



*of Companies*

34<sup>th</sup> Annual Report 2021

**UMER GROUP OF COMPANIES**

**BLESSED TEXTILES LIMITED**



## **Vision**

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



## **Mission Statement**

To become an exceptional manufacturer of textile products global market.



# BLESSED TEXTILES LIMITED

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# BLESSED TEXTILES LIMITED



## 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
Mrs. Samia Bilal	Non-Executive Director
Mr. Iqbal Mehboob	Independent Director
Mr. Asif Elahi	Independent Director
Mr. Mustafa Tanvir	Independent Director

### Chief Financial Officer

Mr. Abdul Basit Jangua	FCA
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### Company Secretary

Mr. Ghulam Mohiuddin	ACMA
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### Audit Committee

Mr. Iqbal Mehboob	Chairman
Mr. Bilal Sharif	Member
Mr. Khurram Salim	Member

### Human Resource Committee

Mr. Iqbal Mehboob	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 ; Fax: 021 -35063002-3  
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 34<sup>th</sup> Annual General Meeting of the members of **Blessed Textiles Limited** will be held on Wednesday 27<sup>th</sup> October 2021 at 11:30 am.

As we are still struggling in containing severity of Covid 19 in country and there are deep concerns for the prevailing fourth wave that has grown, amid the emergence of the delta variant strain of coronavirus. Hence, in pursuant to Circular 6 dated March 3, 2021 issued by the Securities and Exchange Commission of Pakistan and to ensure the safety and well- being of our shareholders, the meeting will be held virtually through video link facility, "Zoom" which is available on Google Play and Apple App Store.

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 2020.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30<sup>th</sup> June, 2021 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, 2021, as recommended by the Board of Directors.
4. To appoint the auditors for the next term i.e. year 2021-2022 and fix their remuneration. The retiring auditor M/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 note 38 of the financial statements for the year ended June 30, 2021, 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, 2022.

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

**(B)** The consent of the members is hereby sought to approve the related party transactions conducted during the financial year ended June 30, 2019 and June 30, 2020.

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(iii) “Resolved That Related Parties Transactions carried out at arm’s length during the normal course of business activity during the fiscal year ended June 30, 2019 and 2020 as disclosed in the notes of financial statements of respective year be and are hereby ratified, approved and confirmed.

## 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 33<sup>rd</sup> annual general meeting of the company held on October 27, 2020 has also been enclosed and uploaded with aforesaid notice of AGM.

Karachi:

Dated: 27<sup>th</sup> September, 2021

(By the order of the Board)

Ghulam Mohiuddin  
Company Secretary

## Notes:

### 1. For attending meeting electronically due to COVID 19 Pandemic

In pursuance of Circular 6 date March 3, 2021 issued by SECP to facilitate the shareholder(s) for attending the Annual General Meeting (AGM) of the company electronically through video link facility, “Zoom” which is available on Google Play or Apple App Store. The entitled member(s) are requested to get themselves registered at least 2 working days before holding of the time of AGM at [btl.corporate@umergroup.com](mailto:btl.corporate@umergroup.com) by providing the details on the following format:

Name of Shareholder	CNIC No.	Folio No.	Cell No.	Email Address

- The company will send login details to the members email address for participation in AGM proceedings either through their smart phones or computer devices.
  - The login facility will be opened (10) ten minutes prior to the schedule of meeting for verification process.
  - While accessing the application “Zoom” members are requested to enter full name and folio number on the following format “Full Name - Folio Number” to mark proper attendance.
  - Members are requested to stay on ‘Mute’ and ‘off Camera’ unless moderator request for the members consent/comments/questions to approve the resolutions for ordinary and special business.
2. The Shares Transfer Books of the Company will remain closed from 19<sup>th</sup> October 2021 to 27<sup>th</sup> October, 2021 (both days inclusive). Transfers received in order at the registered office of the company situated at Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 18<sup>th</sup> October 2021 will be treated in time for the purpose of entitlement to attend the Annual General Meeting of the company.

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- 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.
- 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*

- 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, 2021 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.
- 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 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.
- 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.
- 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 spoilt.

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- 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, 2021.

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, 2021 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 note 38 to the financial statements for the year ended June 30, 2021

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 note 38 to the financial statements for the year ended June 30, 2021.

### 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, 2021 to June 30, 2022.

The Company shall be entering into transactions with its related parties during the year ending June 30, 2022 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 year ending June 30, 2022 and such transactions shall be deemed to be approved by the shareholders. The nature and scope of such related party transactions is explained above and these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

### Items pertaining to 5(B)(iii) of the notice for ratification and approval of the related party transactions retrospectively for the year ended June 30, 2019 and June 30, 2020.

The transactions were conducted at arm's length during the normal course of business activity as per company's policy in place along with adequate disclosure by complying the requirement under IAS 24. Since, common directorship exists between the related parties, the member's approval is hereby

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required to ratify the related party transactions retrospectively for the year ended June 30, 2019 and June 30, 2020.

The transactions were duly disclosed in the notes to the respective financial years for 2019 and 2020 and unaltered extracts from financial statements of RPT are reproduced below:

## 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
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 with related parties as at the reporting date. Names, basis of relationship, details of transactions with associated undertakings & related parties is as follows:

	2020	2019
	<i>Rupees</i>	<i>Rupees</i>

### Transactions with related parties

Nature of relationship	Nature of transactions		
Associated companies	Sale of yarn	1,222,942,975	1,042,970,227
	Sale of fabric	30,296,020	6,183,657
	Sale of cotton	257,388,684	376,089,802
	Purchase of cotton	23,331,029	43,267,548
	Purchase of yarn	262,481,884	299,491,637
	Purchase of fabric	-	6,196,798
	Purchase of electricity	22,429,406	103,602,079
	Services received	309,000	309,000

## Chairman Review Report

As required under section 192(4) of Companies Act 2017 it gives me immense pleasure to present a review report for the year ended June 30, 2021 on the performance and effectiveness of the board of Blessed Textiles Limited (Board) in achieving its objectives.

Either a common man or businessman the COVID-19 pandemic is still in our mindset with obscurity about how long it would persist. However, as administering of vaccination is in full swing across the world we expect the normalcy soon albeit couple of tough years before a silver lining appears for the economic revival.

The Board has applied governance standards in an efficient and transparent manner as per regulations under Code of Corporate Governance Regulations 2019 (Code), guidelines and provisions of Companies Act 2017(Act), Securities and Exchange Commission of Pakistan (Commission) and Pakistan Stock Exchange (PSX).

The Board has a clear understanding of its roles and relationships with management, shareholder and with other corporate stakeholders that plays a vital role in overseeing the company's management and business strategies to achieve long-term value creation. The Board exercised vigorous and diligent oversight of a company's affairs, including key areas such as strategy and risk management and matters like relationship with the outside auditor and executive compensation.

The management, under the oversight of the board and its audit committee, presents company's financial results, makes the timely disclosures for investors to assess the financial and business soundness and risks of the company. The CAB session for investor's community and general meeting conducted virtually under the directives issued by the Commission. The stakeholders and shareholders are kept abreast through an extensive and functional website for corporate financial performance, notices, and announcements. The committees to the Board are working under the ToR and both the audit and human resource committees are chaired by an independent director.

The management engages wherever necessary, the shareholders on issues and concerns of widespread interest that may affect the corporate decision making or strategies intended to build sustainable long-term value.

The performance evaluation of directors, board as a whole and its committees carried out internally through formal mechanism in pursuant of regulation 10(3)(V) of the Code. The entire Board is accredited under directors training program (DTP) as required under chapter VI of the Code.

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The Board ensures that businesses have appropriate decision-making processes and controls are in place so that the interests of all stakeholders are balanced and they have confidence that their trust in that company is well protected. The management believes that good governance is important to improve the quality of the decisions made by those who manage businesses and enables to create long-term value more effectively.

Karachi: Dated 27, September 2021



**Mohammad Salim**

(Chairman)

# BLESSED TEXTILES LIMITED

## 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, 2021.

### Financial Representation

#### Statement of Profit or Loss For The Year Ended 30 June 2021

	30-Jun-21	30-Jun-20
	<i>Rupees</i>	<i>Rupees</i>
<b>Revenue from contracts</b>	<b>15,430,567,380</b>	12,359,645,877
Cost of sales	<b>(12,120,589,534)</b>	(11,111,877,733)
<b>Gross profit</b>	<b>3,309,977,846</b>	1,247,768,144
Selling and distribution expenses	<b>(316,315,380)</b>	(233,025,294)
Administrative expenses	<b>(166,462,203)</b>	(155,084,179)
Other expenses	<b>(193,995,085)</b>	(36,172,073)
	<b>(676,772,668)</b>	(424,281,546)
Other income	<b>2,633,205,178</b>	823,486,598
	<b>33,290,622</b>	32,500,619
<b>Operating profit</b>	<b>2,666,495,800</b>	855,987,217
Finance cost	<b>(224,785,156)</b>	(306,630,426)
<b>Profit before taxation</b>	<b>2,441,710,644</b>	549,356,791
Provision for taxation	<b>(296,409,468)</b>	(124,080,076)
<b>Profit after taxation</b>	<b>2,145,301,176</b>	425,276,715
<b>Earnings per share - <i>basic and diluted</i></b>	<b>333.54</b>	66.12

The revenue has been significantly increased by almost 25 percent i.e from PKR 12,359.646 million to PKR 15,430.567 million during the current year ended June 30, 2021 as compared to corresponding year.

The gross profit to sales in current year increased by twofold i.e from 10 percent to 21 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 2,145.301 million as compared corresponding period where it stood at PKR 425.277 million.

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## Dividend and General Reserves Appropriation

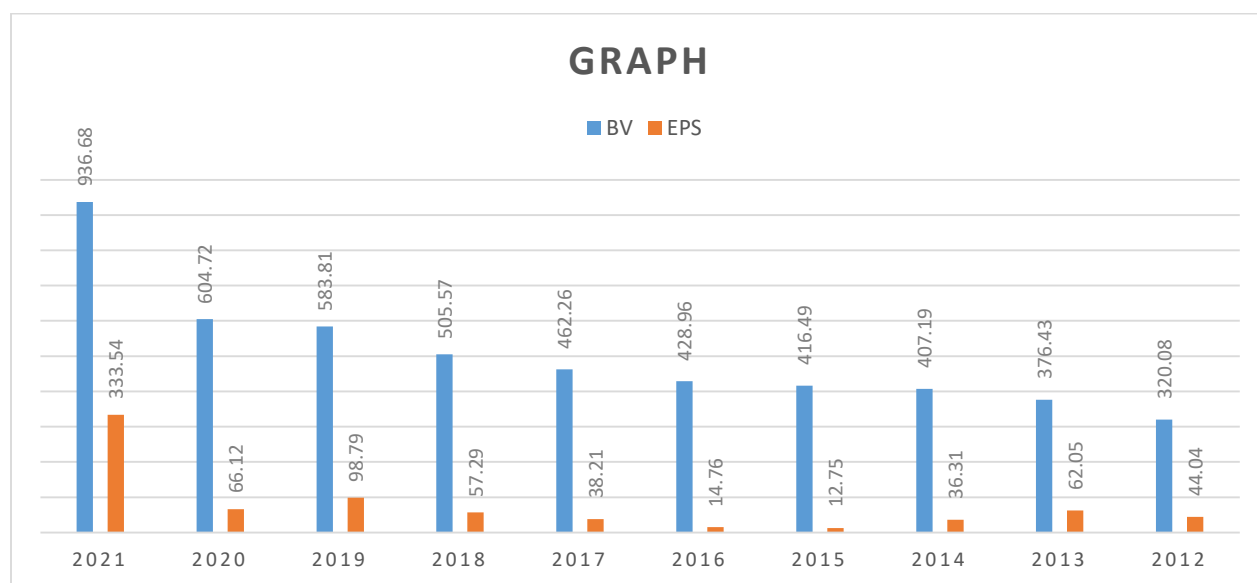
Nevertheless uncertainty is all around us, never more so than today due to concerns on global pandemic, however the board of directors have decided to pay off the dividends to its shareholders due to extraordinary performance of the company during the current year.

Consequently, 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, 2021.

Moreover, the directors proposed to transfer an amount of PKR 1,700.000 million to the general reserve to meet any unforeseen contingencies in future.

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

The earning per share for the year ended 30<sup>th</sup> June, 2021 is PKR 333.54 as compared to the year 30<sup>th</sup> June, 2020 where it stood at 66.12. Similarly, the breakup value per share for the year ended 30<sup>th</sup> June, 2021 is PKR 936.68 as compared to the corresponding year where it was stood at PKR 604.72.



## Cash Flow Management

Working capital management has a significant role in the success of any business enterprise thus the company focuses on efficient working capital management ensuring and striving for optimum utilization of resources tied to working capital.

The current ratio during the year ended June 30, 2021 is 4.61 (Year 2020:1.62) depicts company ability to pay its current obligation effortlessly. During the current year the company has paid PKR 106.643 million on account long term finances whereas PKR 287.084 million has been paid for debt servicing.

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## **Financing Structure**

A decision on the components of capital structure for a company is of critical importance and have a potential impact on profitability and long term sustainability thus the structure has been maintained in such a way that it derives maximum advantage out of it and is able to adopt the dynamic business environment.

The gearing ratio has been significantly improved during the current period under review where it stands at 0.39 during the current year ended June 30, 2021 (Year 2020:1.41).

## **Balancing, Modernization & Replacement**

The addition towards fixed assets amounting to PKR 265.967 million has been made during the current year for modernization of infrastructure and machinery in order to cope up with the technological advancement.

## **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 Shekhupura, 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.

The company already owns ample land and the civil work for construction of infrastructure is in full swing and expected to be completed hopefully by June 2022. The financing arrangement has been made with Meezan Bank Limited under the State Bank of Pakistan subsidized financing schemes, against letter of credits established for import of machinery.

The project is expected to commence its commercial production by September 2022.

## **Credit Rating**

The entity ratings for the current year assigned on May 27, 2021 has been maintained at A-/A 1 (Single A Minus / A-One) as per last year by the Messer's VIS Credit Rating Company Limited.

## **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, 2021, duly endorsed under their respective signatures for consideration, approval and authorization by the board of directors for issuance and circulation.

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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 2021 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.

## **Overview of Economy**

While the global economic recovery continues unmoved by the 4<sup>th</sup> Covid-19 wave, a widening gap between advanced economies and many emerging market and developing economies is also surfacing. Covid 19 has turned out to be a severe global economic threat, having the potential of destabilizing the international economic system.

Pakistan being not an exception undesirably impacted by the pandemic whose economy is already struggling. Fortunately, the Government has stood up to the socio-economic challenge by reaching out to the vulnerable segments of the society and business community to counteract the adverse impact of lock down and unemployment. The Stimulus Package of more than Rs 1,200 billion including relief given to farmers by providing them subsidy on inputs, monthly stipend for daily wage earners and low income groups, incentives to construction sector for stimulating the economy and introduction of various subsidized schemes by the State Bank of Pakistan for businesses are some of the remarkable initiatives taken by the governments to neutralize the negative impact of closures.

Apart from being rated as a frontrunner in economic growth in the region and beyond, the country successfully managed to uplift its social sector through multiple programs and cope up with the pandemic challenge with one of the lowest global infection and death rates. It also performed well in its countrywide vaccination programme and is one of the few countries where door-to-door vaccination is being commenced for its citizens. The efficient policies by the government and the State Bank of Pakistan (SBP) led to investment in textiles, converting semi-finished goods, i.e., yarn and fabrics into home textiles and garments, which led to a double-digit growth.

The energy tariffs and duty drawbacks allowed Pakistan to remain competitive on the world level with the already available young human resources willing to put in hard work. However, the only thing stopping country’s textile sector from reaching \$20 billion exports is the long-term policy and once five year policy announced, 20 per cent growth is a conservative target to deliver \$26 billion exports by 2023 subject to renewal of GSP Plus status expiring in 2022, which has become critical during currently.

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Pakistan records textile exports at \$1.49 billion in July 2021 as compared to \$1.28 billion in corresponding period in which value added sector represent a major share of 78% of the textile export with a remarkable growth of more than 17% cumulatively. Pakistan recorded an impressive growth, mostly driven by the textiles by effectively capitalizing on disruptions in global supply chain, notably, the finished textile goods because the leading competitors in the field India and Bangladesh could not meet the demand due to an acute Covid situation. Here we should recommend the textile industry should capitalize on this opportunity by reinvesting a good part of their windfall profits into upgrading their plants and technology to regain their once commanding position in the global market.

