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Image Pakistan Limited

Annual Report 2021



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COMPANY'S BOARD OF DIRECTORS



Company Information

Board of Directors:	Mr. S. Hussam Subzwari Mr. Asad Ahmad Ms. Farnaz Ahmad Ms. Uzma Ahmad Ms. Marium Ahmad Mr. Jawed Ahmed Siddiqui Mr. M. Zameer	Non-Executive Chairman/Independent Director Chief Executive Non-Executive Director Executive Director Executive Director Executive Director Non-Executive Director
Auditors:	M/s. Feroze Sharif Tariq & Co. Chartered Accountants	
Bankers:	Al Baraka Bank (Pakistan) Ltd. Bank Alfalah Ltd. Bank AL Habib Ltd. Habib Bank Ltd.	
Audit Committee:	Mr. S. Hussam Subzwari Mr. Jawed Ahmed Siddiqui Ms. Marium Ahmad	Chairman Member Member
Human Resource Committee:	Mr. S. Hussam Subzwari Ms. Uzma Ahmad Mr. M. Zameer	Chairman Member Member
Legal Counsel:	Mr. M. Haseeb Jamali LLM	
Liaison Office:	A/33, Central Commercial Area, Block 7/8, Main Shahrāh-e-Faisal, Karachi-75350	
Registered Office:	F/538, S.I.T.E., Karachi-75700	
Shares Registrar / Transfer Agent:	M/s. Hameed Majeed Associates (Pvt) Ltd. 4 th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.	
Plant:	F/538, S.I.T.E., Karachi-75700	

Notice of Meeting

Notice is hereby given that the Thirty First Annual General Meeting of Image Pakistan Ltd., will be held on Thursday, October 28, 2021 at 9.00 am at F/538, S.I.T.E., Karachi to transact the following business:

1. Recitation from the HOLY QURAN.
2. To receive and adopt the audited accounts for the period ended June 30, 2021 together with the Directors' and Auditors' report thereon.
3. To consider and approve as recommended by the Board of Directors payment of cash dividend @ 10% i.e. Re.1/- per share.
4. To appoint Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

To consider to pass the following resolutions as Special Resolutions:

5. **RESOLVED** that Clause 5 of the Memorandum & Articles of Association after the proposed amendment shall be read as under:

“The Authorized Capital of the Company be increased from Rs. 1,000,000,000/- (Rupees One Billion Only) divided into 100,000,000 (One Hundred Million) Ordinary Shares of Rs. 10/- each to Rs. 3,000,000,000/- (Rupees Three Billion Only), divided into 300,000,000 (Three Hundred Million) Ordinary Shares of Rs. 10/- each. The Company shall have the power to increase, reduce or reorganize the Capital of the Company, subdivide the Share Capital of the Company into different classes in accordance with the provisions of the Companies Act 2017.”

That Mr. Asad Ahmad, Chief Executive and Mr. M. Haroon Saeed, Company Secretary be and are hereby authorized singly to take and do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions. That the aforesaid resolutions and terms and conditions shall be subject to any amendments, modifications, addition or deletion as may be suggested, directed and advised by the SECP which suggestion, direction and advise shall be deemed to have been approved as part of these Special Resolutions without the need for the shareholders to pass a fresh Special Resolution.

6. **RESOLVED** that pursuant to the requirements of Section 199 of the Companies Act, 2017, Image Pakistan Limited (the Company) be and is hereby authorized to complete the legal formalities for incorporation of a wholly owned subsidiary company in the name and style of IMAGE (USA) INC., and make an investment in the capital of the proposed wholly owned subsidiary Image (USA) Inc., upto US\$ 100,000/- (US Dollars One Hundred Thousand only) divided into 100,000 shares of US\$ 1/- each. The Company will hold 100% shareholding of IMAGE (USA) INC., thus, making it a wholly owned subsidiary company of Image Pakistan Limited as per terms and conditions as disclosed to the members of the Company in the Statement of Material Facts u/s 134(3) of the Companies Act, 2017.

7. **RESOLVED** that pursuant to the requirements of Section 199 of the Companies Act, 2017, Image Pakistan Limited (the Company) be and is hereby authorized to complete the legal formalities for incorporation of a wholly owned subsidiary company in the name and style of IMAGE (EUROPE) LTD., and make an investment in the capital of the proposed wholly owned subsidiary Image (Europe) Ltd., upto £ 50,000/- (Pound Sterling Fifty Thousand only) divided into 50,000 shares of £ 1/- each. The Company will hold 100% shareholding of IMAGE (EUROPE) LTD., thus, making it a wholly owned subsidiary company of Image Pakistan Limited as per terms and conditions as disclosed to the members of the Company in the Statement of Material Facts u/s 134(3) of the Companies Act, 2017.
8. **RESOLVED** that Mr. Asad Ahmad, Chief Executive and Ms. Uzma Ahmad and Ms. Mariam Ahmad, Directors be and are hereby authorized singly to take necessary steps towards formation/ registration / incorporation of IMAGE (USA) INC., and IMAGE (EUROPE) LTD., (the proposed Subsidiary Companies) and do all such things as are incidental thereto.
9.
 - (a) The transactions carried out in normal course of business with related parties as disclosed in Note No. 35 during the year ended June 30, 2021 be and are hereby ratified and approved.”
 - (b) The Board of Directors of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with related parties during the ensuing year ending June 30, 2022.
 - (c) These transactions by the Board of Directors of the Company shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification / approval.
10. To transact any other business with the permission of the Chair.

A Statement under Section 134(3) of the Companies Act, 2017, read with S.R.O. No. 124(I)/2017 dated December 06, 2017 issued by the Securities & Exchange Commission of Pakistan, pertaining to the Special Resolutions is being sent along with the notice to the Members.

By Order of the Board

Company Secretary

Karachi: October 6, 2021

NOTES:

1. The Share Transfer Books of the Company will remain closed from 08.10.2021 to 28.10.2021 (both days inclusive).
2. Participation in the AGM proceeding via the video Conference facility:

Due to current COVID-19 situation, the AGM proceeding can also be attended via video conference facility. Shareholders interested to participate in the meeting are requested to email their Name, Folio Number, Cell Number, CNIC Number, and Number of shares held in their name with subject "Registration for Image Pakistan Limited AGM" along with valid copy of both sides of Computerized

National Identity Card (CNIC) at info@image.net.pk Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email.

3. A member entitled to attend Annual General Meeting is entitled to appoint a proxy and vote in his place at the meeting. Proxy Forms in order to be effective must be received at the registered office of the Company at F/538, S.I.T.E, Karachi duly stamped, signed and witnessed, not later than 48 hours before the meeting.
4. CDC Shareholders or their Proxies are required to bring with them their Original Computerized National Identity Card (CNIC) or Passport along with the Participant's I.D. number and their account number at the time of attending Annual General Meeting in order to authenticate their identity.
5. Proxy form must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC number must be mentioned on the form, along with attested copies of the CNIC or passport of the beneficial owner and the proxy.
6. In case of corporate entity, the Board of Directors' resolution / power of attorney with the specimen signature of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
7. Members are requested to notify any change in their addresses immediately to our Shares Registrar M/s. Hameed Majeed Associates (Pvt) Ltd., 4th floor, Karachi Chamber, Hasrat Mohani Road, Karachi.

Statement of material facts under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts pertaining to the Special Resolution described in the Notice of Annual General Meeting of the Company:

The Board of Directors of the Company has proposed the following amendments in the Memorandum & Articles of Association of the Company:

- | 1. | Clause # | Existing Clause of Memorandum & Articles of Association. | Review of Proposed Amendments in Memorandum & Articles of Association |
|----|----------|---|--|
| | 5 | The Share Capital of the Company is Rs.1,000,000,000 (Rupees One Billion Only) divided into 100,000,000 (One Hundred Million) ordinary shares of Rs. 10/- each. The Company shall have the power to increase, reduce or reorganize the Capital of the Company, subdivide the Share Capital of the Company, into different classes in accordance with the provisions of the Companies Act, 2017. | The Share Capital of the Company is Rs.3,000,000,000 (Rupees Three Billion Only) divided into 300,000,000 (Three Hundred Million) ordinary shares of Rs. 10/- each. The Company shall have the power to increase, reduce or reorganize the Capital of the Company, subdivide the Share Capital of the Company, into different classes in accordance with the provisions of the Companies Act 2017. |
2. Image (USA) Inc., a wholly owned subsidiary company of Image Pakistan Limited is proposed to be incorporated with an Authorized Capital of US\$ 100,000/- (US Dollars one hundred thousand only) divided into 100,000 ordinary shares of US\$ 1/- each. The Company will invest upto US\$ 100,000/-

towards Paid-up Capital divided into 100,000 shares of US\$ 1/- each. The following Directors of Image Pakistan Limited will also be the Directors in Image (USA) Inc:

- i) Mr. Asad Ahmad
- ii) Ms. Uzma Ahmad
- iii) Ms. Mariam Ahmad

The information required to be disclosed under S.R.O. No. 124(I)/2017 dated December 06, 2017 Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 is as follows:

Ref. No.	Requirement	Information
(a)	Disclosure for all types of investments:	
	(A) Disclosure regarding associated company	
(i)	Name of associated company or associated undertaking.	Image (USA) Inc. (Proposed company to be incorporated).
(ii)	Basis of relationship.	Common Directorship with proposed 100% shareholding of Image Pakistan Limited.
(iii)	Earning per share for the last three years.	Not Applicable. Image (USA) Inc., is yet to be incorporated.
(iv)	Break-up value per share, based on latest audited financial statements.	Not Applicable. Image (USA) Inc., is yet to be incorporated.
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	Not Applicable. Image (USA) Inc., is yet to be incorporated.
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:	
	a) Description of the project and its history since conceptualization.	The Board of Directors of Image Pakistan Limited (the Company) in its meeting held on September 20, 2021 has resolved to incorporate the proposed wholly owned subsidiary under the name and style of Image (USA) Inc., for scaling business on Amazon by operating on Fulfilment By Amazon (FBA) model which is the most effective way of E-commerce at Amazon, USA.
	b) Starting date and expected date of completion of work.	The proposed company is expected to be incorporated in April, 2022.
	c) Time by which such project shall become commercially operational.	Around July, 2022 approximately.
	d) Expected time by which the project shall start paying return on investment.	Expected in financial year 2022-2023.
	e) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.	Image Pakistan Limited (the Company) will invest upto US\$ 100,000/- towards Paid-up Capital divided into 100,000 shares of US\$ 1/- each.
	(B) General Disclosures	
(i)	Maximum amount of investment to be made.	US\$ 100,000/- (US Dollars one hundred thousand only).

(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment.	The proposed wholly owned subsidiary under the name and style of Image (USA) Inc., be incorporated. The shareholders will be benefitted from the profitability of Image (USA) Inc., in terms of dividends.
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds.	100% equity investment by Image Pakistan Limited.
	a) Justification for investment through borrowings.	Not Applicable
	b) Detail of Collateral, guarantees provided and assets pledged for obtaining such funds.	Not Applicable
	c) Cost benefit analysis.	Not Applicable
	d) Salient features of the agreement(s), if any, with associated company or associated undertaking with regard to the proposed investment.	Not Applicable
	e) Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Directors, Sponsors, Majority Shareholders and their relatives have no interest in the proposed company except to the extent of their being shareholders / directorship. The following Directors / Shareholders who hold shares in Image Pakistan Limited will also be the Directors in Image (USA) Inc: i) Mr. Asad Ahmad 9,919,855 Shares ii) Ms. Uzma Ahmad 1,024,450 Shares iii) Ms. Marium Ahmad 3,115,750 Shares (Shares in Image Pakistan Limited)
	f) In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information / justification for any impairment or write-offs.	Not Applicable
	g) Any other important details necessary for the members to understand the transaction.	There are no other details to be provided other than the ones mentioned above.
(b)	Additional; disclosure in case of investments in the form of Guarantees	
(i)	Category-wise amount of investment.	Equity investment of US\$ 100,000/- by Image Pakistan Limited.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah complaint products and rate of return for unfunded facilities, as the case may be, for the relevant period.	Not Applicable

(iii)	Rate of interest, mark-up, profit, fees or commission etc. to be charged by investing company.	Not Applicable
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment.	Not Applicable
(v)	In the investment carries conversion feature i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Not Applicable

Statement under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Image (USA) Inc. (Proposed).
Total Investment Approved	Equity investment upto US\$ 100,000/- by Image Pakistan Limited.
Amount of Investment made to date	NIL
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in a specified time.	Not Applicable
Material change in financial statements of associated company or associated undertaking since the date of the resolution passed for approval of investment in such company.	Not Applicable

3. Image (Europe) Ltd., a wholly owned subsidiary company of Image Pakistan Limited is proposed to be incorporated with an Authorized Capital of £ 50,000/- (Pound Sterling Fifty Thousand only) divided into 50,000 ordinary shares of £ 1/- each. The Company will invest upto £ 50,000/- towards Paid-up Capital divided into 50,000 shares of £ 1/- each. The following Directors of Image Pakistan Limited will also be the Directors in Image (Europe) Ltd:

- i) Mr. Asad Ahmad
- ii) Ms. Uzma Ahmad
- iii) Ms. Mariam Ahmad

The information required to be disclosed under S.R.O. No. 124(I)/2017 dated December 06, 2017 Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 is as follows:

Ref. No.	Requirement	Information
(a)	Disclosure for all types of investments:	
	(C) Disclosure regarding associated company	
(i)	Name of associated company or associated undertaking.	Image (Europe) Ltd. (Proposed company to be incorporated).

