



Allawasaya

Textile & Finishing Mills Limited



60th Annual Report
for the year ended June 30, 2017



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60th Annual Report

of

Allwasaya Textile & Finishing Mills Limited

for the year ended June 30, 2017



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VISION STATEMENT

The vision of Allawasaya Textile and Finishing Mills Limited is to contribute positively to the Socio-Economic growth of Pakistan through business and industrial pursuits endeavoring to achieve excellence in all spheres of such activity with effective and efficient management.

MISSION STATEMENT

Allawasaya Textile and Finishing Mills Limited becomes a truly professional organization, achieve higher quality standards, utilize maximum capacity, capture expansion opportunities and becomes a least cost operator amongst its competitors.

We will strive to continue as a successful Company, make profit and thus create value for our shareholders, customers, suppliers and employees.

QUALITY AND ENVIRONMENTAL POLICY

Our aim is to achieve the leadership of textile and spinning industry through quality products according to customer satisfaction. We thrive to achieve the above through the following measures:

- 1) Acquisition of quality raw material.
- 2) Manufacturing of high quality yarn as per customer satisfaction.
- 3) Continuous training and guidance to employees regarding quality and environment.
- 4) Continuous improvement, close watch and control in production process and environment.
- 5) Follow up of the system, regarding international quality and environmental laws.
- 6) Control of pollution discharge from industrial process.

COMPANY PROFILE

BOARD OF DIRECTORS

- | | | |
|----|----------------------------------|---------------------------|
| 1. | Mian Muhammad Jamil | - Chairman |
| 2. | Mian Tanvir Ahmad Sheikh | - Chief Executive/ M.D. |
| 3. | Mrs. Nusrat Jamil | - Non- Executive Director |
| 4. | Mian Tauqir Ahmad Sheikh | - Non-Executive Director |
| 5. | Mian Anis Ahmad Sheikh | - Non-Executive Director |
| 6. | Mian Muhammad Bilal Ahmad Sheikh | - Non-Executive Director |
| 7. | Mian Muhammad Alamgir Jamil Khan | - Executive Director |
| 8. | Mian Muhammad Umar Farooq Sheikh | - Non-Executive Director |
| 9. | Mr. Javed Musarrat | - Independent Director |

AUDIT COMMITTEE

- | | |
|------------------------|------------|
| Mian Anis Ahmad Sheikh | - Chairman |
| Mrs. Nusrat Jamil | - Member |
| Mr. Javed Musarrat | - Member |

HUMAN RESOURCE & REMUNERATION COMMITTEE (HR&R)

- | | |
|------------------------|------------|
| Mian Muhammad Jamil | - Chairman |
| Mian Anis Ahmad Sheikh | - Member |
| Mrs. Nusrat Jamil | - Member |

CHIEF FINANCIAL OFFICER

Sohail Nadeem

COMPANY SECRETARY

Muhammad Ismail

HEAD OF INTERNAL AUDIT

Ch. Javed Akhtar

AUDITORS

Deloitte Yousuf Adil Chartered Accountants, Karachi

LEGAL ADVISOR

Ashfaq Nadeem Advocate
H.No.135, St. No.9, Block Hashmi Near Rashidabad Chowk, Multan.

BANKERS

M/s Habib Bank Limited
M/s Bank AL Habib Limited
M/s Habib Metropolitan Bank Limited
M/s United Bank Limited

REGISTERED OFFICE

Allawasaya Square,
Mumtazabad Industrial Area,
Vehari Road, Multan, Pakistan

SHARES REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Limited
H.M. House, 7-Bank Square, Lahore, Pakistan



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 60th Annual General Meeting of the members of the Allawasaya Textile & Finishing Mills Limited will be held on Saturday October 28, 2017 at 03:30 p.m. at its registered office, Allawasaya Square, Mumtazabad Industrial Area, Vehari Road, Multan, Pakistan to transact the following business:

1. To read and confirm the minutes of the 59th Annual General Meeting of the Company held on October 29, 2016.
2. To receive, consider and adopt the audited annual financial statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2017.
3. To appoint auditors and to fix their remuneration for the financial year ending June 30, 2018 who will hold office till conclusion of the next Annual General Meeting. The Board on the recommendation of the Audit Committee has proposed the appointment of M/s Deloitte Yousuf Adil Chartered Accountants as external auditors. The retiring auditors being eligible, have offered themselves for re-appointment.
5. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD

Sd/-

(MUHAMMAD ISMAIL)

COMPANY SECRETARY

Multan, October 04, 2017

NOTES:

1. The Shares Transfer Books of the Company will remain closed from 21-10-2017 to 28-10-2017 (both days inclusive) transfers received in order at the office of the Company's Shares Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore by the close of business on October 20, 2017 will be treated in time.
2. A member entitled to attend and vote at the meeting, may appoint any other member as a proxy to attend, speak and vote on behalf of him/her. **A proxy must be a member.** Proxy Forms duly stamped with Rs. 5/- revenue stamp, signed and witnessed by two persons, in order to be valid must be received at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
3. Any individual beneficial owners of CDC, entitled to attend and vote at the meeting must bring his/her CNIC or passport to prove his/her identity and the proxy shall produce his/ her original CNIC or passport. In case of corporate members, the Boards' resolution or power of attorney with specimen signatures of the nominee shall require to be produced at the time of meeting.
4. For the convenience of Members, a Standard Request Form with appropriate details has been uploaded on the Company's website <www.allawasaya.com>. Those Members who opt to receive the hard copies of the annual audited financial statements instead of sending the same through CD/DVD/USB at their registered addresses may apply to the Company Secretary at his postal or email address secretary@allawasaya.com.
5. **Members are requested to submit an attested photocopy of their valid Computerized National Identity Cards (CNICs) as per SECP's direction, if not provided earlier and also communicate to the Company immediately of any change in their addresses.**
6. Members can also avail Video Conference facility in (name of cities where facility can be provided keeping in view geographical dispersal of members). In this regard please fill the following form and submit to the registered address of the Company within ten (10) days before holding of annual general meeting.

I/We, _____ of _____, being a member of

ALLAWASAYA TEXTILE AND FINISHING MILLS LIMITED, holder of _____ Ordinary Shares

as per Register Folio No./ CDC A/C No.. _____ hereby opt for Video Conference Facility at _____

Signature of member

If the Company receives consent from members holding an aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through Video Conference at least 10 days prior to the date of meeting, the Company will arrange Video Conference facility in that city subject to availability of such facility in that city.

DIRECTORS' REPORT

In the name of Allah the Most Beneficent and the Merciful

Dear Shareholders,

On behalf of the Board of Directors of the Company, it is my privilege to present before you the 60th Annual Report on the affairs of your Company along with the Audited Accounts for the financial year ended June 30, 2017.

PERFORMANCE:

The performance of the Company remained depressed during the year under report. Textile Sector faced competition from regional players including Bangladesh, India and Vietnam which not only hampered the International as well as the local market. Moreover, import of yarn from India has also affected the local spinning industry. The rising cost of production especially cost of raw material, energy crisis, high cost of RLNG fuel and consistently increase in minimum wage rate has also affected the competitiveness of production lines of the Company which resulted into net after tax loss for the year ending June 30, 2017. The total production of yarn during the year under review at 20's count basis was 13,024,171.86 Kgs as compared to 12,679,268 Kgs last year. The total sales for the year amounted to Rs. 1,966,036,666 (8,423,533.44 Kgs) as compared to Rs. 1,673,156,869/- (7,727,393.52 Kgs) last year. The gross profit for the year was Rs. 49,054,839/- as compared to Rs. 50,541,703/- last year. The Net Loss after providing for Tax amounted to (Rs. 40,346,211/-) as compared to the Net Loss of (Rs. 37,799,098/-) last year.

The financial results for the year ended June 30, 2017 along with the comparative figures of the last year are summarized under the respective heads of Accounts below:

ACCOUNTS:	For the year ended June 30, 2017 Rupees	For the year ended June 30, 2016 Rupees
Sales- net	1,966,036,666	1,673,156,869
Cost of goods sold	(1,916,981,827)	(1,622,615,166)
Gross Profit	49,054,839	50,541,703
Other (loss) / income	(2,316,945)	755,408
	46,737,894	51,297,111
Distribution and marketing expenses	(12,492,485)	(11,831,038)
Administrative Expenses	(45,799,646)	(61,668,429)
Finance Cost	(20,562,389)	(13,441,299)
Loss before Taxation	(32,116,626)	(35,643,655)
Provision for Taxation	(8,229,585)	(2,155,443)
Loss for the year	(40,346,211)	(37,799,098)
Other Comprehensive Income	-	-
Total comprehensive loss for the year	(40,346,211)	(37,799,098)
Loss per share- basic and diluted	(50.43)	(47.25)

FUTURE OUTLOOK

The future outlook of the textile sector is expected to remain tough in the future as well. In this scenario, the whole industry is looking towards the Government to support the textile industry of Pakistan and help it to become competitive globally. Good corporate Governance, marketing quality, production efficiency and financial discipline will remain top focus by the management but optimal results from the textile industry are not possible unless the Government addresses all confronted issues positively. Hence the future results depend upon the response of local and international markets along with business friendly policies of the Government for the textile sector.

The company faced with these multifaceted and mounting challenges and has planned to implement major cost cutting measures across the company and is aligning itself to tackle current market threats. Your company is committed to maintain optimum quality, product diversification, exploring new markets and achieving higher production efficiencies. However, due to tough competition in the local well as in the international market margins are continuously under pressure.