## Impediments

This gradual decrease in cotton output has been forcing the country to rely more and more on lint imports as the textile industry needs 16 million bales per annum against actual production of less than 6 million bales to meet its demands and it is likely that imports may \$2.5 billion mark by the year end further pressing pressure on FCY reserves.

The cotton crop has been totally overlooked by the government without any concrete steps for resolution of the issue.

Climate change, harsh weather, pest attacks and poor quality seeds are just some of the other reasons too that have adversely affected cotton.

Intensified water crisis, increase in input costs of fertilizers and pesticides.

Absence of minimum support price contrary to other competing crops also led little appeal for the farmers to grow cotton.

Unavailability of seed varieties to produce a better yield and resilient to the climate change is also major contributing factors for decline in cotton produce.

Lacking of tangible measures to combat vigorously with locust and other pest attacks on fields.

## **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:

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- 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.

# BLESSED TEXTILES LIMITED

- 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. However, the board of directors in their meeting held on September 27, 2021 have concluded that the RPT approved by the board shall also be placed before the general meeting of the company for member's approval.

Furthermore, 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, 2022 and same shall be placed before the shareholders in the next general meeting for their formal ratification/approval.

## **Board Evaluation**

In compliance of the regulation 10(3)(v) of Code and to enriched clarity in the leadership roles and responsibilities, improved teamwork, greater accountability, effective decision-making and communication, the company carried out the evaluation process of the board internally for assessing the board performance, members of the board and its committee members.

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;

# BLESSED TEXTILES LIMITED

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

## 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 meeting held and attended by board of directors, audit committee and human resource & remuneration committee during 2020-21:

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. Iqbal Mehboob	4	4	6	6	1	1
Mr. Asif Elahi	4	4	-	-	-	-
Mr. Mustafa Tanvir	4	4	-	-	-	-
Mrs. Samia Bilal	4	4	-	-	-	-

# BLESSED TEXTILES LIMITED

## Audit Committee

Sr	Name	Designation	Category
i	Khurram Salim	Member	Non- Executive Director
ii	Bilal Sharif	Member	Non- Executive Director
iii	Iqbal Mehboob	Chairman	Independent 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.

An audit committee (AC) of the company provides oversight of the financial reporting process and disclosures, the audit process, the company's system of internal controls and compliance with laws and regulations to the board. Besides, audit committee provides its recommendations to the board for appointment external auditors and maintaining smooth relationships with organizations internal audit team. The AC is also responsible to assure that company assets are appropriately safeguarded, validating interim and annual financial statements, approving related party transactions, reviewing management letter, ensuring effectiveness of internal controls, investigating and reporting on fraudulent activities, monitoring of accounting policies, oversight of any external auditors, regulatory compliance and the discussion of risk management policies with management.

The AC also play a significant role in setting the attitude of an organization by ensuring to nurture and implement a code of conduct and establish effective communication channels. The members of the committee must be 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 taken by the management.

## Human Resource and Remuneration Committee

Sr	Name	Designation	Category
i	Iqbal Mehboob	Chairman	Independent Director
ii	Khurram Salim	Member	Non- Executive Director
iii	Adil Shakeel	Member	Executive Director

# BLESSED TEXTILES LIMITED

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 review compliance with any legislative guidelines relating to compensation and benefits, review compliance with employment, labor and human rights legislation.

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 in development and oversight of compensation and human resources strategies and policies, review, approve, or recommend for Board approval, decisions relating to the fair and competitive compensation of executives, directors, committee members and other key personnel.

## **Corporate Social Responsibility Policy**

The company administers 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. The company comprehend its duty towards society beyond their economic obligations to owners or stockholders and also beyond those prescribed by law or contract.

Challenged with the pandemic situation, the company has been quite responsive in philanthropic donations to those who were in dire need of assistance. Moreover, there has been establish programs that help employees balance the demands of work and personal life and be more satisfied and productive on the job which eventually led to reduces turnover, enhance employee morale.

The company ensures to maintain natural environment by following best practices for waste disposal, recycling, energy conservation and utilizing environmentally-friendly technologies and arranging reforestation excursions at regular intervals to create awareness.

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

The eruption of the pandemic in 2019 and its fatal waves have disrupted everyday life for everyone across the globe. Most businesses are forced to shut down its facilities under lockdown restrictions imposed by the government to mitigate the surge of virus and minimize of social interactions.

The company provided best available options to ensure their employees and workers health and safety measures in these testing times of pandemic situation.

The employees who contracted the virus are allowed with paid leaves along with complete medical treatment under existing health policies and to work from home. Besides, arranging disinfection of premises at regular intervals, conducting free testing of virus for employees, allowing leave with pay for those infected with virus, permitting flexible and shorten working hours, providing face-masks and proper sanitization at work place are some of the measure taken by the company.

# BLESSED TEXTILES LIMITED

One of the many challenges during the pandemic is to ensure continuity of day to day activities with appropriate decision making in compliance of the law and other regulatory frameworks. In this regard the company fully utilized the facilities available through of video meeting platforms and apps.

The company's health, safety and environment policy statement demonstrate a pleasant and workable environment by making every possible effort to remove or reduce the risks to the health, safety of all workers, contractors and visitors, and anyone else in the testing times of pandemic situation.

## **Directors Remuneration Policy**

The feature of executive director's remuneration policy is prepared and recommended 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 level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives. Remuneration policies and decisions are made through a transparent and independent process. Moreover, the remuneration of the executive directors are determined by considering the market competitiveness which is identical in akin companies, whilst also considering level of competencies, experience, scope of the board assignments and yearly meetings.

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.

No fee or remuneration has been paid either to non-executive or independent directors.

## **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, 2020 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 2021. The external auditor M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan. The firm and all its partner are in compliance with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan and they are registered with Audit Oversight Board under section 36I of SECP Act, 1997.

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

# BLESSED TE TILES LIMITED

The Board of Directors also recommended the appointment of M/s Rahman Sar ara Rahim Iqbal Ra i , Chartered Accountants, as external auditor for the year ended 30<sup>th</sup> June 2022 and the remuneration of the auditors has been fi ed at PKR 1,809,000.00 for the year 2021 22 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 a fecting 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**



**Mohammad Amin  
(Chief Executive)**



**Mohammad Salim  
(Director)**

**Karachi: 27<sup>th</sup> September, 2021**

**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, 2021**

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. Iqbal Mehboob Mr. Asif Elahi Mr. Mustafa Tanvir
iii)	Non- Executive Directors	Mr. Khurram Salim Mr. Mohammad Salim Mr. Bilal Sharif
ii)	Executive Directors	Mr. Muhammad Shaheen Mr. Muhammad Amin Mr. Adil Shakeel
iv)	Female director	Mrs. Samia Bilal

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

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

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

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

# BLESSED TEXTILES LIMITED

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. Iqbal Mehboob	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. Iqbal Mehboob	Chairman - Independent Director
Mr. Khurram Salim	Member - Non- Executive Director
Mr. Adil Shakeel	Member - Executive Director

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

Explanation

## BLESSED TEXTILES LIMITED

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 27, 2021

## 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 2021** in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party. 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 2021**.



**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

Lahore: 27 September 2021



## 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 2021, 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 2021 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 4,005 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 21 to the annexed financial statements.

### How our audit addressed the matter

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## 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.

## 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

**RSRIR**

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these financial statements.

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

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

**DSR**

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: 27 September 2021*



# BLESSED TEXTILES LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 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>5,500,000,000</b>	3,800,000,000
Retained earnings		<b>460,385,271</b>	25,227,232
<b>TOTAL EQUITY</b>		<b>6,024,705,271</b>	3,889,547,232
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term finances	9	<b>1,893,205,869</b>	1,959,432,883
Long term payables	10	<b>298,720,554</b>	276,729,403
Employees retirement benefits	11	<b>170,827,388</b>	150,094,896
Deferred taxation	12	<b>220,795,231</b>	212,161,009
Deferred grant	13	<b>85,352,667</b>	2,637,881
		<b>2,668,901,709</b>	2,601,056,072
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	<b>841,752,265</b>	642,118,345
Unclaimed dividend		<b>6,492,855</b>	6,638,404
Accrued interest	15	<b>17,390,056</b>	82,844,398
Short term borrowings	16	-	3,480,258,201
Current portion of non-current liabilities	17	<b>461,486,981</b>	59,566,428
		<b>1,327,122,157</b>	4,271,425,776
<b>TOTAL LIABILITIES</b>		<b>3,996,023,866</b>	6,872,481,848
<b>CONTINGENCIES AND COMMITMENTS</b>	18	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,020,729,137</b>	10,762,029,080

*The annexed notes from 1 to 52 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 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	19	3,878,341,557	3,811,341,459
Long term deposits	20	24,928,395	14,394,095
		3,903,269,952	3,825,735,554
<b>CURRENT ASSETS</b>			
Stores and spares		106,708,229	87,837,272
Stock in trade	21	4,005,037,124	5,021,697,279
Trade receivables	22	1,135,427,190	816,681,600
Short term deposits	23	184,090,577	128,065,677
Advances and other receivables	24	36,076,861	135,428,157
Sales tax refundable / adjustable		46,071,546	171,809,277
Advance income tax/income tax refundable	25	110,929,636	371,896,299
Bank balances	26	493,118,022	202,877,965
		6,117,459,185	6,936,293,526
<b>TOTAL ASSETS</b>		<b>10,020,729,137</b>	<b>10,762,029,080</b>

*The annexed notes from 1 to 52 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 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
Revenue from contracts with customers - net	27	15,430,567,380	12,359,645,877
Cost of sales	28	(12,120,589,534)	(11,111,877,733)
<b>Gross profit</b>		<b>3,309,977,846</b>	<b>1,247,768,144</b>
Selling and distribution expenses	29	(316,315,380)	(233,025,294)
Administrative expenses	30	(166,462,203)	(155,084,179)
Other expenses	31	(193,995,085)	(36,172,073)
		<b>(676,772,668)</b>	<b>(424,281,546)</b>
Other income	32	2,633,205,178	823,486,598
		<b>33,290,622</b>	<b>32,500,619</b>
<b>Operating profit</b>		<b>2,666,495,800</b>	<b>855,987,217</b>
Finance cost	33	(224,785,156)	(306,630,426)
<b>Profit before taxation</b>		<b>2,441,710,644</b>	<b>549,356,791</b>
Provision for taxation	34	(296,409,468)	(124,080,076)
<b>Profit after taxation</b>		<b>2,145,301,176</b>	<b>425,276,715</b>
<b>Earnings per share - basic and diluted</b>	35	<b>333.54</b>	<b>66.12</b>

The annexed notes from 1 to 52 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 2021

	Note	30-Jun-21 Rupees	30-Jun-20 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	(11,979,401)	(15,153,600)
Taxation relating to remeasurements of defined benefit obligation	12.1	1,836,264	2,197,805
		(10,143,137)	(12,955,795)
<b>Other comprehensive loss</b>		<b>(10,143,137)</b>	<b>(12,955,795)</b>
<b>Profit after taxation</b>		<b>2,145,301,176</b>	<b>425,276,715</b>
<b>Total comprehensive income</b>		<b>2,135,158,039</b>	<b>412,320,920</b>

*The annexed notes from 1 to 52 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 2021

	Share capital	Revenue reserves		Total equity
	Issued share capital	General reserve	Retained earnings	
	Rupees	Rupees	Rupees	
<b>Balance as at 01 July 2019</b>	64,320,000	3,500,000,000	190,768,762	3,755,088,762
<b>Comprehensive income</b>				
Profit after taxation	-	-	425,276,715	425,276,715
Other comprehensive loss	-	-	(12,955,795)	(12,955,795)
<b>Total comprehensive income</b>	-	-	412,320,920	412,320,920
<b>Transaction with owners</b>				
Final dividend @ 198% i.e Rs. 19.80 per ordinary share	-	-	(127,353,650)	(127,353,650)
Interim dividend @ 234% i.e Rs. 23.40 per ordinary share	-	-	(150,508,800)	(150,508,800)
	-	-	(277,862,450)	(277,862,450)
<b>Other transactions</b>				
Profit transferred to general reserve	-	300,000,000	(300,000,000)	-
<b>Balance as at 30 June 2020</b>	<b>64,320,000</b>	<b>3,800,000,000</b>	<b>25,227,232</b>	<b>3,889,547,232</b>
<b>Balance as at 01 July 2020</b>	<b>64,320,000</b>	<b>3,800,000,000</b>	<b>25,227,232</b>	<b>3,889,547,232</b>
<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>	<b>64,320,000</b>	<b>5,500,000,000</b>	<b>460,385,271</b>	<b>6,024,705,271</b>

The annexed notes from 1 to 52 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 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from/(used in) operations	36	4,118,475,002	(278,630,685)
Payments for:			
Employees retirement benefits		(40,585,420)	(27,215,164)
Finance cost		(247,084,306)	(266,895,528)
Income tax		(24,972,319)	(169,478,284)
<b>Net cash generated from/(used in) operating activities</b>		<b>3,805,832,957</b>	<b>(742,219,661)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(465,017,859)	(423,206,263)
Proceeds from disposal of fixed assets		22,483,834	679,000
Long term deposits		(10,534,300)	-
<b>Net cash used in investing activities</b>		<b>(453,068,325)</b>	<b>(422,527,263)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term finances obtained		525,043,919	405,933,294
Repayment of long term finances		(106,642,577)	(354,095,045)
Net (decrease)/increase in short term borrowings		(3,480,258,201)	1,289,311,580
Dividend paid		(145,549)	(276,277,262)
<b>Net cash (used in)/generated from financing activities</b>		<b>(3,062,002,408)</b>	<b>1,064,872,567</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>290,762,224</b>	<b>(99,874,357)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>202,877,965</b>	<b>302,171,995</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>(522,167)</b>	<b>580,327</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	37	<b>493,118,022</b>	<b>202,877,965</b>

*The annexed notes from 1 to 52 form an integral part of these financial statements.*



Director



Chief Financial Officer



Chief Executive

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

### 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	Fair value/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 5.5.2)

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 41.1)

As explained in note 41.1, expected credit losses [ECL] are measured, based on the Company's risk grading framework, as an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

##### 2.3.2 Key sources of estimation uncertainty

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

###### (a) Calculation of impairment allowance for expected credit losses on financial assets (see note 5.20.1)

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. 118.419 million (2020: Rs. 87.776 million).

###### (b) Obligation under defined benefit plan (see note 5.4.2)

The Company's obligation under the defined benefit plan is based on assumptions of future outcomes, the principal ones being in respect of increases in remuneration, remaining working lives of employees and discount rates to be used to determine present value of defined benefit obligation. These assumptions are determined periodically by independent actuaries.

###### (c) Taxation (see note 5.15)

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provision for current tax. Provision for deferred tax is estimated after taking into account historical and expected future turnover and profit trends and their taxability under the current tax law.

# BLESSED TEXTILES LIMITED

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

### (d) *Net realizable values of stock in trade (see note 5.3)*

The Company estimates net realizable values of its stock in trade as the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### 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 27 September 2021 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 interim financial statements of the Company other than presentation and disclosures, except as stated otherwise.

#### 3.1 Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASB framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

#### 3.2 Definition of a Business (Amendments to IFRS 3 - Business Combinations)

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

#### 3.3 Definition of Material (Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

#### 3.4 Interest Rate Benchmark Reform (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures)

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

#### 3.5 Covid-19 - Related Rent Concessions (Amendment to IFRS 16 - Leases)

The amendment 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.

	<b>Effective date (annual periods beginning on or after)</b>
IFRS 17 - Insurance contracts (2017)	01 January 2023
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

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

	Effective date (annual periods beginning on or after)
Annual Improvements to IFRS Standards 2018–2020.	01 January 2022
Amendments to IFRS 17	01 January 2023
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures, IFRS 4 - Insurance Contracts, IFRS 16 - Leases).	01 January 2021
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
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16 - Leases)	01 April 2021
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, IABS 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 14 - Regulatory Deferral Accounts	

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

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

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

#### 5.2 Stores and spares

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

#### 5.3 Stock in trade

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

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

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

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

#### 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.

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

**(c) 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.

**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 are expired, 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.