(ii)	Basis of relationship.	Common Directorship with proposed 100% shareholding of Image Pakistan Limited.
(iii)	Earning per share for the last three years.	Not Applicable. Image (Europe) Ltd., is yet to be incorporated.
(iv)	Break-up value per share, based on latest audited financial statements.	Not Applicable. Image (Europe) Ltd., is yet to be incorporated.
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	Not Applicable. Image (Europe) Ltd., is yet to be incorporated.
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:	
	f) Description of the project and its history since conceptualization.	The Board of Directors of Image Pakistan Limited (the Company) in its meeting held on September 20, 2021 has resolved to incorporate the proposed wholly owned subsidiary under the name and style of Image (Europe) Ltd., for scaling business on Amazon by operating on Fulfilment By Amazon (FBA) model which is the most effective way of E-commerce at Amazon, UK.
	g) Starting date and expected date of completion of work.	The proposed company is expected to be incorporated in April, 2022.
	h) Time by which such project shall become commercially operational.	Around July, 2022 approximately.
	i) Expected time by which the project shall start paying return on investment.	Expected in financial year 2022-2023.
	j) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.	Image Pakistan Limited (the Company) will invest upto ₹ 50,000/- towards Paid-up Capital divided into 50,000 shares of ₹ 1/- each.
(D) General Disclosures		
(i)	Maximum amount of investment to be made.	₹ 50,000/- (Pound Sterling fifty thousand only).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment.	A proposed wholly owned subsidiary under the name and style of Image (Europe) Ltd. be incorporated. The shareholders will be benefitted from the profitability of Image (Europe) Ltd., in terms of dividends.
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds.	100% equity investment by Image Pakistan Limited.
	h) Justification for investment through borrowings.	Not Applicable
	i) Detail of Collateral, guarantees provided and assets pledged for obtaining such funds.	Not Applicable
	j) Cost benefit analysis.	Not Applicable
	k) Salient features of the agreement(s), if any, with associated company or associated undertaking with regard to the proposed investment.	Not Applicable

	l) Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Directors, Sponsors, Majority Shareholders and their relatives have no interest in the proposed company except to the extent of their being shareholders / directorship. The following Directors / Shareholders who hold shares in Image Pakistan Limited will also be the Directors in Image (Europe) Limited: i) Mr. Asad Ahmad 9,919,855 Shares ii) Ms. Uzma Ahmad 1,024,450 Shares iii) Ms. Marium Ahmad 3,115,750 Shares (Shares in Image Pakistan Limited)
	m) In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information / justification for any impairment or write-offs.	Not Applicable
	n) Any other important details necessary for the members to understand the transaction.	There are no other details to be provided other than the ones mentioned above.
(b) Additional; disclosure in case of investments in the form of Guarantees		
(i)	Category-wise amount of investment.	Equity investment of £ 50,000/- by Image Pakistan Limited.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah complaint products and rate of return for unfunded facilities, as the case may be, for the relevant period.	Not Applicable
(iii)	Rate of interest, mark-up, profit, fees or commission etc. to be charged by investing company.	Not Applicable
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment.	Not Applicable
(v)	In the investment carries conversion feature i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Not Applicable

Statement under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Image (Europe) Ltd. (Proposed).
Total Investment Approved	Equity investment upto £ 50,000/- by Image Pakistan Limited.
Amount of Investment made to date	NIL
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in a specified time.	Not Applicable
Material change in financial statements of associated company or associated undertaking since the date of the resolution passed for approval of investment in such company.	Not Applicable

4. The Company carries out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulations. Certain related party transactions require shareholders' approval under Section 207 of the Companies Act, 2017 as some of the directors on the Image Pakistan Limited Board are interested in the transaction (by virtue of being partners / shareholders / directors in related entities).

All related party transactions are in accordance with Company's policies and comply with all legal requirements. These are primarily transactions conducted in the ordinary course of business. Under the Company's Policy for Related Party Transactions, all related party transactions are reviewed periodically by the Board Audit Committee which is chaired by an Independent Director. Following review by the Board Audit Committee, the said transactions are placed before the Board of Directors for approval.

The Shareholders are requested to ratify the transactions with related parties in which some of the Directors are interested as disclosed in the Financial Statements for the year ended June 30, 2021 and further to authorize the Company to conduct certain related party transactions in which the majority of Directors are interested for the Financial Year ending June 30, 2022. Shareholders' approval is also sought to authorize and grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee.

Based on the aforesaid, the Shareholders are requested to pass the Special Resolution as stated in the Notice.

Directors' Report

The audited accounts of the Company for the year ended June 30, 2021 are presented herewith.

FINANCIAL RESULTS

The Financial Results of the Company are summarized as follows:

	Rupees 2021	Rupees 2020
SALES – Net	1,001,848,809	403,176,990
COST OF SALES	559,804,885	188,454,461
GROSS PROFIT	442,043,924	214,722,529
<u>Operating Expenses</u>		
Distribution and Selling Cost	(166,304,129)	(80,439,480)
Administrative and General Expenses	(76,540,807)	(69,113,704)
	(242,844,937)	(149,553,184)
OPERATING PROFIT	199,198,987	65,169,345
Other Income / (Loss)	78,772	56,061
	199,277,759	65,225,406
Finance Cost	(35,660,361)	(24,647,094)
	163,617,399	40,578,312
Other Charges	8,180,870	2,028,916
PROFIT BEFORE TAXATION	155,436,529	38,549,396
Taxation	(40,337,211)	(16,144,590)
PROFIT AFTER TAXATION	115,099,318	22,404,807
Earning Per Share – Basic	2.02	0.39

BUSINESS

The strong underlying revenue growth of 148% was delivered in the face of lockdowns and restricted working hours through the year. As we took multiple steps to improve online operating performance, we were able to capitalize on the change in customer shopping patterns and saw a progressive increase in online sales throughout the year. This was a result of strong traffic, active customer growth, improving frequency and lower returns. The business had a good service and fulfilment performance supported by substantial expansion of our fulfilment from store capability. This strong performance is the result of the commitment displayed by everyone at the Company and their continued focus on delivering top creative and quality fashion.

Retail is at heart a people business and tackling what is probably the biggest turnaround in retailing needs a top team supported by an experienced and engaged Board. The dramatic increase in the move to online shift, the use of technology to connect suppliers and customers, and the demise of many high street brands are trends which will never reverse.

During the period under review, Alhamdulillah Image took the lead to become Pakistan's 1st approved seller on Amazon on 10th June, 2021. We are now alive on Amazon UK, USA & Canada. The wholly owned subsidiary M/s. Image Tech Limited was incorporated on 12th July, 2021. However, as the FBR website was attacked by the hackers, the process of registration of sales tax was delayed and is now finally done on the 10th September, 2021. Your Company has also issued 75% Right shares @ Rs. 15/- per share including a share premium of Rs. 5/- per share. The Right Shares were well received by the shareholders and were fully subscribed. The priority is to fund investment in the enhancement of production capacity and retail outlets including investment in the supply chain and upgrading of existing outlets for a better shopping experience.

As envisaged in the Business Plan 3 outlets at following locations have been finalized:

- i. Bank Road, Saddar, Rawalpindi Cantt
- ii. KPK Mall, University Road, Peshawar
- iii. Emporium Mall, Lahore

It is expected that all the above mentioned outlets would be operational in October, November and December, 2021 respectively.

DIVIDEND

The Board of Directors have recommended a 10% cash dividend for the year ended 30.6.2021.

BOARD OF DIRECTORS

The present Board of Directors assumed their office with effect from 21st December, 2018 for a period of three years.

AUDITORS

The present Auditors M/s. Feroze Sharif Tariq & Co., Chartered Accountants, are due for retirement and being eligible to offer themselves for reappointment. As required by the Code of Corporate Governance, the Board of Audit Committee has recommended the re-appointment of M/s. Feroze Sharif Tariq & Co., Chartered Accountants, as auditors of the Company for the ensuing year.

PATTERN OF SHARE HOLDING

A statement showing pattern of shareholding in the Company as on June 30, 2021 appear on Page No. 43.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAME WORK

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations' cash flows and change in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure therefrom has been adequately disclosed.
- e) Despite the fact and because of the prevailing conditions that there are no employees at the payroll of the company as disclosed in notes to the financial statements, the normal work of the company

is performed by the employees of the group company. The management is of opinion that the company has sound system of internal control.

- f) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- g) The trading in shares of Company was done by Directors as follows:

<u>Name</u>	<u>Designation</u>	<u>No. of shares purchased</u>
Ms. Uzma Ahmad	Director	273,000
Ms. Mariam Ahmad	Director.	200,000

- h) None of the Director, Chief Executive, Executives and their spouses and minor children have traded in the shares of the company during the year other than the ones mentioned above.
- i) Key operating and financial data for the last six years in summarized form is annexed.
- j) During the year four (08) meetings of the Board of Directors were held, attendance by each Director is as follows: -

<u>Name of Director</u>	<u>No. of Meetings attended</u>
Mr. Asad Ahmad	08
Ms. Uzma Ahmad	08
Mr. Jawed Ahmed Siddiqui	08
Mr. M. Zameer	08
Ms. Farnaz Ahmad	04
Ms. Mariam Ahmad	04
Mr. S. Hussam Subzwari	-

DIRECTORS' REMUNERATION

The Board of Directors has approved Directors' Remuneration Policy. The main features of the policy are as follows:

- The Company shall not pay remuneration to its non-executive directors including independent director except for meeting fee for attending the Board and its Committees' meetings.
 - The remuneration of Directors and fee for attending Board meeting is determined by an approved policy in accordance with Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.
 - The Directors' Remuneration Policy will be reviewed and approved by the Board of Directors from time to time.
- k) The pattern of certificate holdings is annexed.

On behalf of the Board

Asad Ahmad
Chief Executive

Place: Karachi, September 28, 2021.



Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Year ended: June 30, 2021

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

1. The total number of directors are 7 as per the following:
 - a) Male: 4
 - b) Female: 3
2. The composition of board is as follows:

Independent Director	Mr. S. Hussam Subzwari
Non - Executive Director	Ms. Farnaz Ahmad Mr. Mohammad Zameer
Executive Director	Mr. Asad Ahmad (CEO) Ms. Uzma Ahmad Ms. Marium Ahmad Mr. Jawed Ahmed Siddiqui
Female Director	Ms. Farnaz Ahmad Ms. Uzma Ahmad Ms. Marium Ahmad
3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Chairman, Chief Executive and two Directors have the prescribed education and experience required for exemption under Clause 19(2) of Code of Corporate Governance (CCG) Regulations. Accordingly, they are exempt from attending directors' training program pursuant to the Clause 19(2) of the CCG Regulations. One director has attended and completed directors' training course conducted by Pakistan Institute of Corporate Governance (PICG). Two directors who were co-opted in February, 2021 have a period of 1 year to do the directors' training course.

