1,067,734,085</b>	<b>1,398,823,674</b>	<b>755,810,065</b>

**42.3 Market risk**
**42.3.1 Currency risk**

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

**(a) Currency risk management**

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

**(b) Exposure to currency risk**

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

	30-Jun-22 Rupees	30-Jun-21 Rupees
<b>Financial assets</b>		
Trade receivables		
USD	316,555,237	343,267,782
Bank balances		
USD	5,488,686	6,952,283
	<b>322,043,923</b>	<b>350,220,065</b>
<b>Financial liabilities</b>		
<b>Net balance sheet exposure</b>	<b>322,043,923</b>	<b>350,220,065</b>
Foreign currency commitments		
CHF	(177,181,192)	(670,838,324)
EUR	(911,728,402)	(438,125,901)
JPY	(39,428,751)	(196,439,336)
USD	(3,684,588,683)	(2,102,744,717)
	<b>(4,812,927,028)</b>	<b>(3,408,148,278)</b>
<b>Net exposure</b>	<b>(4,490,883,105)</b>	<b>(3,057,928,213)</b>

**(c) Exchange rates applied as at the reporting date**

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

	30-Jun-22 Rupees	30-Jun-21 Rupees
CHF	215.96	170.72
EURO	215.75	187.27
USD	206.00	157.60
JPY	1.51	1.43

**(d) Sensitivity analysis**

A five percent appreciation in Pak Rupee against foreign currencies would have decreased profit for the year and equity as at the reporting date by Rs. 16.102 million (30-Jun-21: Rs. 17.511 million). A five percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year and equity. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

**42.3.2 Interest/profit rate risk**

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

**(a) Interest/profit bearing financial instruments**

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

	30-Jun-22 Rupees	30-Jun-21 Rupees
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	3,681,531,694	2,214,284,637
<b>Variable rate instruments</b>		
Financial assets	474,465,177	184,090,577
Financial liabilities	2,284,615,550	118,375,739

**(b) Fair value sensitivity analysis for fixed rate instruments**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**
**(c) Cash flow sensitivity analysis for variable rate instruments**

An increase of 100 basis points in interest rates as at the reporting date would have decreased (30-Jun-21: increased) profit for the year and equity as at the reporting date by Rs. 18,102 million (30-Jun-21: Rs. 0,657 million). A decrease of 100 basis points would have had an equal but opposite effect on profit and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

**(d) Interest rate risk management**

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

**42.3.3 Other price risk**

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

**43 CAPITAL MANAGEMENT**

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

	Unit	30-Jun-22	30-Jun-21
Total debt	Rupees	3,511,697,842	2,440,045,517
Total equity	Rupees	9,016,551,183	6,024,705,271
		<b>12,528,249,025</b>	<b>8,464,750,788</b>
Gearing	% age	<b>28.03%</b>	28.83%

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

**44 FAIR VALUE MEASUREMENTS**
**44.1 Financial Instruments**

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

**44.2 Assets and liabilities other than financial instruments.**

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

	30-Jun-22	30-Jun-21
	Rupees	Rupees
<b>45 RESTRICTION ON TITLE, AND ASSETS MORTGAGED/PLEDGED AS SECURITY</b>		
<b>Mortgages and charges</b>		
Charge over current assets	12,299,000,000	14,958,670,000
Charge over fixed assets	7,587,690,000	4,067,000,000

**46 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

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

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

	30-Jun-21		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	9,600,000	21,600,000	24,793,500
Allowances and perquisites	-	-	4,701,368
Post employment benefits	-	-	3,550,638
	<b>9,600,000</b>	<b>21,600,000</b>	<b>33,045,506</b>
Number of persons	1	2	9

**47 SEGMENT INFORMATION**
**47.1 Products and services from which reportable segments derive their revenues**

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

Segment	Product
Spinning	Yarn
Weaving	Fabric

Information regarding Company's reportable segments is presented below.



# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 47.2 Information about reportable segments

	30-Jun-22		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	16,883,809,651	5,146,959,166	22,030,768,817
Intersegment revenues	558,012,055	-	558,012,055
Depreciation	293,989,132	98,476,501	392,465,633
Segment results	3,674,956,825	335,825,962	4,010,782,787
Segment assets	14,619,379,071	2,658,661,400	17,278,040,471
Segment liabilities	1,113,369,136	474,497,317	1,587,866,453
Interest income	18,133,505	-	18,133,505
Additions to non-current assets	2,423,915,765	196,208,430	2,620,124,195
Disposals of property, plant and equipment	1,294,914	380,491	1,675,405

	30-Jun-21		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	11,884,814,032	3,545,719,680	15,430,533,712
Intersegment revenues	319,358,781	-	319,358,781
Depreciation	292,764,266	85,664,731	378,428,997
Segment results	2,386,098,249	280,397,551	2,666,495,800
Segment assets	7,932,737,032	1,952,134,074	9,884,871,106
Segment liabilities	853,261,227	246,442,070	1,099,703,297
Interest income	6,655,675	243,401	6,899,076
Additions to non-current assets	263,963,269	201,054,590	465,017,859
Disposals of property, plant and equipment	16,819,712	2,769,052	19,588,764

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

### 47.3 Reconciliations of reportable segment information

#### 47.3.1 Segment revenues

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

	30-Jun-21		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	12,204,172,813	3,545,719,680	15,749,892,493
Inter-segment revenues	(319,358,781)	-	(319,358,781)
<b>Total for the Company</b>	<b>11,884,814,032</b>	<b>3,545,719,680</b>	<b>15,430,533,712</b>

#### 47.3.2 Segment assets

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

	30-Jun-21		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	7,932,737,032	1,952,134,074	9,884,871,106
Unallocated assets			
Long term deposits			24,928,395
Current taxation			110,929,636
<b>Total for the Company</b>	<b>7,932,737,032</b>	<b>1,952,134,074</b>	<b>10,020,729,137</b>

#### 47.3.3 Segment liabilities

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

	30-Jun-21		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	853,261,227	246,442,070	1,099,703,297
Un-allocated liabilities			
Long term finances			2,332,660,376
Deferred taxation			220,795,231
Deferred grant			107,385,141
Short term borrowings			-
Accrued interest/profit			17,390,056
Workers' Profit Participation Fund			131,344,910
Workers' Welfare Fund			80,252,000
Unclaimed dividend			6,492,855
<b>Total for the Company</b>	<b>853,261,227</b>	<b>246,442,070</b>	<b>3,996,023,866</b>

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 47.4 Geographical information

The Company's operations are not distributed geographically.

### 47.5 Information about significant customers

Sales include Rs. 3,420.215 million of revenue derived from sales to one customer, Faisal Spinning Mills Limited. There is no other single significant external customer to whom sales in excess of 10% of the Company's total sales were made during the year.