DIVIDEND

Due to the losses suffered by the Company during the year under report, your Directors propose to pass over the Dividend this year.

ISO 9001:2008 QMS AND ISO 14001:2004 EMS CERTIFICATION

Your Directors are pleased to report that your Company is quite successfully maintaining its ISO 9001:2008 Certification for Quality Management System and the ISO 14001:2004 Certification for Environmental Management System.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

Your Directors are pleased to report that the Company is complying with the requirements of the Code of Corporate Governance as introduced by the Securities and Exchange Commission of Pakistan. The various statements, as required by the code, are given below:

PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements, prepared by the Company, fairly present its state of affairs, the results of operations, cash flows, and changes in equity;

BOOKS OF ACCOUNTS:

The Company has maintained proper books of accounts;

ACCOUNTING POLICIES:

Appropriate accounting polices have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS (IAS):

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;

INTERNAL CONTROL SYSTEM:

The system of internal control is sound in design and has been effectively implemented and monitored;

ON GOING CONCERN:

The Company's financial position is sound enough to ensure its continuity as an on going concern;

NO OUTSTANDING STATUTORY DUES:

There are no outstanding statutory dues on account of taxes, levies and charges except of normal and routine nature;

FINANCIAL HIGHLIGHTS:

Key operating and financial data of the last six years is given in Annex 1.

BOARD MEETINGS:

During the year ended June 30, 2017 four (4) meetings of the Board of Directors were held. Attendance of each Director is given below:

<u>Director's Name</u>	<u>Meeting Attended</u>
Mian Muhammad Jamil	4
Mian Tanvir Ahmad Sheikh	4
Mrs. Nusrat Jamil	4
Mian Tauqir Ahmad Sheikh	4
Mian Anis Ahmad Sheikh	3
Mian Muhammad Bilal Ahmad Sheikh	4
Mian Muhammad Alamgir Jamil Khan	4
Mian Muhammad Umar Farooq Sheikh	4
Mr. Javed Musarrat	4

AUDITORS

Your Company's Auditors M/s Deloitte Yousuf Adil Chartered Accountants, Karachi retire and being eligible offer themselves for re-appointment for the next year.



PATTERN OF SHAREHOLDING

Pattern of Shareholding of the Shareholders of the Company as on June 30, 2017 as required under Section 236 (2) (d) of the Companies Ordinance, 1984 is annexed.

RELATIONS WITH LABOUR AND STAFF

Your Directors are happy to report that relations with labour and staff of the Company remained cordial throughout the year.

ACKNOWLEDGMENT

Your Directors acknowledge the best cooperation as usual enjoyed by your Company from M/s Habib Bank Limited, M/s Bank AL Habib Limited, M/sHabib Metropolitan Bank Limited and M/s United Bank Limited and wish to record their appreciation for the same and hope the Bankers will continue their support to the Company in future as well.

The dedicated hard work of all employees of the Company is also acknowledged.

On behalf of the Board of Directors

Sd/-
MIAN MUHAMMAD JAMIL
CHAIRMAN

Multan, October 4, 2017



SIX YEARS KEY OPERATING AND FINANCIAL DATA

Year Ended June 30,

2017	2016	2015	2014	2013	2012
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BALANCE SHEET

Authorized Capital	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Issued, Subscribed & Paid up Capital	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Reserves	82,668,746	82,668,746	82,668,746	82,668,746	82,668,746	82,668,746
Un-appropriated Profits	152,641,179	178,237,663	204,822,116	216,023,031	180,946,420	96,956,670
Total Equity	243,309,925	268,906,409	295,490,862	306,691,777	271,615,166	187,625,416
Surplus on Revaluation of Property, Plant & Equipment	564,143,421	575,634,520	457,304,932	471,395,262	485,736,969	34,771,550
Long Term Liabilities	-	-	-	-	11,342,670	45,954,802
Deferred Liabilities	106,550,429	119,794,403	110,163,021	131,437,931	152,131,668	58,852,470
Short Term Liabilities	351,378,451	383,227,754	274,999,671	199,186,565	192,769,321	230,337,137
Total Liabilities	1,022,072,301	1,078,656,677	842,467,624	802,019,758	841,980,628	335,144,409
Total Equity & Liabilities	1,265,382,226	1,347,563,086	1,137,958,486	1,108,711,535	1,113,595,794	557,541,375
Fixed Assets	882,766,913	890,476,175	756,874,934	793,848,822	812,267,882	254,327,265
Long Term Deposits	2,379,997	2,379,997	2,379,997	2,223,997	2,627,781	2,627,989
Current Assets	380,235,316	454,706,914	378,703,555	312,638,716	298,700,131	300,586,121
Total Assets	1,265,382,226	1,347,563,086	1,137,958,486	1,108,711,535	1,113,595,794	557,541,375

PROFIT & LOSS ACCOUNT

Turnover	1,966,036,666	1,673,156,869	1,759,164,451	2,167,183,350	2,038,914,882	2,066,231,736
Gross Profit	49,054,839	50,541,703	13,657,493	141,258,633	218,850,085	162,755,672
(Loss)/ Profit before Taxation	(32,116,626)	(35,643,655)	(56,745,009)	38,734,562	121,466,461	64,633,272
(Loss)/ Profit after Taxation	(40,346,211)	(37,799,098)	(19,582,864)	36,934,904	87,194,366	41,577,141

DISTRIBUTION

Cash Dividend %	-	-	-	102.50	202.50	102.50
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RATIOS

Break up value Per share (Rs.)	304.14	336.13	369.36	383.36	339.52	234.53
(Loss) / Earnings per Share (Rs)	(50.43)	(47.25)	(24.48)	46.17	108.99	51.97
Current Ratio	1.08:1	1.19:1	1.38:1	1.57:1	1.55:1	1.30:1
Debt/ equity ratio	00:100	00:100	00:100	01:99	06:94	27:73

CAPACITY & PRODUCTION

No. of spindle installed and worked	30,592	30,592	30,592	30,592	30,592	30,592
Capacity of Yarn at 20's Count (Kgs)	13,213,585	12,864,160	12,111,985	12,314,067	11,922,889	12,745,580
Actual Production of Yarn at 20's Count (Kgs)	12,882,613	12,679,268	11,896,628	12,056,349	11,703,986	12,907,697

Statement of Compliance with the Code of Corporate Governance for the year ended June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No.5.19.24 of listing regulations of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Names	Category
Mian Muhammad Jamil	Executive Director (Chairman)
Mian Tanvir Ahmad Sheikh	Executive Director (CEO)
Mian Muhammad Alamgir Jamil Khan	Executive Director
Mrs. Nusrat Jamil	Non-Executive Director
Mian Tauqir Ahmad Sheikh	Non-Executive Director
Mian Anis Ahmad Sheikh	Non-Executive Director
Mian Muhammad Bilal Ahmad Sheikh	Non-Executive Director
Mian Muhammad Umar Farooq Sheikh	Non-Executive Director
Mr. Javed Musarrat	Independent Director

The Independent Director meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a development financial institution or a non-banking financial company or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year.
5. The Company has prepared a "Code of Conduct" for the Board, senior management and other employees and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.

8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board arranged Directors' Training Programs for its two directors namely Mr. Muhammad Umar Farooq and Mr. Javed Musarrat during the year 2016 and for its one director namely Mr. Muhammad Alamgir Jamil Khan during the year 2013. The remaining six directors of the Company are exempt from the requirement of Directors' Training Program. All the directors on the Board are fully conversant with their duties and responsibilities as directors of the Company.
10. There was no new appointment of CFO, Company Secretary and Head of Internal Audit during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors and the chairman of the committee is also a non-executive director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors and the chairman of the committee is an executive director.
18. The Board has set up an effective internal audit function headed by the Head of Internal Audit. The staff is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company and are involved in the internal audit function on a full time basis.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.



22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that the material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors

Sd/-
MIAN MUHAMMAD JAMIL
CHAIRMAN

Multan, October 4, 2017



Review Report to the Members on the Statement of Compliance with the best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Allawasaya Textile & Finishing Mills Limited (the Company), for the year ended June 30, 2017 to comply with the Listing Regulation of Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 any procedures to determine 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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

DELOITTE YOUSUF ADIL
CHARTERED ACCOUNTANTS

Engagement Partner:
Nadeem Yousuf Adil

Karachi, October 4, 2017

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Allawasaya Textile & Finishing Mills Limited** ("the Company") as at June 30, 2017 and the related profit and loss account, cash flow statement, and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that;

- (a) In our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) In our opinion-
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied.
 - (ii) the expenditure incurred during the year was for the purpose of Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- (c) In our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, 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, 2017 and of the loss, its cash flows and changes in equity for the year then ended; and
- (d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

DELOITTE YOUSUF ADIL
CHARTERED ACCOUNTANTS

Engagement Partner:
Nadeem Yousuf Adil

Karachi, October 4, 2017



**BALANCE SHEET
AS AT JUNE 30, 2017**

	<i>Note</i>	<i>2017 Rupees</i>	<i>2016 Rupees</i>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	882,766,913	890,476,175
Long term deposits		2,379,997	2,379,997
		885,146,910	892,856,172
CURRENT ASSETS			
Stores and spares	4	20,178,306	11,994,464
Stock in trade	5	161,021,011	252,639,869
Trade debts	6	142,818,029	146,100,238
Loans and advances	7	31,981,278	33,311,449
Trade deposits and prepayments	8	646,676	533,025
Tax refunds due from government	9	22,309,184	6,903,805
Cash and bank balances	10	1,280,832	3,224,064
		380,235,316	454,706,914
TOTAL ASSETS		1,265,382,226	1,347,563,086
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	11	8,000,000	8,000,000
Reserves	12	82,668,746	82,668,746
Unappropriated profits		152,641,179	178,237,663
		243,309,925	268,906,409
Surplus on revaluation of property, plant and equipment	13	564,143,421	575,634,520
NON-CURRENT LIABILITIES			
Deferred tax	14	106,550,429	119,794,403
CURRENT LIABILITIES			
Trade and other payables	15	115,246,126	90,465,764
Accrued markup	16	3,979,734	4,963,575
Short term borrowings	17	213,937,660	271,066,846
Provision for taxation	18	18,214,931	16,731,569
		351,378,451	383,227,754
Contingencies and commitments	19		
TOTAL EQUITY AND LIABILITIES		1,265,382,226	1,347,563,086

The annexed notes from 1 to 36 form an integral part of these financial statements.