10. The board has approved appointment of CFO, 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. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:
 - a) Audit Committee: Mr. S. Hussam Subzwari (Chairman)
Mr. Jawed Ahmed Siddiqui
Ms. Mariam Ahmad
 - b) HR and Remuneration Committee: Mr. S. Hussam Subzwari (Chairman)
Mr. Mohammad Zameer
Ms. Uzma Ahmad
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 of the committee were as per following:
 - a) Audit Committee Quarterly
 - b) HR and Remuneration Committee Annually
15. The Board has set up an effective internal audit function / or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
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 the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Place: Karachi
Dated: September 28, 2021

Asad Ahmad
Chief Executive

Independent Auditor's Review Report to the Members of **Image Pakistan 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 Image Pakistan Limited for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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

Karachi

Dated: September 28, 2021

sd/-
Feroze Sharif Tariq & Co.
Chartered Accountants

Independent Auditor's Report to the Members of **Image Pakistan Limited**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Image Pakistan Limited (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss and other 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, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, 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, other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the Profit and other comprehensive Income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

- a) We have not been able to verify the investment made in units of National Investment Trust (NIT) amounting to 184,566,900 (2020: 134,951,350)- as disclosed in Note 19 and 19.1 to the financial statements. Further, no provision has been made in the accounts for the NIT investments, the recovery and realization of which are doubtful, the same has been explained in Note No. 19.1 to the financial statements. Had the provision for doubtful investment been made in the accounts, the profit of the Company would have been reduced by Rs. 184,566,900 (2020: 134,951,350) and the Shareholder's Equity would have been decreased by the same amount.

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 Standard Board of 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 qualified opinion.

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

Management is responsible for the other information. The other information comprises the information in the annual report including in particulars, the Chairman's Review, Directors Report, Financial and business highlights, but does not include the financial statements and our auditor's reports 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.

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 year. 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. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key Audit Matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p><u>Existence and valuation of stock-in-trade</u></p> <p>As disclosed in Note 21 to the accompanying unconsolidated financial statements, the stock-in-trade balance constitutes approximately 48% of total assets of the Company. The cost of finished goods is determined at weighted average cost including a proportion of production overheads.</p> <p>The Net Realizable Value (NRV) of stock-in-trade is determined mainly keeping in view the estimated selling price, stock-in-trade usage and forecasted sales volume.</p> <p>We have considered this area to be a key audit matter due to its materiality and judgments involved in estimating the NRV of underlying stock-in-trade as well as the management's judgment involved in determining an appropriate costing basis and assessing its valuation.</p>	<p>Our audit procedures included, amongst others, reviewing management's procedures for evaluating the NRV of stock-in-trade, observing stock counts to ascertain the condition and existence of stock-in-trade, performing testing on a sample of items to assess the NRV of the stock-in-trade held and evaluating the adequacy of write down of stock-in-trade to NRV as at the year end.</p> <ul style="list-style-type: none"> • Further, we evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade and the accuracy of write down of stock-in-trade to NRV assessed by the management, on a test basis. • We also tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads.

		<ul style="list-style-type: none"> • We further tested the NRV of stock-in-trade by performing a review of sales close to and subsequent to the year-end and comparing with the cost for a sample of products. • We further assessed the adequacy of financial statement disclosures in accordance with the applicable financial reporting framework.
--	--	---

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 except for the matter discussed in basis for qualified opinion section, 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, statement of comprehensive loss, 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) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Karachi

Dated: September 28, 2021

sd/-
Feroze Sharif Tariq & Co.
Chartered Accountants

Vision Statement

Image Pakistan Limited is committed to strive for excellence in all areas of its activity



Mission Statement

We view our business objective of providing quality product that promote commerce and industry within the context of our overall objective of contributing to the nation's prosperity

Core Value

- 1. Striving for continuous improvement and innovation with commitment and responsibility;**
- 2. Treating stakeholders with respect, courtesy and competence;**
- 3. Practicing highest personal and professional integrity;**
- 4. Maintaining teamwork, trust and support, with open and candid communication;**
- 5. Ensuring cost consciousness in all decisions and operations.**

Statement of Ethics and Business Practices

The articulation of this statement is based on following points:

- 1. Questionable and improper payments or use of the Company's assets.**
- 2. Political contributions.**
- 3. Conflict of interest.**
- 4. Books and records of the Company.**
- 5. Payment of amounts due to customers, agents or distributors.**
- 6. Reporting violations.**
- 7. Means as important as the end.**
- 8. Integrity and scrupulous dealings.**
- 9. Strict observance of the laws of the country.**
- 10. Giving and receiving gifts.**



Balance Sheet as at

June 30, 2021 June 30, 2020

(Rupees)

EQUITY AND LIABILITIES

CAPITAL & RESERVES

Authorized Capital

100,000,000 (2020: 100,000,000) Ordinary Shares of Rs. 10/- each

Issued, Subscribed and Paid-up Capital

Capital Reserve

Capital Reserve - (a Share Premium account)

Surplus on revaluation Property, Plant and Equipment

Unrealized Gain due to change in fair value of investment
through other comprehensive income

Revenue Reserve

Accumulated Profit / (Loss)

Shareholders' Equity

	1,000,000,000	1,000,000,000
8	568,792,010	568,792,010
	39,386,665	39,386,665
9	356,301,574	368,297,361
19	150,056,225	100,440,675
	104,485,282	(22,618,546)
	1,219,021,756	1,054,298,165

NON-CURRENT LIABILITIES

Long term Loan from Associates and related parties

Diminishing Musharika finance facilities

Deferred taxation

Provision for Gratuity

10	175,070,000	92,841,000
11	38,750,000	69,000,000
12	77,513,746	67,290,699
13	5,051,581	2,345,666

CURRENT LIABILITIES

Trade and Other Payables

Accrued Interest on loan from associates

Accrued Interest to Financial Institutions

Current maturity of non current liabilities

Unclaimed Dividend

Provision for Taxation

14	409,236,976	205,551,275
	28,475,272	17,080,757
	999,523	6,470,967
11	73,000,000	57,500,000
	12,061,067	20,743,398
15	31,579,313	9,834,471
	555,352,151	317,180,867

Contingencies and Commitments

16	-	-
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2,070,759,234

1,602,956,397

June 30, 2021

		June 30, 2021	June 30, 2020
		(Rupees)	
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
<u>Tangible Fixed Assets</u>			
Property, Plant and Equipments	17	666,088,528	590,877,323
Long Term Deposits	18	6,906,405	4,784,005
Long Term Investments	19	184,566,900	134,951,350
<u>CURRENT ASSETS</u>			
Stores, Spares and Loose Tools	20	3,037,148	2,636,134
Stock-in-Trade	21	834,709,097	764,076,040
Trade Debtors - unsecured	22	360,321,198	100,996,770
Trade Deposits and Prepayments - considered good	23	454,126	878,251
Income Tax Refunds and Advances		3,188,910	1,666,478
Cash and Bank Balances	24	11,486,922	2,090,047
		1,213,197,401	872,343,720

The annexed notes form an integral part of these accounts.

2,070,759,234

1,602,956,397

Asad Ahmad
Chief Executive

Uzma Ahmad
Director

Mohammad Zameer
Chief Financial Officer

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

	Notes	June 30, 2021	June 30, 2020
		(Rupees)	
SALES	25	1,001,848,809	403,176,990
COST OF SALES	26	559,804,885	188,454,461
GROSS PROFIT		442,043,924	214,722,529
<u>Operating Expenses</u>			
Distribution & Selling Cost	27	(166,304,129)	(80,439,480)
Administrative & General Expenses	28	(76,540,807)	(69,113,704)
		(242,844,937)	(149,553,184)
OPERATING PROFIT		199,198,987	65,169,345
Other Income	29	78,772	56,061
		199,277,759	65,225,406
Finance Cost	30	35,660,361	24,647,094
		163,617,399	40,578,312
Workers' Profit Participation Fund		8,180,870	2,028,916
PROFIT BEFORE TAXATION		155,436,529	38,549,396
<u>Taxation</u>	31	40,337,211	(16,144,590)
PROFIT AFTER TAXATION		115,099,318	22,404,807
Earnings per share - Basic	32	2.02	0.39

The annexed notes form an integral part of these accounts.

Asad Ahmad
Chief Executive

Uzma Ahmad
Director

Mohammad Zameer
Chief Financial Officer

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

	June 30, 2021	June 30, 2020
	(Rupees)	
Profit for the Year	115,099,318	22,404,807
<u>Other comprehensive Income:</u>		
Unrealized gain / (loss) due to change in fair value of investment through other comprehensive income	49,615,550	2,700,500
Remearurement of defined benefit liability	12,286	-
Related deferred tax	3,563	-
	8,723	-
Total comprehensive Income for the period	<u>164,723,591</u>	<u>25,105,307</u>

The annexed notes form an integral part of this condensed financial information.

Asad Ahmad
Chief Executive

Uzma Ahmad
Director

Mohammad Zameer
Chief Financial Officer

STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Taxation	155,436,529	38,549,396
Adjustment for Non-Cash and Other Items:		
Depreciation	45,439,011	37,161,727
Provision for Gratuity - net of Payments	2,718,201	1,007,921
Financial Expenses	35,660,361	24,647,094
	<u>83,817,573</u>	<u>62,816,742</u>
	239,254,102	101,366,138
Working Capital Changes		
<i>(Increase) / Decrease in Current Assets</i>		
Stock in Trade	(70,633,057)	(211,732,765)
Stores and Spares	(401,014)	990,784
Trade debtors	(259,324,428)	(23,059,544)
Trade deposits, Prepayments & Statutory balances	424,125	(481,497)
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade and Other Payables	203,685,701	99,596,306
Current maturity of non current liabilities	--	--
	<u>(126,248,672)</u>	<u>(134,686,716)</u>
Taxes Paid	(9,895,318)	(4,055,821)
Financial charges Paid/Write back	(29,737,290)	(12,270,883)
	<u>(39,632,609)</u>	<u>(16,326,704)</u>
<i>Net Cash Inflow/ (Outflow) from Operating Activities</i>	73,372,821	(49,647,283)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	(120,650,215)	(14,026,776)
<i>Net Cash Inflow/ (Outflow) from Investing Activities</i>	<u>(120,650,215)</u>	<u>(14,026,776)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Deposits	(2,122,400)	(568,010)
Payments of Diminishing Musharka Finance Facility	(14,750,000)	(11,500,000)
Dividend Paid /- net	(8,682,331)	(2,947,138)
Long term Loan from Associated and Related Parties	82,229,000	52,841,000
<i>Net Cash Inflow/ (Outflow) from Financing Activities</i>	<u>56,674,269</u>	<u>37,825,852</u>
Net Increase in Cash and Cash Equivalents	9,396,875	(25,848,207)
Cash and Cash Equivalents at the Beginning	2,090,047	27,938,253
Cash and Cash Equivalents at the End	<u>11,486,921</u>	<u>2,090,047</u>

35

*The annexed notes form an integral part of these accounts.
The even dated auditors report hitherto is annexed.*

Asad Ahmad
Chief Executive

Uzma Ahmad
Director

Mohammad Zameer
Chief Financial Officer

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

	Capital Reserve			Revenue Reserve		
	Share Capital	Capital Reserve	Surplus on Revaluation of Property, Plant and Equipment	Unrealized gain / (loss) due to change in fair value of investment through other comprehensive income	Unappropriated Profit / Accumulated (Loss)	Total
Balance as on June 30, 2019	568,792,010	39,386,665	381,626,014	97,740,175	(57,868,398)	1,029,676,466
Transfer to Profit and Loss account of incremental depreciation (net of tax)			(13,328,653)		13,328,653	
Net Profit for the half year ended June 2020	--	--		--	22,404,807	22,404,807
Other Comprehensive income			--	2,700,500		2,700,500
Total Comprehensive income	--	--	--	2,700,500	22,404,807	25,105,307
Effect of Change in Gratuity Due to Actuarial Valuation adopted by the company note 13					(483,608.00)	(483,608.00)
Balance as on June 30, 2020	<u>568,792,010</u>	<u>39,386,665</u>	<u>368,297,361</u>	<u>100,440,675</u>	<u>(22,618,546)</u>	<u>1,054,298,165</u>
Balance as on June 30, 2020	568,792,010	39,386,665	368,297,361	100,440,675	(22,618,546)	1,054,298,165
Net Profit for the half year ended June 2021	--	--			115,099,318	115,099,318
Other Comprehensive income			--	49,615,550	8,723	49,624,273
Total Comprehensive income	--	--	--	49,615,550	115,108,041	164,723,591
Transfer to Profit and Loss account of incremental depreciation (net of tax)			(11,995,787)		11,995,787	
Balance as on June 30, 2021	<u>568,792,010</u>	<u>39,386,665</u>	<u>356,301,574</u>	<u>150,056,225</u>	<u>104,485,282</u>	<u>1,219,021,756</u>

The annexed notes form an integral part of these accounts.