**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.

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

### 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 other	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.

#### 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 statement of cash flows comprise cash in hand and cash at banks.

# BLESSED TEXTILES LIMITED

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

### 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

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. 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.

#### 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.

## 6 AUTHORIZED SHARE CAPITAL

30-Jun-21	30-Jun-20		30-Jun-21	30-Jun-20
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
<b>6,500,000</b>	<b>6,500,000</b>		<b>65,000,000</b>	<b>65,000,000</b>

## 7 ISSUED SHARE CAPITAL

30-Jun-21	30-Jun-20		30-Jun-21	30-Jun-20
No. of shares	No. of shares		Rupees	Rupees
		Ordinary shares of Rs. 10 each		
6,432,000	6,432,000	shares issued for cash	64,320,000	64,320,000
<b>6,432,000</b>	<b>6,432,000</b>		<b>64,320,000</b>	<b>64,320,000</b>

## 8 GENERAL RESERVE

General reserve is primarily 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 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>9 LONG TERM FINANCES</b>			
These represent long term finances utilized under interest arrangements from banking companies			
Term Finances [TF]			
TF - I	9.1	73,290,124	87,948,152
TF - II	9.2	1,173,626	1,408,348
TF - III	9.3	2,336,368	3,115,160
TF - IV	9.4	1,575,000	2,100,000
TF - V	9.5	7,673,000	8,633,000
TF - VI	9.6	5,128,400	5,769,500
TF - VII	9.7	6,432,600	7,236,500
TF - VIII	9.8	5,185,536	5,384,980
TF - IX	9.9	3,184,180	3,306,650
TF - X	9.10	4,458,905	4,458,905
TF - XI	9.11	7,938,000	8,221,500
TF - XII	9.12	-	36,427,000
		<b>118,375,739</b>	<b>174,009,695</b>
Long Term Financing Facilities [LTFF]			
LTFF - I	9.13	157,295,558	157,295,558
LTFF - II	9.14	155,871,370	162,956,433
LTFF - III	9.15	157,470,933	164,317,496
LTFF - IV	9.16	13,114,968	13,114,968
LTFF - V	9.17	8,088,961	8,088,961
LTFF - VI	9.18	21,289,536	21,289,536
LTFF - VII	9.19	35,297,500	35,297,500
LTFF - VIII	9.20	8,467,872	8,467,872
LTFF - IX	9.21	4,281,810	4,446,495
LTFF - X	9.22	2,763,620	2,763,620
LTFF - XI	9.23	24,113,445	24,113,445
LTFF - XII	9.24	182,187,985	182,187,985
LTFF - XIII	9.25	87,188,905	87,188,905
LTFF - XIV	9.26	143,507,465	143,507,465
LTFF - XV	9.27	9,685,400	9,685,400
LTFF - XVI	9.28	12,831,593	12,831,593
LTFF - XVII	9.29	13,330,032	13,789,688
LTFF - XVIII	9.30	11,700,000	11,700,000
LTFF - XIX	9.31	10,947,000	10,947,000
LTFF - XX	9.32	41,642,000	41,642,000
LTFF - XXI	9.33	96,437,000	96,437,000
LTFF - XXII	9.34	11,465,000	11,465,000
LTFF - XXIII	9.35	13,000,000	13,000,000
LTFF - XXIV	9.36	6,800,000	6,800,000
LTFF - XXV	9.37	220,761,930	227,883,283
LTFF - XXVI	9.38	4,924,156	5,083,000
	Note	<b>30-Jun-21</b>	<b>30-Jun-20</b>
		<b>Rupees</b>	<b>Rupees</b>
LTFF - XXVII	9.39	1,764,094	1,821,000
LTFF - XXVIII	9.40	6,192,000	6,192,000
LTFF - XXIX	9.41	140,380,000	140,380,000
LTFF - XXX	9.42	52,645,000	52,645,000
LTFF - XXXI	9.43	75,012,000	75,012,000
LTFF - XXXII	9.44	9,215,000	9,215,000
LTFF - XXXIII	9.45	36,427,000	-
		<b>1,776,099,133</b>	<b>1,761,565,203</b>
Refinance Scheme [RS]			
RS - I	9.46	29,635,282	37,532,369
RS - II	9.47	32,203,294	40,784,262
RS - III	9.48	31,927,372	-
RS - IV	9.49	32,387,702	-
RS - V	9.50	31,656,837	-
RS - VI	9.51	30,643,699	-
		<b>188,454,186</b>	<b>78,316,631</b>
Temporary Economic Refinancing Facilities [TERF]			
TERF - I	9.52	59,760,333	-
TERF - II	9.53	64,201,223	-
TERF - III	9.54	8,176,286	-
TERF - IV	9.55	4,605,885	-
TERF - V	9.56	11,420,569	-
TERF - VI	9.57	101,567,022	-
		<b>249,731,318</b>	<b>-</b>
		<b>2,332,660,376</b>	<b>2,013,891,529</b>
Current maturity presented under current liabilities	17	<b>(439,454,507)</b>	<b>(54,458,646)</b>
		<b>1,893,205,869</b>	<b>1,959,432,883</b>

9.1 TF - I has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at three months KIBOR plus 0.45% per annum (2020: three months KIBOR plus 0.45% per annum), payable quarterly. The finance was originally repayable in seventy two equal monthly instalments with the first instalment due in December 2014. However, during the previous year, the lender approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020. Accordingly, the principal repayment after the expiry of deferral period commenced in June 2021.

9.2 TF - II has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at three months KIBOR plus 0.45% per annum (2020: three months KIBOR plus 0.45% per annum), payable quarterly. The finance was originally repayable in seventy two equal monthly instalments with the first instalment due in December 2014. However, during the previous year, the lender approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020. Accordingly, the principal repayment after the expiry of deferral period commenced in June 2021.





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

- 9.34 LTFF - XXII has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 3.5% per annum (2020: 3.5% per annum), payable quarterly. The finance was originally repayable in thirty two equal quarterly instalments with the first instalment due in December 2020. However, during the previous year, the lender approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020. Accordingly, the principal repayment after the expiry of deferral period commences in January 2022.
- 9.35 LTFF - XXIII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2020: 2.40% per annum), payable quarterly. The finance was originally repayable in thirty two equal quarterly instalments with the first instalment due in May 2021. However, during the previous year, the lender approved principal deferral for a period of one year under the State Bank of Pakistan BPRD circular No. 14 of 2020. Accordingly, the principal repayment after the expiry of deferral period commences in May 2022.
- 9.36 LTFF - XXIV has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2020: 2.40% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in August 2021.
- 9.37 LTFF - XXV has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 3.5% per annum (2020: 3.5% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in May 2021.
- 9.38 LTFF - XXVI has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 3.5% per annum (2020: 3.5% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in May 2021.
- 9.39 LTFF - XXVII has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 3.5% per annum (2020: 3.5% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in May 2021.
- 9.40 LTFF - XXVIII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2020: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in December 2021.
- 9.41 LTFF - XXIX has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2020: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in January 2022.
- 9.42 LTFF - XXX has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2020: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in March 2022.
- 9.43 LTFF - XXXI has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2020: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in January 2022.
- 9.44 LTFF - XXXII has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum (2020: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in April 2022.
- 9.45 LTFF - XXXIII has been obtained from MCB Bank Limited on conversion of TF - XII (see note 9.12) and is secured by charge over operating fixed assets of the Company. The finance carries interest at 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in August 2022.
- 9.46 RS - I has been obtained from Bank Alfalah Limited to finance payment of wages and salaries of workers and employees for the month of April 2020 and is secured by charge over current assets of the Company. The finance carries interest at a below-market rate of 0.75% per annum, payable quarterly. The finance is repayable in eight equal quarterly instalments with the first instalment due in January 2021. The amortized cost of this finance has determined using a discount rate of 8.01% being the prevailing market rate 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 13). The details are as follows:

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
Face value of finance		30,935,634	41,240,528
Unamortized deferred grant	13	(1,300,352)	(3,708,159)
		<b>29,635,282</b>	<b>37,532,369</b>

- 9.47 RS - II has been obtained from Bank Alfalah Limited to finance payment of wages and salaries of workers and employees for the month of May 2020 and is secured by charge over current assets of the Company. The finance carries interest at a below-market rate of 0.75% per annum, payable quarterly. The finance is repayable in eight equal quarterly instalments with the first instalment due in January 2021. The amortized cost of this finance has determined using a discount rate of 8.01% being the prevailing market rate 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 13). The details are as follows:

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
Face value of finance		33,616,324	44,821,766
Unamortized deferred grant	13	(1,413,030)	(4,037,504)
		<b>32,203,294</b>	<b>40,784,262</b>

- 9.48 RS - III has been obtained from Bank Alfalah Limited to finance payment of wages and salaries of workers and employees for the month of June 2020 and is secured by charge over current assets of the Company. The finance carries interest at a below-market rate of 0.75% per annum, payable quarterly. The finance is repayable in eight equal quarterly instalments with the first instalment due in January 2021. The amortized cost of this finance has determined using a discount rate of 7.47% being the prevailing market rate 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 13). The details are as follows:

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
Face value of finance		33,226,348	-
Unamortized deferred grant	13	(1,298,976)	-
		<b>31,927,372</b>	<b>-</b>

# BLESSED TEXTILES LIMITED

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

9.49 RS - IV has been obtained from Bank Alfalah Limited to finance payment of wages and salaries of workers and employees for the month of July 2020 and is secured by charge over current assets of the Company. The finance carries interest at a below-market rate of 0.75% per annum, payable quarterly. The finance is repayable in eight equal quarterly installments with the first installment due in January 2021. The amortized cost of this finance has determined using a discount rate of 8.01% being the prevailing market rate 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 13). The details are as follows:

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Face value of finance		33,808,823	-
Unamortized deferred grant	13	(1,421,121)	-
		<b>32,387,702</b>	-

9.50 RS - V has been obtained from Bank Alfalah Limited to finance payment of wages and salaries of workers and employees for the month of August 2020 and is secured by charge over current assets of the Company. The finance carries interest at a below-market rate of 0.75% per annum, payable quarterly. The finance is repayable in eight equal quarterly installments with the first installment due in January 2021. The amortized cost of this finance has determined using a discount rate of 8.01% being the prevailing market rate 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 13). The details are as follows:

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Face value of finance		33,044,979	-
Unamortized deferred grant	13	(1,388,142)	-
		<b>31,656,837</b>	-

9.51 RS - VI has been obtained from Bank Alfalah Limited to finance payment of wages and salaries of workers and employees for the month of September 2020 and is secured by charge over current assets of the Company. The finance carries interest at a below-market rate of 0.75% per annum, payable quarterly. The finance is repayable in eight equal quarterly installments with the first installment due in January 2021. The amortized cost of this finance has determined using a discount rate of 8.05% being the prevailing market rate 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 13). The details are as follows:

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Face value of finance		31,995,537	-
Unamortized deferred grant	13	(1,351,838)	-
		<b>30,643,699</b>	-

9.52 TERF - I has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at a below-market rate of 1.40% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in April 2023. The amortized cost of this finance has determined using a discount rate of 7.71% being the prevailing market rate 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 13). The details are as follows:

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Face value of finance		82,152,000	-
Unamortized deferred grant	13	(22,391,667)	-
		<b>59,760,333</b>	-

9.53 TERF - II has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at a below-market rate of 1.40% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in June 2023. The amortized cost of this finance has determined using a discount rate of 7.80% being the prevailing market rate 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 13). The details are as follows:

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Face value of finance		89,272,000	-
Unamortized deferred grant	13	(25,070,777)	-
		<b>64,201,223</b>	-

9.54 TERF - III has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at a below-market rate of 1.40% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in July 2023. The amortized cost of this finance has determined using a discount rate of 7.85% being the prevailing market rate 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 13). The details are as follows:

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Face value of finance		11,475,000	-
Unamortized deferred grant	13	(3,298,714)	-
		<b>8,176,286</b>	-

9.55 TERF - IV has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at a below-market rate of 1.40% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in August 2023. The amortized cost of this finance has determined using a discount rate of 7.86% being the prevailing market rate 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 13). The details are as follows:

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Face value of finance		6,500,000	-
Unamortized deferred grant	13	(1,894,115)	-
		<b>4,605,885</b>	-

# BLESSED TEXTILES LIMITED

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

9.56 TERF - V has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at a below-market rate of 1.40% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in September 2023. The amortized cost of this finance has determined using a discount rate of 7.89% being the prevailing market rate 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 13). The details are as follows:

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Face value of finance		16,159,000	-
Unamortized deferred grant	13	(4,738,431)	-
		11,420,569	-

9.57 TERF - VI has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest at a below-market rate of 1.40% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in September 2023. The amortized cost of this finance has determined using a discount rate of 7.89% being the prevailing market rate 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 13). The details are as follows:

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
Face value of finance		143,385,000	-
Unamortized deferred grant	13	(41,817,978)	-
		101,567,022	-

9.58 For mortgages and charges on assets as security for liabilities, refer to note 44 to the financial statements.

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees

### 10 LONG TERM PAYABLES

These include the following:

	Note	30-Jun-21	30-Jun-20
Infrastructure Cess	10.1	186,122,088	141,623,377
Gas Infrastructure Development Cess	10.2	112,598,466	135,106,026
		298,720,554	276,729,403

#### 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. During the year, 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 pay 50% of liability for levies to ETO and to arrange bank guarantees for the remaining amount in favour of ETO. The liability represents 50% of levies against which guarantees have been arranged 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 18.1.2).

### 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.

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees

#### 11.1 Movement in present value of defined benefit obligation

As at beginning of the year		150,094,896	118,103,558
Charged to profit or loss for the year	11.2	49,338,511	44,052,902
Benefits paid during the year		(40,585,420)	(27,215,164)
Remeasurements recognized in other comprehensive income	11.4	11,979,401	15,153,600
As at end of the year		170,827,388	150,094,896

#### 11.2 Charge to profit or loss

Current service cost		37,189,623	35,039,333
Interest cost		12,148,888	9,013,569
		49,338,511	44,052,902

#### 11.3 The charge to profit or loss has been allocated as follows

Cost of sales	28.2	40,435,646	36,311,253
Administrative expenses	30.1	8,902,865	7,741,649
		49,338,511	44,052,902

#### 11.4 Remeasurements recognized in other comprehensive income

Actuarial loss arising from:			
Change in financial assumptions		-	-
Change in experience adjustments		11,979,401	15,153,600
		11,979,401	15,153,600

# BLESSED TEXTILES LIMITED

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

### 11.5 Principal actuarial assumptions

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries. The principal assumptions used in determining present value of defined benefit obligation are:

	30-Jun-21	30-Jun-20
Discount rate	10.00%	8.50%
Expected rates of increase in salary	9.00%	7.50%

### 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 2022 amounts to Rs. 62.381 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-21		30-Jun-20	
	Change in actuarial assumption	Defined benefit obligation	Change in actuarial assumption	Defined benefit obligation
		Rupees		Rupees
Discount rate	+ 1%	164,934,902	+ 1%	144,754,503
	- 1%	177,025,282	- 1%	155,722,610
Expected rate of increase in salary	+ 1%	177,025,282	+ 1%	155,722,610
	- 1%	164,828,539	- 1%	144,656,840

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-21	30-Jun-20
		Rupees	Rupees
12 DEFERRED TAXATION			
Deferred tax liability on taxable temporary differences	12.1	254,470,368	242,802,410
Deferred tax asset on deductible temporary differences	12.1	(33,675,137)	(30,641,401)
		220,795,231	212,161,009

### 12.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	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	242,802,410	11,667,958	-	254,470,368
	242,802,410	11,667,958	-	254,470,368
<b>Deferred tax assets</b>				
Employees retirement benefits	(21,769,037)	(2,580,003)	(1,836,264)	(26,185,304)
Accumulated impairment	(8,872,364)	1,382,531	-	(7,489,833)
	(30,641,401)	(1,197,472)	(1,836,264)	(33,675,137)
	212,161,009	10,470,486	(1,836,264)	220,795,231
	30-Jun-20			
	As at 01-Jul-19 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at 30-Jun-20 Rupees
<b>Deferred tax liabilities</b>				
Operating fixed assets	280,659,129	(37,856,719)	-	242,802,410
	280,659,129	(37,856,719)	-	242,802,410
<b>Deferred tax assets</b>				
Employees retirement benefits	(21,916,595)	2,345,363	(2,197,805)	(21,769,037)
Accumulated impairment	(15,334,426)	6,462,062	-	(8,872,364)
	(37,251,021)	8,807,425	(2,197,805)	(30,641,401)
	243,408,108	(29,049,294)	(2,197,805)	212,161,009

# BLESSED TEXTILES LIMITED

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

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 29% (2020: 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 April 10, 2020, introduced a ‘Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concern’ [‘the Refinance Scheme’]. The purpose of 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 9.46, 9.47, 9.48, 9.49, 9.5 and 9.51) and of Rs. 348.943 million under TERF (see note 9.52, 9.53, 9.54, 9.55, 9.56 and 9.57). 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-21	30-Jun-20
		Rupees	Rupees
As at beginning of the year		7,745,663	-
Recognized during the year		115,889,974	7,967,612
Amortization during the year	33	(16,250,496)	(221,949)
As at end of the year		107,385,141	7,745,663
Current maturity presented under current liabilities	17	(22,032,474)	(5,107,782)
		85,352,667	2,637,881

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
<b>14 TRADE AND OTHER PAYABLES</b>			
Trade creditors		296,292,556	278,901,118
Accrued liabilities		244,982,975	242,915,478
Advances from customers		24,358,994	43,324,844
Workers’ Profit Participation Fund	14.2	131,344,910	29,345,844
Workers’ Welfare Fund	14.3	80,252,000	30,508,671
Sales tax payable		40,261,254	-
Other payables	14.1	24,259,576	17,122,390
		841,752,265	642,118,345

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 18.1.3).