	30-Jun-22	30-Jun-21
	No of shares	No of shares

### 48 SHARES IN THE COMPANY HELD BY RELATED PARTIES

Ordinary shares in the Company held by a related party is as follows:

Faisal Spinning Mills Limited	1,189,160	1,189,160
	<b>1,189,160</b>	<b>1,189,160</b>

### 49 PLANT CAPACITY AND ACTUAL PRODUCTION

	Unit	30-Jun-22	30-Jun-21
<b>Spinning</b>			
Number of spindles installed	No.	73,440	72,240
Plant capacity on the basis of utilization converted into 20s count	Kgs'000	29,570	27,583
Actual production during the year	Kgs'000	28,551	26,639
<b>Weaving</b>			
Number of looms installed	No.	150	150
Plant capacity on the basis of utilization converted into 50 picks	Mtrs'000	30,866	30,866
Actual production during the year	Mtrs'000	25,004	23,820

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

### 50 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on 28 September 2022 has proposed dividend on ordinary shares at Rs. 33 per ordinary share of Rs. 10 each. The proposed dividend is subject to approval of the Company's shareholders in the forthcoming annual general meeting and thus has not been included as a liability in the financial statements.

### 51 NUMBER OF EMPLOYEES

	30-Jun-22	30-Jun-21
Total number of employees	1,496	1,374
Average number of employees	1,433	1,373

### 52 RECOVERABLE AMOUNTS AND IMPAIRMENT

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

### 53 GENERAL

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

		
Director	Chief Financial Officer	Chief Executive

**Blessed Textiles Limited**  
For the year ended June 30, 2022

**Year-Wise Operating Data**

2022	2021	2020	2019	2018	2017
------	------	------	------	------	------

**Spinning Unit**

Spindle installed	73,440	72,240	68,640	68,640	68,640	68,640
Spindles worked	73,440	72,240	68,640	68,640	68,640	68,640
Installed capacity after conversion into 20/s count - Kg	29,570,000	27,583,000	23,405,000	23,405,000	23,405,000	23,405,000
Actual production converted into 20s - Kg	28,551,000	26,639,000	25,354,000	25,285,000	25,240,000	21,911,000

**Weaving Unit**

Air jet looms installed	150	150	140	140	140	140
Air jet looms worked	150	150	140	140	140	140
Installed capacity after conversion into 50 picks - Meter	29,355,000	29,355,000	29,355,000	29,355,000	20,352,500	20,352,500
Actual production converted to 50 picks - Meter	23,820,000	23,820,000	23,714,000	25,773,000	26,942,000	14,491,059

**Year-Wise Financial Data**

2022	2021	2020	2019	2018	2017
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**Rupees in Thousands**

**Profit and loss account**

Turnover (Net)	22,030,769	15,430,567	12,359,646	12,346,175	10,257,434	8,064,238
Gross profit	5,054,580	3,309,978	1,247,768	1,612,731	1,071,515	795,444
Operating profit	4,010,783	2,666,496	855,987	1,159,828	690,724	543,551
Financial expenses	221,279	224,785	306,630	371,504	186,788	166,058
Profit before tax	3,789,504	2,441,711	549,357	788,324	503,936	377,493
Profit after tax	3,206,701	2,145,301	425,277	635,425	368,475	245,797
Cash dividend	212,256	212,256	150,509	127,354	147,936	98,410

**Balance Sheet**

Share Capital	64,320	64,320	64,320	64,320	64,320	64,320
Reserves	7,000,000	5,500,000	3,800,000	3,500,000	3,000,000	2,800,000
Shareholder equity	9,016,551	6,024,705	3,889,547	3,755,089	3,251,805	2,973,279
Long term loans	3,061,920	1,893,206	1,959,433	1,600,162	1,543,020	1,817,591
Short term loan	2,559,054	-	3,480,258	2,190,947	3,146,462	1,242,801
Current liabilities	4,336,730	1,327,122	4,271,426	3,185,410	3,980,546	1,846,274
Current portion of long term loans	364,484	461,487	59,566	369,637	303,439	221,742
Fixed assets	3,830,370	3,661,241	3,811,341	3,781,060	3,595,552	3,897,891
Current assets	11,173,716	6,117,459	6,936,294	5,333,098	5,695,622	3,169,630

**Ratios****Performance**

Sales growth percentage - Year to Year basis

Gross profit (%)

Profit before tax (%)

Profit after tax (%)

	2022	2021	2020	2019	2018	2017
Sales growth percentage - Year to Year basis	42.77%	24.85%	0.11%	20.36%	27.20%	17.78%
Gross profit (%)	22.94%	21.45%	10.10%	13.06%	10.45%	9.86%
Profit before tax (%)	17.20%	15.82%	4.44%	6.39%	4.91%	4.68%
Profit after tax (%)	14.56%	13.90%	3.44%	5.15%	3.59%	3.05%

Breakup value per share - Rupees per share

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

Breakup value per share - Rupees per share	1401.83	936.68	604.72	583.81	505.57	462.26
Market value of share - at the year end - Rupees per share	490.00	440.00	255.00	239.90	355.30	240.36

Earnings per share - Rupees per share

Price earning ratio

Earnings per share - Rupees per share	498.55	333.54	66.12	98.79	57.29	38.21
Price earning ratio	0.98	1.32	3.86	2.43	6.20	6.29

**Leverage**

Gearing ratio

Debt to equity (%)

Interest covering ratio

Gearing ratio	0.66	0.39	1.41	1.11	1.54	1.10
Debt to equity (%)	33.96%	31.42%	50.38%	42.61%	47.45%	61.13%
Interest covering ratio	18.13	11.86	2.79	3.12	3.70	3.27

**Liquidity ratio**

Current ratio

Current ratio	2.58	4.61	1.62	1.67	1.43	1.72
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**BLESSED TEXTILE LIMITED**  
**CATEGORIES OF SHAREHOLDERS**  
**AS AT JUNE 30, 2022**

<b>SR #</b>	<b>CATEGORIES OF SHAREHOLDERS</b>	<b>NUMBERS OF SHAREHOLDERS</b>	<b>SHARES HELD</b>	<b>PERCENTAGE %</b>
1	Director's, CEO, Their Spouse and Minor Children	22	2,289,984	35.60
2	Associated Companies, Undertaking and Related Parties	20	3,144,016	48.90
3	Banks / Financial Institutions	1	31	0.00
4	Insurance Company	1	393,900	6.12
5	General Public / Individuals	597	579,742	9.00
6	Joint Stock Companies	2	600	0.01
7	Other Companies	5	23,727	0.37
		<b>648</b>	<b>6,432,000</b>	<b>100.00</b>