The even dated auditors report hitherto is annexed.

Asad Ahmad
Chief Executive

Uzma Ahmad
Director

Mohammad Zameer
Chief Financial Officer

Last Six Years Results At A Glance

Particulars	2021	2020	2019	2018	2017	2016
<u>Financial Position</u>						
Paid -up Capital (Rs.)	568,792,010	568,792,010	568,792,010	450,780,390	214,657,330	214,657,330
Reserves (Rs.)	650,229,746	485,506,155	460,884,456	499,050,445	276,758,558	245,502,875
Fixed Assets - WDV (Rs.)	666,088,528	590,877,323	614,012,274	636,456,309	358,667,108	379,133,073
Investment (Rs.)	184,566,900	134,951,350	132,250,850	180,958,050	210,909,050	158,617,550
Current Assets (Rs.)	1,213,197,401	872,343,719	664,809,786	586,325,720	156,700,288	40,168,571
Current Liabilities (Rs.)	555,352,151	317,180,867	191,656,171	99,203,325	47,582,096	22,022,557
<u>Income</u>						
Sales	1,001,848,809	403,176,990	386,812,277	322,043,764	200,181,917	20,077,138
Net Profit/(Loss) for the year	115,099,318	22,404,807	52,671,854	77,800,009	77,847,285	(204,575)
Accumulated Profit/(Loss)	104,485,282	(22,618,546)	(57,868,398)	(80,271,826)	(143,391,777)	(129,787,885)
<u>Statistics & Ratios</u>						
Operating Profit/(Loss) Ratio(%)	19.88	16.16	19.24	31.53	37.03	5.54
Net Profit/(Loss) Ratio (%)	11.49	5.56	13.62	24.16	38.89	(1.02)
Current Ratio	2.18:1	2.56:1	3.47:1	5.91:1	3.29:1	1.82:1
Paid-up Value Per Share (Rs.)	10	10	10	10	10	10
Earning/(Loss) Per Share (Rs.)	2.02	0.39	0.93	1.50	2.34	(0.01)
Break value Per Share (Rs.)	21.43	18.54	18.10	21.07	22.89	11.57
Net Assets (Rs. in Million)	1219.02	1054.30	1029.68	949.83	491.41	248.36
Cash Dividend (%)	10%	-	-	10%	-	-
Bonus Dividend (%)	-	-	-	-	10%	-

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

1 THE COMPANY AND ITS OPERATIONS

Image Pakistan Limited, formerly Tri-Star Polyester Limited (the Company) was incorporated in Pakistan, as a public limited company on November 14, 1990, under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). During the year, the Company changed its name to Image Pakistan Limited on March 15, 2021 and its shares are listed at the Pakistan Stock Exchange in Pakistan. The principal activity of the Company is manufacturing and sale of Embroidered Fabric and Ready-To-Wear garments and Polyester Filament Yarn.

The operations of the Polyester Filament Yarn remain discontinued during the year.

The geographical location and address of the company's business units, including mill / plant are as under:

The registered office of the company and manufacturing facilities is located at F/538, S.I.T.E., Karachi - 75700, Pakistan.

The Company also owned and on rent, selling outlets in Karachi, Lahore and Islamabad.

1.1 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

The Company's main unit to produce polyester filament yarn remained inoperative and the company is to manufacture value added embroidered fabric during the year, as disclosed in Note 1.

The Company obtained interest bearing loan from Related Parties and Financial Institutions during the year to meet the working capital requirements of the Company as disclosed in Note 10 and 11.

Based on assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

Further, for a detailed discussion about the Company's performance, refer to the Directors' Report and respected note to the accounts.

2 STATEMENT OF COMPLIANCE

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

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

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

3 BASIS OF PREPARATION / MEASUREMENT

The financial statements have primarily been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except for the certain fixed assets which are stated on revalued amounts, financial assets and liabilities which are carried at their fair values. Further, accrual basis of accounting is followed except for cash flow information.

4 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and authorized for issue on September 28, 2021.

5 STANDARDS, AMENDMENTS, INTERPRETATION AND IMPROVEMENTS APPLICABLE TO THE FINANCIAL STATEMENTS

5.1 Amendment or Framework

Amendments to approved accounting standards and the framework for financial reporting that became effective during the current year.

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) which became effective for the current year:

IFRS 3 - Business Combinations - Definition of a Business (Amendments)
 IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reforms (Amendments)
 IAS 1 / IAS 8 - Definition of Material (Amendments)
 Conceptual Framework for Financial Reporting

The adoption of the above amendments to the approved accounting standards and the framework for financial reporting did not have any material impact on the Company's financial statements.

5.2 **Standards, amendments and improvements to the approved accounting standards that are not yet effective**

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendment or Improvement		Effective date (annual periods beginning on or after)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)	01 January 2021
IFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	01 April 2021
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts - Costs of Fulfilling a Contract (Amendments)	01 January 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	01 January 2023
IAS 8	Definition of Accounting Estimates (Amendments)	01 January 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	01 January 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized

5.3 **Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)**

IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022
IFRS 16	Leases: Lease incentives	01 January 2022

The above amendments and improvements are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standard		IASB effective date (annual periods beginning on or after)
IFRS 1	First time adoption of International Financial Reporting Standards	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

6 **SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

6.1 Property, plant and equipment

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the recommendation of technical team of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of tangible fixed assets with a corresponding affect on the depreciation charge and impairment.

6.2 Taxation

In making the estimates for income taxes payable by the Company, the management considers applicable tax laws and the decisions of appellate authorities on certain cases issued in past. Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

6.3 Stock-in-trade

The Company reviews the Net Realizable Value (NRV) of stock-in-trade to assess any diminution in the respective carrying values.

6.4 Provision for doubtful receivables

A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. These estimates and underlying assumptions are reviewed on an ongoing basis.

6.5 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the out come of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates at the value of contingent assets and liabilities which may differ on the occurrence / non occurrence of the uncertain future events.

7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except application of new amendments and interpretations in the International Accounting Standards as described in Note 5.

7.1 Taxation

Current Year:

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher and tax paid on final tax regime basis. Alternate Corporate Tax is calculated in accordance with the provisions of Section 113C of Income Tax Ordinance.

Deferred:

Deferred tax is provided proportionate to local sales using the liability method on all temporary differences at the balance sheet date, between the tax bases of assets and liabilities and their carrying amount for financial statements reporting purposes. Deferred tax liabilities are generally recognized for all temporary taxable differences.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the assets is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date.

7.2 Property, Plant and Equipment

Initial recognition:

All items of property, plant and equipment are initially recorded at cost.

Subsequent measurement:

Property, Plant and Equipment are stated at cost or revalued / adjusted amounts less accumulated depreciation and impairment losses, if any; except for lease hold land and capital works in progress which are stated at cost / revalued amounts accumulated up to the balance sheet date.

Land, buildings and leasehold improvements are measured at the revalued amount less accumulated depreciation and impairment loss (if any).

Revaluation :

Any revaluation increase arising on the revaluation of land, buildings and leasehold improvements is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings and leasehold improvements is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation buildings and leasehold improvements to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Depreciation:

Full Years Depreciation is charged on acquisition or transfer of assets from capital work in progress, while no depreciation is charged on assets disposed off during the year. Depreciation is charged to income using reducing balance method, at the rates specified in the annexed schedule in Note No. 17 to the financial statements, whereby the cost / revalued amounts of asset is written off over its estimated useful life, reflecting the approximate value of the consumption of the respective assets economic benefits. The depreciation method and useful lives of the items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Disposal:

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized as other income in the statement of profit or loss. In case of the sale or retirement of a revalued items, the attributable revaluation surplus remaining in the surplus on revaluation of such item is transferred directly to the unappropriated profit.

Judgment and estimates:

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Repairs, renewals and maintenance:

Major repairs and renewals are capitalized. Normal repairs and maintenance are charged as expense when incurred. Gains or losses on disposal or retirement of assets are determined as the difference between the sale proceeds and the carrying amounts of these assets, and are included in the income currently.

7.3 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Company recognizes the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

7.4 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as applicable. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

7.5 Lease Liability

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset."

7.6 Investment

Investment at fair value of investment through other comprehensive income are initially recognized at cost being the fair value of the consideration given including acquisition charges associated with. After initial recognition of investment are premeasured at fair value. Unrealized gains and losses on investment are recognized in other comprehensive income as required by IFRS 9 as the change in accounting policy fully disclosed in Note 5.1.1 to the financial statements till the investment is sold or otherwise disposed off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income. Measurement made as per IFRS 9 and disclosed the fair value as price quoted in Pakistan Stock Exchange.

7.7 Stores, Spares and Loose Tools

These are stated at the lower of cost and net realizable value (NRV). The cost of inventory is based on the FIFO basis. Items in transit are stated at cost accumulated up to the date of the balance sheet.

Stores, spares and loose tools are regularly reviewed by the management and any obsolete items are brought down to their NRV.

7.8 Stock-in-Trade

These are valued as follows:

- Raw Material : At lower of weighted average cost or net realizable value. Cost of raw material and components represents invoice value plus other charges paid thereon.
- Finished Goods : At lower of weighted average cost or net realizable value. Cost of finished goods comprises of prime cost and an appropriate portion of production overheads.
- Work-in-Process : At weighted average cost. This comprises the direct cost of raw materials, wages, and appropriate manufacturing overheads.
- Stock-in-Transit : At cost accumulated upto the balance sheet date.
- Packing Material : At lower of weighted average cost or net realizable value.

Stocks in trade are regularly reviewed by the management and any obsolete items are brought down to their NRV.

7.9 Trade Debts and other Receivables

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts, if any. Provision for doubtful debts / other receivables is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

7.10 Foreign Currency Translation

Transactions in foreign currencies are initially recorded using the rates of exchange ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the exchange rates prevailing on the balance sheet date. In order to hedge its exposure to foreign exchange risks, the company enters into forward exchange contracts. Such transactions are translated at contracted rates. All exchange differences are included in the Statement of Profit or Loss.

7.11 Revenue Recognition

- Revenue from sales is recognized on dispatch of goods to customers.
- Dividend income is recognized on the basis of declaration by the investee company.
- Other Income / Scrap Sales is recognized on accrual Basis.
- Unrealized gains / (losses) arising on revaluation of securities classified as "financial assets" at fair value through other comprehensive income in the income statement in the period in which they arise.

7.12 Provisions

Provision is recognized in the balance sheet when the company has a legal or constructive obligation and, as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and that a reliable estimate can be made for the amount of this obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

7.13 Financial instruments

7.13.1 Financial asset:

The financial assets of the Company mainly include trade debts, loans, deposits, short-term investments, other receivables and cash and bank balances.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Based on the business model of the Company, the financial assets of the Company are measured and classified under IFRS 9 as follows;

Trade debts and other financial assets are measured at amortized cost using the effective interest rate method less an allowance for expected credit losses, if any.

Long-term investments in NIT are designated at FVOCI at initial recognition. These are carried in the statement of financial position at fair value with net changes in fair value recognized in the Other Comprehensive income.

7.13.2 Financial liabilities:

All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs. For the purpose of subsequent measurement, financial liabilities are either classified at amortized cost or fair value through profit or loss. The Company does not have any financial liability at fair value through profit or loss.

7.13.3 Impairment of financial assets - allowance for expected credit losses:

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

At each date of statement of financial position, the Company assesses whether financial assets are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the respective asset.

The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

7.13.4 Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

7.13.5 Impairment of non-financial assets:

The carrying amounts of non-financial assets other than inventories and deferred tax assets are assessed at date of statement of financial position to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized, as an expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

7.14 Related Party Transaction

All transactions / loans with related parties are carried out by the company at mark-up on market basis. Prices for these transactions are determined on the basis of admissible valuation methods.

7.15 Loan, Advances and other Receivables

Loans, advances and other receivables are recognized initially at cost, and subsequently at their amortized / residual cost.

7.16 Short Term and Long Term Loans

Loans, advances and other receivables are recognized initially at cost, and subsequently at their amortized / residual cost.

7.17 Contingent Liability

A contingent liability is disclosed in the financial statements unless the possibility of an out flow of resources embodying economic benefits is remote.