Sd/-
Mian Tanvir Ahmad Sheikh
Chief Executive Officer

Sd/-
Mian Muhammad Alamgir Jamil Khan
Director

Sd/-
Sohail Nadeem
Chief Financial Officer

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 Rupees	2016 Rupees
Sales - net	20	1,966,036,666	1,673,156,869
Cost of goods sold	21	<u>(1,916,981,827)</u>	<u>(1,622,615,166)</u>
Gross profit		49,054,839	50,541,703
Other (loss) / income	22	<u>(2,316,945)</u>	<u>755,408</u>
		46,737,894	51,297,111
Distribution and marketing expenses	23	<u>(12,492,485)</u>	<u>(11,831,038)</u>
Administrative expenses	24	<u>(45,799,646)</u>	<u>(61,668,429)</u>
Finance cost	25	<u>(20,562,389)</u>	<u>(13,441,299)</u>
		<u>(78,854,520)</u>	<u>(86,940,766)</u>
Loss before taxation		<u>(32,116,626)</u>	<u>(35,643,655)</u>
Provision for taxation			
Current			
- for the year		(18,214,931)	(16,731,569)
- prior year		-	-
Deferred tax		9,985,346	14,576,126
	26	<u>(8,229,585)</u>	<u>(2,155,443)</u>
Loss for the year		<u>(40,346,211)</u>	<u>(37,799,098)</u>
Other Comprehensive Income		-	-
Total comprehensive loss for the year		<u><u>(40,346,211)</u></u>	<u><u>(37,799,098)</u></u>
Loss per share - basic and diluted	28	<u><u>(50.43)</u></u>	<u><u>(47.25)</u></u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017**

	2017	2016
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(32,116,626)	(35,643,655)
Adjustments for:		
Depreciation on property, plant and equipment	33,102,540	28,329,452
Loss / (gain) on disposal of property, plant and equipment	2,316,945	(755,408)
Provision for staff retirement benefits - gratuity	12,168,710	10,604,750
Finance cost	-	13,441,299
Operating cash flows before movement in working capital	<u>15,471,569</u>	<u>15,976,438</u>
(Increase) / decrease in current assets		
Stores, spares and loose tools	(8,183,842)	469,547
Stock in trade	91,618,858	(73,059,140)
Trade debts	3,282,209	4,441,912
Loans and advances (excluding advance income tax)	307,647	(5,042,021)
Trade deposits and prepayments	(113,651)	91,637
Tax refunds due from government	(15,405,379)	(1,843,673)
Decrease / (increase) in current liabilities		
Trade and other payables (excluding unclaimed dividend)	23,340,888	(26,523,670)
	<u>94,846,730</u>	<u>(101,465,408)</u>
Net cash generated from / (used in) operations	<u>110,318,299</u>	<u>(85,488,970)</u>
Income taxes paid	(15,709,045)	(23,868,438)
Staff retirement benefits - gratuity paid	(10,727,200)	(10,681,200)
Finance cost paid	(983,841)	(12,052,750)
Net cash generated from / (used in) operating activities	<u>82,898,213</u>	<u>(132,091,358)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(29,615,223)	(21,027,644)
Proceeds on disposal of property, plant and equipment	1,905,000	1,550,000
Deletion to capital work in progress	-	12,054,100
Net cash (used in) investing activities	<u>(27,710,223)</u>	<u>(7,423,544)</u>



	2017	2016
Note	Rupees	Rupees
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,036)	-
Net cash used in financing activities	(2,036)	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	55,185,954	(139,514,902)
Cash and cash equivalents at beginning of the year	(267,842,782)	(128,327,880)
Cash and cash equivalents at end of the year	27 (212,656,828)	(267,842,782)

The annexed notes from 1 to 36 form an integral part of these financial statements.

Sd/-
Mian Tanvir Ahmad Sheikh
Chief Executive Officer

Sd/-
Mian Muhammad Alamgir Jamil Khan
Director

Sd/-
Sohail Nadeem
Chief Financial Officer



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017**

	Share Capital	Reserves			Total
		Capital	Revenue		
		Tax holiday reserve	General reserve	Accumulated profit/Loss	
----- Rupees -----					
Balance at July 01, 2015	8,000,000	2,668,746	80,000,000	204,822,116	295,490,862
Loss for the year	-	-	-	(37,799,098)	(37,799,098)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(37,799,098)	(37,799,098)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	-	-	11,214,645	11,214,645
Balance at June 30, 2016	8,000,000	2,668,746	80,000,000	178,237,663	268,906,409
Loss for the year	-	-	-	(40,346,211)	(40,346,211)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(40,346,211)	(40,346,211)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	-	-	12,454,930	12,454,930
Transfer from surplus on revaluation of property, plant and equipment on account of disposal of assets (net of deferred tax)	-	-	-	2,294,797	2,294,797
Balance at June 30, 2017	8,000,000	2,668,746	80,000,000	152,641,179	243,309,925

The annexed notes from 1 to 36 form an integral part of these financial statements.

Sd/-
Mian Tanvir Ahmad Sheikh
Chief Executive Officer

Sd/-
Mian Muhammad Alamgir Jamil Khan
Director

Sd/-
Sohail Nadeem
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

1. THE COMPANY AND ITS OPERATIONS

1.1 Allawasaya Textile & Finishing Mills Limited (the Company) was incorporated in Pakistan on December 03, 1958 as a private limited company. It was converted into a public limited company in 1965 under the Companies, Act 1913 (now Companies Ordinance, 1984). Its shares are quoted on Pakistan stock exchange (psx) in Pakistan. It is principally engaged in the manufacturing and sale of yarn. The registered office and mill of the Company is situated at Allawasaya Square, Mumtazabad Industrial Area, Vehari Road, Multan in the province of Punjab.

1.2 These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 shall prevail.

During the year, the Companies Act, 2017 (the new Companies Act) was enacted and promulgated by the SECP on May 30, 2017. However, SECP has notified through Circular No. 17 of July 20, 2017 that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, the Company shall prepare the financial statements for periods closing after June 30, 2017 in accordance with the provisions of the new Companies Act. The Company is currently in process of determining impact, if any, on future financial statements due to implementation of the Act.

2.2 Standards, interpretation and amendment adopted during the year

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

2.2.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2017

The following standards, amendments and interpretations are effective for the year ended June 30, 2017. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception	Effective from accounting period beginning on or after January 01, 2016
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Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements	Effective from accounting period beginning on or after January 01, 2016
Certain annual improvements have also been made to a number of IFRSs.	Effective from accounting period beginning on or after January 01, 2016
Certain annual improvements have also been made to a number of IFRSs.	

2.2.2 New accounting standards, amendments to published standards and interpretations that are not yet effective.

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	Effective from accounting period beginning on or after January 01, 2018
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective date is deferred indefinitely. Earlier adoption is permitted.
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	Effective from accounting period beginning on or after January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	Effective from accounting period beginning on or after January 01, 2017
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	Effective from accounting period beginning on or after January 01, 2018. Early application is permitted.
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	Effective from accounting period beginning on or after January 01, 2018. Early application is permitted.

IFRIC 23 'Uncertainty over Income Tax Treatments': Effective from accounting period beginning on or after January 01, 2019
Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.

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

2.3 Basis of preparation

These financial statements have been prepared under the historical cost convention except for revaluation of certain property, plant and equipment.

2.4 Critical judgments and accounting estimates in applying the accounting policies

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

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

Significant areas requiring the use of management estimates in these financial statements relate to the

- useful life of depreciable assets.
- provision for doubtful debts.
- provision for tax and deferred tax.
- revaluation of assets.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in the next year.

2.5 The principal accounting policies adopted are set out as below.

2.5.1 Property, plant and equipment

Property, plant and equipment except freehold land, building on freehold land, plant and machinery, electric installation and power house and capital work in progress are stated at cost less accumulated depreciation and impairment, if any.

Freehold land is stated at revalued amount less any impairment loss, if any. Building on freehold land, plant and machinery, electric installation and power house are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the balance sheet date. Any revaluation increase arising on the revaluation of such assets is credited in 'Surplus on revaluation of property, plant and equipment'. A decrease in the carrying amount arising on revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation account relating to a previous revaluation of that asset. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related assets is transferred by the Company to its unappropriated profit on an annual basis.

Depreciation is charged to income applying reducing balance method to write-off the cost over the estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Rates of depreciation are stated in note 3. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal respectively.

Gains / losses on disposal of operating assets, if any, are recognized in profit and loss account, as and when assets are derecognized.

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

Capital work-in-progress

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

2.5.2 Stores and spares

These are valued at cost. The cost is determined on moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon upto the reporting date.