#### 14.2 Workers’ Profit Participation Fund

As at beginning of the year		29,345,844	42,075,183
Interest on funds utilized by the Company	14.2.1	1,419,060	2,138,013
Charged to profit or loss for the year	31	131,344,910	29,345,844
Paid during the year		(30,764,904)	(44,213,196)
As at end of the year		131,344,910	29,345,844

14.2.1 Interest is charged at 175.5% (2020: 148.5%) per annum.

#### 14.3 Workers’ Welfare Fund

As at beginning of the year		30,508,671	25,318,717
Charged to profit or loss for the year	31	49,743,329	5,189,954
As at end of the year		80,252,000	30,508,671

### 15 ACCRUED INTEREST

Long term finances		13,480,375	14,199,949
Short term borrowings		3,909,681	68,644,449
		17,390,056	82,844,398

### 16 SHORT TERM BORROWINGS

#### Secured

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

Running finances	16.1	-	2,635,258,201
Term loans	16.1	-	845,000,000
		-	3,480,258,201

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 finances carry interest/profit at rates ranging from one to three months KIBOR plus 0.1% to 1.25% per annum (2020: one to three months KIBOR plus 0.1% to 1.25% per annum), payable quarterly/on maturity.

16.2 The aggregate available short term funded facilities amounts to Rs. 10,920 million (2020: Rs. 7,745 million) out of which Rs. 10,920 million (2020: Rs. 3,065 million) remained unavailed as at the reporting date.

16.3 For mortgages and charges on assets as security for liabilities, refer to note 44 to the financial statements.

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
<b>17 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Long term finances	9	439,454,507	54,458,646
Deferred grant	13	22,032,474	5,107,782
		461,486,981	59,566,428

# BLESSED TEXTILES LIMITED

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

### 18 CONTINGENCIES AND COMMITMENTS

#### 18.1 Contingencies

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

	30-Jun-21	30-Jun-20
	<i>Rupees</i>	<i>Rupees</i>
Bank guarantees	558,460,000	344,830,000
Bills discounted	1,175,750,000	1,217,980,000

18.1.2 The Company vide petition 1234/2021 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 26 November 2021.

18.1.3 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. 311009 of 2016 and writ petition No. 214708 of 2018 respectively. Presently the recovery of cess has been stayed by the High Court of Lahore. No further date is fixed for hearing.

18.1.4 Contingencies related to tax matters are referred to in note 38.1 to the financial statements.

	Note	30-Jun-21	30-Jun-20
		<i>Rupees</i>	<i>Rupees</i>

#### 18.2 Commitments

##### 18.2.1 Commitments under irrevocable letters of credit for:

- purchase of fixed assets	1,822,818,926	-
- purchase of stores and spares	67,734,918	-
- purchase of raw material	1,517,594,434	1,829,062,078
	<b>3,408,148,278</b>	<b>1,829,062,078</b>

18.2.2 Commitments for capital expenditure

	662,801,950	-
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### 19 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	19.1	3,661,241,029	3,793,261,854
Capital work in progress	19.2	217,100,528	18,079,605
		<b>3,878,341,557</b>	<b>3,811,341,459</b>

# BLESSED TEXTILES LIMITED

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

### 19.1 Operating fixed assets

	30-Jun-21										
	COST					Rate %	DEPRECIATION				Net book value as at 30-Jun-21 Rupees
	As at 01-Jul-20 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at 30-Jun-21 Rupees		As at 01-Jul-20 Rupees	For the year Rupees	Adjustment Rupees	As at 30-Jun-21 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

# BLESSED TEXTILES LIMITED

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

	30-Jun-20										
	COST					Rate %	DEPRECIATION				Net book value as at 30-Jun-20 Rupees
	As at 01-Jul-19 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at 30-Jun-20 Rupees		As at 01-Jul-19 Rupees	For the year Rupees	Adjustment Rupees	As at 30-Jun-20 Rupees	
Freehold land	89,694,237	-	-	-	89,694,237	-	-	-	-	-	89,694,237
Buildings on freehold land											
Factory buildings	860,094,928	-	-	50,200,663	910,295,591	10	475,767,065	38,851,127	-	514,618,192	395,677,399
Non-factory buildings	157,036,907	-	-	-	157,036,907	5	51,508,003	5,276,445	-	56,784,448	100,252,459
	1,017,131,835	-	-	50,200,663	1,067,332,498		527,275,068	44,127,572	-	571,402,640	495,929,858
Plant and machinery	5,264,488,861	-	-	377,840,864	5,642,329,725	10	2,340,409,768	313,880,879	-	2,654,290,647	2,988,039,078
Equipment and other assets	108,714,208	9,681,595	-	-	118,395,803	25-35	97,872,071	7,339,857	-	105,211,928	13,183,875
Electric installations	334,826,284	-	-	-	334,826,284	10	158,459,450	17,636,683	-	176,096,133	158,730,151
Office equipment - head office	3,519,521	-	-	-	3,519,521	10	635,255	258,709	-	893,964	2,625,557
Office equipment - factory	7,987,095	-	-	-	7,987,095	10	2,320,519	197,592	-	2,518,111	5,468,984
Furniture and fixtures - head office	199,098	-	-	-	199,098	10	170,564	2,853	-	173,417	25,681
Furniture and fixtures - factory	8,004,207	-	-	-	8,004,207	10	5,665,754	233,846	-	5,899,600	2,104,607
Vehicles	89,868,866	4,367,120	(2,846,370)	-	91,389,616	20	47,529,598	8,868,459	(2,468,267)	53,929,790	37,459,826
	6,924,434,212	14,048,715	(2,846,370)	428,041,527	7,363,678,084		3,180,338,047	392,546,450	(2,468,267)	3,570,416,230	3,793,261,854

19.1.1 Free hold land of the Company is located at Ferozewattoan, Shaikupura with a total area of 763 Kanal 19 Marla (2020: 739 Kanal 6 Marla).

19.1.2 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 2021

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

Particulars	30-Jun-21						Particulars of buyer
	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain on disposal	Mode of disposal	
	<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.
	<b>35,280,246</b>	<b>15,691,482</b>	<b>19,588,764</b>	<b>22,483,834</b>	<b>2,895,070</b>		
Particulars	30-Jun-20						Particulars of buyer
	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain on disposal	Mode of disposal	
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>		
<b>Vehicles</b>							
Toyota Corolla LEA-11 6679	1,402,740	1,190,410	212,330	300,000	87,670	Negotiation	Mr. Raja Muhammad Asif, Lahore.
Toyota Corolla LEA-10 6268	1,443,630	1,277,857	165,773	379,000	213,227	Negotiation	Mr. Ahmad Hammad, Lahore.
	2,846,370	2,468,267	378,103	679,000	300,897		
	<b>2,846,370</b>	<b>2,468,267</b>	<b>378,103</b>	<b>679,000</b>	<b>300,897</b>		

# BLESSED TEXTILES LIMITED

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

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
19.1.4 The depreciation charge for the year has been allocated as follows:			
Cost of sales	28	369,719,216	382,984,991
Administrative expenses	30	8,709,781	9,561,459
		<b>378,428,997</b>	<b>392,546,450</b>

### 19.2 Capital work in progress

	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
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>

	30-Jun-20			
	As at 01-Jul-19 Rupees	Additions Rupees	Transfers Rupees	As at 30-Jun-20 Rupees
Buildings on freehold land	22,284,151	31,573,111	(50,200,663)	3,656,599
Plant and machinery	14,679,433	363,161,431	(377,840,864)	-
Electric Installations	-	14,423,006	-	14,423,006
	<b>36,963,584</b>	<b>409,157,548</b>	<b>(428,041,527)</b>	<b>18,079,605</b>

19.2.1 Plant and machinery includes borrowing cost capitalized during the year amounting to Rs. 3,538,254 (2020: Rs. 7,223,485) at capitalization rate of 1.40% (2020: 2.4%). The expansion has been financed by LTFF and TERF facilities from financial institutions.

### 20 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-21 Rupees	30-Jun-20 Rupees
21 STOCK IN TRADE			
Raw material	21.1	3,180,025,089	4,049,593,981
Work in process		158,046,741	112,158,792
Finished goods	21.2 & 21.3	666,965,294	859,944,506
		<b>4,005,037,124</b>	<b>5,021,697,279</b>

21.1 Raw material as at 30 June 2020 includes cotton valued at net realizable value of Rs. 3,690,051 million resulting in a write down of Rs. 703.933 million recognized in cost of sales. There were no write downs as on 30 June 2021.

21.2 Stock of finished goods includes stock of waste valued at Rs. 1,269,246 (2020: Rs. 2,272,634). The entire stock of waste is valued at net realizable value.

21.3 Finished goods as at 30 June 2020 include yarn valued at net realizable value of Rs. 78.544 million resulting in a write down of Rs. 5.441 million recognized in cost of sales. There were no write downs as on 30 June 2021.

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
22 TRADE RECEIVABLES			
Considered good			
- local - unsecured		840,921,913	586,364,058
- foreign - secured	22.1	343,267,782	291,391,844
		<b>1,184,189,695</b>	<b>877,755,902</b>
Impairment allowance for expected credit loss	22.2	(48,762,505)	(61,074,302)
		<b>1,135,427,190</b>	<b>816,681,600</b>

22.1 These are secured through letters of credit

### 22.2 Impairment allowance for expected credit loss

As at beginning of the year		61,074,302	82,534,159
Recognized during the year		11,184,679	886,275
Reversed during the year	32	(23,496,476)	(22,346,132)
As at end of the year		<b>48,762,505</b>	<b>61,074,302</b>

### 23 SHORT TERM DEPOSITS

These represent deposits with a banking company against bank guarantees and carry return at rates ranging from 4.70% to 11.83% (2020: 10.25% to 11.28%) per annum.

# BLESSED TEXTILES LIMITED

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

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>24 ADVANCES AND OTHER RECEIVABLES</b>			
Advances to suppliers		3,509,754	13,895,077
Advances to employees	24.1	11,169,203	15,306,304
Prepayments		3,139,315	3,926,597
Letters of credit		7,172,525	51,350
Other receivables	24.2	11,086,064	102,248,829
		<b>36,076,861</b>	<b>135,428,157</b>

24.1 These represent advances to employees against future salaries and post employment benefits in accordance with the Company policy. No advances have been given to any of the directors of the Company.

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>24.2 Particulars of other receivables</b>			
Other receivables		11,185,647	102,348,412
Impairment allowance for doubtful receivables		(99,583)	(99,583)
		<b>11,086,064</b>	<b>102,248,829</b>

### 25 ADVANCE INCOME TAX/INCOME TAX REFUNDABLE

Advance income tax/income tax refundable		413,576,062	525,025,669
Provision for taxation	34	(302,646,426)	(153,129,370)
		<b>110,929,636</b>	<b>371,896,299</b>

### 26 BANK BALANCES

Cash at banks			
Current accounts - local currency		486,165,739	194,778,254
Current accounts - foreign currency		6,952,283	8,099,711
		<b>493,118,022</b>	<b>202,877,965</b>

### 27 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	30-Jun-21		
	Local Rupees	Export Rupees	Total Rupees
Yarn	8,110,619,867	4,561,472,885	12,672,092,752
Fabric	1,824,437,635	1,953,488,829	3,777,926,464
Cotton and polyester	315,568,248	-	315,568,248
Waste and other	161,211,049	-	161,211,049
	<b>10,411,836,799</b>	<b>6,514,961,714</b>	<b>16,926,798,513</b>
Duty drawback on export	-	33,668	33,668
Sales tax	(1,496,264,801)	-	(1,496,264,801)
	<b>8,915,571,998</b>	<b>6,514,995,382</b>	<b>15,430,567,380</b>

	30-Jun-20		
	Local Rupees	Export Rupees	Total Rupees
Yarn	5,487,759,430	4,258,110,828	9,745,870,258
Fabric	1,212,845,084	1,912,025,701	3,124,870,785
Cotton and polyester	257,388,685	-	257,388,685
Waste and other	164,878,789	-	164,878,789
	<b>7,122,871,988</b>	<b>6,170,136,529</b>	<b>13,293,008,517</b>
Duty drawback on export	-	96,326,385	96,326,385
Discount	-	(8,629,449)	(8,629,449)
Sales tax	(1,021,059,576)	-	(1,021,059,576)
	<b>6,101,812,412</b>	<b>6,257,833,465</b>	<b>12,359,645,877</b>

# BLESSED TEXTILES LIMITED

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

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>28 COST OF SALES</b>			
Raw material consumed	28.1	9,094,968,129	9,049,484,814
Stores and spares consumed		370,225,299	296,404,025
Salaries, wages and benefits	28.2	713,261,846	677,537,037
Fee and subscription		1,859,976	1,371,756
Fuel and power		1,055,663,341	866,026,964
Insurance		26,397,097	27,054,533
Vehicle running and maintenance		11,121,524	10,456,776
Rent, rates and taxes		456,049	486,411
Repair and maintenance		35,057,496	18,678,301
Communication		804,040	763,981
Traveling, conveyance and entertainment		2,035,485	2,179,160
Depreciation	19.1.4	369,719,216	382,984,991
Others		4,189,472	4,072,672
Manufacturing cost		11,685,758,970	11,337,501,421
Work in process			
As at beginning of the year		112,158,792	123,824,916
As at end of the year		(158,046,741)	(112,158,792)
		(45,887,949)	11,666,124
Cost of goods manufactured		11,639,871,021	11,349,167,545
Finished goods			
As at beginning of the year		859,944,506	372,469,629
Purchased during the year		25,813,345	32,608,295
Written off during the year		(5,411,704)	-
As at end of the year		(666,965,294)	(859,944,506)
		213,380,853	(454,866,582)
Cost of cotton sold	28.3	267,337,660	217,576,770
		12,120,589,534	11,111,877,733
		30-Jun-21	30-Jun-20
		Rupees	Rupees
<b>28.1 Raw material consumed</b>			
As at beginning of the year		4,049,593,981	2,749,053,891
Purchased during the year		8,513,440,384	10,596,938,747
Sold during the year		(288,041,147)	(246,913,843)
As at end of the year		(3,180,025,089)	(4,049,593,981)
		9,094,968,129	9,049,484,814
<b>28.2</b> These include charge in respect of employees retirement benefits amounting to Rs. 40,535,646 (2020: Rs. 36,311,253).			
	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees
<b>28.3 Cost of cotton sold</b>			
Cost of purchase		263,220,407	214,305,548
Salaries, wages and benefits		36,000	69,000
Loading and unloading		17,150	14,728
Insurance		449,439	426,304
Commission		105,318	-
Finance cost		3,509,346	2,761,190
		267,337,660	217,576,770
<b>29 SELLING AND DISTRIBUTION EXPENSES</b>			
<b>Export</b>			
Ocean freight and forwarding		165,747,148	118,888,241
Export development surcharge		16,083,392	15,425,084
Export sales promotion		-	1,320,050
Commission		67,655,358	62,004,492
Others		1,648,108	839,166
		251,134,006	198,477,033
<b>Local</b>			
Inland transportation		4,827,125	2,359,939
Quality claims		5,003,006	-
Commission		55,167,290	31,994,649
Others		183,953	193,673
		65,181,374	34,548,261
		316,315,380	233,025,294
<b>30 ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration		31,200,000	28,600,000
Salaries and benefits	30.1	86,730,242	81,740,168
Traveling, conveyance and entertainment		2,225,379	5,723,385
Printing and stationery		2,258,003	870,585
Communication		1,275,914	1,087,361
Vehicles running and maintenance		7,448,917	6,851,870
Legal and professional		3,057,726	2,661,250
Auditor's remuneration	30.2	1,538,500	1,538,500
Fee and subscription		5,043,907	3,678,576
Depreciation	19.1.4	8,709,781	9,561,459
Rent, rates and utilities		13,240,199	10,450,199
Oracle license and support fee		1,366,767	634,414
Others		1,478,096	1,090,497
Inadmissible Input		888,772	595,915
		166,462,203	155,084,179