7.18 Contingent Assets

A contingent asset is disclosed where inflow of economic benefits is probable.

7.19 Post Employment Benefits – Defined Benefit Plan

The Company operates an unfunded gratuity scheme for its staff.

7.20 Trade and Other Payables

Trade and other payables are stated at their cost.

7.21 Post Employment Benefits

The Company operates an unfunded gratuity scheme for its staff. Provisions are made during the year. During the year the Company obtained actuarial valuation and restated the gratuity figure.

The Company operates an unfunded Gratuity Scheme (the Plan) for eligible employees of the Company. The Company's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognized in statement of profit or loss. The latest actuarial valuation was conducted by a qualified professional firm of actuaries as of September 22, 2021 using the "Projected Unit Credit Method".

7.22 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

7.23 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, bank balances and short term investments with a maturity of three months or less from the date of acquisition. The cash and cash equivalents are readily convertible to known amount of cash and are therefore, subject to insignificant risk of changes in value.

7.24 Dividend and Appropriation to reserves

Dividend and appropriation to reserve are recognized in the financial statements in the period in which these are approved.

8 ISSUED, SUBSCRIBED & PAID-UP CAPITAL

No. of Ordinary Shares of Rs. 10/- each

June 2021	June 2020		June 2021	June 2020
			Rupees	
52,960,228	52,960,228	fully paid in cash	529,602,280	529,602,280
3,918,973	3,918,973	issued as fully paid bonus shares	39,189,730	39,189,730
<u>56,879,201</u>	<u>56,879,201</u>		<u>568,792,010</u>	<u>568,792,010</u>

96,699 (2020: 154,874) ordinary shares held by related Companies.

8.1 Reconciliation of number of shares outstanding

	Numbers	Numbers
Number of ordinary shares outstanding at the beginning of the year	56,897,201	56,897,201
Number of ordinary shares outstanding at the end of the year	<u>56,897,201</u>	<u>56,897,201</u>

		June 2021	June 2020
		Rupees	
9 SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT			
Opening Balance	9.1	368,297,361	381,626,014
Surplus arising due to Revaluation - net of tax		--	--
Transfer to Profit and Loss account of incremental depreciation (net of tax)			
Related Deferred tax Liability		(11,995,787)	(13,328,653)
- Rate difference adjustments and Other		--	--
		<u>356,301,574</u>	<u>368,297,361</u>

9.1 The following fixed assets of the Company were revalued on June 29, 2018. The revaluation was carried out by independent valuer, M/s. Sadruddin Associates (Private) Limited (Fire, Marine, Motor & Machinery Errection & Breakdown, Surveyor, Loss Adjustors, Plant and Machinery Valuers, Industrial Property & Real Estate Appraisers). Basis of revaluation are as follows:

Land:

Valuation of land is determined by obtaining key market data from property brokers, dealers and estate agents to ascertain the present market value considering its location and market potential.

Building:

Revalued amount of building has been determined on the basis of total covered area with each class of construction compared with year of construction. After taking into account these factors, the re-statement value has been determined by applying present market rate of construction.

Plant and Machinery:

Revalued amount of plant and machinery has been determined by physical inspection. The age, make, origin, condition etc. has been taken into account, to arrive at the present market value. The present value has been computed after application of suitable appreciation / depreciation factors, rate of inflation and devaluation.

The revaluation has resulted in increase in surplus and corresponding carrying amounts of Land, Building and Plant & Machinery Rs. 231.342 million.

	WDV as June 30, 2018	Revalued Amounts as per revaluation Report	Revaluation Surplus
	Rupees		
Lease hold land	150,000,000	260,000,000	110,000,000
Factory building on lease hold land	88,736,050	193,485,434	104,749,384
Plant & machinery	90,206,730	106,799,100	16,592,370
Surplus on Revaluation	328,942,780	560,284,534	231,341,754

Year	Revaluers name	Surplus Aries (Net)
2013	M/s. Sadruddin Associates (Pvt) Ltd.,	190,020,694
2018	M/s. Sadruddin Associates (Pvt) Ltd.,	231,341,754

The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

		June 2021	June 2020
		Rupees	
10 LONG TERM LOAN FROM ASSOCIATED & RELATED PARTIES			
Loan from Associated Undertaking - unsecured	10.1	67,600,000	53,050,000
Directors' Loan - Unsecured	10.1	105,470,000	7,321,000
Loan from Sponsors - unsecured	10.1	2,000,000	32,470,000
		<u>175,070,000</u>	<u>92,841,000</u>

- 10.1** As per the Agreement dated June 30, 2020 the above loans are unsecured and interest bearing @ 10% (2020: 14%) per annum. The above loans have been acquired from related parties to meet the working capital requirements of the Company.

11 DIMINISHING MUSHARKA FINANCE FACILITIES

Opening Balance - DM Facility I	11.1	126,500,000	138,000,000
Opening Balance - DM Facility II	11.2	54,000,000	--
Paid during the year		(68,750,000)	(11,500,000)
		<u>111,750,000</u>	<u>126,500,000</u>
Maturity during the year			
Less: Current Portion		73,000,000	57,500,000
		<u>38,750,000</u>	<u>69,000,000</u>

- 11.1** Diminishing Musharika Finance Facility has been obtained from an Islamic Commercial Bank. Musharika is payable in two years six months starting from August 16, 2020 and the last instalment will be due on November 16, 2022 having principal amount of Rs. 11.500 million each instalment exclusive of profit share. It carries profit ranging from Rs. 3,099,215/- to Rs. 372,411/- quarterly i.e., (Profit @ 3 month KIBOR+250bps) and secured against 1st equitable charge over all present and future assets of the company including Land, Building, Plant and Machinery.

- 11.2** In August, 2020 the Company has availed SBP Refinance Scheme for wages and salaries through an Islamic Commercial Bank. This facility carries mark-up @ 3% per annum and is payable after a grace period of 6 months in 48 equal monthly instalments and is secured against 1st equitable charge over all present and future assets of the company including Land, Building, Plant and Machinery.

12 DEFERRED TAXATION

Liability / (asset) balances arising in respect of:			
- Accelerated tax depreciation		34,881,516	18,833,820
- Provisions and others		(1,464,958)	(539,997)
		<u>33,416,558</u>	<u>18,293,823</u>
Deferred tax liability in respect of:			
- Revaluation net of related depreciation		44,097,188	48,996,876
		<u>77,513,746</u>	<u>67,290,699</u>

13 PROVISION FOR GRATUITY

Balance at the beginning of the year		2,345,666	854,137
Effect of Actuarial Valuation for last year		-	483,608
Provision made during the year as per actuarial valuation	13.1	2,809,537	1,054,589
		<u>5,155,203</u>	<u>2,392,334</u>
Payment / Adjusted during the year		103,622	46,668
		<u>5,051,581</u>	<u>2,345,666</u>

13.1 Staff Gratuity Payable

The Company operates unfunded gratuity scheme for its permanent eligible employees. Gratuity benefit is payable under the scheme to employees on cessation of employment due to death, retirement and resignation.

The gratuity is payable based on the last drawn gross pay and the number of years of services.

13.1.1	Number of employees under the scheme:	<u>31</u>	<u>29</u>
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13.1.2 Principal actuarial assumptions:

The latest actuarial valuations of the above gratuity scheme were carried out as at 30 June 2021 under the Project Unit Credit Method. Principal actuarial assumptions used in the valuation of the scheme is as follows:

	June 2021	June 2020
Financial assumptions :		
Expected rate of increase in salaries	8.50% p.a.	-
Discount rate	10% p.a.	-
Average expected remaining working life times of employees	7 years	-

Mortality rate is based on adjusted SL1C 2001-2005 with one year age set back mortality table.

13.1.3 Staff Gratuity Payable:			
	Present value of defined benefit obligations	5,051,581	--
	Plus Payables	--	--
		<u>5,051,581</u>	<u>--</u>
13.1.4 Reconciliation of present value of defined benefit obligation:			
	Present value of defined benefit obligation - opening	2,345,666	--
	Frozen gratuity - opening	--	--
	Service cost	1,408,095	--
	Past Service Cost (Credit)	1,218,750	--
	Interest on defined benefit liability	194,978	--
	Benefits paid	(103,622)	--
	Liability transferred to other account	--	--
	Frozen gratuity - closing	--	--
	Actuarial gain	9,726	--
	Experience Adjustment	(22,012)	--
		<u>5,051,581</u>	<u>--</u>
13.1.5 Movement in present value of defined benefit obligations:			
	Net defined benefit liability - Opening	2,345,666	--
	Expense chargeable to profit and loss account	2,821,823	--
	Remeasurement gain transferred to OCI	(12,286)	--
	Transfer to final settlement payable	--	--
	Payments during the year	(103,622)	--
		<u>5,051,581</u>	<u>--</u>
13.1.6 Expense chargeable to profit and loss account:			
	Service cost	1,408,095	--
	Past service Cost (Credit)	1,218,750	--
	Net interest on net defined benefit liability	194,978	--
	Allocation of Charge for the year	<u>2,821,823</u>	<u>--</u>
13.1.7 Sensitivity Analysis:			
Sensitivity analysis has been performed by varying on assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations under the gratuity scheme. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarized below:			
Present value of defined benefit obligation			
	Discount rate + 1%	4,713,147	--
	Discount rate - 1%	5,461,871	--
	Salary increase + 1%	5,464,675	--
	Salary increase - 1%	4,704,231	--
		June	June
		2021	2020
		Rupees	
14 TRADE & OTHER PAYABLES			
	Trade Creditors	340,690,950	138,938,036
	Accrued Expenses	56,816,115	61,271,986
	Zakat Payable	2,661,256	2,661,256
	Others	9,068,655	2,679,997
		<u>409,236,976</u>	<u>205,551,275</u>
14.1 Others			
	With holding tax payable	648,249	195,984
	Worker profit participation fund	8,180,870	2,028,916
	Others	239,536	455,097
		<u>9,068,655</u>	<u>2,679,997</u>
14.1.1 Worker Profit Participation Fund:			
	Opening Balance	2,028,916	3,104,248
	Provided during the year	8,180,870	2,028,916
		10,209,786	5,133,163
	Distributed during the year	(2,028,916)	(3,104,248)
		<u>8,180,870</u>	<u>2,028,915</u>

15 PROVISION FOR TAXATION

Balance at the beginning	9,834,471	4,835,153
Less: Adjustments	(9,834,471)	(4,835,153)
	--	--
Add: Provisions for Taxation		
Current year	31,579,313	9,834,471
	<u>31,579,313</u>	<u>9,834,471</u>

15.1 The income tax returns of the company has been filed up to tax year 2020 to income tax department and the assessments of the company have been finalized up to and including the tax year 2020. However, the commissioner of income tax may at any time during a period of five years from the date of filing of return may select the deemed assessment for audit.

Management had a practice of recording tax expense based on the generally accepted interpretation of tax laws and accordingly sufficient provision in respect of taxation for last three years has been provided in these financial statements.

Subsequent to the amendment of section 5(A) of the Income tax Ordinance, 2001, tax at the applicable rate shall be imposed on every public company which derives profit for the year. However, this tax shall not apply in case of a company which distributes at least specified percentage of after tax profits within six months of the end of the tax year in the form of cash dividend. Liability in respect of such tax, if any, is recognized when the prescribed time period for distribution of dividend expires.