2.5.3 Stock in trade

These are determined at lower of cost and net realisable value. Cost is determined as;

Particulars	Mode of valuation
Raw material	
- At mills	At weighted average cost.
- In transit	Cost accumulated to the balance sheet date.
Work in process	Average manufacturing cost.
Finished goods	Average manufacturing cost.
Waste	Net realizable value.

Cost in relation to work in process and finished goods represents the annual average cost which consists of prime cost and appropriate manufacturing overheads. Cost of raw materials consumed is accounted for by applying the annual average cost of both imported and local purchases.

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

2.5.4 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

2.5.5 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amount of cash and are subject to insignificant risk of change in value, and short-term running finance. Running finances under mark-up arrangements are shown with short term borrowings in current liabilities on the balance sheet.

2.5.6 Trade and other payables

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

2.5.7 Taxation

Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits and rebates available, if any or on turnover at the specified rates or Alternate Corporate Tax Act as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessments framed / finalized during the year.

Deferred

Deferred tax is provided for using balance sheet liability method for all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used. In this regard, the effect on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of Institute of Chartered Accountants of Pakistan.

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

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

2.5.8 Dividend distribution

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

2.5.9 Impairment

Financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets except deferred tax assets and inventories may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

2.5.10 Foreign currency translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing on the date of transactions. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction.

Gains and losses on retranslation are included in profit or loss for the period.

2.5.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

- Direct local sales are recorded when significant risks and rewards are transferred which coincides with delivery of goods to customers.
- Sales through agents are booked on intimation from the agents.
- Profit from investment is recognized on time apportioned basis using effective rate of interest.

2.5.12 Borrowing cost

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit and loss account in the period in which they are incurred.

2.5.13 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation 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 a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.5.14 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

2.5.15 Off setting of financial assets and financial liabilities

A financial asset and a financial liability is off set and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.5.16 Staff retirement benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme for all its eligible employees who have completed the minimum qualifying period of service i.e. one year of service. Employees successfully completing one year of service are paid with the outstanding amount which is calculated at latest drawn gross salary for the year. Charge for the year represents the amount becoming due in the year (whether paid or un-paid).

2.5.17 Earnings Per Share

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

3 PROPERTY, PLANT AND EQUIPMENT
Year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
Operating assets	3.1	882,766,913	890,476,175
		<u>882,766,913</u>	<u>890,476,175</u>

3.1 Operating assets

Particulars	Cost / Revaluation		Accumulated Depreciation		Book value		Rate %
	At July 01, 2016	Additions/(Disposals) during the year	At July 01, 2016	For the year 2017	At June 30, 2017	At June 30, 2017	
Owned							
Land- Freehold	356,125,000	-	-	-	-	356,125,000	-
Building on freehold land	106,715,000	-	902,620	5,290,619	6,193,239	100,521,761	5
Plant and machinery	332,524,500	14,454,357 (4,074,000)	47,903,500	14,800,859 (186,725)	62,517,634	280,387,223	5
Power house							
- Building on freehold land	8,353,620	-	-	417,681	417,681	7,935,939	5
- Generators	97,000,955	9,002,537	6,975,955	4,726,313	11,702,268	94,301,224	5
- Electric installation	11,825,040	-	40	1,773,750	1,773,790	10,051,250	15
	117,179,615	9,002,537	6,975,995	6,917,744	13,893,739	112,288,413	
Tube well	631,006	639,000	130,976	65,978	196,954	1,073,052	10
Electric installation	10,379,000	-	-	1,556,850	1,556,850	8,822,150	15
Workshop equipments	160,909	-	157,449	346	157,795	3,114	10
Tools & equipments	151,401	-	145,832	557	146,389	5,012	10
Laboratory equipments	3,832,266	-	2,989,174	84,309	3,073,483	758,783	10
Weighing scales	755,508	13,000	639,186	12,499	651,685	116,823	10
Arms & ammunition	264,057	-	140,757	12,330	153,087	110,970	10
Office equipments	2,968,021	-	2,159,753	121,240	2,280,993	687,028	15
Furniture & fixture	1,227,218	-	899,620	32,760	932,380	294,838	10
Vehicles	37,598,222	5,506,329 (4,673,332)	16,990,686	4,206,449 (4,338,662)	16,858,473	21,572,746	20
TOTAL	970,511,723	29,615,223 (8,747,332)	80,035,548	33,102,540 (4,525,387)	108,612,701	882,766,913	

3.2 For Comparative year

Particulars	Cost / Revaluation			Accumulated Depreciation			Book value		Rate
	At July 01, 2015	Additions / (Disposal) during the year	Surplus on Revaluation	At June 30, 2016	At July 01, 2015	For the year	Revaluation adjustments	At June 30, 2016	
	Rupees								
									%
Owned									
Land- Freehold	287,260,000	1,340,000	67,525,000	356,125,000	-	-	-	-	356,125,000
Building on freehold land	106,715,000	-	-	106,715,000	21,561,145	4,257,693	(24,916,218)	902,620	105,812,380
Plant and machinery	332,524,500	-	-	332,524,500	63,009,619	13,475,744	(28,581,863)	47,903,500	284,621,000
Power house									
- Building on freehold land	7,666,001	-	687,619	8,353,620	943,319	336,134	(1,279,453)	-	8,353,620
- Generators	97,000,955	-	-	97,000,955	19,084,937	3,895,801	(16,004,783)	6,975,955	90,025,000
- Electric installation	7,999,044	-	3,825,996	11,825,040	2,291,976	856,060	(3,147,996)	40	11,825,000
	112,666,000	-	4,513,615	117,179,615	22,320,232	5,087,995	(20,432,232)	6,975,995	110,203,620
Tube well	106,006	525,000	-	631,006	104,584	26,392	-	130,976	500,030
Electric installation	6,297,616	-	4,081,384	10,379,000	3,243,278	458,151	(3,701,429)	-	10,379,000
Workshop equipments	160,909	-	-	160,909	157,065	384	-	157,449	3,460
Tools & equipments	151,401	-	-	151,401	145,214	618	-	145,832	5,569
Laboratory equipments	3,832,266	-	-	3,832,266	2,895,498	93,676	-	2,989,174	843,092
Weighing scales	742,508	13,000	-	755,508	626,864	12,322	-	639,186	116,322
Arms & ammunition	264,057	-	-	264,057	127,057	13,700	-	140,757	123,300
Office equipments	2,893,021	75,000	-	2,968,021	2,018,220	141,533	-	2,159,753	808,268
Furniture & fixture	1,227,218	-	-	1,227,218	863,220	36,400	-	899,620	327,598
Vehicles	24,406,725	19,074,644	-	37,598,222	17,354,397	4,724,844	-	16,990,686	20,607,536
	(5,883,147)			(5,883,147)		(5,088,555)			
TOTAL	879,247,227	21,027,644	76,119,999	970,511,723	134,426,393	28,329,452	(77,631,742)	80,035,548	890,476,175
	(5,883,147)			(5,883,147)		(5,088,555)			

3.2.1 Depreciation for the year has been allocated as under;

Note	2017 Rupees	2016 Rupees
21	28,729,761	23,412,978
24	4,372,779	4,916,474
	<u>33,102,540</u>	<u>28,329,452</u>

3.3 Disposal of operating assets

Particular	Cost	Book value	Rupees		Mode of disposal	Particulars of buyer
			Sale proceed	Gain/ (loss)		
Prado Land Cruiser	4,673,332	334,670	1,005,000	670,330	Negotiation	Abdul Aziz
Simplex Machines	4,074,000	3,887,275	900,000	(2,987,275)	Negotiation	Malik Manzoor
2017	8,747,332	4,221,945	1,905,000	(2,316,945)		
Toyota Corolla	1,327,347	444,006	925,000	180,994	Negotiation	Muhammad Naseer
Prado Land Cruiser	4,555,800	350,586	625,000	574,414	Negotiation	Muhammad Aslam
2016	5,883,147	794,592	1,550,000	755,408		

- 3.4** The Company had revalued its free hold land, Building on free hold land, plant & machinery, electric installation and power house on June 30, 2016. The revaluation was carried out by M/s. K. G. Traders (Private) Limited on the basis of market value. The revaluation surplus had been credited to 'Surplus on revaluation of property, plant and equipment'. Had there been no revaluation the related figures of property, plant and equipment would have been as follows:

	<i>Carrying amount</i>	
	2017	2016
	<i>Rupees</i>	<i>Rupees</i>
Land- Freehold	5,335,834	5,335,834
Building on Free-hold Land	5,239,414	5,515,173
Plant & Machinery	111,768,163	103,676,430
Electric installation	2,206,757	2,596,187
Power house		
Building on freehold land	3,143,185	3,308,616
Generators	70,950,324	65,445,107
Electric Installation	3,919,909	4,611,655
	<u>202,563,587</u>	<u>190,489,002</u>

4. STORES AND SPARES

Stores	17,561,644	10,065,267
Spares	2,616,662	1,929,197
	<u>20,178,306</u>	<u>11,994,464</u>

- 4.1** The Company does not hold any stores and spares for capitalization purpose.