**BLESSED TEXTILE LIMITED**  
**AS AT JUNE 30, 2022**

Sr #	Shareholder Category	Percentage	No. of Shares
<b>1</b>	<b>ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES</b>		
	M/S. FAISAL SPINNING MILLS LTD	18.49	1,189,160
	MR. MUHAMMAD SHAKEEL	0.47	30,000
	MR. FARRUKH SALEEM	1.41	91,000
	MR. YOUSUF SALEEM	1.96	126,100
	MR. SAQIB SALEEM	1.47	94,700
	MR. MUHAMMAD QASIM	4.17	268,100
	MR. FAISAL SHAKEEL	4.12	265,196
	MR. HAMZA SHAKEEL	4.12	265,197
	MR. ABDULLAH BILAL	1.53	98,100
	MR. MUHAMMAD UMER	0.04	2,500
	MR. YAHYAA FARRUKH	2.35	151,194
	MRS. NAZLI BEGUM	3.66	235,196
	MRS. SABA YOUSUF	1.71	109,794
	MRS. SABA SAQIB	2.29	147,494
	MRS. SUMBUL QASIM	1.11	70,285
<b>2</b>	<b>Director's, CEO, Their Spouse and Minor Children</b>		
	MR. MUHAMMAD SHAHEEN	1.07	69,000
	MR. MUHAMMAD SALEEM	0.78	50,000
	MR. KHURRAM SALEEM	0.99	63,900
	MR. BILAL SHARIF	3.58	230,285
	MR. MUHAMMAD AMIN	4.39	282,400
	MR. ADIL SHAKEEL	4.12	265,196
	MR. MUSTAFA TANVIR	0.04	2,500
	MR. ASIF ELAHI	0.04	2,500
	MR. TAUQEER AHMED SHEIKH	0.04	2,500
	MRS. SAMIA BILAL	8.33	536,000
	MRS. YASMIN BEGUM	0.65	42,000
	MRS. SEEMA BEGUM	0.63	40,600
	MRS. AMNA KHURRAM	2.73	175,803
	MRS. FATIMA AMIN	5.14	330,400
	MRS. MARIUM ADIL	0.01	500
	MASTER AZAAN BILAL	1.53	98,200
	MASTER ALI BILAL	1.53	98,200
<b>3</b>	<b>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS AND INSURANCE COMPANIES</b>		
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	6.12	393,900
	NATIONAL BANK OF PAKISTAN	0.00	31

<b>4</b>	<b>JOINT STOCK COMPANIES</b>		
	SHAFI (PRIVATE) LIMITED	0.01	400
	M/S. MEHRAN SUGAR MILLS LIMITED	0.00	200
<b>6</b>	<b>INDIVIDUAL SHAREHOLDERS</b>	9.00	579,742
<b>7</b>	<b>OTHER COMPANIES</b>	0.37	23,727
	<b>TOTAL</b>	<b>100.00</b>	<b>6,432,000</b>
<b>8</b>	<b>DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN</b>		
	Shares Purchased by Mr. Tauqeer Ahmed Sheikh	0.04	2,500
	Shares Purchased by Mr. Mustafa Tanvir	0.03	2,000
	Shares Purchased by Mr. Asif Elahi	0.03	2,000
<b>9</b>	<b>SHAREHOLDERS HOLDING 05% OR MORE</b>		
	M/S. FAISAL SPINNING MILLS LTD	18.49	1,189,160
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	6.12	393,900
	MRS. SAMIA BILAL	8.33	536,000
	MRS. FATIMA AMIN	5.14	330,400

**BLESSED TEXTILE LIMITED**  
**PATTERN OF SHAREHOLDING**  
**AS AT JUNE 30, 2022**

NUMBERS OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD	Percentage
	FROM	TO		
356	1	100	13,284	0.21
166	101	500	64,669	1.01
34	501	1000	30,579	0.48
41	1001	5000	110,200	1.71
4	5001	10000	23,644	0.37
8	10001	15000	99,385	1.55
2	15001	20000	36,700	0.57
1	20001	25000	20,500	0.32
2	25001	30000	60,000	0.93
1	35001	40000	37,100	0.58
2	40001	45000	82,600	1.28
4	45001	50000	196,324	3.05
1	50001	55000	53,400	0.83
1	60001	65000	63,900	0.99
1	65001	70000	69,000	1.07
2	70001	75000	143,530	2.23
3	90001	95000	280,485	4.36
4	95001	100000	391,200	6.08
1	125001	130000	126,100	1.96
1	130001	135000	135,000	2.10
2	135001	140000	273,700	4.26
1	160001	165000	163,200	2.54
1	190001	195000	191,951	2.98
1	235001	240000	235,196	3.66
3	265001	270000	798,493	12.41
1	280001	285000	282,400	4.39
1	330001	335000	330,400	5.14
1	390001	395000	393,900	6.12
1	535001	540000	536,000	8.33
1	1185001	1190000	1,189,160	18.49
<b>648</b>			<b>6,432,000</b>	<b>100.00</b>

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



















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## ڈائریکٹرز رپورٹ

محترم ممبران آپ کی کمپنی کے ڈائریکٹرز 30 جون 2022 کو ختم ہونے والے سال کے لئے کمپنی کے مالی بیان پر آڈٹ رپورٹ پیش کرنے کے ساتھ خوش ہیں۔

### مالی نمائ

	30-Jun-22 Rupees	30-Jun-21 Rupees
<b>Revenue from contracts with customers - net</b>	<b>22,030,768,817</b>	15,430,533,712
Cost of sales	(16,976,189,058)	(12,120,589,534)
<b>Gross profit</b>	<b>5,054,579,759</b>	3,309,944,178
Selling and distribution expenses	(511,136,730)	(316,315,380)
Administrative expenses	(200,567,090)	(166,462,203)
Other expenses	(279,726,591)	(182,810,406)
	(991,430,411)	(665,587,989)
Impairment (allowance)/reversals for expected credit losses	(75,311,940)	12,311,797
	<b>3,987,837,408</b>	2,656,667,986
Other income	<b>22,945,379</b>	9,827,814
<b>Operating profit</b>	<b>4,010,782,787</b>	2,666,495,800
Finance cost	(221,279,054)	(224,785,156)
<b>Profit before taxation</b>	<b>3,789,503,733</b>	2,441,710,644
Provision for taxation	(582,802,679)	(296,409,468)
<b>Profit after taxation</b>	<b>3,206,701,054</b>	2,145,301,176
<b>Earnings per share - basic and diluted</b>	<b>498.55</b>	333.54

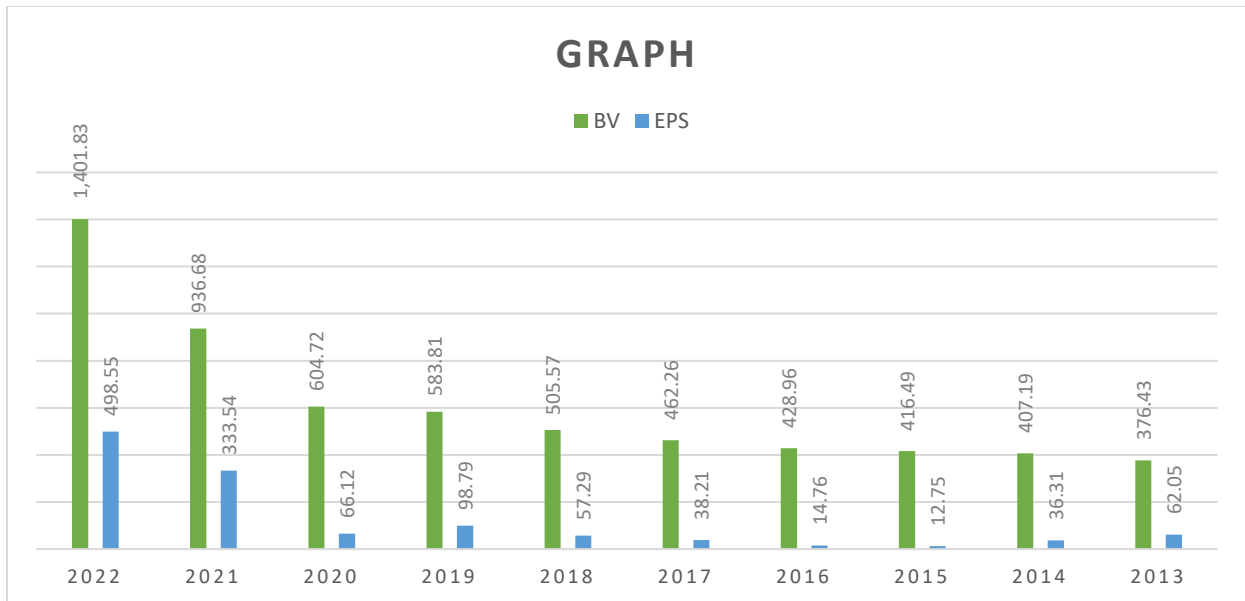
اسی سال کے مقابلے میں 30 جون 2022 کو ختم ہونے والے موجودہ سال کے دوران آمدنی میں تقریباً 43 فیصد کا نمایاں اضافہ ہوا ہے یعنی 15,430.533 PKR ملین سے 22,030.768 PKR ملین ہو گیا ہے۔ موجودہ سال میں فروخت کا مجموعی منافع زیر غور اسی مدت کے دوران 21.45 فیصد سے بڑھ کر 22.94 فیصد ہو گیا۔ کمپنی کے منافع میں موجودہ سال کے دوران کافی اضافہ ہوا ہے جہاں اس نے اسی مدت کے مقابلے میں 3,206.701 PKR ملین کا ٹیکس کے بعد خالص منافع حاصل کیا جہاں یہ 2,145.301 PKR ملین رہا۔