16 CONTINGENCIES & COMMITMENTS

Guarantees issued by banks
Letters of Credit in respect of committed capital expenditures
Letters of Credit for other than capital expenditures

-	-
-	-
-	-

June
2021

June
2020

Rupees

17 TANGIBLE FIXED ASSETS

Property, Plant and Equipment

666,088,528	590,877,324
<u>666,088,528</u>	<u>590,877,324</u>

Property, Plant and Equipment - At cost less accumulated depreciation

Particulars	Cost/Revaluation				Rate %	Depreciation				Written Down Value As At June 30, 2021
	As at July 01, 2020	Additions / Transfers/ (Deletion)	As at June 30, 2021			As at July 01, 2020	Transfer/ (Deletion)	For the year	As at June 30, 2021	

Rupees

Rupees

Owned

Lease hold land	260,000,000	--	260,000,000	--	--	--	--	--	--	260,000,000
Factory Building on	286,635,517	--	286,635,517	10	126,306,761	--	16,032,876	142,339,637	144,295,880	
Lease hold land										
Plant and Machinery	505,531,845	98,508,001	604,039,846	10	381,578,573	--	22,246,127	403,824,700	200,215,146	
Electrical Installations	8,101,544	2,070,213	10,171,757	10	6,474,427	--	369,733	6,844,160	3,327,597	
Furniture and Fixture	14,199,235	16,085,441	30,284,676	10	3,580,301	--	2,670,437	6,250,739	24,033,937	
Office Equipments	1,497,982	272,200	1,770,182	10	768,424	--	100,176	868,600	901,583	
Air Conditioner and Refrig.	15,567,422	1,515,500	17,082,922	10	4,372,714	--	1,271,021	5,643,735	11,439,187	
Vehicles	6,882,255	--	6,882,255	20	4,021,054	--	572,240	4,593,294	2,288,961	
Fork Lifter	630,735	--	630,735	20	629,362	--	275	629,637	1,098	
Computers	3,402,963	1,577,500	4,980,463	10	802,180	--	417,828	1,220,008	3,760,455	
Studio Equipments	852,670	--	852,670	10	240,797	--	61,187	301,985	550,685	
Generators	12,090,900	--	12,090,900	10	2,403,896	--	968,700	3,372,596	8,718,304	
Elevator	8,547,000	--	8,547,000	10	2,316,237	--	623,076	2,939,313	5,607,687	
Fire Fighting Equipments	240,512	621,360	861,872	10	105,178	--	75,669	180,847	681,025	
Gas Installations	883,125	--	883,125	10	586,476	--	29,665	616,141	266,984	
June 2021	<u>1,125,063,704</u>	<u>120,650,215</u>	<u>1,245,713,919</u>		<u>534,186,380</u>	<u>--</u>	<u>45,439,011</u>	<u>579,625,391</u>	<u>666,088,528</u>	
June 2020	<u>1,111,036,927</u>	<u>14,026,776</u>	<u>1,125,063,703</u>		<u>497,024,653</u>	<u>--</u>	<u>37,161,727</u>	<u>534,186,380</u>	<u>590,877,324</u>	

17.1 Its includes Plant and Machinery and other assets at cost of Value added Embroidered Fabric of Rs. 108.182 million and WDV Rs. 81.115 million.

Value added Embroidered Fabric		Polyester Filament Yarn	
June	June	June	June
2021	2020	2021	2020
Rupees		Rupees	

17.2 Allocation of Depreciation

Depreciation for the period has been allocated as follows:

Cost of Sales	28,745,653	27,643,247	11,600,193	5,941,075
Administrative and General Expense	1,346,414	108,284	3,746,751	3,469,122
	30,092,067	27,751,531	15,346,944	9,410,197

17.3 Leasehold land and buildings are subject to a first charge against the loan of Rs. 138.000 million obtained from an Islamic Commercial Bank (Note 11). This charge will remain till May 16, 2022.

17.4 Particulars of immovable properties (i.e freehold land and building on freehold land) in the name of Company are as follows:

Location	Use of Immovable Location Property	Total Area
F-538, SITE , Karachi,	Manufacturing Facility	2 acres

17.5 Register of fixed assets of the company was illegally removed by the officials of the Income Tax Department at the time of conducting raid at the company's premises which has not yet been returned. Consequently, the same has not yet been updated and also not be made available to the auditors.

17.6 Lease hold Land, Factory Building on lease hold land and Plant and Machinery were revalued on 21.05.2021 by M/s. Sadruddin Associates (Pvt) Ltd., a PBA approved valuer. The surplus on revaluation works out to Land, Building and Plant and Machinery by Rs. 231.342 million.

17.7 Had there been no revaluation the related figures of land, building and plant & machinery at June 30, 2021 would have been as follows:

2021				
	Cost	Accumulated Depreciation	Charge during the year	Written Down Value
	Rupees			
Lease hold land	7,440,950	-		7,440,950
Factory building on lease hold land	30,979,497	29,152,429	182,707	1,644,361
Plant & machinery	565,415,437	428,920,850	13,649,459	122,845,128
Electrical Equipment	5,982,461	5,644,659	33,780	304,022
	609,818,345	463,717,938	13,865,946	132,234,461
2020				
	Cost	Accumulated Depreciation	Depreciation Charge during the year	Written Down Value
	Rupees			
Lease hold land	7,440,950	-		7,440,950
Factory building on lease hold land	30,979,497	28,949,421	203,008	1,827,068
Plant & machinery	565,415,437	413,754,785	15,166,065	136,494,587
Electrical Equipment	5,982,461	5,607,125	37,534	337,802
	609,818,345	448,311,331	15,406,607	146,100,407

17.8 The forced sale value of revalued assets is Rs. 737,315,000.

OPERATING FIXED ASSETS - At Cost Less Accumulated Depreciation

OPERATING FIXED ASSETS - At cost less Accumulated Depreciation											
Particulars	2020					Rate %	Depreciation				Written Down
	Cost/Revaluation			As at	As at July 01, 2019		Transfer/ (Deletion)	For the year	As at June 30, 2020	Value As At June 30, 2020	
	As at	Additions /	Revaluation	As at							
	July 01, 2019	Transfers/ (Deletion)		June 30, 2020							
Rupees					Rupees						
Owned											
Lease hold land	260,000,000	--	--	260,000,000	--	-	--	--	--	260,000,000	
Factory Building on lease hold land	286,635,517	--	--	286,635,517	10	108,492,455	--	17,814,306	126,306,761	160,328,756	
Plant and Machinery											
Polyester Filament Yarn Unit including value added Embroidered Fabric Machinery 15.1	502,399,559	3,132,285	--	505,531,844	10	367,805,987	--	13,772,586	381,578,572	123,953,272	
Electrical Installations	8,079,384	22,160	--	8,101,544	10	6,293,636	--	180,791	6,474,427	1,627,117	
Furniture and Fixture	10,916,371	3,282,864	--	14,199,235	10	2,400,420	--	1,179,882	3,580,301	10,618,934	
Office Equipments	1,250,337	247,645	--	1,497,982	10	687,362	--	81,062	768,424	729,558	
Air Conditioner and Refrig.	15,008,422	559,000	--	15,567,422	10	3,128,858	--	1,243,856	4,372,714	11,194,708	
Vehicles	6,826,755	55,500	--	6,882,255	20	3,305,754	--	715,300	4,021,054	2,861,201	
Fork Lifter	630,735	--	--	630,735	20	629,019	--	343	629,362	1,373	
Computers	2,232,696	1,170,267	--	3,402,963	10	513,204	--	288,976	802,180	2,600,783	
Studio Equipments	851,170	1,500	--	852,670	10	172,811	--	67,986	240,797	611,873	
Generators	6,535,345	5,555,555	--	12,090,900	10	1,327,562	--	1,076,334	2,403,896	9,687,004	
Elevator	8,547,000	--	--	8,547,000	10	1,623,930	--	692,307	2,316,237	6,230,763	
Fire Fighting Equipments	240,512	--	--	240,512	10	90,141	--	15,037	105,178	135,334	
Gas Installations	883,124	--	--	883,124	10	553,515	--	32,961	586,476	296,648	
June -20	1,111,036,928	14,026,776	--	1,125,063,704		497,024,653	--	37,161,727	534,186,380	590,877,324	
June -19	1,093,656,999	17,379,928	--	1,111,036,927		457,200,690	--	39,823,963	497,024,653	614,012,274	

Allocation of Depreciation

Depreciation for the period has been allocated as follows:

Cost of Sales

Administrative and General Expense

Polyester Filament Yarn Value added Embroidered Fabric

June 2020	June 2019	June 2020	June 2019
-----------	-----------	-----------	-----------

Rupees		Rupees	
27,643,247	30,714,719	5,941,075	5,633,416
108,284	122,064	3,469,122	3,353,764
27,751,530	30,836,783	9,410,196	8,987,180

June 2021 **June 2020**

Rupees

18 LONG TERM DEPOSITS

K-Electric Ltd.	100,245	14,975
Pakistan Telecommunication Co. Ltd.	3,200	3,200
Pakistan Oxygen Limited	14,000	14,000
Sui Southern Gas Company Ltd.	1,595,760	1,318,830
Al-Feroze (Pvt) Ltd.	1,755,000	1,755,000
Dolmen Real Estate Management (Pvt) Ltd.	1,677,000	1,677,000
Nayatel (Pvt) Ltd.	10,200	--
Rental Deposit for Outlets	1,750,000	--
Others	1,000	1,000
	<u>6,906,405</u>	<u>4,784,005</u>

June 2021 **June 2020**

Rupees

19 LONG TERM INVESTMENT

2,455,000 (2020: 2,455,000) N.I.T units (Average cost price Rs. 14.0573) Market value as at June 30, are as under June 30, 2021 @ Rs. 75.18 . (2020: Rs.54.97) per unit	34,510,675	34,510,675
	150,056,225	100,440,675
	<u>184,566,900</u>	<u>134,951,350</u>

19.1 In, September 1996, the Income Tax Authorities raided the Company's premises and took away, by force, all the records, documents, and valuable securities, including FEBC's / Bearer NIT units of all the Group companies, which included the bearer NIT units of the company; without lawful authority and without making any inventory. This raid caused a serious disruption in the company's business. The company has filed a suit against the Income Tax Authorities in the Honorable High Court of Sind, challenging the said act as being illegal. The Honorable High Court of Sindh, vide its Order dated July 31, 1998, held that the presence of irregularities and malafides in the act of the Income Tax Department cannot be ruled out. Further, the remaining two ingredients namely balance of convenience and causing irreparable loss and injury, also exists in favor of the company. Further, the Income Tax Department was directed to submit their report keeping in view the provisions of Section 146(c) of The Income Tax Ordinance, 1979, declaring how much more time they would need to return the impounded documents and records. The matter is now in evidence stage.

19.2 The above investment of the company was illegally removed by the officials of the Income tax department at the time of conducting raid at the company's premises which has not yet been returned. Consequently the same remain to be updated and could also not be made available to the auditors for physical verification.

20 STORE, SPARES & LOOSE TOOLS

Stores and Spares	409,914	823,456
Packing Material	1,419,286	604,730
Cops	1,207,948	1,207,948
	<u>3,037,148</u>	<u>2,636,134</u>

21 STOCK-IN-TRADE

Raw Materials	244,732,728	252,143,714
Work in Process	141,348,047	22,385,002
Finished Goods	448,628,322	489,547,324
	<u>834,709,097</u>	<u>764,076,040</u>

22 TRADE DEBTS - CONSIDERED GOOD

- Local Receivables - Considered Good (An Associated Party)	360,321,198	100,996,770
- Considered Doubtful	--	--
	<u>360,321,198</u>	<u>100,996,770</u>
Provision for Doubtful debts	--	--
	<u>360,321,198</u>	<u>100,996,770</u>

22.1 The aging of debtors (Related Party) at the reporting date was:

Up to one month	239,984,960	1,650,106
1 to 6 months	25,463,293	8,514,602
More than 6 months	19,599,089	28,615,596
More then one year	75,273,857	62,216,465
	<u>360,321,198</u>	<u>100,996,769</u>

22.2 Maximum amount due at any month during the year with Related Party amounting to Rs. 360.321 Million (2020: Rs.100.996 Million)

June 2021	June 2020
Rupees	

23 TRADE DEPOSITS, PREPAYMENTS & STATUTORY BALANCES - CONSIDERED GOOD

Advance imports and others	29,702	35,683
Deposits	412,092	328,092
Sales Tax Refundable	--	486,819
Interest receivable on term Deposits	12,332	13,860
Others	--	13,797
	<u>454,126</u>	<u>878,251</u>

24 CASH & BANK BALANCES

Cash in Hand		4,513,769	788,848
Cash at Banks - Current Accounts	24.1	5,873,153	201,198
Term Deposit Certificates	24.2	1,100,000	1,100,000
		<u>11,486,922</u>	<u>2,090,046</u>

24.1 The Company has conventional banking relationships with all the banks except one which is an Islamic bank.

24.2 Term Deposit Receipts Carries Mark @ 6.60% per annum.

25 SALES

	Value added Embroidered Fabric		Polyester Filament Yarn		Total	
	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
	(Rupees)					
Gross Sales						
Local	1,095,054,635	461,272,182	-	-	1,095,054,635	461,272,182
Export	38,283,814	-	-	-	38,283,814	-
	<u>1,133,338,449</u>	<u>461,272,182</u>	<u>-</u>	<u>-</u>	<u>1,133,338,449</u>	<u>461,272,182</u>
Less: Sales Tax	131,489,640	58,095,192	-	-	131,489,640	58,095,192
Net Sales	<u><u>1,001,848,809</u></u>	<u><u>403,176,990</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,001,848,809</u></u>	<u><u>403,176,990</u></u>