# BLESSED TEXTILES LIMITED

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

30.1 These include charge in respect of employees retirement benefits amounting to Rs. 8,902,865 (2020: Rs. 7,741,649).

	<i>Note</i>	<b>30-Jun-21</b>	<b>30-Jun-20</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>30.2 Auditor's remuneration</b>			
Annual statutory audit		1,350,000	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>1,538,500</b>	<b>1,538,500</b>

### 31 OTHER EXPENSES

#### Loss on financial instruments

Impairment allowance for expected credit losses		11,184,679	886,275
Foreign exchange loss		522,167	-
		<b>11,706,846</b>	<b>886,275</b>

#### Other expenses

Workers' Profit Participation Fund	14.2	131,344,910	29,345,844
Workers' Welfare Fund	14.2	49,743,329	5,189,954
Donations		1,200,000	750,000
		<b>182,288,239</b>	<b>35,285,798</b>
		<b>193,995,085</b>	<b>36,172,073</b>

### 32 OTHER INCOME

#### Gain on financial instruments

Reversal of impairment allowance for expected credit losses	22.2	23,496,476	22,346,132
Foreign exchange gain		-	580,327
Return on bank deposits	23	6,899,076	9,273,263
		<b>30,395,552</b>	<b>32,199,722</b>

#### Other income

Gain on disposal of property, plant and equipment	19.1.3	2,895,070	300,897
		<b>33,290,622</b>	<b>32,500,619</b>

### 33 FINANCE COST

#### Interest/profit on borrowings:

long term finances		56,189,417	79,136,443
short term borrowings		125,447,530	195,063,160
		<b>181,636,947</b>	<b>274,199,603</b>
Interest on workers' profit participation fund	14.2	1,419,060	2,138,013
Bank charges and commission	33.1	41,729,149	30,292,810
		<b>224,785,156</b>	<b>306,630,426</b>

33.1 These include letters of credit discounting charges amounting to Rs. 34,024,689 (2020: Rs. 26,094,304).

	<i>Note</i>	<b>30-Jun-21</b>	<b>30-Jun-20</b>
		<i>Rupees</i>	<i>Rupees</i>
<b>34 PROVISION FOR TAXATION</b>			
Current taxation			
for current year	34.1	302,646,426	153,129,370
for prior year		(16,707,444)	-
		<b>285,938,982</b>	<b>153,129,370</b>
Deferred taxation		10,470,486	(29,049,294)
		<b>296,409,468</b>	<b>124,080,076</b>

34.1 Provision for current tax has been made in accordance with section 18 and 154 (2020: section 113 and 154) of the Income Tax Ordinance, 2001 [the Ordinance]. There was no relationship between aggregate tax expense and accounting profit for year ended 30 June 2020. Accordingly no numerical reconciliation has been presented for year ended 30 June 2020. Reconciliation between average effective tax rate and applicable tax rate for the year ended 30 June 2021 is as follows:

	<i>Unit</i>	<b>30-Jun-21</b>
Profit before taxation	<i>Rupees</i>	<b>2,441,710,644</b>
Provision for taxation	<i>Rupees</i>	<b>296,409,468</b>
Average effective tax rate	%	<b>12.14</b>
Tax effects of:		
Adjustments for prior years	%	<b>0.68</b>
Income chargeable to tax at different rates	%	<b>16.61</b>
Deferred taxation	%	<b>(0.43)</b>
Applicable tax rate	%	<b>29.00</b>

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

34.3 Assessments upto tax year 2020 have been finalized under relevant provisions of Income Tax Ordinance, 2001.

# BLESSED TEXTILES LIMITED

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

- 34.4 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 year.

	<i>Unit</i>	30-Jun-21	30-Jun-20
		<i>Rupees</i>	<i>Rupees</i>
<b>35 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Profit attributable to ordinary shareholders	<i>Rupees</i>	2,145,301,176	425,276,715
Weighted average number of ordinary shares outstanding during the year	<i>No. of shares</i>	6,432,000	6,432,000
Earnings per share	<i>Rupees</i>	333.54	66.12

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

	<i>Note</i>	30-Jun-21	30-Jun-20
		<i>Rupees</i>	<i>Rupees</i>

### 36 CASH GENERATED FROM/(USED IN) OPERATIONS

<b>Profit before taxation</b>		2,441,710,644	549,356,791
<b>Adjustments for non-cash and other items</b>			
Finance cost		181,636,947	274,199,603
Gain on disposal of property, plant and equipment		(2,895,070)	(300,897)
Foreign exchange loss/(gain)		522,167	(580,327)
Impairment allowance for expected credit losses		11,184,679	886,275
Reversal of impairment allowance for expected credit losses		(23,496,476)	(22,346,132)
Provision for employees retirement benefits		49,338,511	44,052,902
Depreciation		378,428,997	392,546,450
		594,719,755	688,457,874
		3,036,430,399	1,237,814,665
<b>Changes in working capital</b>			
Stores and spares		(18,870,957)	5,729,225
Stock in trade		1,016,660,155	(1,776,348,843)
Trade receivables		(306,433,793)	175,992,922
Short term deposits		(56,024,900)	(30,436,431)
Advances and other receivables		99,351,296	(83,149,511)
Sales tax refundable		125,737,731	43,531,676
Trade and other payables		199,633,920	97,885,496
Long term payables		21,991,151	50,350,116
		1,082,044,603	(1,516,445,350)
<b>Cash generated from/(used in) operations</b>		4,118,475,002	(278,630,685)

### 37 CASH AND CASH EQUIVALENTS

Bank balances	26	493,118,022	202,877,965
		493,118,022	202,877,965

### 38 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 with related parties as at the reporting date. Names, basis of relationship, details of transactions with associated undertakings & related parties is as follows:

	30-Jun-21	30-Jun-20
	<i>Rupees</i>	<i>Rupees</i>

#### 38.1 Transactions with related parties

Nature of relationship	Nature of transactions			
Associated companies	Sale of yarn	1,133,443,021	1,222,942,975	
	Sale of fabric	116,391,006	30,296,020	
	Sale of cotton	307,399,183	257,388,684	
	Purchase of cotton	12,337,111	23,331,029	
	Purchase of yarn	384,789,264	262,481,884	
	Purchase of fabric	29,233,732	-	
	Purchase of electricity	5,679,238	22,429,406	
	Services received	309,000	309,000	

- 38.2 Detail of compensation to key management personnel comprising of chief executive officer, director and executives is disclosed in note 45.

# BLESSED TEXTILES LIMITED

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

### 39 CONTRACTS WITH CUSTOMERS

#### 39.1 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-21	30-Jun-20
			Rupees	Rupees
Receivables	Trade receivables	22	1,184,189,695	877,755,902
Contract liabilities	Advances from customers	14	24,358,994	43,324,844
			<b>1,208,548,689</b>	<b>921,080,746</b>

#### 39.2 Changes in contract liabilities

Significant changes in contract liabilities are as follows:

	30-Jun-21	30-Jun-20
	Rupees	Rupees
As at beginning of the year	43,324,844	13,573,422
Revenue recognized against contract liability as at beginning of the year	(27,943,481)	(7,885,819)
Net increase due to cash received in excess of revenue recognized	8,977,631	37,637,241
As at end of the year	<b>24,358,994</b>	<b>43,324,844</b>

#### 39.3 Impairment losses

The Company during the year has recognized Rs. 11.185 million (2020: Rs. 0.886 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. 23.496 million (2020: Rs. 22.346 million) was reversed during the year on actual recovery. See note 22.2.

### 40 FINANCIAL INSTRUMENTS

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

	Note	30-Jun-21	30-Jun-20
		Rupees	Rupees

#### 40.1 Financial assets

##### Financial assets at amortized cost

Long term deposits	20	24,928,395	14,394,095
trade receivables	22	1,135,427,190	816,681,600
Advances to employees	24	11,169,203	15,306,304
Short term deposits	23	184,090,577	128,065,677
Bank balances	26	493,118,022	202,877,965
		<b>1,848,733,387</b>	<b>1,177,325,641</b>

#### 40.2 Financial liabilities

##### Financial liabilities at amortized cost

Long term finances	9	2,332,660,376	2,013,891,529
Short term borrowings	16	-	3,480,258,201
Accrued interest/interest		17,390,056	82,844,398
Trade creditors	14	296,292,556	278,901,118
Accrued liabilities	14	244,982,975	242,915,478
Unclaimed dividend	14	6,492,855	6,638,404
		<b>2,897,818,818</b>	<b>6,105,449,128</b>

### 41 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:

# BLESSED TEXTILES LIMITED

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

### 41.1 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.

#### 41.1.1 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

#### 41.1.2 Exposure to credit risk

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

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
<b>Financial assets at amortized cost</b>			
Long term deposits	20	24,928,395	14,394,095
Trade receivables	22	1,184,189,695	877,755,902
Advances to employees	24	11,169,203	15,306,304
Security deposits	24	184,090,577	128,065,677
Bank balances	26	493,118,022	202,877,965
		<b>1,897,495,892</b>	<b>1,238,399,943</b>

# BLESSED TEXTILES LIMITED

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

### 41.1.3 Credit quality and impairment

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

Note	External credit rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance	
				Rupees	Rupees	
Long term deposits	20	N/A	Performing	12-month ECL	24,928,395	-
Trade receivables	22	N/A	Performing	Lifetime ECL	1,135,447,134	19,944
	22	N/A	In-default	Lifetime ECL	48,742,561	48,742,561
					1,184,189,695	48,762,505
Advances to employees	24	N/A	Performing	12-month ECL	11,169,203	-
Short term deposits	24	N/A	Performing	12-month ECL	184,090,577	-
Bank balances	26	A1 - A1+	N/A	12-month ECL	493,118,022	-
					<b>1,897,495,892</b>	<b>48,762,505</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. 48,762 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-21 Rupees	30-Jun-20 Rupees
Neither past due nor impaired	893,525,852	843,169,570
Past due by upto 30 days	236,565,718	122,247,154
Past due by 31 days to 180 days	5,355,564	56,081,276
Past due by 181 days or more	48,742,561	32,250,824
	<b>1,184,189,695</b>	<b>1,053,748,824</b>

#### (c) Advances to employees

Advances to employees have been given against future salaries and post-employment benefits. Accordingly, these are considered to have no credit risk.

#### (d) Short term deposits

These are placed with financial institutions with reasonably high credit ratings and therefore no credit loss is expected. 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.

### 41.1.4 Concentrations of credit risk

There are no significant concentrations of credit risk.

### 41.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets with the exception of trade receivables amounting to Rs. 343.268 million (2020: Rs. 291.391 million), which are partially secured through letters of credit and advances to employees which are secured against future salaries and post-employment benefits.

### 41.1.6 Changes in impairment allowance for expected credit losses

The changes in impairment allowance for expected credit losses have been presented in note 22.2.

### 41.2 Liquidity risk

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

#### 41.2.1 Liquidity risk management

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

# BLESSED TEXTILES LIMITED

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

### 41.2.1 Exposure to liquidity risk

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

	30-Jun-21				
	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>

	30-Jun-20				
	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees	
Long term finances	2,013,891,529	2,286,677,443	122,171,075	1,337,679,814	826,826,554
Short term borrowings	3,480,258,201	3,490,734,497	3,490,734,497	-	-
Accrued interest/profit	82,844,398	82,844,398	82,844,398	-	-
Trade creditors	278,901,118	278,901,118	278,901,118	-	-
Accrued liabilities	242,915,478	242,915,478	242,915,478	-	-
Unclaimed dividend	6,638,404	6,638,404	6,638,404	-	-
	<b>6,105,449,128</b>	<b>6,388,711,338</b>	<b>4,224,204,970</b>	<b>1,337,679,814</b>	<b>826,826,554</b>

### 41.3 Market risk

#### 41.3.1 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-21 Rupees	30-Jun-20 Rupees
<b>Financial assets</b>		
Trade receivables		
USD	343,267,782	291,391,844
Bank balances		
USD	6,952,283	8,099,711
	<b>350,220,065</b>	<b>299,491,555</b>
<b>Financial liabilities</b>		
Net balance sheet exposure	350,220,065	299,491,555
Foreign currency commitments		
CHF	(670,838,324)	-
EUR	(438,125,901)	-
JPY	(196,439,336)	-
USD	(2,102,744,717)	(1,829,062,078)
	<b>(3,408,148,278)</b>	<b>(1,829,062,078)</b>
<b>Net exposure</b>	<b>(3,057,928,213)</b>	<b>(1,529,570,523)</b>

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

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

	30-Jun-21 Rupees	30-Jun-20 Rupees
CHF	170.72	-
EURO	187.27	-
USD	157.60	168.05
JPY	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. 17.511 million (2020: Rs. 11.754 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.

# BLESSED TEXTILES LIMITED

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

### 41.3.2 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-21	30-Jun-20
	Rupees	Rupees
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	2,025,830,451	1,761,565,203
<b>Variable rate instruments</b>		
Financial assets	184,090,577	128,065,677
Financial liabilities	118,375,739	3,654,267,896

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

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

#### (c) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates as at the reporting date would have increased (2020: decreased) profit for the year and equity as at the reporting date by Rs. 0.657 million (2020: Rs. 1.16 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.

### 41.3.3 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.

## 42 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-21	30-Jun-20
Total debt	Rupees	2,448,550,350	2,021,859,141
Total equity	Rupees	6,024,705,271	3,889,547,232
		8,473,255,621	5,911,406,373
Gearing	% age	28.90%	34.20%

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.

## 43 FAIR VALUE MEASUREMENTS

### 43.1 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.

### 43.2 Assets and liabilities other than financial instruments.

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

	30-Jun-21	30-Jun-20
	Rupees	Rupees
<b>44 RESTRICTION ON TITLE, AND ASSETS MORTGAGED/PLEGDED AS SECURITY</b>		
<b>Mortgages and charges</b>		
Charge over current assets	14,958,670,000	10,428,670,000
Charge over fixed assets	4,067,000,000	4,011,000,000

# BLESSED TEXTILES LIMITED

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

### 45 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-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

	30-Jun-20		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	9,000,000	19,600,000	26,892,576
Allowances and perquisites	-	-	5,287,113
Post employment benefits	-	-	4,203,480
	<b>9,000,000</b>	<b>19,600,000</b>	<b>36,383,169</b>
Number of persons	1	2	11

### 46 SEGMENT INFORMATION

#### 46.1 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

Spinning  
Weaving

Information regarding Company's reportable segments is presented below.