## منافع اور عام ریزرو اختصاص۔

بورڈ آف ڈائریکٹرز 27 اکتوبر 2022 کو ہونے والی آئندہ سالانہ جنرل میٹنگ میں آڈٹ کمیٹی کی سفارشات کے مطابق 330.00 فیصد یعنی 33.00 PKR فی حصص کے کیش ڈیویڈنڈ کی منظوری دیتے ہوئے خوش ہیں۔ مزید برآں، ڈائریکٹرز نے مستقبل میں کسی بھی غیر متوقع ہنگامی صورتحال سے نمٹنے کے لیے 1,500.00 PKR ملین کی رقم جنرل ریزرو میں منتقل کرنے کی تجویز پیش کی۔

## فی شیئر آمدنی اور شیئر کی بریک اپ ویلیو۔

EPS کا اعداد و شمار اہم ہے کیونکہ اسے سرمایہ کاروں اور تجزیہ کاروں کی طرف سے کمپنی کی کارکردگی کا اندازہ لگانے، مستقبل کی آمدنی کا اندازہ لگانے اور کمپنی کے حصص کی قدر کا اندازہ لگانے کے لیے استعمال کیا جاتا ہے۔ EPS جتنا زیادہ ہوگا، کمپنی کو اتنا ہی زیادہ منافع بخش سمجھا جاتا ہے اور اس کے شیئر ہولڈرز میں تقسیم کے لیے اتنا ہی زیادہ منافع دستیاب ہوتا ہے۔ جبکہ سرمایہ کار کمپنی کی مالی استحکام کا اندازہ لگانے کے لیے بریک اپ ویلیو کا استعمال کرتے ہیں۔ 30 جون، 2022 کو ختم ہونے والے سال کے لیے فی شیئر آمدنی 30 جون، 2021 کے مقابلے میں 498.55 PKR ہے جہاں یہ 333.54 رہی اسی طرح، 30 جون، 2022 کو ختم ہونے والے سال کے لیے بریک اپ ویلیو 1,401.83 PKR کے مقابلے میں 936.68 PKR ہے۔ اسی سال جہاں یہ 66.12 تھا۔



## کیش فلو مینجمنٹ۔

کمپنی اس بات کو یقینی بنانے کے لیے کہ اس کے پاس اپنے کاموں کو آسانی سے چلانے کے لیے کافی لیکویڈٹی موجود ہے تاکہ مستقبل کی ضروریات کو پیش کرتے ہوئے مختصر مدت کے اثاثوں اور واجبات کے انتظام کے لیے ورکنگ کیپٹل مینجمنٹ کے عمل کو مؤثر طریقے سے تعینات کیا جا سکے جو اسے پورا کرنے کی کافی صلاحیت کے ساتھ آسانی سے کام جاری رکھنے کے قابل بناتا ہے۔ طویل مدتی ذمہ داریوں کی موجودہ پختگی، قلیل مدتی قرض اور آئندہ آپریشنل اخراجات۔

اگرچہ 30 جون 2022 کو ختم ہونے والے سال کے دوران موجودہ تناسب میں کمی واقع ہوئی ہے 2.58 (سال 2021: 4.61) لیکن پھر بھی یہ کمپنی کی موجودہ ذمہ داری کو آسانی سے ادا کرنے کی صلاحیت کو ظاہر کرتا ہے۔ موجودہ سال کے دوران کمپنی نے اکاؤنٹ کی طویل مدتی مالیات پر 445.656 PKR ملین ادا کیے ہیں جبکہ قرض کی خدمت کے لیے 112.891 PKR ملین ادا کیے گئے ہیں۔

## فنانسنگ ڈھانچہ۔

سرمائے کا ڈھانچہ کسی بھی تنظیم کے لیے فیصلہ سازی کے سب سے اہم اور پیچیدہ شعبوں میں سے ایک ہے کیونکہ اس کے دوسرے فنانسنگ متغیر کے ساتھ تعلقات ہیں اور اس کا کمپنی کی قدر اور حصص یافتگان کے منافع اور دولت کو زیادہ سے زیادہ کرنے سے گہرا تعلق ہے۔ زیر جائزہ موجودہ مدت کے دوران گیٹرنگ ریشو میں اضافہ کیا گیا ہے جہاں یہ 30 جون 2022 (سال 2021: 0.39) کو ختم ہونے والے موجودہ سال کے دوران 0.66 پر کھڑا ہے لیکن پھر بھی انڈسٹری کے اصولوں کے مطابق قابل قبول حدوں میں ہے۔

## توازن ، جدید کاری اور تبدیلی

رواں سال کے دوران تکنیکی ترقی کے ساتھ رفتار کو برقرار رکھنے کے لیے پلانٹ اور مشینری میں تقریباً 500.00 ملین روپے کا اضافہ کیا گیا ہے۔

## نئے اسپننگ یونٹ کا قیام

بورڈ آف ڈائریکٹرز نے 25 فروری 2021 کو ہونے والے اپنے اجلاس میں شیخوپورہ، پنجاب میں 13,056 سپنڈلز کا نیا اسپننگ یونٹ قائم کرنے کی منظوری دی ہے۔ پیداوار کا تخمینہ تقریباً 450 تھیلے روزانہ ہے جس میں پی سی، سی وی سی اور لائکرا یارن کی موٹی تعداد شامل ہے جو بنیادی طور پر مقامی مارکیٹ میں کھپت کے لیے ہے۔ نئے یونٹ کے قیام سے پیداواری لاگت میں خاطر خواہ اضافہ ہوگا کیونکہ موجودہ پیداواری، تکنیکی اور انتظامی عملہ انسانی وسائل پر کوئی بڑی لاگت اٹھائے بغیر نئے منصوبے کو سنبھالنے کی پوری صلاحیت رکھتا ہے۔ یونٹ میں آٹومیشن کے لیے کم افرادی قوت کی ضرورت ہے جو ہمیں کوالٹی کنٹرول، ضیاع اور کارکردگی کو بہتر بنانے