5. STOCK IN TRADE	2017	2016
	<i>Rupees</i>	<i>Rupees</i>
Raw materials		
- Cotton	83,312,370	146,830,345
- Polyester	7,260,538	12,261,524
	<u>90,572,908</u>	<u>159,091,869</u>
Work in process	10,260,893	8,840,856
Finished goods		
-Yarn	59,116,240	84,168,414
-Waste	1,070,970	538,730
	<u>60,187,210</u>	<u>84,707,144</u>
	<u>161,021,011</u>	<u>252,639,869</u>

6. TRADE DEBTS	2017	2016
	Rupees	Rupees
Local - unsecured		
Considered good	142,818,029	146,100,238
Considered doubtful	165,506	165,506
Provision for doubtful debts	(165,506)	(165,506)
	142,818,029	146,100,238
6.1	Trade debts are non-interest bearing and are generally on 60 to 90 days terms.	
6.2	The Company provides for doubtful debts on the basis of past due balances. Balances considered bad and irrecoverable are written off when identified.	
6.3	Trade debts consist of a large number of diversified customers. Ongoing credit evaluation is performed on the financial condition of trade debts and, where appropriate, provision is made.	
6.4	The fair value of trade debts approximate their carrying amounts.	
6.5	At year end, trade debts of Rs.142.80 million (2016: Rs. 145.58 million) were neither past due nor impaired.	
6.6	As at year end, trade debts of Rs. 0.17 million (2016: Rs. 0.52 million) were past due but not considered impaired for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The aging of past due receivables is as follows:	
	2017	2016
	Rupees	Rupees
3 to 6 months	9,687	37,586
Over 6 months	162,996	485,136
	172,683	522,722
7. LOANS AND ADVANCES		
Considered good		
Advances to employees	1,108,106	1,681,448
Advance to suppliers	5,415,931	4,875,212
Advance income tax	25,457,241	26,479,765
Advance against letter of credit	-	275,024
	31,981,278	33,311,449
8. TRADE DEPOSITS AND PREPAYMENTS		
Margin deposit	5,000	5,000
Prepayments	641,676	528,025
	646,676	533,025

	2017	2016
	Rupees	Rupees
9. TAX REFUNDS DUE FROM GOVERNMENT		
Sales tax refundable	20,173,688	5,907,381
Income tax refundable	2,135,496	996,424
	22,309,184	6,903,805

10. CASH AND BANK BALANCES

Cash in hand	890,577	1,734,559
Cash at banks in current accounts	390,255	1,489,505
	1,280,832	3,224,064

11. SHARE CAPITAL

2017	2016		2017	2016
Number of shares			Rupees	Rupees
		Authorised		
1,000,000	1,000,000	Ordinary share of Rs. 10 each.	10,000,000	10,000,000
		Issued, subscribed and paid up		
		Ordinary shares of Rs. 10 each		
499,900	499,900	issued for cash	4,999,000	4,999,000
300,100	300,100	as bonus shares	3,001,000	3,001,000
800,000	800,000		8,000,000	8,000,000

11.1 There were no movements in issued, subscribed and paid up capital during the reporting year.

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

	Note	2017	2016
		Rupees	Rupees
12. RESERVES			
Capital			
Tax holiday reserve	12.1	2,668,746	2,668,746
Revenue			
General reserve		80,000,000	80,000,000
		82,668,746	82,668,746

12.1 This represents tax holiday reserve.

	2017	2016
	Rupees	Rupees
13. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Opening balance	676,651,999	538,033,944
Addition during the year	-	153,751,741
Transferred to unappropriated profit on account of		
Incremental depreciation - net of deferred tax	(12,454,930)	(11,214,645)
Disposal during the year - net of deferred tax	(2,294,797)	-
Related deferred tax liability on incremental depreciation	(5,337,827)	(3,919,041)
Related deferred tax liability on disposal during the year	(983,485)	-
	<u>(21,071,039)</u>	<u>(15,133,686)</u>
Closing balance	655,580,960	676,651,999
Related deferred tax liability		
Opening balance	(101,017,479)	(80,729,012)
Addition during the year	-	(26,730,290)
Transferred to unappropriated profit on account of		
- deferred tax on incremental depreciation	5,337,827	3,919,041
- deferred tax on disposal during the year	983,485	-
- deferred tax due to rate change	3,258,628	2,522,782
	<u>9,579,940</u>	<u>6,441,823</u>
Closing balance	<u>(91,437,539)</u>	<u>(101,017,479)</u>
	<u>564,143,421</u>	<u>575,634,520</u>

14. DEFERRED TAX

	Deferred tax recognised in			Closing balance
	Opening balance	Recognized in profit and loss account	Recognized in equity	
Movement for the year ended June 30, 2017				
Deferred tax liabilities on taxable temporary differences arising in respect of:				
- property, plant and equipment	33,929,302	1,463,559	-	35,392,861
- Surplus on revaluation of assets	101,017,479	(6,321,312)	(3,258,628)	91,437,539
Deferred tax assets on deductible temporary differences arising in respect of:				
- doubtful debts	(51,307)	1,655	-	(49,652)
- staff gratuity	(1,017,498)	(399,630)	-	(1,417,128)
- unabsorbed tax losses	(14,083,573)	(4,729,618)	-	(18,813,191)
	119,794,403	(9,985,346)	(3,258,628)	106,550,429

	Deferred tax recognised in			Closing balance
	Opening balance	Recognized in profit and loss account	Recognized in equity	
Movement for the year ended June 30, 2016				
Deferred tax liabilities on taxable temporary differences arising in respect of:				
- property, plant and equipment	36,444,362	(2,515,060)	-	33,929,302
- Surplus on revaluation of assets	80,729,012	(3,919,041)	24,207,508	101,017,479
Deferred tax assets on deductible temporary differences arising in respect of:				
- doubtful debts	-	(51,307)	-	(51,307)
- staff gratuity	(1,074,784)	57,286	-	(1,017,498)
- unabsorbed tax losses	(5,935,569)	(8,148,004)	-	(14,083,573)
	110,163,021	(14,576,126)	24,207,508	119,794,403

15. TRADE AND OTHER PAYABLES	Note	2017	2016
		Rupees	Rupees
Creditors		33,285,167	18,799,576
Accrued liabilities	15.1	61,557,343	57,486,728
Advance payments		7,576,094	3,771,745
Unclaimed dividend		798,894	800,930
Tax deducted at source		1,081,033	253,215
Workers' welfare fund	15.2	5,616,446	5,616,446
Gratuity payable		4,723,760	3,282,250
Bonus payable		-	209,001
Other payables		607,389	245,873
		115,246,126	90,465,764

15.1 An amount of Rs. 21.6 million pertains to GIDC against which Company has filed a Suit No. 419/2017 in the High Court of Sindh, Karachi wherein the Court has granted permanent stay till the final disposal of the suit and restrained the defendants (SNGPL) from recovering either the arrears or future GIDC. However based on prudence, management has made a provision as per the above amount in its financial statements.

15.2 During the year, the Supreme Court of Pakistan through its order dated November 10, 2016 decided that the changes to the WWF Ordinance, 1971 made through Finance Acts, 2006 & 2008 were ultra vires to the constitution of Pakistan. However, the taxation authorities have proceeded to file a review petition there against in the Supreme Court of Pakistan. Due to this review petition and other legal uncertainties, the Company continues to carry the payable in this respect.

16. ACCRUED MARKUP		2017	2016
		Rupees	Rupees
Short term borrowings		<u>3,979,734</u>	<u>4,963,575</u>
		<u>3,979,734</u>	<u>4,963,575</u>
		2017	2016
	Note	Rupees	Rupees
17. SHORT TERM BORROWINGS			
Secured			
Cash Finance	17.1	46,000,772	97,846,564
Running finance	17.2	<u>167,936,888</u>	<u>173,220,282</u>
		<u>213,937,660</u>	<u>271,066,846</u>

17.1. These facilities have been obtained from banks for working capital requirements, and are secured against pledge of cotton bales, MM fiber, and yarn in lock and key under bank's muccaddum. Cash finance facilities carry mark up at the rates ranging from 6.84% to 7.27% per annum (2016: 7.24% to 8.00% per annum).

17.2. These running finance facilities have been obtained from bank for working capital requirements, and are secured against cotton bales, personal guarantee of directors, joint pari passu charge over current assets of the company and pledge of stocks. Running finance facilities carry mark up at the rates ranging from 7.04% to 7.77% per annum (2016: 7.25% to 8.95% per annum).

These facilities expire on various dates by December 31, 2017.

17.3. Short term borrowing facilities available from commercial banks under mark up arrangements aggregate to Rs. 815 Million (2016: Rs. 630 Million) of which facilities remained un-utilized at the year end amounted to Rs. 601 million (2016: 359 million). Facilities available for opening letters of credit and guarantee aggregate to Rs. 130 million (2016: Rs. 40 million) of which facilities remained un utilized at the year end amounted to Rs. 102.71 million (2016: Rs. 12.71 million).

18. PROVISION FOR TAXATION	Note	2017 Rupees	2016 Rupees
Opening		16,731,569	17,591,645
Provision made during the year			
- Current tax	26	18,214,931	16,731,569
		18,214,931	16,731,569
Less: Adjustment of advance tax against completed assessments		<u>(16,731,569)</u>	<u>(17,591,645)</u>
		<u>18,214,931</u>	<u>16,731,569</u>

19. CONTINGENCIES AND COMMITMENTS

Contingencies

19.1 The Company has filed a writ petition against water and sanitation agency (WASA) Multan regarding special notice dated December 22, 2004 in which the authority has demanded a sum of Rs. 4.1 million of the arrears of water effluent discharge. The Company is of opinion that it is a spinning mill and has not undertaken a job of weaving and finishing so there is no effluent discharge of water from the unit. The Lahore High Court through order no. C.M.No.2 of 2004 had ordered that impugned notice shall remain suspended till final order.