#### 46.2 Information about reportable segments

	30-Jun-21		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	11,884,814,032	3,545,753,348	15,430,567,380
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

	30-Jun-20		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	9,364,935,146	2,994,710,731	12,359,645,877
Intersegment revenues	252,270,909	-	252,270,909
Depreciation	306,001,213	86,545,237	392,546,450
Segment results	655,811,732	200,175,485	855,987,217
Segment assets	8,581,579,060	1,794,159,626	10,375,738,686
Segment liabilities	728,334,668	280,753,461	1,009,088,129
Interest income	9,273,263	-	9,273,263
Additions to non-current assets	343,615,415	79,590,848	423,206,263
Disposals of property, plant and equipment	212,330	165,773	378,103

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.

#### 46.3 Reconciliations of reportable segment information

##### 46.3.1 Segment revenues

	30-Jun-21		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	12,204,172,813	3,545,753,348	15,749,926,161
Inter-segment revenues	(319,358,781)	-	(319,358,781)
<b>Total for the Company</b>	<b>11,884,814,032</b>	<b>3,545,753,348</b>	<b>15,430,567,380</b>

	30-Jun-20		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	9,617,206,055	2,994,710,731	12,611,916,786
Inter-segment revenues	(252,270,909)	-	(252,270,909)
<b>Total for the Company</b>	<b>9,364,935,146</b>	<b>2,994,710,731</b>	<b>12,359,645,877</b>

# BLESSED TEXTILES LIMITED

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

### 46.3.2 Segment assets

	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>

	30-Jun-20		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	8,581,579,060	1,794,159,626	10,375,738,686
Unallocated assets			
Long term deposits			14,394,095
Current taxation			371,896,299
<b>Total for the Company</b>	<b>8,581,579,060</b>	<b>1,794,159,626</b>	<b>10,762,029,080</b>

### 46.3.3 Segment liabilities

	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>

	30-Jun-20		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	728,334,668	280,753,461	1,009,088,129
Un-allocated liabilities			
Long term finances			2,013,891,529
Deferred taxation			212,161,009
Deferred grant			-
Short term borrowings			3,480,258,201
Accrued interest/profit			82,844,398
Workers' Profit Participation Fund			29,345,844
Workers' Welfare Fund			30,508,671
Unclaimed dividend			6,638,404
<b>Total for the Company</b>	<b>728,334,668</b>	<b>280,753,461</b>	<b>6,864,736,185</b>

### 46.4 Geographical information

The Company's operations are not distributed geographically.

### 46.5 Information about significant customers

There is no single significant external customer to whom sales in excess of 10% of the Company's total sales were made during the year.

	30-Jun-21	30-Jun-20
	No of shares	No of shares
<b>47 SHARES IN THE COMPANY HELD BY RELATED PARTIES</b>		
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>

### 48 PLANT CAPACITY AND ACTUAL PRODUCTION

	Unit	30-Jun-21	30-Jun-20
<b>Spinning</b>			
Number of spindles installed	No.	68,640	68,640
Plant capacity on the basis of utilization converted into 20s count	Kgs'000	23,405	23,405
Actual production converted into 20s count	Kgs'000	26,639	25,354
	Unit	30-Jun-21	30-Jun-20
<b>Weaving</b>			
Number of looms installed	No.	140	140
Plant capacity on the basis of utilization converted into 50 picks	Mtrs'000	29,355	29,355
Actual production converted into 50 picks	Mtrs'000	23,820	23,714

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.

# BLESSED TEXTILES LIMITED

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

### 49 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on 27 September 2021 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.

### 50 NUMBER OF EMPLOYEES

	30-Jun-21	30-Jun-20
Total number of employees	1,374	1,712
Average number of employees	1,373	1,702

### 51 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.

### 52 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, 2021

### Year-Wise Operating Data

2021	2020	2019	2018	2017	2016
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#### Spinning Unit

Spindle installed	68,640	68,640	68,640	68,640	68,640	59,136
Spindles worked	68,640	68,640	68,640	68,640	68,640	59,136
Installed capacity after conversion into 20/s count - Kg	23,405,000	23,405,000	23,405,000	23,405,000	23,405,000	21,015,867
Actual production converted into 20s - Kg	26,639,000	25,354,000	25,285,000	25,240,000	21,911,000	20,979,751

#### Weaving Unit

Air jet looms installed	140	140	140	140	140	139
Air jet looms worked	140	140	140	140	140	139
Installed capacity after conversion into 50 picks - Meter	29,355,000	29,355,000	29,355,000	20,352,500	20,352,500	19,771,000
Actual production converted to 50 picks - Meter	23,820,000	23,714,000	25,773,000	26,942,000	14,491,059	11,634,888

### Year-Wise Financial Data

2021	2020	2019	2018	2017	2016
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#### Rupees in Thousands

#### Profit and loss account

Turnover (Net)	15,430,567	12,359,646	12,346,175	10,257,434	8,064,238	6,846,744
Gross profit	3,309,978	1,247,768	1,612,731	1,071,515	795,444	521,135
Operating profit	2,666,496	855,987	1,159,828	690,724	543,551	296,346
Financial expenses	224,785	306,630	371,504	186,788	166,058	168,906
Profit before tax	2,441,711	549,357	788,324	503,936	377,493	127,440
Profit after tax	2,145,301	425,277	635,425	368,475	245,797	94,938
Cash dividend	212,256	150,509	127,354	147,936	98,410	32,160

#### Balance Sheet

Share Capital	64,320	64,320	64,320	64,320	64,320	64,320
Reserves	5,500,000	3,800,000	3,500,000	3,000,000	2,800,000	2,600,000
Shareholder equity	6,024,705	3,889,547	3,755,089	3,251,805	2,973,279	2,759,050
Long term loans	1,893,206	1,959,433	1,600,162	1,543,020	1,817,591	1,376,316
Short term loan	-	3,480,258	2,190,947	3,146,462	1,242,801	1,153,712
Current liabilities	1,327,122	4,271,426	3,185,410	3,980,546	1,846,274	1,765,146
Current portion of long term loans	461,487	59,566	369,637	303,439	221,742	254,009
Fixed assets	3,878,342	3,811,341	3,781,060	3,595,552	3,897,891	3,512,679
Current assets	6,117,459	6,936,294	5,333,098	5,695,622	3,169,630	2,593,542

# BLESSED TEXTILES LIMITED

Ratios	2021	2020	2019	2018	2017	2016
<b>Performance</b>						
Sales growth percentage - Year to Year basis	24.85%	0.11%	20.36%	27.20%	17.78%	-10.19%
Gross profit (%)	21.45%	10.10%	13.06%	10.45%	9.86%	7.61%
Profit before tax (%)	15.82%	4.44%	6.39%	4.91%	4.68%	1.86%
Profit after tax (%)	13.90%	3.44%	5.15%	3.59%	3.05%	1.39%
Breakup value per share - Rupees per share	936.68	604.72	583.81	505.57	462.26	428.96
Market value of share - at the year end - Rupees per share	440.00	255.00	239.90	355.30	240.36	150.00
Earnings per share - Rupees per share	333.54	66.12	98.79	57.29	38.21	14.76
Price earning ratio	1.32	3.86	2.43	6.20	6.29	10.16
<b>Leverage</b>						
Gearing ratio	0.39	1.41	1.11	1.54	1.10	1.01
Debt to equity (%)	31.42%	50.38%	42.61%	47.45%	61.13%	49.88%
Interest covering ratio	11.86	2.79	3.12	3.70	3.27	1.75
<b>Liquidity ratio</b>						
Current ratio	4.61	1.62	1.67	1.43	1.72	1.47

# BLESSED TEXTILES LIMITED

## CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2021

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Director's, CEO, Their Spouse and Minor Children	19	2,285,984	35.54
2	Associated Companies, Undertaking and Related Parties	19	3,150,316	48.98
3	Banks / Financial Institutions	1	31	0.00
4	Insurance Company	1	393,900	6.12
5	General Public / Individuals	595	577,442	8.98
6	Joint Stock Companies	2	600	0.01
7	Other Companies	5	23,727	0.37
		<b>642</b>	<b>6,432,000</b>	<b>100.00</b>

# BLESSED TEXTILES LIMITED

## LIST OF SHAREHOLDERS AS AT JUNE 30, 2021

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	1.80	116,094
	MRS. SABA SAQIB	2.29	147,494
	MRS. SUMBUL QASIM	1.09	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. IQBAL MEHBOOB VOHRA	0.04	2,500
	MR. BILAL SHARIF	3.58	230,285
	MR. MUHAMMAD AMIN	4.39	282,400
	MR. ADIL SHAKEEL	4.12	265,196
	MR. MUSTAFA TANVIR	0.01	500
	MR. ASIF ELAHI	0.01	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

# BLESSED TEXTILES LIMITED

<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>	8.98	577,442
<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>	<b>NIL</b>	<b>NIL</b>
<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 TEXTILES LIMITED

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2021

NUMBERS OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD	Percentage
	FROM	TO		
362	1	100	12,249	0.19
160	101	500	62,842	0.98
32	501	1000	28,965	0.45
37	1001	5000	104,300	1.62
5	5001	10000	34,544	0.54
7	10001	15000	89,985	1.40
2	15001	20000	37,700	0.59
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
3	45001	50000	145,900	2.27
2	50001	55000	105,400	1.64
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
3	95001	100000	294,500	4.58
1	100001	105000	103,000	1.60
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>642</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 ممبر.. آپ کی کمپنی کے ڈائریکٹرز 30 جون 2021 کو ختم ہوئے سال کے لئے کمپنی کے مالی بیان پر آڈٹ رپورٹ پیش کرنے کے ساتھ خوش ہیں۔

مالی نمائ

**Statement of Profit or Loss  
For The Year Ended 30 June 2021**

	30-Jun-21	30-Jun-20
	Rupees	Rupees
<b>Revenue from contracts</b>	<b>15,430,567,380</b>	12,359,645,877
Cost of sales	(12,120,589,534)	(11,111,877,733)
<b>Gross profit</b>	<b>3,309,977,846</b>	1,247,768,144
Selling and distribution expenses	(316,315,380)	(233,025,294)
Administrative expenses	(166,462,203)	(155,084,179)
Other expenses	(193,995,085)	(36,172,073)
	<b>(676,772,668)</b>	(424,281,546)
	<b>2,633,205,178</b>	823,486,598
Other income	<b>33,290,622</b>	32,500,619
<b>Operating profit</b>	<b>2,666,495,800</b>	855,987,217
Finance cost	(224,785,156)	(306,630,426)
<b>Profit before taxation</b>	<b>2,441,710,644</b>	549,356,791
Provision for taxation	(296,409,468)	(124,080,076)
<b>Profit after taxation</b>	<b>2,145,301,176</b>	425,276,715
<b>Earnings per share - basic and diluted</b>	<b>333.54</b>	66.12

آمدنی میں نمایاں طور پر تقریباً 25 فیصد اضافہ کیا گیا ہے یعنی اسی سال کے مقابلے میں 30 جون 2021 کو ختم ہونے والے رواں سال کے دوران 12,359.646 ملین روپے سے 15,430.567 ملین روپے تک۔ موجودہ سال میں فروخت کا مجموعی منافع دو گنا بڑھا ہے یعنی زیر غور اسی مدت کے دوران 10 فیصد سے بڑھ کر 21 فیصد ہو گیا۔ رواں سال کے دوران کمپنی کے منافع میں نمایاں اضافہ کیا گیا ہے جہاں اس نے ٹیکس کے بعد خالص منافع 5.31، 2.1 ملین رکھا جو کہ اسی مدت کے مقابلے میں جہاں یہ 425.277 ملین روپے تھا۔

منافع اور عام ریزرو اختصاص۔

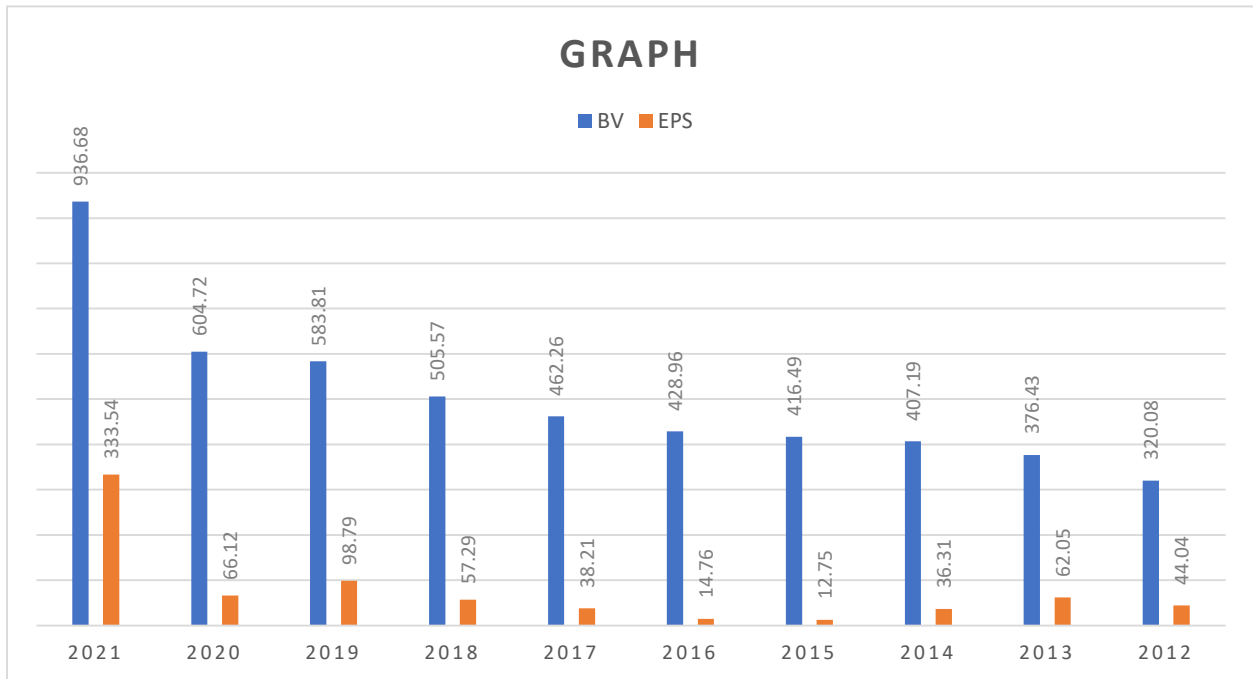
## BLESSED TEXTILES LIMITED

بہر حال غیر یقینی صورتحال ہمارے چاروں طرف ہے ، عالمی وبائی امراض کے خدشات کی وجہ سے آج سے پہلے کبھی نہیں ، تمام بورڈ آف ڈائریکٹرز نے موجودہ سال کے دوران کمپنی کی غیر معمولی کارکردگی کی وجہ سے اپنے حصص یافتگان کو منافع ادا کرنے کا فیصلہ کیا ہے۔ اس کے نتیجے میں ، بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی سفارش کے مطابق 330.00 فیصد کے نقد منافع یعنی 33 روپے فی شیئر کی منظوری پر خوشی محسوس کرتے ہیں ، 27 اکتوبر 2021 کو شیڈول ہونے والی آئندہ سالانہ جنرل میٹنگ میں منظوری شیئر ہولڈرز سے مشروط ہے۔

مزید برآں ، ڈائریکٹرز نے تجویز پیش کی کہ مستقبل میں کسی بھی غیر متوقع مگامی صورتحال سے نمٹنے کے لیے PKR 1,700,000 ملین کی رقم جنرل ریزرو میں منتقل کی جائے۔

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

30 جون ، 2021 کو ختم ہونے والے سال کی فی حصص آمدنی 333.54 روپے ہے جو کہ 30 جون ، 2020 کے مقابلے میں 66.12 تھی۔ اسی طرح 30 جون 2021 کو ختم ہونے والے سال کے لیے بریک اپ ویلیو 936.68 روپے ہے جو کہ اسی سال کے مقابلے میں 604.72 روپے تھی۔



کیش فلو مینجمنٹ۔

ورکنگ کپیتل مینجمنٹ کا کسی بھوکاروباری ادارے کی کامیابی میں اہم کردار ہوتا ہے اس طرح کمپنی ورکنگ کپیتل مینجمنٹ کو یقینی بناتی ہے اور ورکنگ کپیتل سے ہنسلسک وسائل کے زیادہ سے زیادہ استعمال کو یقینی بناتی ہے۔ 30 جون 2021 کو ختم ہونے والے سال کے دوران موجودہ تناسب 4.61 ہے (سال 2020: 1.62) کمپنی کی اپنی موجودہ ذمہ داری کو آسانی سے ادا کرنے کی صلاحیت کو ظاہر کرتی ہے۔ رواں سال کے دوران کمپنی نے 106.643 ملین روپے اکاؤنٹ کے طویل مدتی فنانس پر ادا کیے ہیں جبکہ 287.084 ملین روپے قرض کی ادائیگی کے لیے ادا کیے گئے ہیں۔