میں مدد کرے گی اور اس کے ساتھ ساتھ توانائی کی بچت والی مشینیں بھی ہوں گی تاکہ افادیت کے اخراجات کو کم کیا جا سکے۔ امید ہے کہ آزمائشی پیداوار اپریل 2023 تک شروع ہو جائے گی جبکہ امید ہے کہ تجارتی پیداوار جولائی 2023 تک شروع کر دی جائے گی۔

## کریڈٹ ریٹنگ

A-/A-1 (سنگل اے مائٹس) 'A-/A-1' کریڈٹ ریٹنگ کمپنی لمیٹڈ کی طرف سے اگست کو شائع ہونے والی کمپنی کی درجہ بندی کو VIS میسر کی میں اپ گریڈ کر دیا گیا ہے۔ موجودہ سال کے لیے 11، 2022۔ دی گئی درجہ بندیوں پر ہستی (A/A-One سنگل) 'A/A-1' (ون) سے کے آؤٹ لک کو 'مستحکم' کے طور پر تفویض کیا گیا ہے۔

## مالیاتی گوشوارے

جیسا کہ کمپنیز ایکٹ 2017 کے تحت ضرورت ہے ، پی ایس ایکس کے ریگولیشن ریگولیشنز اور ایس ای سی پی کی طرف سے جاری کردہ ہدایات چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی بیانات پیش کیے ، ان کے متعلقہ دستخطوں کے تحت غور کے لیے توثیق کی گئی ، جاری کرنے اور گردش کے لیے بورڈ آف ڈائریکٹرز کی منظوری اور اجازت۔ کمپنی کے مالیاتی بیانات کو کمپنی کے آڈیٹروں نے باقاعدہ طور پر آڈٹ کیا ہے ، رحمن سرفراز رحیم اقبال رفیق ، چارٹرڈ اکاؤنٹنٹس اور آڈیٹرز نے 30 جون 2022 کو ختم ہونے والے سال کے مالی بیانات پر کلین آڈٹ رپورٹ جاری کی ہے اور بیان پر صاف جائزہ رپورٹ کوڈ آف کارپوریٹ گورننس ریگولیشنز ، 2019 "کوڈ"۔ یہ رپورٹیں مالی بیانات کے ساتھ منسلک ہیں۔

## اکاؤنٹنگ کے معیارات

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

## معیشیت کا جائزہ

امیں ایک محتاط عالمی بحالی کے بعد 2022 میں تاریک پیش رفت ہوئی جہاں چین اور روس میں مندی کی وجہ سے اس سال 2021 کی دوسری سہ ماہی میں پیداوار میں کمی واقع ہوئی۔ وبائی امراض کی وجہ سے پہلے ہی کمزور عالمی معیشت کو کئی جھٹکے لگے ہیں۔

دنیا بھر میں مہنگائی کی بلند شرح، خاص طور پر امریکہ اور بڑے یورپی ممالک سخت مالی حالات کو متحرک کر رہے ہیں اور ساتھ ہی چین میں کووڈ پھیلنے اور لاک ڈاؤن اور یوکرین میں جنگ کے منفی اثرات کی وجہ سے چین میں سست روی کا سبب بن رہا ہے۔

عالمی بینک کی رپورٹ کے مطابق، پاکستان میں 2022-23 (مالی سال 2020-21:5.7 فیصد) میں ترقی کی شرح تقریباً 4.0 فیصد رہنے کی توقع ہے کیونکہ غیر ملکی طلب میں نمایاں کمی واقع ہوئی ہے۔ جون 2022 کو ختم ہونے والے مالی سال کے دوران، ملک نے حال ہی میں بحال ہونے والی (PKR 5.26 ٹریلین (ری بیسڈ جی ڈی پی کا 5.1 فیصد) کے ابتدائی ہدف کے مقابلے میں 3.4 کا 7.9 فیصد) کا زبردست مالی خسارہ دیکھا۔ حکومت دونوں خسارے کے ہدف سے محروم رہی۔ ہدف سے کم خالص محصول GDP اور ہدف سے زیادہ موجودہ اخراجات کی تعیناتی کی وجہ سے فی الحال سیلابی صورتحال اور سیاسی عدم استحکام کے باعث یہ کافی مشکل دکھائی دے رہا ہے کہ حکومت خسارے کو جی ڈی پی کے 4.9 فیصد کی مقررہ حد کے اندر رکھے گی۔ جون 2023 کو ختم ہونے والے مالی سال کے لیے۔ یہ بہت زیادہ امکان ہے کہ سندھ اور بلوچستان میں سیلاب کے بعد محصولات کی وصولی نمایاں طور پر متاثر ہو سکتی ہے جس سے زراعت، مویشیوں، ہول سیل اور ریٹیل تجارت کو بھاری نقصانات کے علاوہ گھروں، سڑکوں، ریلوے اور دیگر انفراسٹرکچر کو نقصان پہنچا ہے۔ پی بی ایس کے جاری کردہ اعداد و شمار کے مطابق ملک کی سالانہ سی پی آئی افرات زر اگست 2022 میں، 27.3 فیصد تک پہنچ گئی جو جولائی 2022 میں 24.9 فیصد تھی، جو مئی 1975 کے بعد سب سے زیادہ ہے۔ غیر غذائی اشیاء خاص طور پر ایندھن اور بجلی کے چارجز، اس کی بڑی وجہ تھے۔ اس کے علاوہ سبزیوں، دالوں، کوکنگ آئل، گندم کے آٹے اور دودھ کی قیمتوں میں اضافہ بھی ایک اہم عنصر تھا۔ ملک کا معاشی نقطہ نظر غیر یقینی اور دھندلا رہا، مہنگائی کی شرح 27.3 فیصد مزید بڑھنے کی توقع ہے کیونکہ ملک میں مہلک سیلاب آنے سے۔ پاکستانی روپے کی تیزی سے گراوٹ بھی قیمتوں میں اضافے کا سبب بن رہی ہے نے آخر کار پاکستان کے لیے IMF، کے قریب ٹریڈ کر رہا ہے۔ اس کے باوجود 230 - 228 PKR کیونکہ ستمبر 2022 میں انٹرنینک میں پروگرام کو بحال کر دیا، کیونکہ اس کے بورڈ نے تقسیم کی منظوری دے دی۔ ساتویں اور آٹھویں قسط (EFF) اپنے توسیعی فنڈ سہولت IMF کے لیے 1.1 بلین ڈالر۔ تاہم، روپیہ اب بھی گرین بیک کے مقابلے میں کوئی بڑا فائدہ نہیں دکھا رہا ہے کیونکہ یہ خیال کیا جاتا ہے کہ -پروگرام پہلے ہی اسٹاک اور کرنسی دونوں بازاروں میں اثر انداز ہو چکا ہے۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) نے مالی سال 2022 میٹنگ میں پالیسی ریٹ کو 15 فیصد پر برقرار رکھا، جو کہ معیشت کو MPC اسٹیٹ بینک آف پاکستان نے اگست 2022 میں اپنی زیادہ گرم کرنے اور کرنٹ اکاؤنٹ خسارے پر قابو پانے کے لیے ایک اقدام ہے۔ مسلسل موسلا دھار بارشوں اور سیلاب نے پاکستان کے کپاس کے کھیتوں کو اپنی لپیٹ میں لے لیا ہے جس کے نتیجے میں کپاس کی فصل کو ناقابل تلافی نقصان پہنچا ہے اور حکام کا اندازہ ہے کہ تقریباً 45 فیصد کپاس بھی سیلاب کی نذر ہو چکی ہے۔ حکومت نے اس سال 11 ملین روٹی کی گانٹھوں کی پیداوار کا تخمینہ لگایا تھا، تاہم اب یہ 7.5 ملین گانٹھوں کے لگ بھگ ہونے کی توقع ہے، اس کمی کو درآمدات کے ذریعے پورا کرنے کی ضرورت ہوگی۔ روٹی کے