19.2 The Company has made an appeal before the Social Security Court Lahore under section 59 of Provincial Employees Social Security Ordinance 1965, regarding complaint under section 57 of the said ordinance in which the institution has demanded a sum of Rs. 1.5 million of social security contribution for period from January 2001 to June 2003. The Company is of the opinion that there is no change in the capacity of the mill and the number of employees has not increased, therefore the increase in social security contribution is not justifiable.

19.3 Commitments

Guarantees issued by Commercial Banks on behalf of the Company outstanding as at June 30, 2017 were for Rs. 27.10 million (2016: Rs. 30 million).

20. SALES - Net	Note	2017 Rupees	2016 Rupees
Local			
- Yarn		1,950,463,646	1,712,722,703
- Ployester		5,521,600	-
- Waste		10,051,420	10,628,872
		1,966,036,666	1,723,351,575
Less: Sales tax		-	(50,194,706)
		<u>1,966,036,666</u>	<u>1,673,156,869</u>
21. COST OF GOODS SOLD			
Raw materials consumed	21.1	1,337,608,528	1,133,979,527
Salaries, wages and benefits	21.2	210,337,150	195,858,764
Stores and spares consumed		32,640,096	29,787,544
Packing materials consumed		26,503,097	27,514,517
Fuel and power		251,344,753	239,496,040
Repairs and maintenance		1,925,526	2,685,635
Insurance		4,793,019	4,410,636
Depreciation	3.2.1	28,729,761	23,412,978
		1,893,881,930	1,657,145,641
Adjustment of work in process			
Opening stock		8,840,856	9,224,943
Closing stock		(10,260,893)	(8,840,856)
		(1,420,037)	384,087
Cost of goods manufactured		1,892,461,893	1,657,529,728
Finished goods			
Opening stock		84,707,144	49,792,582
Closing stock	21.3	(60,187,210)	(84,707,144)
		24,519,934	(34,914,562)
Cost of goods sold		<u>1,916,981,827</u>	<u>1,622,615,166</u>
21.1 Raw materials consumed			
Opening stock		159,091,869	120,563,204
Purchases (including direct expenses) - Net		1,267,656,154	1,171,149,344
		1,426,748,023	1,291,712,548
Closing stock		(90,572,908)	(159,091,869)
		1,336,175,115	1,132,620,679
Cotton cess		1,433,413	1,358,848
		1,337,608,528	1,133,979,527

21.2 Salaries, wages and benefits include Rs. 11.27 million (2016: Rs. 9.99 million) in respect of gratuity.

21.3. It includes waste stock amounting to Rs. 1.07 million (2016: Rs. 1.01 million).

	<i>Note</i>	2017 Rupees	2016 Rupees
22. OTHER (LOSS) / INCOME			
From other than financial assets			
Profit on sale of vehicles		670,330	755,408
Loss on sale of property, plant and equipment		<u>(2,987,275)</u>	-
		<u>(2,316,945)</u>	<u>755,408</u>
23. DISTRIBUTION AND MARKETING EXPENSES			
Salary of sale staff		3,487,816	3,511,795
Commission on sale of yarn		7,897,745	8,319,243
Discount		<u>1,106,924</u>	-
		<u>12,492,485</u>	<u>11,831,038</u>
24. ADMINISTRATIVE EXPENSES			
Directors' remuneration		12,330,000	12,240,000
Salaries and benefits	24.1	11,102,635	16,350,796
Vehicles running and maintenance		5,835,883	6,009,996
Traveling and conveyance	24.2	5,066,629	13,564,174
Printing and stationery		710,708	761,326
Communication		1,560,153	1,693,108
Rent, rates and taxes		475,747	485,968
Repairs and maintenance		57,908	190,610
Subscription		652,628	986,134
Advertisement		84,900	68,330
Entertainment		642,309	511,885
Insurance		1,109,379	1,191,467
Donation	24.3	-	503,000
Depreciation	3.2.1	4,372,779	4,916,474
Auditors' remuneration	24.4	786,600	729,500
Legal and professional		552,667	1,060,955
Others		<u>458,721</u>	404,706
		<u>45,799,646</u>	<u>61,668,429</u>

24.1 Salaries and benefits include Rs. 0.89 million (2016: Rs. 0.61 million) in respect of gratuity.

24.2 This includes directors' travelling amounting to Rs. 4.66 million (2016: Rs. 13.32 million).

24.3 None of the directors or their spouse had any interest in the donee's fund.

	2017 Rupees	2016 Rupees
24.4 Auditors' remuneration		
- Statutory audit fee	500,000	500,000
- Half yearly review	150,000	125,000
-Out of pocket expenses	<u>136,600</u>	104,500
	<u>786,600</u>	<u>729,500</u>

		2017	2016
		Rupees	Rupees
25.	FINANCE COST		
	Mark up on		
	- Short term borrowings	19,302,608	12,490,071
	Bank and other charges	1,022,411	752,104
	Bank guarantee commission	237,370	199,124
		<u>20,562,389</u>	<u>13,441,299</u>
26.	PROVISION FOR TAXATION		
	Current tax		
	- for the year	18,214,931	16,731,569
	Deferred tax	(9,985,346)	(14,576,126)
		<u>8,229,585</u>	<u>2,155,443</u>
26.1	Relationship between tax expense and accounting profit		
		2017	2016
	Applicable tax rate	31%	32%
		2017	2016
		Rupees	Rupees
	Tax on accounting profit before tax	(9,956,154)	(11,405,970)
	Income chargeable to tax at lower rate	18,214,931	16,731,569
	Reversal of previously recognised deferred tax liability	-	
	Effect of change in deferred tax rate	(605,707)	(3,442,594)
	Others	576,515	272,438
	Current year provision	<u>8,229,585</u>	<u>2,155,443</u>
26.2	The Company has filed Income Tax Return up to tax year 2016 which is deemed assessed as per Income Tax Ordinance, 2001.		
27.	CASH AND CASH EQUIVALENTS	2017	2016
		Rupees	Rupees
	Cash and bank balances	1,280,832	3,224,064
	Short term running finance	(213,937,660)	(271,066,846)
		<u>(212,656,828)</u>	<u>(267,842,782)</u>
28.	EARNINGS PER SHARE	2017	2016
	Loss for the year	<u>(40,346,211)</u>	<u>(37,799,098)</u>
	Weighted average number of ordinary shares	<u>800,000</u>	<u>800,000</u>
	Loss per share - basic and diluted	<u>(50.43)</u>	<u>(47.25)</u>
28.1	There is no dilutive effect on the basic loss per share of the Company.		

29. FINANCIAL RISK MANAGEMENT

29.1 The Company's principal financial liabilities comprises short term borrowing, interest / markup accrued on loans and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loan and advances, trade and other receivables, and cash and bank balances that arise directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, and price risk), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews these policies periodically.

29.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. Out of the total financial assets of Rs. 147.58 million (2016: Rs. 153.38 million), the financial assets which are subject to credit risk amounted to Rs. 146.70 million (2016: Rs. 151.65 million). The Company manages credit risk in trade debts by assigning credit limits to its customers and thereby does not have significant exposure to any individual customer.

Credit risk of the Company arises principally from the trade debts, loans and advances and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

The maximum exposure to credit risk as at the year end is tabulated below:

Financial assets

	2017	2016
	Rupees	Rupees
Deposits	2,379,997	2,379,997
Trade debts	142,818,029	146,100,238
Margin deposit	5,000	5,000
Loans and advances from employees	1,108,106	1,681,448
Bank balances	390,255	1,489,505
	<u>146,701,387</u>	<u>151,656,188</u>

29.2.1 Credit risk related to debts

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

Trade debts consist of a large number of diversified customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, provision is made. The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

29.2.2 Credit risk related to bank balances

In respect of bank balances, credit risk on bank balances is limited as they are placed with local banks having good credit ratings assigned by credit rating agencies.

	Rating		Rating agency
	Short term	Long term	
Allied Bank Limited	A1+	AA+	PACRA
Askari Bank Limited	A1+	AA+	JCR-VIS
Bank AL Habib Limited	A1+	AA+	PACRA
Habib Bank Limited	A-1+	AAA	PACRA
Habib Metropolitan Bank Limited	A1+	AA+	PACRA
National Bank of Pakistan	A1+	AAA	PACRA
NIB Bank Limited	A1+	AA-	PACRA
Standard Chartered Bank Limited	A1+	AAA	JCR-VIS
Bank Alfalah Limited	A1+	AA	JCR-VIS
Bank Islami Pakistan Limited	A1	A+	JCR-VIS
Soneri Bank Limited	A1+	AA-	JCR-VIS

29.3 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 29.3.2 below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

29.3.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.



	<i>Weighted Average effective rate</i>	<i>Less than 1 month</i>	<i>1 - 3 months</i>	<i>3 months - 1 years</i>	<i>1 - 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
June 30, 2017							
Financial liabilities							
Interest bearing							
Short term borrowings	6.84% to 7.77%	-	-	213,937,660	-	-	213,937,660
Non interest bearing							
Accrued markup	-	-	3,979,734	-	-	-	3,979,734
Trade and other payables	-	-	-	101,865,239	-	-	101,865,239
		-	3,979,734	315,802,899	-	-	319,782,633

	<i>Weighted Average effective rate</i>	<i>Less than 1 month</i>	<i>1 - 3 months</i>	<i>3 months - 1 years</i>	<i>1 - 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
June 30, 2016							
Financial liabilities							
Interest bearing							
Short term borrowings	7.24% to 8.95%	-	-	271,066,846	-	-	271,066,846
Non interest bearing							
Accrued markup	-	-	4,963,575	-	-	-	4,963,575
Trade and other payables	-	-	-	77,542,108	-	-	77,542,108
		-	4,963,575	348,608,954	-	-	353,572,529

29.3.2 Financing facilities

Secured bank loan facilities with various maturity dates through to december 2016 and which may be extended by mutual agreement:

	2017 Rupees	2016 Rupees
- amount used	213,937,660	271,066,846
- amount un-used	601,062,340	358,933,154

29.4. Market risk management

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

29.4.1 Interest rate risk management

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

29.4.2 Interest rate sensitivity

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's loss for the year ended June 30, 2017 would increase / decrease by Rs.2.425 million (2016: Rs. 2.039 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss therefore, a change in interest rate would not affect profit or loss.