26 COST OF SALES

		Value added Embroidered Fabric		Polyester Filament Yarn		Total	
	Note	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
		(Rupees)					
Raw material - opening stock		252,748,444	215,193,670	-	-	252,748,444	215,193,670
Purchases / Acquired		<u>430,563,018</u>	<u>233,777,524</u>	<u>-</u>	<u>-</u>	<u>430,563,018</u>	<u>233,777,524</u>
Raw material		683,311,462	448,971,194	-	-	683,311,462	448,971,194
Raw material - closing stock		<u>(246,152,014)</u>	<u>(252,748,444)</u>	<u>-</u>	<u>-</u>	<u>(246,152,014)</u>	<u>(252,748,444)</u>
		<u>437,159,448</u>	<u>196,222,750</u>	<u>-</u>	<u>-</u>	<u>437,159,448</u>	<u>196,222,750</u>
Fuel and Power, Oil and Lubricant		44,541,550	49,422,532	--	--	44,541,550	49,422,532
Water		779,500	1,024,125	--	--	779,500	1,024,125
Salaries, Wages and Other Benefits	26.1	96,670,173	72,699,937	--	--	96,670,173	72,699,937
EOBI Contribution		2,755,703	1,107,831	--	--	2,755,703	1,107,831
SESSI Contribution		2,410,524	641,100	--	--	2,410,524	641,100
Store consumed		986,932	649,891	--	--	986,932	649,891
Building Repairs and Maintenance		3,720,932	--	--	--	3,720,932	-
Conveyance Expenses		215,521	1,785,227	--	--	215,521	1,785,227
Freight Inward		547,540	788,775	--	--	547,540	788,775
Oil and Grease		34,549	11,030	--	--	34,549	11,030
Security Expenses		1,534,567	879,627	--	--	1,534,567	879,627
Entertainment		342,581	--	--	--	342,581	--
Vehicle up-keep		788,304	--	--	--	788,304	--
Communication charges		433,184	--	--	--	433,184	--
Stationery and printing		918,867	--	--	--	918,867	--
Insurance		717,059	--	--	--	717,059	--
Repairs and Maintenance		2,946,147	3,949,757	--	--	2,946,147	3,949,757
Depreciation	17.2	<u>11,600,193</u>	<u>5,941,075</u>	<u>28,745,653</u>	<u>27,643,247</u>	<u>40,345,847</u>	<u>33,584,322</u>
		<u>609,103,274</u>	<u>335,123,657</u>	<u>28,745,653</u>	<u>27,643,247</u>	<u>637,848,928</u>	<u>362,766,904</u>
Work-in-Process - Opening		22,385,002	21,189,901	--	--	22,385,002	21,189,901
Work-in-Process - Closing		<u>(141,348,047)</u>	<u>(22,385,002)</u>	<u>-</u>	<u>-</u>	<u>(141,348,047)</u>	<u>(22,385,002)</u>
Cost of Goods Manufactured		<u>490,140,229</u>	<u>333,928,556</u>	<u>28,745,653</u>	<u>27,643,247</u>	<u>518,885,883</u>	<u>361,571,803</u>
Finished Goods - Opening		489,547,324	316,429,982	--	--	489,547,324	316,429,982
Finished Goods - Closing		<u>(448,628,322)</u>	<u>(489,547,324)</u>	<u>-</u>	<u>-</u>	<u>(448,628,322)</u>	<u>(489,547,324)</u>
		<u>531,059,231</u>	<u>160,811,214</u>	<u>28,745,653</u>	<u>27,643,247</u>	<u>559,804,885</u>	<u>188,454,461</u>

26.1 Salaries, wages and other benefits include Rs. NIL million relating to staff retirement benefits.

27 SELLING & DISTRIBUTION EXPENSES

		Value added Embroidered Fabric		Polyester Filament Yarn		Total	
		June	June	June	June	June	June
		2021	2020	2021	2020	2021	2020
Distribution and Selling Expenses		(Rupees)					
Advertisement Expenses		72,679,830	25,198,633	--	--	72,679,830	25,198,633
Despatching Expenses		13,918,675	3,373,434	--	--	13,918,675	3,373,434
Conveyance Expenses		125,925	17,837	--	--	125,925	17,837
Sales Promotion		506,622	93,537	--	--	506,622	93,537
Salaries	27.1	19,381,284	12,591,308	--	--	19,381,284	12,591,308
Rent Expenses		41,103,140	28,871,398	--	--	41,103,140	28,871,398
Entertainment		549,038	--	--	--	549,038	-
Stationery and printing		157,613	--	--	--	157,613	-
Vehicle up-keep		36,763	--	--	--	36,763	-
Electric Repair & Maintenance		192,824	--	--	--	192,824	-
Travelling Expenses		481,082	108,000	--	--	481,082	108,000
Building Repair & Maintenance		1,157,680	--	--	--	1,157,680	-
Electric Expenses		1,840,600	1,379,280	--	--	1,840,600	1,379,280
Telephone Expenses		48,067	148,177	--	--	48,067	148,177
Professional Fees		1,865,200	--	--	--	1,865,200	-
Maintenance / Utility Expenses		12,039,970	8,657,876	--	--	12,039,970	8,657,876
Communication Expenses		49,607	-	--	--	49,607	-
Annual White Wash		159,254	-	--	--	159,254	-
General Expense		10,955	-	--	--	10,955	-
		166,304,129	80,439,480	-	-	166,304,129	80,439,480

27.1 Salaries, wages and other benefits include Rs. NIL million relating to staff retirement benefits.

28 ADMINISTRATIVE & GENERAL EXPENSES

		Value added Embroidered Fabric		Polyester Filament Yarn		Total	
		June	June	June	June	June	June
	Note	2021	2020	2021	2020	2021	2020
(Rupees)							
Vehicle up Keep		214,301	1,016,357	--	--	214,301	1,016,357
Postage, Telephone and Telex		923,499	1,440,145	--	--	923,499	1,440,145
Printing and Stationery		178,663	783,960	--	--	178,663	783,960
Salaries and Benefits	28.1	43,841,893	39,199,503	--	--	43,841,893	39,199,503
Fees and Subscription		1,412,401	1,043,655	--	--	1,412,401	1,043,655
Depreciation	17.2	3,746,751	3,469,122	1,346,414	108,284	5,093,164	3,577,406
General Expenses		189,555	274,576	--	--	189,555	274,576
Computer Expenses		1,106,954	429,470	--	--	1,106,954	429,470
Entertainments Expenses		260,955	447,756	--	--	260,955	447,756
Travelling Expenses		433,660	2,867,960	--	--	433,660	2,867,960
Conveyance Expenses		80,630	513,350	--	--	80,630	513,350
Legal Fee & Expenses		882,200	522,440	--	--	882,200	522,440
Gratuity Expenses		2,821,523	1,054,589	--	--	2,821,523	1,054,589
Medical Expenses		80,836	63,103	--	--	80,836	63,103
Professional Fee		2,815,091	1,366,300	--	--	2,815,091	1,366,300
Registrar Services		222,722	194,255	--	--	222,722	194,255
Computer software		1,419,367	923,707	--	--	1,419,367	923,707
Security Expenses		441,478	45,818	--	--	441,478	45,818
Insurance		591,064	1,327,454	--	--	591,064	1,327,454
Trade Mark Maintenance		126,000	94,200	--	--	126,000	94,200
Rent Expenses		9,000,000	9,000,000	--	--	9,000,000	9,000,000
Donation		10,000	945,000	--	--	10,000	945,000
Site Maintenances		106,185	1,172,859	--	--	106,185	1,172,859
House Keeping		1,069,890	584,841	--	--	1,069,890	584,841
Building repair & Maintenance		2,089,438	--	--	--	2,089,438	-
Auditors Remuneration	28.2	500,000	225,000	--	--	500,000	225,000
Annual White Wash		502,460	-	--	--	502,460	-
Fire Fighting Expenses		26,550	-	--	--	26,550	-
Bad Debts Write off		100,328	-	--	--	100,328	-
		75,194,394	69,005,420	1,346,414	108,284	76,540,807	69,113,704

28.1 Salaries, wages and other benefits include Rs. NIL million relating to staff retirement benefits.

		June 2021	June 2020			
		Rupees				
28.2	Auditors Remuneration					
	Audit Fee	500,000	225,000			
		500,000	225,000			
29	OTHER INCOME					
	Prior Years Adjustments	--	42,201			
	Interest on Term Deposit	78,772	13,860			
		78,772	56,061			
30	FINANCE COST					
	Bank Charges and Commission	7,135,383	2,089,154			
	Interest on Loan from Associated and Directors	12,452,162	8,324,592			
	Mark-up on SBP Refinance	919,940	--			
	Mark-up on Diminishing Musharika Finance Facility	14,400,757	14,233,348			
	Financial Charges	752,119	--			
		35,660,361	24,647,094			
31	TAXATION					
	Current	15 31,579,313	9,834,471			
	Prior Years	(1,461,586)	121,550			
	Deferred	12 10,219,484	6,188,569			
		40,337,211	16,144,590			
32	EARNINGS PER SHARE - BASIC AND DILUTED					
	Profit after Taxation	115,099,318	22,404,807			
	Weighted Average Number of Ordinary Shares at year end	56,897,201	56,879,201			
	Earning Per Share - Basic and diluted	Rupees 2.02	0.39			
33	REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & EXECUTIVES					
		2021	2020			
Particulars	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees)			(Rupees)		
Managerial Remuneration	8,727,273	10,721,579	7,481,929	8,000,000	7,650,424	4,640,000
House rent allowance	3,490,909	4,288,632	2,992,772	3,200,000	3,060,170	1,856,000
Utilities allowance	872,727	1,072,158	748,193	800,000	765,042	464,000
Medical allowance	1,309,091	1,608,236	482,565	--	--	--
Total	14,400,000	17,690,605	11,705,459	12,000,000	11,475,636	6,960,000
Number of persons	1	4	5	1	5	2

33.1 Some of the Directors and Executives of the company are provided with use of company maintained cars.

34 RELATED PARTY TRANSACTIONS

Related parties comprise subsidiary, associated companies, companies where directors also hold directorship, retirement benefit fund and key management personnel. Significant transactions with related parties during the year are as under:

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2021 (Rupees)	2020 (Rupees)
Tri-Star Power Ltd	Associated company by virtue of common directorship Shareholding : NIL	Markup accrued	2,000,000	2,912,877
		Loan repaid	-	20,000,000
		Electricity Purchased	14,114,000	16,034,490
		Loan Payable at the year end	20,000,000	20,000,000
Mr. Asad Ahmad	Chief Executive	Loan repaid	9,591,000	9,177,000
		Loan received	2,270,000	16,498,000
		Markup accrued	497,232	905,388
		Loan Payable at the year end	-	7,321,000
Ms. Uzma Ahmad	Director	Loan repaid	-	190,000
		Loan received	-	190,000
		Loan Payable at the year end	-	-
Ms. Farnaz Ahmad	Director	Loan repaid	9,000,000	13,500,000
		Loan received	90,000,000	35,000,000
		Markup accrued	4,780,000	1,687,583
		Loan Payable at the year end	102,500,000	21,500,000
Ms. Mariam Ahmad	Director	Loan repaid	10,000,000	1,000,000
		Loan received	2,500,000	11,470,000
		Markup accrued	342,972	950,269
		Loan Payable at the year end	2,970,000	10,470,000
Ms. Shamima Begum	Sponsor	Loan repaid	-	4,000,000
		Loan received	-	4,000,000
		Markup accrued	-	285,639
		Loan Payable at the year end	-	-
Indus Battery Industries (Pvt) Ltd.	Associated company by virtue of common directorship	Loan received	21,500,000	33,050,000
		Loan repaid	7,850,000	-
		Markup accrued	4,773,375	1,582,836
		Loan Payable at the year end	46,700,000	33,050,000
UMF (Pvt) Limited	Associated company by virtue of common directorship	Loan received	900,000	-
Image Embroidered Fabric	Associated undertaking by virtue of sales arrangement	Sale of goods	25,722,913	38,780,304
		Amount recovered / adjusted against sales	51,822,657	15,720,760
		Purchase	52,171,887	-
Habib Jamal & Co.	Partnership Firm by virtue of common sponsors	Purchase of Goods and Assets	187,815,360	32,052,583
		Sale of goods	251,146,226	-
First Tri-Star Modaraba	Associated company by virtue of common directorship	Rent accrued	9,000,000	9,000,000
		Rent paid	26,300,000	700,000

The outstanding balance with related parties as at the year-end have been disclosed in the respective notes to the financial statements.