نرخ پاکستان کی تاریخ کی بلند ترین سطح پر پہنچ گئے، مقامی اور بین الاقوامی منڈیوں میں روٹی کے اسپاٹ ریٹس میں مسلسل اضافہ جاری ہے۔ معیاری روٹی کی قیمت 24,000 روپے فی من اور اعلیٰ قسم کی پھٹی روٹی کی قیمت 11,000 سے 13,000 روپے فی 40 کلو گرام کا اسپاٹ ریٹ اگست 2022 میں فی من 23,000 روپے ہے۔ سنگین حالات کے باوجود ٹیکسٹائل (KCA) ہے اور کراچی کاٹن ایسوسی ایشن کے شعبے میں مالی سال 2021-22 کے لیے 25.53 فیصد کی نمو دیکھنے میں آئی، برآمدات 2020-21 کے دوران 15.399 بلین ڈالر کے بدقسمتی سے، اعلیٰ پالیسی اور افراط زر کی شرح کے ساتھ ساتھ گرین بیک کے (PBS: ماخذ) مقابلے میں 19.329 بلین ڈالر کی گئیں۔ میں کمی معیشت کے آؤٹ لک پر منفی اثر ڈالے گی۔ موجودہ حالات میں، ٹیکسٹائل سیکٹر کی پیداواری لاگت یقینی طور پر PKR مقابلے میں پر بڑھ گی کیونکہ انہیں غیر معمولی چیلنجنگ اور غیر یقینی عالمی ماحول میں کپاس کی درآمدات کا سہارا لینا پڑتا ہے۔ 23 کے گرین بیک کے مقابلے میں روپے کی اوسط قدر 226 روپے رہنے کا اندازہ لگایا ہے۔

## کوڈ آف کارپوریٹ گورننس کی تعمیل

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان منسلک ہے۔

## کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر بیان۔

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

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

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

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

• بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔

internal اندرونی کنٹرول کا نظام ڈیزائن میں درست تھا اور اسے مؤثر طریقے سے نافذ اور مانٹر کیا گیا ہے۔

the کمپنی کی مستقل تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں تھے۔

corporate کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہوئی ، جیسا کہ فہرست سازی کے قواعد و ضوابط میں تفصیلی ہے۔

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

- o شیئر ہولڈنگ کے پیٹرن کا بیان الگ سے دیا گیا ہے۔
- o متعلقہ کاروباری اداروں اور متعلقہ افراد کے حصص کا بیان۔
- o سال کے دوران ہونے والی بورڈ میٹنگز اور سالانہ جنرل میٹنگ کا بیان اور ہر ڈائریکٹر کی حاضری الگ سے دی گئی ہے۔
- o کمپنیز ایکٹ کے سیکشن 192 (4) کی دفعات کے تحت چیئرمین جائزہ رپورٹ۔
- o ضابطے کے ضابطہ 36 کے تحت چیئرمین کی طرف سے دستخط شدہ تعمیل کا بیان۔
- o six پچھلے چھ سالوں کے کلیدی آپریننگ اور مالیاتی اعدادوشمار۔ ٹیکس اور لیویز کے بارے میں معلومات منسلک آڈٹ شدہ مالی بیانات میں مناسب طریقے سے ظاہر کی گئی تھیں۔

listed کمپنی ایس ای سی پی کی طرف سے جاری کردہ ہدایات کی سختی سے پیروی کرتی ہے جو کہ لسٹڈ کمپنیوں کے اندرونی تجارت کی ممانعت پر ہے اور کمپنی کے حصص میں کوئی تجارت اس کے ڈائریکٹر ، سی ای او ، سی ایف او ، کمپنی سیکرٹری ، ہیڈ آف انٹرنل آڈٹ اور ان کے میاں بیوی اور نابالغ بچوں کے علاوہ نہیں شیئر ہولڈنگ کے انداز میں انکشاف



## شیئر ہولڈنگ کا نمونہ۔

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

### متعلقہ پارٹی لین دین

کے تحت ضرورت کی تعمیل کرتے ہوئے مناسب طور پر انکشاف کیا جاتا IAS 24 اور ان کی حیثیت کا (RPT) متعلقہ پارٹی ٹرانزیکشنز کے ذریعے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ نوٹیفیکیشن کے مطابق سب کے (1) SRO 768، ہے۔ مزید برآں لیے ایک مضبوط پالیسی موجود ہے۔ (2019 اور گائیڈ لائنز کو کمپنی کی پالیسی میں لین دین اور ریکارڈ کی دیکھ بھال کے حوالے سے مناسب طریقے سے شامل کیا گیا ہے۔ آر پی ٹی کو اندرونی آڈٹ کے ذریعے باضابطہ طور پر منظور کیا گیا تھا جس کے بعد بورڈ میٹنگ میں اسے پیش کرنے سے پہلے آڈٹ کمیٹی کی منظوری لی گئی تھی، تاکہ اس بات کو یقینی بنایا جا سکے کہ کاروباری سرگرمی کے معمول کے دوران کو ممبران کی منظوری RPT تمام لین دین مکمل طور پر مکمل ہوں۔ 30 جون 2022 کو ختم ہونے والے موجودہ مالی سال کے دوران تمام کے لیے کمپنی کی جنرل میٹنگ کے سامنے پیش کیا جائے گا۔ اسی طرح، بورڈ نے 30 جون 2023 کو ختم ہونے والے مالی سال کے دوران کئے جانے والے لین دین کے لیے کمپنی کی جنرل میٹنگ میں ممبران کی منظوری حاصل کرنے کا بھی فیصلہ کیا ہے اور اسے اگلی سالانہ جنرل میٹنگ میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔ ان کی رسمی توثیق / منظوری۔

### بورڈ کی تشخیص

بورڈ کی کارکردگی اور تاثر کو جانچنے کے لیے مکمل، سخت اور بار بار ہونے والی تشخیص ایک اہم طریقہ کار ہے۔ بورڈ کا باقاعدہ جائزہ انفرادی ڈائریکٹرز کی جانب سے باہمی تعاون کے ساتھ فیصلہ سازی اور اعلیٰ کارکردگی کی حوصلہ افزائی کرتا ہے۔ یہ بورڈ روم میں تنازعات کو کم کرنے اور اچھی حکمرانی اور ٹیم کے جذبے کی ثقافت کو سرایت کرنے کے لیے ڈائریکٹرز کو مؤثر طریقے سے کام کرنے کی ترغیب دیتا ہے۔