### فنانسنگ ڈھانچہ۔

کسی کمپنی کے لیے سرمائے کے ڈھانچے کے اجزاء کی بارے میں فیصلہ انتہائی اہمیت کا حامل ہوتا ہے اور منافع اور طویل مدت پر اثباتی اثرات پر اس کے ممکنہ اثرات ہوتے ہیں اس طرح اس ڈھانچے کو اس طرح برقرار رکھا گیا ہے کہ وہ اس سے زیادہ سے زیادہ فائدہ اٹھاتا ہے اور اسے اپنانے کے قابل ہوتا ہے۔ متحرک کاروباری ماحول موجودہ دورانیے کے دوران گیٹرننگ کے تناسب میں نمایاں بہتری آئی ہے جہاں یہ 30 جون 2021 کو ختم ہونے والے موجودہ سال کے دوران 0.39 ہے (سال 2020: 1.41)۔

### توازن ، جدید کاری اور تبدیلی

265.967 ملین روپے کے فکسڈ اثاثوں میں اضافہ موجودہ سال کے دوران انفراسٹرکچر اور مشینری کو جدید بنانے کے لیے کیا گیا ہے تاکہ تکنیکی ترقی سے نمٹا جا سکے۔

### نئے اسپننگ یونٹ کا قیام

بورڈ آف ڈائریکٹرز نے 25 فروری 2021 کو ہونے والے اپنے اجلاس میں شیخوپورہ ، پنجاب میں 13,056 کھلے کے نئے اسپننگ یونٹ کے قیام کی منظوری دی ہے۔ پیداوار کا تخمینہ تقریباً 450 4 تھیلے فی دن ہے جس میں پی سی ، سی وی سی اور لائکرا یارن کی موٹی گنتی شامل ہے جو بنیادی طور پر مقامی مارکیٹ میں استعمال کے لیے ہے۔ نئے یونٹ کا قیام پیداوار کی لاگت کو نمایاں طور پر معیشتوں کی وجہ سے پیش کرے گا کیونکہ موجودہ پیداوار ، تکنیکی اور انتظامیہ کا عملہ انسانی وسائل کے لیے کوئی بڑی لاگت کیے بغیر نئے منصوبے کو سنبھالنے کی کھل صلاحیت رکھتا ہے۔ یونٹ میں آٹومیشن کے لیے کم افرادی قوت کھیا ہوتی ہے جو کہ کوالٹی کنٹرول ، ضائع ہونے اور افادیت کو بہتر بنانے میں مدد دیتی ہے اور اس کے علاوہ توانائی کی بچت کرنے والی مشینری بھی ہے جو افادیت کے اخراجات کو کم کرتی ہے کمپنی پہلے بھوکافی زمین کی مالک ہے اور بنیادی ڈھانچے کی تعمیر کا سولہ کام زوروں پر ہے اور امید ہے کہ جون 2022 تک کھل ہو جائے گا۔ فنانسنگ کا انتظام میزان بینک لمیٹڈ کے ساتھ اسٹیٹ بینک آف پاکستان کی سبسڈی والی فنانسنگ سکیموں کے

تحت کیا گیا ہے۔ مشینری کی درآمد کے لیے قائم کریڈٹ توقع ہے کہ اس منصوبے کی تجارتی پیداوار ستمبر 2022 تک شروع ہو جائے گی۔

## کریڈٹ ریٹنگ

میسرز کی وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے گزشتہ سال کے مطابق 27 مئی 2021 کو تفویض کردہ موجودہ سال کے لیے ادارے کی درجہ بندی A- / A 1 (سگنل اے مائس / اے ون) پر برقرار رکھی گئی 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 2021 کو ختم ہونے والے سال کے لیکمپنی 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 لقبال رفیق ، چارٹرڈ اکاؤنٹنٹس اور آڈیٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے مالی بیانات پکلمین 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۔

## معیشت کا جائزہ

اگرچہ عالمی معاشی بحالی چوتھی کوویڈ 19 کی لہر سے بدستور جاری ہے ، ترقی یافتہ معیشتوں اور بہت سی ابھرتی ہوئی مارکیٹ اور ترقی پذیر معیشتوں کے مابین بڑھتا ہوا فرق بھی سامنے آ رہا ہے۔ کوویڈ 19 بین الاقوامی معاشی نظام کو غیر مستحکم کرنے کی صلاحیت رکھتے ہوئے ایک شدید عالمی معاشی خطرہ ثابت ہوا ہے پاکستان اس وبائی مرض سے متاثر ہونے سے مستثنیٰ نہیں ہے جس کی معیشت پہلے ہی جدوجہد کر رہی ہے۔ خوش قسمتی سے ، حکومت نے لاک ڈاؤن اور بے روزگاری کے منفی اثرات سے نمٹنے کے لیے

معاشرے اور کاروباری برادری کے کمزور طبقات تک پہنچ کر سماجی و معاشی چیلنجز کا مقابلہ کیا ہے۔ 1200 ارب روپے سے زائد کا محرک پیکج بشمول کسانوں کو اہلٹ پر سبسڈی دے کر، روزانہ اجرتکمانے والوں اور کم آمدنی والے گروپوں کے لیے ماہانہ وظیفہ، معیشت کو متحرک کرنے کے لیے تعمیراتی شعبے کو مراعات اور سٹیٹ بینک کی جانب سے مختلف سبسڈی والی اسکیمیں متعارف کرائی گئیں اور اداروں کے لیے پاکستان کے کچھ قبل ذکر اقدامات حکومتوں کی جانب سے بندش کے منفی اثرات کو بے اثر کرنے کے لیے کیے گئے ہیں۔ خطے اور اس سے آگے معاشی نمو میں سب سے آگے جانے کے علاوہ، ملک اپنے پروگراموں کے ذریعے اپنے سماجی شعبے کو ترقی دینے میں کامیاب رہا اور وبائی چیلنجز سے نمٹنے میں سب سے کم عالمی انفیکشن اور شرح اموات میں سے ایک ہے۔ اس نے اپنے ملک گیر ویکسینیشن پروگرام میں بھی اچھی کارکردگی کا مظاہرہ کیا اور یہ ان چند ممالک میں سے ایک ہے جہاں اپنے شہریوں کے لیے گھر گھر ویکسینیشن شروع کی جا رہی ہے۔ حکومت اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی موثر پالیسیوں نے ٹیکسٹائل میں سرمایہ کاری کی، نیم تیار شدہ سامان یعنی سوت اور کپڑوں کو گھریلو ٹیکسٹائل اور گارمنٹس میں تبدیل کیا، جس کی وجہ سے دو ہندسوں میں اضافہ ہوا۔ توانائی کے نرخوں اور ڈیوٹی کی کمی نے پاکستان کو عالمی سطح پر ملبقتی رہنے کی اجازت دی جو پہلے ہی دستیاب نوجوان انسانی وسائل کے ساتھ سخت محنت کرنے پر آمادہ ہے۔ تاہم، ملک کے ٹیکسٹائل سیکٹر کو 20 بلین ڈالر کی برآمدات تک پہنچنے سے روکنے والی واحد چیز طویل المیعاد پالیسی ہے اور ایک پانچ سالہ پالیسی کا اعلان ہونے کے بعد 20 فیصد اضافہ 2023 تک 26 بلین ڈالر کی برآمدات فراہم کرنے کا ایک اقدامت پسند ہدف ہے جو جی ایس پی پلس سٹریٹجی کی تجدید ختم ہونے سے مشروط ہے۔ 2022 میں، جو اس وقت کے دوران اہم ہو گیا ہے۔ جولائی 2021 میں پاکستان نے ٹیکسٹائل کی برآمدات 1.49 بلین ڈالر ریکارڈ کیں جو کہ اسی عرصے میں 1.28 بلین ڈالر تھیں جس میں ویلیو ایڈڈ سیکٹر ٹیکسٹائل برآمد کے 78 فیصد کا بڑا حصہ ہے جس میں مجموعی طور پر 17 فیصد سے زائد اضافہ ہوا ہے پاکستان نے ایک متاثر کن نمو ریکارڈ کی، جس میں زیادہ تر ٹیکسٹائل کے ذریعے عالمی سپلائی چین میں کواوٹوں کو مؤثر طریقے سے استعمال کرتے ہوئے، خاص طور پر تیار شدہ ٹیکسٹائل سامان کی وجہ سے، بھارت اور بنگلہ دیش کے معروف حریف شدید کوویڈ صورتحال کی وجہ سے طلب کو پورا نہیں کر سکے۔ یہاں ہمیں تجویز کرنی چاہیے کہ ٹیکسٹائل انڈسٹری کو اس موقع سے فائدہ اٹھانا چاہیے تاکہ وہ اپنے ونڈ فال منافع کا ایک اچھا حصہ اپنے ہودوں اور ٹیکنالوجی کو اپ گریڈ کر کے عالمی مارکیٹ میں اپنی ایکسپانژن کو پوزیشن دوبارہ حاصل کر سکے۔

## مسائل

پکاس کی پیداوار میں یہ بتدریج کمی ملک کو لنٹ کی درآمد پر زیادہ سے زیادہ انحصار کرنے پر مجبور کر رہی ہے کیونکہ ٹیکسٹائل انڈسٹری کو سالانہ 16 بلین گانٹھوں کی ضرورت ہوتی ہے جبکہ اس کی طلب کو پورا کرنے کے لیے 6 بلین سیک گانٹھوں کی اصل پیداوار ہوتی ہے اور یہ ممکن ہے کہ درآمدات \$ 2.5 سال کے اختتام تک ایف سی وائی کے ذخائر پر بھراؤ مزید بڑھ جائے گا۔

پکاس کی فصل کو حکومت نے اس مسئلے کے حل کے لیے کوئی ٹھوس اقدامات کیے بغیر نظر انداز کر دیا ہے۔  
موسمیاتی تبدیلی ، سخت موسم ، کیڑوں کے حملے اور ناقص معیار کے بیج دوسری وجوہات ہیں جنہوں نے پکاس پر منفی اثر ڈالا ہے۔  
پانچا شدیبجران ، کھادوں اور کیڑے مار ادویات کے اخراجات میں اضافہ۔  
دیگر مسبقتی فصلوں کے برعکس کم اگام امدادی قیمت کی عدم موجودگی نے کسانوں کے لیے پکاس کی کاشت کے لیے بہت کم اپیل کی۔  
بہتر پیداوار پیدا کرنے کے لیے بیج کی اقسام کی عدم دستیابی اور آب و ہوا کی تبدیلی کے لیے لچکدار پکاس کی پیداوار میں کمی کے لیے اہم عوامل ہیں۔  
ٹڈیوں اور کھیتوں پر دیگر کیڑوں کے حملوں سے بھرپور طریقے سے نمٹنے کے لیے ٹھوس اقدامات کا فقدان۔

### 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 ڈائریکٹر کمپنیز ایکٹ 2017 ، کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 "کوڈ" پاکستان اسٹاک ایکسچینج لمیٹڈ کی رولبک 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 ایکسچینج ، 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 مانیٹر کیا گیا ہے۔  
the کمپنی کی مستقل تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں تھے۔

Corporate 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 مشرک 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 گائی 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 آرگیکل آف ایسوسی ایشن کے مطابق تفویض کیا جاتا ہے۔
- کمپنی کے تمام ڈائریکٹرز کو ڈائریکٹر ٹریننگ پروگرام (ڈی ٹی بی) کے تحت تسلیم شدہ / چھوٹ دی گئی ہے جیسا کہ کوڈ آف کارپوریٹ گورننس ریگولیشن کی ضرورت ہے۔

human انسانی وسائل ، سیٹیپ جانے ، 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 ایمپالیسیوں 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 کا جائزہ رپورٹ۔

o ضابطے کے ضابطہ 36 کے تحت چیئرمین کی طرف سے دستخط شدہ تعمیل کا بیان۔

ix پچھلے چھ سالوں کے کلیدی آپٹیننگ اور مالیاتی اعداد و شمار۔ ٹیکس اور لیویز کے بارے میں معلومات ہنسک آڈٹ شدہ مالی بیانات میں مناسب طریقے سے ظاہر کی گئی تھیں۔

o آڈٹڈ کمپنی ایس ای سی پی کی طرف سے جاری کردہ ہدایات کی سختی سے پیروی کرتی ہے جو کہ لسٹنگ 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 ، میڈ آف انٹرنل آڈٹ اور ان کے میاں بیوی اور فیملی ممبروں کے علاوہ نہیں شیئر ہولڈنگ کے انداز میں انکشاف

## شیئر مولڈنگ کا نمونہ۔

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

## متعلقہ پارٹی لین دین

متعلقہ پارٹی ٹرانزیکشنز (RPT) اور ان کی حیثیت IAS 24 کے تحت ضروریات کو پورا کرتے ہوئے مناسب طور پر ظاہر کی جاتی ہیں۔ 2019 اور لین دین اور ریکارڈ کی دیکھ بھال کے حوالے سے ہدایات کے کمپنی پالیسی میں شامل کیا گیا ہے۔ آر بی ٹی کو داخلی آڈٹ کے ذریعہ باقاعدہ طور پر منظور کیا گیا جس کے بعد بورڈ میٹنگ میں پیش کرنے سے پہلے آڈٹ کمیٹی کی منظوری دی گئی تاکہ یہ یقینی بنایا جاسکے کہ کاروباری سرگرمیوں کے معمول کے دوران تمام ٹرانزیکشنز کی لہائی ہے۔ تاہم، بورڈ آف ڈائریکٹرز نے 27 ستمبر 2021 کو ہونے والے اپنے اجلاس میں یہ نتیجہ اخذ کیا ہے کہ بورڈ کی طرف سے منظور شدہ آر بی ٹی کو بھی ممبر کی منظوری کے لیے کمپنی کی جنرل میٹنگ کے سامنے رکھا جائے گا۔ مزید برآں، بورڈ نے یہ بھی فیصلہ کیا ہے کہ 30 جون 2022 کو ختم ہونے والے مالی سال کے دوران ہونے والے لین دین کے لیے کمپنی کی جنرل میٹنگ میں ممبروں کی منظوری حاصل کی جائے اور اسے شیئر ہولڈرز کے سامنے اگلی جنرل میٹنگ میں رکھا جائے گا۔ رسمی توثیق/منظوری۔

## بورڈ کی تشخیص

ضابطے کے ضابطہ 10 (3) (v) کی تعمیل اور قائدانہ کردار اور ذمہ داریوں میں بہتر وضاحت، بہتر ٹیم ورک، زیادہ سے زیادہ جھلدی، مؤثر فیصلہ سازی اور مواصلات کے لیے کمپنی نے اندرونی طور پر بورڈ کی تشخیصی عمل کو انجام دیا۔ بورڈ کی کارکردگی کا جائزہ، بورڈ کے گوان اور اس کی کمیٹی کے گوان ایک جامع جائزہ لیا گیا ہے جس کے ساتھ قانونی دستاویزات، اجلاسوں کا ایجنڈا، بورڈ اور کمیٹی کے اجلاسوں کے منٹس، جگہ پر اہم پالیسیاں اور دیگر ذیلی دستاویزات، سوالنامے، بورڈ اور کمیٹی کے گوان کے ساتھ بات چیت شامل ہیں۔

## 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	

## BLESSED TEXTILES LIMITED

(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، مینجنگ میں شرکت کے اہل کمپنی کی جنرل مینٹنگز میں شرکت کی ہے۔

کوڈ کے ریگولیشن 10 (6) کے تحت ذاتی طور پر یا ویڈیو کنفرنس کے ذریعے جب تک کسی معقول کی وجہ سے ایسا کرنے سے روک دیا جائے۔ 2020-21 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور میومن ریسورس اور معاوضہ کمیٹی کے اجلاس اور شرکت کی مینٹنگ 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. Iqbal Mehboob	4	4	6	6	1	1
Mr. Asif Elahi	4	4	-	-	-	-
Mr. Mustafa Tanvir	4	4	-	-	-	-
Mrs. Samia Bilal	4	4	-	-	-	-