All transactions were carried out on commercial terms and conditions and were valued at arm's length price. Reimbursement of expenses were on actual basis. Remuneration and benefits to key management personnel under the terms of their employment are given in Note 33 above.

		June 2021	June 2020
		Rupees	
35 CASH & CASH EQUIVALENTS			
Cash and Bank Balances		11,486,922	2,090,046
Short Term Running Finances utilized under mark-up arrangements		--	--
		<u>11,486,922</u>	<u>2,090,046</u>
36 PLANT CAPACITY & PRODUCTION		M.Tons	M.Tons
- Actual capacity on Annual Basis	36.1	4,000	4,000
- Actual production		NIL	NIL

36.1 Reason for Filment yarn Unit not in Production:

No production activity was done in Polyester Filament Yarn Unit during the year due to high production cost.

36.2 The company has started production of value added fabric (as textile unit) with the brand name "Image" for stitched and unstitched garments. The capacity of the Company cannot be determined as this depends upon designing and styling of the garment.

37 OPERATING SEGMENT

These financial statements have been prepared on the basis of two reportable segments. One segment of Polyester Filament Yarn Unit which is idle since long and remained idle during the year. The other segment is value added Fabric Embroidered Unit which is in operations.

		Value added Embroidered Fabric		Polyester Filament Yarn		Total	
		June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
Net Sales	25	1,001,848,809	403,176,990	-	-	1,001,848,809	403,176,990
Cost of Sales	26	531,059,231	160,811,214	28,745,653	27,643,247	559,804,885	188,454,461
Gross Profit/(Loss)		470,789,578	242,365,776	(28,745,653)	(27,643,247)	442,043,924	214,722,529
Selling & Distribution costs	27	166,304,129	80,439,480	-	-	166,304,129	80,439,480
Administrative Expenses	28	75,194,394	69,005,420	1,346,414	108,284	76,540,807	69,113,704
		241,498,523	149,444,900	1,346,414	108,285	242,844,937	149,553,184
Segment Results		229,291,055	92,920,876	(30,092,067)	(27,751,532)	199,198,988	65,169,346
Capital Expenditure - Excluding revaluation at cost		120,650,215	14,026,776	-	-	120,650,215	14,026,776
Depreciation		30,092,067	27,751,531	15,346,944	9,410,197	45,439,011	37,161,727

All non current assets of the Company as at June 30, 2021 are located in Pakistan.

38 FINANCIAL INSTRUMENTS

The Company has exposures to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

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

38.1 Credit Risk

Credit risk is the risk that one party to the financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Company believes that it is not exposed to major concentration of credit risk. However, to reduce exposure to credit risk, if any, the management monitors the credit exposure towards the customers and makes provisions against those balances considered doubtful of recovery.

The maximum exposure to credit risk at the reporting date is:

	June 2021	June 2020
	Rupees	
Long Term Investment	184,566,900	134,951,350
Long Term Deposits	6,906,405	4,784,005
Trade Debtors - unsecured	360,321,198	100,996,770
Trade Deposits and Prepayments	454,126	878,251
Cash with Banks in Current Accounts	11,486,922	2,090,046
	<u>563,735,551</u>	<u>243,700,422</u>

38.2 Liquidity Risk

Liquidity Risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liability when due.

The Company is exposed to liquidity risk in respect of non current interest bearing liabilities, short term borrowings, trade and other payable and mark-up accrued.

2021					
Particulars	Carrying Amount	Contractual Cash Flows	Six moths or Less	Six to twelve months	One to two year
Rupees					
Financial Liabilities					
Long term Loan from Associated and Related Parties	175,070,000	-	-	-	-
Diminishing Musharika Finance	38,750,000	-	-	-	-
Trade and other payables	409,236,976	409,236,976	409,236,976	-	-
Accrued interest on Loans	29,474,795	29,474,795	29,474,795	-	-
Unclaimed Dividend	12,061,067	12,061,067	12,061,067	-	-
	<u>664,592,838</u>	<u>450,772,838</u>	<u>450,772,838</u>	-	-

2020					
Particulars	Carrying Amount	Contractual Cash Flows	Six moths or Less	Six to twelve months	One to two year
Rupees					
Financial Liabilities					
Long term Loan from Associated and Related Parties	92,841,000	105,838,740	-	-	105,838,740
Diminishing Musharika Finance	126,500,000	146,848,060	23,862,500	23,337,040	99,648,250
Trade and other payables	205,551,275	205,551,275	205,551,275	-	-
Accrued interest on Loans	23,551,724	23,551,724	23,551,724	-	-
Unclaimed Dividend	20,743,398	20,743,398	20,743,398	-	-
	<u>469,187,397</u>	<u>502,533,197</u>	<u>273,708,897</u>	<u>23,337,040</u>	<u>205,486,990</u>

38.3 Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate resulting in as a result of changes in market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of product and liquidity in the market.

38.4 Currency Risk

Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Company is not materially exposed to foreign currency risk on foreign currency assets and liabilities.

38.5 Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates, majority of the interest rate exposure arises from short and long term borrowings from bank and term deposits and deposits in profit and loss sharing accounts with banks.

38.6 Risk Management Policies

Risk management is carried out by the management under policies approved by Board of Directors. The Board provides principles for overall risk management as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

38.7 Capital Risk Management

The Company's objective is to manage capital and safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholder. Debt is calculated as total borrowings ('long term loan' and 'short term borrowings' as shown in the balance sheet). Total capital comprises share holders' equity as shown in the balance sheet under 'share capital and reserves'.

	June 2021	June 2020
	Rupees	
Total Borrowings	286,820,000	219,341,000
Less: Cash and Bank Balances	11,486,922	2,090,046
Net Debt	275,333,078	217,250,954
Total Equity	1,219,021,756	1,054,298,165
Total Capital	1,494,354,834	1,271,549,119
Gearing Ratio	0.18	0.17

38.8 Fair Value of Financial Instruments

Fair value is an amount for which an assets could be exchanged, or a liability settled, between knowledgeable willing parties in arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date, the fair value of all financial assets and liabilities are estimated to approximate their carrying values.

39 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

- (i) The Board of Directors in its meeting held on July 12, 2021 approved to issue 42,659,401 right shares (75%) at Rs. 15/- including Rs. 5/- as premium per share. The last date of subscription was September 14, 2021 as approved by the Pakistan Stock Exchange. The above shares were fully subscribed successfully amounting to Rs. 639,891,015/-.
- (ii) Proposed cash dividend of Rs. 1/- per share for the year ended June 30, 2021 amounting to Rs. 56,879,201 million for approval of the members at the Annual General Meeting to be held on October 28, 2021.

40 NUMBER OF EMPLOYEES

Number of persons employed contractual and permanent as at year end were 541 (2020 : 206) and the average number of persons employed during the year were 590 (2020 : 387).

Number of persons employed at factory contractual and permanent as at year end were 507 (2020 : 140) and the average number of persons employed during the year were 517 (2020 : 320).

41 GENERAL

- a. Figures have been rounded off to the nearest rupee.
- b. Functional and Presentation Currency: Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. The financial Statements are presented in Pakistani Rupees, which is the Company's functional and presentational currency.
- c. Corresponding figures have been rearranged and reclassified, whenever necessary, for the purposes of comparison. During the year there were no major reclassifications to report. Due to first time actuarial valuation of the Gratuity Fund, the Company's comparative figures of the gratuity fund liability and the retained earnings have been restated by amounting Rs. 483,608/-.

Asad Ahmad
Chief Executive

Uzma Ahmad
Director

Mohammad Zameer
Chief Financial Officer

Pattern of Shareholding**As at June 30, 2021**

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
640	1	100	34,043
1,141	101	500	397,690
1,571	501	1,000	1,309,690
1,094	1,001	5,000	2,640,979
234	5,001	10,000	1,843,940
78	10,001	15,000	982,058
37	15,001	20,000	675,445
32	20,001	25,000	776,556
20	25,001	30,000	572,569
18	30,001	35,000	602,243
13	35,001	40,000	498,502
7	40,001	45,000	311,000
21	45,001	50,000	1,035,000
4	50,001	55,000	207,533
8	55,001	60,000	461,774
4	60,001	65,000	249,983
4	65,001	70,000	274,500
9	70,001	75,000	667,000
2	75,001	80,000	152,945
3	80,001	85,000	249,825
1	85,001	90,000	90,000
3	90,001	95,000	273,500
17	95,001	100,000	1,700,000
2	100,001	105,000	206,500
6	105,001	110,000	647,000
1	110,001	115,000	111,000
1	115,001	120,000	115,750
1	120,001	125,000	125,000
1	125,001	130,000	125,500
1	140,001	145,000	141,247
5	145,001	150,000	749,000
2	165,001	170,000	338,000
1	170,001	175,000	172,000
1	175,001	180,000	177,000
2	195,001	200,000	400,000

Pattern of Shareholding
As at June 30, 2021

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
2	205,001	210,000	415,500
1	220,001	225,000	223,500
2	245,001	250,000	500,000
1	250,001	255,000	255,000
2	255,001	260,000	520,000
1	270,001	275,000	273,000
3	295,001	300,000	900,000
1	300,001	305,000	302,500
1	305,001	310,000	305,129
1	310,001	315,000	311,500
1	325,001	330,000	328,500
1	335,001	340,000	337,000
1	375,001	380,000	378,500
2	395,001	400,000	799,500
1	400,001	405,000	401,450
1	405,001	410,000	406,500
1	435,001	440,000	440,000
1	475,001	480,000	479,000
1	495,001	500,000	500,000
1	565,001	570,000	570,000
1	610,001	615,000	612,787
1	645,001	650,000	650,000
1	740,001	745,000	743,500
1	765,001	770,000	769,499
1	795,001	800,000	800,000
1	860,001	865,000	861,500
1	890,001	895,000	893,225
1	995,001	1,000,000	1,000,000
1	1,395,001	1,400,000	1,400,000
1	1,445,001	1,450,000	1,450,000
1	1,930,001	1,935,000	1,930,001
1	2,005,001	2,010,000	2,007,338
1	3,195,001	3,200,000	3,200,000
1	3,695,001	3,700,000	3,700,000
1	8,895,001	8,900,000	8,900,000
5,026			56,879,201

Categories of Shareholders
As at June 30, 2021

Categories of Shareholders	No. of Shares Held	Percentage
Directors, Chief Executive Officer and their spouses and Minor Children	16,916,630	29.74
Associated Companies, Undertakings and Related Parties	96,699	0.17
NIT & ICP	35,702	0.06
Banks, NBFCs, DFIs, Takaful, Pension and Stock Funds	62,506	0.11
Modarabas & Mutual Funds	1,645,862	2.89
Insurance & Leasing Companies	336,115	0.59
Investment Companies	45,459	0.08
General Public (Local)	33,655,067	59.17
Other Companies	3,041,368	5.35
Joint Stock Companies	1,043,793	1.84
	56,879,201	100.00

Proxy Form

I, _____ of _____ being a member of Image Pakistan Ltd., Karachi and holder of _____ Shares as per R.F. No. _____ and / or CDC Participant I.D. No. _____ and Sub Account No. _____ hereby appoint _____ of _____ or failing him _____ of _____ as my proxy to attend and vote for me and on my behalf at the Annual General Meeting of the Company to be held on October 28, 2021 at F/538, S.I.T.E., Karachi and at any adjournment thereof.

As witness my hand this _____ day of _____, 2021.

Signed by the said _____

Please affix
Rs. 5/-
Revenue
Stamp

To be signed over Revenue Stamp

- IMPORTANT:**
- a) This form of proxy duly completed must be received at the office of the Company at F/538, S.I.T.E., Karachi, not later than 48 hours before the time of holding the meeting.
 - b) CDC Shareholders and their Proxies must each attach an attested photocopy of their National Identity Card or Passport with their proxy form.
 - c) A proxy should also be a shareholder of the Company.