### بورڈ کی تشکیل

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

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

## بورڈ اور آڈٹ کمیٹی کے اجلاس

• تمام ڈائریکٹرز، میٹنگ میں شرکت کے اہل، کمپنی کی جنرل میٹنگز میں شرکت کی ہے۔

کوڈ کے ریگولیشن 10 (6) کے تحت ذاتی طور پر یا ویڈیو کانفرنس کے ذریعے جب تک کسی معقول کی وجہ سے ایسا کرنے سے روک دیا

جائے۔ 2021-22 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور ہیومن ریسورس اور معاوضہ کمیٹی کے اجلاس اور شرکت کی میٹنگ کی

تعداد درج ذیل ہے۔

Name of Directors	Board of Directors		Committees			
			Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Mohammad Shaheen	4	4	-	-	-	-
Mr. Khurram Salim	4	4	6	6	1	1
Mr. Bilal Sharif	4	4	6	6	-	-
Mr. Mohammad Amin	4	4	-	-	-	-
Mr. Adil Shakeel	4	4	-	-	1	1
Mr. Tauqeer Ahmed Sheikh	3	3	4	4	1	1
Mr. Iqbal Mehboob	1	1	2	2	-	-
Mr. Asif Elahi	4	4	-	-	-	-
Mr. Mustafa Tanvir	4	4	-	-	-	-
Mrs. Samia Bilal	4	4	-	-	-	-

## آڈٹ کمیٹی

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

آڈٹ کمیٹی تین ممبران پر مشتمل ہوتی ہے جس میں چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے جبکہ باقی تمام نان ایگزیکٹو ڈائریکٹر ہوتے ہیں اور بورڈ آف ڈائریکٹرز کی طرف سے تفویض کردہ شرائط کے تحت اپنی ذمہ داریاں نبھاتے ہیں۔ مالیاتی خواندہ ممبر کی تقرری ضابطہ کے مطابق کی گئی ہے۔ بورڈ آف ڈائریکٹرز کی منظوری سے قبل عبوری اور سالانہ مالیاتی گوشواروں کا (iii) میں ضابطہ 27(1) X باب جائزہ لینے کے لیے آڈٹ کمیٹی کے اجلاس باقاعدگی سے وقفہ وقفہ سے منعقد کیے جاتے تھے اور سال میں ایک بار بیرونی آڈیٹر کے ساتھ ایک کمپنی کے بورڈ AC اور بیرونی آڈیٹر کی موجودگی کے بغیر۔ CFO اور دوسرے اندرونی آڈیٹر کے ساتھ CFO اضافی میٹنگ ہوتی تھی۔ بغیر آف ڈائریکٹرز کا ایک ذیلی گروپ ہے جو کمپنی کی مالیاتی رپورٹنگ اور انکشاف کے عمل کی نگرانی کے لیے ذمہ دار ہے اور کمپنی کے عمل اور اندرونی کنٹرول سے مکمل آگاہی رکھتا ہے۔ اکاؤنٹنگ پالیسیوں اور اصولوں کے انتخاب پر نظر رکھنے اور قوانین اور ضوابط کی تعمیل اس بات کو یقینی بناتا ہے AC عام طور پر انتظامی ٹیم، آزاد آڈیٹر، اور اندرونی آڈیٹرز کے ساتھ رابطہ کرتا ہے۔ AC کو یقینی بنانے کے لیے، کہ دھوکہ دہی کی روک تھام اور شناخت کے لیے مناسب پالیسیاں اور عمل موجود ہیں، جیسے کہ اثاثوں کا غلط استعمال، بدعنوانی اور مالیاتی اسٹیٹمنٹ فراڈ اور انتظامیہ کے ساتھ مل کر کام کرتا ہے تاکہ اس بات کو یقینی بنایا جا سکے کہ فراڈ کی نشاندہی پر ضروری کمپنی کے سہ ماہی اور آڈٹ شدہ سالانہ مالیاتی بیانات پر تبادلہ خیال کرنے کے لیے انتظامیہ اور قانونی آڈیٹرز AC اقدامات کیے جائیں۔ سے باقاعدگی سے ملاقات کرتا ہے جبکہ سالانہ آڈٹ کے دوران، آڈٹ کمیٹی ریگولیشن 27(2) کی تعمیل میں بیرونی آڈیٹر اور اندرونی آڈٹ AC ان معاملات پر بات کرنے کے لیے جن پر رازداری سے بات کرنے کی ضرورت ہے۔ (iii) کے سربراہ کے ساتھ الگ سے ملاقات کرتی ہے۔ ضابطہ اخلاق کو لاگو کرنے اور موثر مواصلاتی چینلز کے قیام کو یقینی بنا کر تنظیم کے لہجے کو ترتیب دینے میں اہم کردار ادا کرتا ہے۔ اس بات سے پوری طرح واقف ہے کہ انتظامیہ قوانین اور ضوابط کی تعمیل حاصل کرنے کے لیے کیا کر رہی ہے، اور انہیں جاری AC ممبران اجتماعی طور پر دھوکہ دہی کو روکنے کے لیے AC تحقیقات اور تادیبی کارروائیوں جیسے مسائل کے بارے میں علم ہونا چاہیے۔ کام کرتے ہیں اور جان بوجھ کر اکاؤنٹنگ کی غلطیوں اور بے ضابطگیوں کا پتہ لگانے میں ماہر ہیں۔

## انسانی وسائل اور معاوضہ کمیٹی

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

تین ممبران پر مشتمل ہے جس میں اکثریت نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جبکہ (HRRC) ہیومن ریسورس اینڈ ریمونریشن کمیٹی سی ای او کے انتخاب، تشخیص، معاوضہ (بشمول ریٹائرمنٹ فوائد) اور جانیشینی کی منصوبہ HRRC چیئرمین ایک آزاد ڈائریکٹر ہے۔ کا مقصد کسی تنظیم کے بورڈ، انتظامی ٹیم HRRC بندی کے لیے بورڈ کو انسانی وسائل کے انتظام کی اہم پالیسیوں کی سفارش کرتا ہے۔ بورڈ کو انسانی وسائل کے انتظام HRRC اور اس کے ملازمین کی تاثیر کو بہتر بنا کر اس کی پیداواری صلاحیت کو زیادہ سے زیادہ کرنا ہے۔ اور کمپنی سکرپٹری کے انتخاب، تشخیص، معاوضے (بشمول ریٹائرمنٹ فوائد) CEO، CFO کی پالیسی کی سفارش کرنے کا ذمہ دار ہے۔ سینئر مینجمنٹ کی بھرتی اور تربیت HRRC اور جانیشینی کی منصوبہ بندی کی سفارش کرنے کی مجموعی ذمہ داری کمیٹی پر ہوگی۔ معاوضے، کارکردگی کا جائزہ، جانیشینی کی منصوبہ بندی اور انسانی سرمائے کے موثر استعمال کے لیے اقدامات میں بورڈ اور انتظامیہ کی مدد کرتا ہے۔