### آڈٹ کمیٹی

Sr	Name	Designation	Category
i	Khurram Salim	Member	Non- Executive Director
ii	Bilal Sharif	Member	Non- Executive Director

## BLESSED TEXTILES LIMITED

iii	Iqbal Mehboob	Chairman	Independent Director
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آڈٹ کمیٹی تین گویان پر مشتمل ہے جس کے چیئرمین ایک آزاد ڈائریکٹر ہیں جبکہ باقی تمام نان ایگزیکٹو ڈائریکٹر ہیں اور بورڈ آف ڈائریکٹرز کی طرف سے تفویض کردہ شرائط کے تحت اپنی ذمہ داریاں ادا کرتے ہیں۔ مالیاتی خواندہ رکن کی تقرری ضابطہ کیاب X میں ریگولیشن 27 (1) (iii) کے مطابق کی گئی ہے۔ کوڈ کے ریگولیشن 27 (2) کی تعمیل میں آڈٹ کمیٹی کے اجلاس باقاعدہ وقفوں سے منعقد ہوتے تھے تاکہ بورڈ آف ڈائریکٹرز کی منظوری سے قبل دونوں عبوری اور سالانہ مالیاتی بیانات کا جائزہ لیا جائے اور بیرونی آڈیٹر کے ساتھ سال میں ایک بار اضافی مٹینگ کی جائے بغیر CFO اور دوسرے اندرونی آڈیٹر کی بغیر CFO اور بیرونی آڈیٹر کی موجودگی کی بغیر کمپنی کی ایک آڈٹ کمیٹی (اے سی) مالیاتی رپورٹنگ کے عمل اور انکشافات، آڈٹ کے عمل کمپنی کے اندرونی کنٹرول کے نظام اور بورڈ کو قوانین اور قواعد و ضوابط کی نگرانی فراہم کرتی ہے۔ اس کے علاوہ، آڈٹ کمیٹی بیرونی آڈیٹرز کی تقرری اور تنظیموں کے اندرونی آڈٹ ٹیم کے ساتھ مموار تعلقات برقرار رکھنے کے لیے بورڈ کو اپنی سفارشات فراہم کرتی ہے۔ اے سی یہ یقین دہانی کرانے کے لیے بھی ذمہ دار ہے کہ کمپنی کے اثاثوں کی مناسب حفاظت کی جائے، عبوری اور سالانہ مالیاتی بیانات کی توثیق، متعلقہ پارٹی لین دین کی منظوری، انتظامی خط کا جائزہ، اندرونی کنٹرول کی تاثیر کو یقینی بنانا، دھوکہ دہی کی سرگرمیوں کی تحقیقات اور رپورٹنگ، اکاؤنٹنگ پالیسیوں کی نگرانی، نگرانی کسی بھی بیرونی آڈیٹر، ریگولیٹری تعمیل اور انتظام کے ساتھ رسک مینجمنٹ پالیسیوں کی بحث۔ اے سی ایک ضابطہ اخلاق کی پرورش اور نفاذ کو یقینی بنانے اور مؤثر مواصلاتی چینلز قائم کرنے کے ذریعے تنظیم کے رویہ کو ترتیب دینے میں بھی اہم کردار ادا کرتا ہے کہ کمیٹی کے اراکین کو اس بات سے آگاہ ہونا چاہیے کہ انتظامی قوانین اور قواعد و ضوابط کی تعمیل کے لیے کیا کر رہا ہے، اور انہیں لازمی طور پر مسائل کی بارے میں جگہ جگہ ہونی چاہیے کہ جاری تفتیش اور نظم و ضبط کی کارروائی۔

### انسانی وسائل اور معاوضہ کمیٹی

Sr	Name	Designation	Category
i	Iqbal Mehboob	Chairman	Independent Director
ii	Khurram Salim	Member	Non- Executive Director
iii	Adil Shakeel	Member	Executive Director

انسانی وسائل اور معاوضہ کمیٹی (HRRC) تین گویان پر مشتمل ہے جن میں اکثریت نان ایگزیکٹو ڈائریکٹرز کی ہے جبکہ چیئرمین ایک آزاد ڈائریکٹر ہے۔ HRRC معاوضے اور فوائد سے متعلق کسی بھی قانون سازی کی ہدایات کی تعمیل کا جائزہ لیتا ہے، ریگولیشن، مزدوری اور انسانی حقوق کی قانون سازی کی تعمیل کا جائزہ لیتا ہے۔ HRRC بورڈ کو انسانی وسائل کے انتظام کی پالیسی کی سفارش کرنے کا ذمہ دار ہے کہ کمیٹی، سی ای او، سی ایف او اور کمپنی سیکرٹری کے انتخاب، تشخیص، معاوضہ (بشمول ریٹائرمنٹ فوائد) اور جانشینی کی منصوبہ بندی کی سفارش کرنے کی مجموعی ذمہ داری ہوگی۔ HRRC معاوضہ اور انسانی وسائل کی حکمت عملی اور

پالیسیوں کی ترقی اور نگرانی میں بورڈ اور انتظامیہ کی مدد کرتا ہے ، بورڈ کی منظوری کے لیے جائزہ ، منظوری ، یا سفارش ، ایگزیکٹوز ، ڈائریکٹرز کمیٹی ممبران اور دیگر اہم افراد کے منصفانہ اور مسبقیتی معاوضے سے متعلق فیصلے۔

## کارپوریٹ سماجی ذمہ داری کی پالیسی

کمپنی ایک جامع کارپوریٹ سماجی ذمہ داری (CRS) پالیسی کا انتظام کرتی ہے تاکہ اقتصادی ، معاشرتی اور ماحولیاتی طور پر پائیدار انداز میں ماحولیاتی کو برقرار رکھ کر آلودگی اور گرین ہاؤس گیسوں کے اخراج کو کم کرنے ، قدرتی وسائل کو پائیدار استعمال ، ضائع ہونے والے کو کم کرنے اور مناسب طریقے سے ختم کرنے کے لیے مینوفیکچرنگ کے عمل کے دوران ری سائیکلنگ کو فروغ دینا کمپنی معاشرے کی بارے میں اپنے فرض کو مالکان یا اسٹاک ہولڈرز کی معاشی ذمہ داریوں سے بالاتر سمجھتی ہے۔ وبائی صورتحال کے ساتھ چیلنج ، کمپنی ان لوگوں کے لئے مخیر عطیات میرکافی جولدہ رہی ہے جنہیں امداد کی اشد ضرورت تھی۔ مزید یہ کہ ، ایسے پروگرام قائم کیے گئے ہیں جو ملازمین کو کام اور ذاتی زندگی کے تقاضوں میں توازن پیدا کرنے میں مدد دیتے ہیں اور ملازمت پر زیادہ مطمئن اور نتیجہ خیز ہوتے ہیں جس کی وجہ سے بالآخر کاروبار کم ہوتا ہے ، ملازمین کے حوصلے بڑھتے ہیں کمپنی فضلے کو ٹھکانے گانے ، ری سائیکلنگ ، توانائی کے تحفظ اور ماحول دوست ٹیکنالوجیز کو استعمال کرنے اور آگاہی پیدا کرنے کے لیے باقاعدہ وقفوں سے جگلات کی سیکھا ، اتمام کر کے قدرتی ماحول کو برقرار رکھنا یقینی بناتی ہے۔

## صحت ، حفاظت اور ماحولیاتی پالیسی

2019 میں وبائی امراض کے پھیلنے اور اس کی مہلک لہروں نے پوری دنیا میں ہر ایک کے لیے روزمرہ کی زندگی کو متاثر کیا ہے۔ زیادہ تر کاروبار حکومت کی طرف سے لاک ڈاؤن پابندیوں کے تحت اپنی سہولیات کو بند کرنے پر مجبور ہیں تاکہ وائرس کے اضافے کو کم کیا جاسکے اور معاشرتی تعامل کو کم کیا جاسکے کمپنی نے وبائی صورتحال کے ان آزمائشی اوقات میں اپنے ملازمین اور کارکنوں کی صحت اور حفاظت کے اقدامات کو یقینی بنانے کے لیے بہترین دستیاب آپشن فراہم کیے۔ وہ ملازمین جنہوں نے وائرس کا شکار کیا انہیں موجودہ صحت کی پالیسیوں کے تحت مکمل طبی علاج کے ساتھ تنخواہ کی چھٹیوں کے ساتھ اور گھر سے کام کرنے کی اجازت ہے۔ اس کے علاوہ ، وقتاً فوقتاً premises احاطے کی جراثیم کشی کا بندوبست کرنا ، ملازمین کے لیے وائرس کی مفت جانچ کرنا ، وائرس سے متاثرہ افراد کے لیے تنخواہ کے ساتھ چھٹی کی اجازت دینا ، لچکدار اور کام کے اوقات کم کرنے کی اجازت دینا ، چہرے کے ماسک فراہم کرنا اور کام کی جگہ پر مناسب صفائی ستھرائی شامل ہیں کمپنی کی طرف سے لیا گیا۔ وبائی امراض کے دوران بہت سے چیلنجوں میں سے ایک یہ ہے کہ قانون اور دیگر ریگولیٹری فریم ورک کی تعمیل میں مناسب فیصلہ سازی کے ساتھ روزمرہ کی سرگرمیوں کے تسلسل کو یقینی بنایا جائے۔ اس سلسلے میں کمپنی نے ویڈیو میٹنگ پلیٹ فارمز اور ایپس کے ذریعے دستیاب سہولیات کو مکمل طور پر استعمال کیا کمپنی

کی صحت ، 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 یکم کرنے کی ہر ممکن کوشش کر کے خوشگوار اور قابل عمل ماحول کا مظاہرہ کرتا ہے۔

## ڈائریکٹر معاوضہ پالیسی

ایگزیکٹو ڈائریکٹر کی معاوضہ پالیسی کی خصوصیت انسانی وسائل اور معاوضہ کمیٹی (HRRC) کی طرف سے تیار کی جاتی ہے اور بورڈ کو کمپنیز ایکٹ 2017 کمپنیز آرٹیکل آف ایسوسی ایشن اور کوڈ آف آرپورٹ گورننس ریگولیشنز ، 2019 کی شرائط سے مشروط کیا جاتا ہے۔ ڈائریکٹرز اور سینئر مینجمنٹ کے معاوضے کی سطح اور ترکیب کمپنی کی طویل مدتی مقاصد کو آگے بڑھانے کے لیے بورڈ اور سینئر مینجمنٹ میں صحیح ٹیلنٹ کو اپنی طرف متوجہ کرنے اور برقرار رکھنے کی کمپنی کی خواہش کو مدنظر رکھتی ہے۔ معاوضے کی پالیسیاں اور فیصلے ایک شفاف اور آزاد عمل کے ذریعے کیے جاتے ہیں۔ مزید برآں ، ایگزیکٹو ڈائریکٹرز کے معاوضے کا تعین مارکیٹ کی مسابقت پر غور کرتے ہوئے کیا جاتا ہے جو کہ ایک جیسی کمپنیوں میں یکساں ہے ، چنانچہ قابلیت کی سطح ، تجربے ، بورڈ کے اسائنمنٹس کے دائرہ کار اور سالانہ اجلاسوں پر بھی غور کیا جاتا ہے۔ مقررہ ماہانہ معاوضے اور HRRC کی سفارش کردہ دیگر تقاضوں کے حقدار ایگزیکٹو ڈائریکٹرز جنہیں بورڈ نے باقاعدہ طور پر منظور کیا اور کمپنی کے عام اجلاس میں ممبروں کی منظوری دی۔ غیر ایگزیکٹو یا آزاد ڈائریکٹرز کو کوئی فیس یا معاوضہ ادا نہیں کیا گیا۔

## آڈیٹرز۔

موجودہ آڈیٹر کے میسرز رحمان سرفراز رحیم لقبال رفیق ، چارٹرڈ اکاؤنٹنٹس 27 اکتوبر 2020 کو ہونے والے سالانہ عام اجلاس کے اختتام پر ریٹائر ہو جائیں گے ، تمام اہل ہونے کی وجوہ انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈیٹنگ کمیٹی نے میسرز رحمان سرفراز رحیم لقبال رفیق ، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2021 کو ختم ہونے والے سال کے لیے بیرونی آڈیٹر مقرر کرنے کی تجویز دی ہے۔ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت فرم اور اس کے تمام شراکت دار بین الاقوامی فیڈریشن آف اکاؤنٹنٹس کے ضابطہ اخلاق کے اصولوں کے مطابق ہیں جیسا کہ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان نے اپنایا ہے اور وہ ایس ای سی پی ایکٹ 1997 کے سیکشن 136 کے تحت آڈٹ نگرانی بورڈ میں رجسٹرڈ ہیں۔ قانونی آڈیٹرز نے نہ تو کوئی فیصلہ سازی ، اندرونی آڈٹ یا انتظامی کام انجام دیا اور نہ ہی کمپنی کے کسی ڈائریکٹر یا ایگزیکٹو کے ساتھ ان کا کوئی تعلق ہے۔ منگنی کے شراکت داروں کو مہینہ سال کی تکمیل کے بعد گھمایا گیا۔ بورڈ آف ڈائریکٹرز نے چارٹرڈ اکاؤنٹنٹس میسرز رحمان سرفراز رحیم لقبال رفیق کی 30 جون 2022 کو ختم ہونے والے سال کے لیے بیرونی آڈیٹر کے طور پر تقرری کی سفارش کی اور آڈیٹرز کا معاوضہ سال 2021-22 کے

لئے PKR 1 809,000.00 مقرر کیا گیا ہے۔ کوڈ کے ریگولیشن 32 (3) کے تحت آڈٹ کمیٹی نے بورڈ کو سفارش کی۔ معاوضہ جیب خرچ سے باہر ہے اور اسائنمنٹ میں سالانہ قانونی آڈٹ ، کارپوریٹ گورننس کے تحت محدود دائرہ کار کا جائزہ اور جائزہ رپورٹ شامل ہے۔  
**مادی تبدیلیاں اور وعدے۔**

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

## اعتراف

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

بورڈ کے لئے اور اس کی طرف سے



محمد امین

(چیف ایگزیکٹو)



محمد سلیم

(ڈائریکٹر)

کراچی: 27 ستمبر 2021

# 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 34<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 27<sup>th</sup>, 2021 at 11:30 am at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

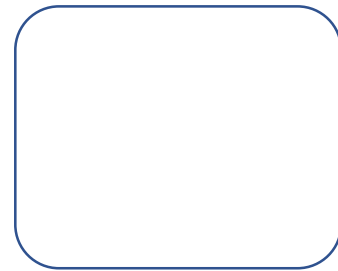
Witness: \_\_\_\_\_

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

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

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

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



Affix Rs.5 Revenue Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

### 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.

# بلیصد ٹیکسٹائلز لمیٹڈ

## پراکسی فارم

میں \_\_\_\_\_ کے \_\_\_\_\_  
 کے رکن اور عام شیئر کے حامل کی حیثیت کے \_\_\_\_\_ (شیئر کی تعداد)  
 رجسٹرڈ کا فوئیو نمبر \_\_\_\_\_ اور ایسی ڈی سی فوئیو کا آئی ڈی نمبر \_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_ کے  
 \_\_\_\_\_ یا \_\_\_\_\_ کے  
 کو کمپنی کے سالانہ اجلاس جو 27 اکتوبر 2021 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 \_\_\_\_\_ / \_\_\_\_\_ 2021۔

گواہان:

دستخط: \_\_\_\_\_  
 نام: \_\_\_\_\_  
 پتہ: \_\_\_\_\_  
 \_\_\_\_\_  
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_  
 پاسپورٹ نمبر: \_\_\_\_\_

دستخط شیئر ہولڈر  
 (دستخط کا کمپنی میں رجسٹرڈ نمونے کے ہو، ہوم پلائن ہونا ضروری ہے)

دستخط: \_\_\_\_\_  
 نام: \_\_\_\_\_  
 پتہ: \_\_\_\_\_  
 \_\_\_\_\_  
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_  
 پاسپورٹ نمبر: \_\_\_\_\_

نوٹ: نمائندے کو فعال بنانے کے لئے نامزدگی کا فارم میٹنگ 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۔