## کارپوریٹ سماجی ذمہ داری کی پالیسی

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

## صحت ، حفاظت اور ماحولیاتی پالیسی

کمپنی ایک محفوظ اور صحت مند کام کی جگہ کو یقینی بنانے اور ماحول کی حفاظت کے لیے برعزم ہے اور اس بات پر پختہ یقین رکھتی ہے کہ حفاظت اور ماحول کی حفاظت ایک اچھا کاروبار ہے اور کام سے متعلق تمام چوٹیں، بیماریاں، املاک کے نقصانات اور منفی

ماحولیاتی اثرات کو روکا جا سکتا ہے۔ اس عزم کو پورا کرنے کے لیے، کمپنی اس بات کو یقینی بناتی ہے کہ انتظامیہ کارکنوں اور ماحول کے تحفظ کی مکمل ذمہ داری قبول کرے۔ کسی بھی ملازم کے ساتھ کسی غیر متوقع حادثے کی صورت میں کارکنوں کے لیے ایک جامع گروپ لائف انشورنس پہلے سے ہی موجود ہے۔ کمپنی کراچی اور لاہور دونوں دفاتر میں اپنے انتظامی ملازمین کے لیے ہیلتھ پالیسی کے لیے بنائے گئے انتظامات بھی فراہم کرتی ہے۔ کمپنی صحت، حفاظت اور ماحولیاتی تحفظات کو کمپنی کے دیگر کاروباری مقاصد کے ساتھ مساوی حیثیت دیتی ہے اور انہیں کام کے تمام پہلوؤں میں ضم کرتی ہے اور صحت، حفاظت اور ماحولیاتی کارکردگی کو مسلسل بہتر بنانے کے لیے فعال طور پر کوشش کرتی ہے۔ کمپنی کی پالیسی پانی اور فضائی آلودگی، کیمیائی اور تیل کے اخراج، سموگ، پینے کے پانی کے معیار، زمین کے تحفظ اور انتظام اور جنگلی حیات کے تحفظ پر چوکس ہے۔، حفاظت اور ماحولیاتی پالیسی بیان صحت، تمام کارکنوں، ٹھیکیداروں اور زائرین، اور وبائی صورتحال کے آزمائشی اوقات میں کسی اور کی صحت، خطرات کو دور کرنے یا کم کرنے کی ہر ممکن کوشش کر کے خوشگوار اور قابل عمل ماحول کا مظاہرہ کرتا ہے۔

## ڈائریکٹر معاوضہ پالیسی

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

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

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

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

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

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

## آڈیٹرز۔

موجودہ آڈیٹر میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس 27 اکتوبر 2022 کو ہونے والی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے تاہم اہل ہونے کی وجہ سے انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2023 کو ختم ہونے والے سال کے لیے بطور بیرونی آڈیٹر تعینات کرنے کی تجویز دی ہے۔ ایکسٹرنل آڈیٹر میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو تسلی بخش درجہ بندی دی گئی ہے۔ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت۔ فرم اور اس کے تمام پارٹنر انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی طرف سے اپنائے گئے کوڈ آف ایٹھکس پر انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کے رہنما اصولوں کی تعمیل کرتے کے تحت آڈٹ اور سائٹ بورڈ کے ساتھ رجسٹرڈ ہیں۔ قانونی آڈیٹرز نے نہ تو کوئی ایکٹ 1997 کے سیکشن 36 SECP ہیں اور وہ فیصلہ سازی، اندرونی آڈٹ یا انتظامی کام انجام دیا اور نہ ہی ان کا کمپنی کے کسی ڈائریکٹر یا ایگزیکٹوز کے ساتھ کسی قسم کا تعلق ہے۔ منگنی کے شراکت داروں کو ہر پانچ سال کی تکمیل کے بعد گھمایا جاتا تھا۔ بورڈ آف ڈائریکٹرز نے میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2023 کو ختم ہونے والے سال کے لیے بطور ایکسٹرنل آڈیٹر تعینات کرنے کی بھی سفارش کی اور مقرر کیا گیا ہے۔ ضابطہ کے ضابطہ 32(3) کے تحت آڈٹ کمیٹی PKR 2,000,000.00 سال 2022-2022 کے لیے آڈیٹرز کا معاوضہ، کی طرف سے بورڈ کو سفارش کی گئی ہے۔ معاوضے میں جیب سے باہر کے اخراجات شامل ہیں اور اسائنمنٹس میں سالانہ قانونی آڈٹ کارپوریٹ گورننس کے تحت محدود دائرہ کار کا جائزہ اور جائزہ رپورٹ شامل ہے۔

## مادی تبدیلیاں اور وعدے۔

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

## اعتراف

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

بورڈ کے لئے اور اس کی طرف سے



محمد امین

(چیف ایگزیکٹو)



محمد سلیم

(ڈائریکٹر)

کراچی: 28 ستمبر 2022

# بلیسڈ ٹیکسٹائلز لمیٹڈ

## پراکسی فارم

میں \_\_\_\_\_ کے \_\_\_\_\_  
کے رکن اور عام شیئر کے حامل کی حیثیت کے \_\_\_\_\_ (شیئر کی تعداد)  
رجسٹرڈ کارپوریٹ نمبر \_\_\_\_\_ اور ایسی ڈی سی ٹیو کیو کا آئی ڈی نمبر \_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_ کے  
\_\_\_\_\_ یا \_\_\_\_\_ کے  
کو کمپنی کے سالانہ اجلاس جو 27 اکتوبر 2022 کو منعقد ہوگا، میں میرے / ہمارے لئے اور میری / ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں / کرتے ہیں۔

دستخط \_\_\_\_\_ بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ / \_\_\_\_\_ 2022۔

گواہان:

دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_

پاسپورٹ نمبر: \_\_\_\_\_

دستخط شیئر ہولڈر

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

دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_

پاسپورٹ نمبر: \_\_\_\_\_

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



# Blessed Textiles Ltd

## Proxy Form

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member of **BLESSED TEXTILES LIMITED** and holder of \_\_\_\_\_ ordinary share as per Share Register Folio No. \_\_\_\_\_ and/or CDC Participant ID No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ hereby appoint Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my / our proxy to act on my/our behalf at the 35<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, 27<sup>th</sup> October, 2022 at 03:30 pm at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

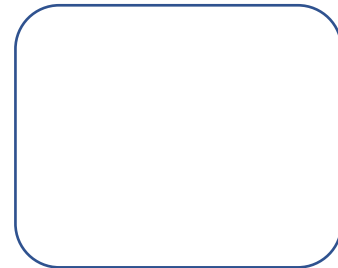
Witness: \_\_\_\_\_

Signature : \_\_\_\_\_ ( Signature should agree with specimen registered with company)

Name : \_\_\_\_\_

CNIC/ PP: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_



Affix Rs.5 Revenue Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

### Notes:

If a member is unable to attend the meeting, they may complete and sign this form and sent it to the Company Secretary, **BLESSED TEXTILES LIMITED**, Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. so as to reach not less than 48 hours before the time scheduled for holding the meeting.

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