29.4.3 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and balances held in foreign currency. However, the Company is not exposed to foreign currency risk on assets and liabilities as it does not have foreign debtors or creditors.

29.4.4 Equity price risk management

The Company is not exposed to equity price risks arising from equity investments as the Company has no such investment are held for trading purpose.

29.5. Determination of fair values

Fair value of financial instruments

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

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

29.6. Fair value estimation

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and asset classified under the hierarchy as follows.

- Level 1; Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices). The Company has no items to report in this level.
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

29.6.1 Fair value of non-financial asset measured at fair value
Fair value of property, plant and equipment

The company's Free hold Land, Building on Free hold Land, Plant & Machinery, Electric Installation and Power house at revalued amount, being fair value at the date of revaluation, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurement of the company's Free-hold Land, Plant & Machinery, Electric Installation and Power House as at June 30, 2016 were performed by M/s. K. G. Traders (Private) Limited (valuer), independent valuer not related to the company. The valuer is listed on panel of Pakistan Banks Association and they have proper qualification and experience in the fair value measurement of property, plant and equipment. As per K.G traders (Pvt) Limited valuation report, they disclose that This certificate is based on approximate estimated values, which have been calculated and evaluated to the best of our knowledge and belief, information furnished by owner / representative, prevailing condition of the property / assets, location and present market information from different real estate agents/brokers/ within the same vicinity.

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
As at June 30, 2017				
Land- Freehold	-	356,125,000	-	356,125,000
Building on freehold land	-	100,521,761	-	100,521,761
Plant & machinery	-	280,387,223	-	280,387,223
Power house				
- Building on freehold land	-	7,935,939	-	7,935,939
- Generators	-	94,301,224	-	94,301,224
- Electric installation	-	10,051,250	-	10,051,250
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
As at June 30, 2016				
Land- Freehold	-	356,125,000	-	356,125,000
Building on freehold land	-	105,812,380	-	105,812,380
Plant & machinery	-	284,621,000	-	284,621,000
Power house				
- Building on freehold land	-	8,353,620	-	8,353,620
- Generators	-	90,025,000	-	90,025,000
- Electric installation	-	11,825,000	-	11,825,000

There were no transfer between levels of fair value hierarchy during the year.

29.7. Financial instruments by category

The Company finances its operation through equity, borrowings and management of working capital with a view to maintaining an approximate mix between various sources of finance to minimize risk. Taken as a whole, the Company's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments.



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

June 30, 2017	Loans and receivables	Held to maturity	Total June 30, 2017
	-----Rupees-----		
Assets as per balance sheet			
Deposits	2,379,997	-	2,379,997
Trade debts	142,818,029	-	142,818,029
Margin deposit	5,000		5,000
Loan and advances from employees	1,108,106	-	1,108,106
Cash and bank balances	1,280,832	-	1,280,832
	<u>147,591,964</u>	-	<u>147,591,964</u>

Liabilities as per balance sheet	Financial Liabilities measured at amortized cost Rupees	Total June 30, 2017 Rupees
Short term borrowings	213,937,660	213,937,660
Trade and other payables	101,865,239	101,865,239
Interest and mark-up accrued on loans	3,979,734	3,979,734
	<u>319,782,633</u>	<u>319,782,633</u>

June 30, 2016	Loans and receivables	Held to maturity	Total June 30, 2016
	-----Rupees-----		
Assets as per balance sheet			
Deposits	2,379,997	-	2,379,997
Trade debts	146,100,238	-	146,100,238
Loans and advances	1,681,448	-	1,681,448
Cash and bank balances	3,224,064	-	3,224,064
	<u>153,385,747</u>	-	<u>153,385,747</u>

Liabilities as per balance sheet	Financial Liabilities measured at amortized cost Rupees	Total June 30, 2016 Rupees
Short term borrowings	271,066,846	271,066,846
Trade and other payables	77,542,108	77,542,108
Interest and mark-up accrued on loans	4,963,575	4,963,575
	<u>353,572,529</u>	<u>353,572,529</u>

30. CAPITAL MANAGEMENT DISCLOSURE

The Company's objectives, policies and processes for managing capital are as follows:

- The Company is not subject to any externally imposed capital requirements.
- The Company's objectives when managing capital are to 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.
- Consistently with others in the industry, the company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the balance sheet) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e., share capital and unappropriated profit).
- The debt-to-adjusted capital ratios at June 30, 2017 and June 30, 2016 were as follows:

	2017	2016
	Rupees	Rupees
Total debt	213,937,660	271,066,846
Less: Cash and cash equivalents	(1,280,832)	(3,224,064)
Net debt	212,656,828	267,842,782
Total equity	243,309,925	268,906,409
Adjusted capital	455,966,753	536,749,191
Debt-to-adjusted capital ratio	46.64%	49.90%

31. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

Particulars	Managerial remuneration		Utilities	
	2017	2016	2017	2016
	----- Rupees -----			
Chief Executive	4,200,000	4,200,000	1,487,616	1,293,185
Directors	7,800,000	7,800,000	767,874	705,571
Executives	3,120,000	3,139,998	-	-
	15,120,000	15,139,998	2,255,490	1,998,756

31.1 Particulars	No of persons	
	2017	2016
Chief Executive	1	1
Directors	2	2
Executives	2	2

31.2 During the year, meeting fee of Rs. 330,000 was paid to the directors. (2016: Rs. 240,000)

31.2 The Chief Executive and directors are also provided with the Company owned and maintained cars and telephones at their residences.

32. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. There are no related party transactions except for the remuneration of directors and key management personnel as disclosed in note 31.

	2017	2016
33. PRODUCTION CAPACITY		
Number of spindles installed and worked	30,592	30,592
Number of shifts worked	1,070	1,030
Capacity of yarn at 20's count		
On the basis of utilization	Kgs 13,213,585	12,864,160
Production of yarn at 20's count	Kgs 12,882,613	12,679,268
Actual production of yarn	Kgs 8,267,268	7,932,375

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

34. NUMBER OF EMPLOYEES

Total number of employees employed at the year end were 821 (2016: 874) and average number of employees during the year were 835 (2016: 866).

35. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue by the Board of Directors of the Company in its meeting held on October 4, 2017.

36. GENERAL

Figures in the financial statements have been rounded-off to the nearest rupee except stated otherwise.

**PATTERN OF SHAREHOLDING OF THE SHAREHOLDERS
OF THE COMPANY AS ON JUNE 30, 2017**

Number of Shareholders	Shareholding From	To	Total Shares held	Percentage of Total Capital
113	1	100	5,660	0.71
23	101	500	5,373	0.67
7	501	1,000	6,050	0.76
7	1,001	5,000	22,096	2.76
8	5,001	10,000	71,776	8.97
1	10,001	15,000	10,064	1.26
7	15,001	20,000	126,360	15.80
2	20,001	25,000	40,240	5.03
5	25,001	30,000	137,660	17.21
2	30,001	35,000	64,316	8.04
1	35,001	40,000	35,560	4.45
2	40,001	45,000	88,006	11.00
0	45,001	50,000	0	0.00
3	50,001	70,000	186,839	23.35
<u>181</u>			<u>800,000</u>	<u>100.00</u>

Serial Number	Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage
1	Individuals	175	799,745	99.97
2	Joint Stock Companies	2	150	0.02
3	Investment Companies	2	100	0.01
4	Others	2	5	0.00
TOTAL		181	800,000	100

**PATTERN OF SHAREHOLDING
AS ON JUNE 30, 2017
ADDITIONAL INFORMATION**

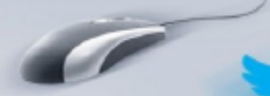
Shareholders' Category	Number of Shareholders	Number of Shares Held
Associated Companies, Undertakings and Related Parties		Nil
Central Depository Company of Pakistan Limited	37	2,751
NIT and ICP		
Investment Corporation of Pakistan	2	100
DIRECTORS		
Mian Muhammad Jamil	1	61,000
Mian Tanvir Ahmad Sheikh	1	20,070
Mrs. Nusrat Jamil	1	65,376
Mian Tauqir Ahmad Sheikh	1	34,166
Mian Anis Ahmad Sheikh	1	35,560
Mian Muhammad Bilal Ahmad Sheikh	1	44,156
Mian Muhammad Alamgir Jamil Khan	1	60,463
Mian Muhammad Umar Farooq Sheikh	1	43,850
Mr. Javed Musarrat	1	2,500
CHIEF EXECUTIVE OFFICERS		
Mian Tanvir Ahmad Sheikh	1	20,070
Directors'/C.E.O's Spouses & Minor Children	6	86,548
Executives		Nil
Public Sector Companies and Corporations		Nil
Shareholders holding 5% or more voting interest		
Mian Muhammad Jamil	1	61,000
Mrs. Nusrat Jamil	1	65,376
Mian Muhammad Alamgir Jamil Khan	1	60,463
Mian Muhammad Bilal Ahmad Sheikh	1	44,156
Mian Muhammad Umar Farooq Sheikh	1	43,850
General Public	98	10,942

**CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
PATTERN OF SHAREHOLDING
AS ON JUNE 30, 2017**

Number of Shareholders	Shareholding		Total Shares held
	From	To	
31	1	100	803
5	101	500	998
1	501	1,000	950
-----			-----
<u>37</u>			<u>2,751</u>








Categories of Shareholders	Number	Shares Held	Percentage
Individuals	33	2,596	94.37
Joint Stock Companies	2	150	5.45
Others	2	5	0.18
	<u>37</u>	<u>2,751</u>	<u>100.00</u>








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بورڈ کے اجلاس:

سال تختہ 30 جون 2017ء کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری نیچے دی گئی ہے۔

ڈائریکٹر کا نام	تعداد حاضری اجلاس
میاں محمد جمیل	4
میاں تنویر احمد شیخ	4
مسز نصرت جمیل	4
میاں توقیر احمد شیخ	4
میاں انیس احمد شیخ	3
میاں محمد بلال احمد شیخ	4
میاں محمد عالمگیر جمیل خان	4
میاں محمد عرفان فاروق شیخ	4
مسٹر جاوید مسرت	4

آڈیٹرز:

ڈی لائیٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس، کراچی ریٹائر ہو گئے ہیں اور انہوں نے اپنی فرم کو دوبارہ تعیناتی کے لیے پیش کیا ہے۔

حصص داری کا اسلوب:

کمپنیز آرڈیننس 1984ء کے سیکشن 236(2) (ڈی) کے مطابق کمپنی کا 30 جون 2017ء کا حصص داری کا اسلوب لف کر دیا گیا ہے۔

سٹاف اور لیبر کے ساتھ تعلقات:

آپ کے ڈائریکٹران اس بات کی اطلاع دیتے ہوئے خوشی محسوس کرتے ہیں کہ پورے سال لیبر اور سٹاف کے درمیان خوش گوار تعلقات استوار رہے۔

اکنالجمنٹ (سراہنا):

آپ کے ڈائریکٹران میسرز حبیب بینک لمیٹڈ، میسرز بینک الحیب لمیٹڈ، میسرز حبیب میٹرو پولیٹن بینک لمیٹڈ اور میسرز یونائیٹڈ بینک لمیٹڈ کے تعاون کو سراہتے ہیں اور اس امید و خواہش کا اظہار کرتے ہیں کہ تمام بینک مستقبل میں بھی اس تعاون کو جاری رکھیں گے۔
آپ کے ڈائریکٹران کمپنی کے تمام ملازمین کی انتھک محنت کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز

دستخط

میاں محمد جمیل

چیئرمین

ملتان - 4 اکتوبر 2017ء

مستقبل کے رجحانات:

آنے والے دنوں میں ٹیکسٹائل سیکٹر کا مستقبل مشکل میں دکھائی دیتا ہے۔ ان حالات میں پوری انڈسٹری کی نگاہیں حکومت وقت کی طرف لگی ہوئی ہیں۔ ضرورت اس امر کی ہے کہ ایسا واضح اور جامع پروگرام مرتب کیا جائے کہ جس سے مقامی ٹیکسٹائل انڈسٹری کو درپیش مسائل سے نکالا جاسکے۔ بے شک اچھی کارپوریٹ گورننس، بہتر مارکیٹنگ کا معیار، پیداواری کارکردگی اور مالیاتی نظم و ضبط کمپنی انتظامیہ کی اولین ترجیح ہوں گی لیکن ٹیکسٹائل انڈسٹری سے بہتر نتائج حاصل کرنا تب ہی ممکن ہے جب حکومت موجودہ مسائل کا مثبت انداز میں سامنا کرے۔ لہذا مستقبل کے نتائج کا دارومدار حکومت کی ٹیکسٹائل سیکٹر کی مقامی اور بین الاقوامی مارکیٹوں کے ردعمل، مع دوستانہ کاروباری پالیسیوں پر مبنی ہے۔

کمپنی کو کثیر جہتی چیلنجز کا سامنا ہے اور کمپنی نے ہر سطح پر پیداواری لاگت میں کمی کے اقدامات کیے ہیں۔ مزید برآں موجودہ مارکیٹ کے چیلنجزوں سے نمٹنے کے لیے کمر بستہ ہے۔ آپ کی کمپنی اعلیٰ معیار کو برقرار رکھنے، مصنوعات کے تنوع، نئی مارکیٹ کی تسخیر اور بہترین پیداواری استعداد کاری کے حصول کے لیے پُر عزم ہے۔ تاہم مقامی اور بین الاقوامی مارکیٹ میں سخت مقابلے کی وجہ سے کمپنی کا منافع مسلسل دباؤ کا شکار ہے۔

ڈیوڈنڈ:

کمپنی کے موجودہ مالیاتی خسارے کو مد نظر رکھتے ہوئے آپ کے ڈائریکٹران نے ڈیوڈنڈ کی تقسیم کو مؤخر کرنے کی تجویز پیش کی ہے۔

آئی ایس او 2008:9001 کیو ایم ایس سنڈ اور آئی ایس او 14001:2004 ای ایم ایس سنڈ

آپ کے ڈائریکٹران اس بات کا اظہار کرتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی نے کامیابی کے ساتھ آئی ایس او 2008:9001 کو ایٹمیٹمنٹ سسٹم اور آئی ایس او 2004:14001 ماحولیاتی منجمنٹ سسٹم کی اسناد کو جاری رکھا ہوا ہے۔

کوڈ آف کارپوریٹ گورننس کی پیروی

آپ کے ڈائریکٹران یہ رپورٹ کر کے خوشی کا اظہار کرتے ہیں کہ کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی متعارف کردہ کوڈ آف کارپوریٹ گورننس کی پیروی کر رہی ہے۔ کوڈ آف کارپوریٹ گورننس کے مطابق اہم بیانات درج ذیل ہیں۔

مالیاتی نتائج کی پیشکش:

کمپنی کے تیار کردہ مالیاتی نتائج واضح طور پر کمپنی کے معاملات، پیداوار کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو ظاہر کرتے ہیں۔

اکاؤنٹس کی کتب:

کمپنی نے صحیح اکاؤنٹس کی کتب مرتب کی ہوئی ہیں۔

اکاؤنٹنگ پالیسیاں:

مالیاتی نتائج کی تیاری میں ایکاؤنٹنگ پالیسیوں کو تسلسل سے لاگو کیا جاتا ہے۔

بین الاقوامی ایکاؤنٹنگ معیار کے ساتھ مطابقت:

مالیاتی نتائج کی تیاری میں پاکستان میں رائج بین الاقوامی ایکاؤنٹنگ معیار کو لاگو کیا جاتا ہے۔

اندرونی نگرانی کا نظام:

کمپنی کا اندرونی نگرانی کا نظام اچھا بنایا گیا ہے اور اسے مؤثر طور پر لاگو جانچا جاتا ہے۔

ہمیشہ جاری رہنے والا کاروبار:

کمپنی کی مالی حالت نہ صرف اچھی ہے بلکہ اس بات کو یقینی بناتی ہے کہ اس کا کاروبار پروان چڑھتا رہے گا۔

کوئی پرانے بقایا جات نہیں ہیں:

عمومی اور روزمرہ بقایا جات کے علاوہ ٹیکس، محصول اور وصولیوں کی مد میں کوئی پرانے بقایا جات نہیں ہیں۔

فنانشل ہائی لائٹس:

سابقہ چھ سالوں کا بنیادی پیداواری اور مالیاتی مواد ضمیمہ ایک میں دیا گیا ہے۔

ڈائریکٹران کی رپورٹ

شروع کرتا ہوں اللہ کے نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔

محترم حصص داران!

یہ میرے لیے اعزاز کی بات ہے کہ میں کمپنی کی 60 سالانہ رپورٹ بشمول آڈٹ شدہ حسابات و نتائج برائے مالیاتی سال ختمہ 30 جون 2017ء پیش کر رہا ہوں۔

کارکردگی:

پیش کردہ مالیاتی سال کی رپورٹ کے مطابق کمپنی کی کارکردگی دباؤ کا شکار رہی۔ ٹیکسٹائل سیکٹر کو علاقائی ممالک بشمول بنگلہ دیش، بھارت اور ویت نام کی طرف سے سخت مقابلے کا سامنا ہے جو کہ نہ صرف بین الاقوامی بلکہ مقامی مارکیٹ کو بھی متاثر کر رہے ہیں۔ مزید برآں بڑھتی ہوئی پیداواری لاگت خاص طور پر خام مال کی لاگت، توانائی بحران، درآمدی ایندھن کی بڑھی ہوئی قیمت اور کم سے کم شرح اجرت میں مسلسل اضافہ اور بھارت سے دھاگے کی درآمد نے بھی مقامی سپننگ انڈسٹری کو بری طرح متاثر کیا۔ نتیجتاً کمپنی کو مالیاتی سال ختمہ 30 جون 2017ء میں بعد از ٹیکس خسارے کا سامنا ہوا۔ پیش کردہ مالیاتی سال کے دوران دھاگے کی کل پیداوار میں سنگل کاؤنٹ کی بنیاد پر 13,024,171.86 کلوگرام ہے جو کہ پچھلے سال میں 12,679,268 کلوگرام تھی۔ موجودہ مالیاتی سال آمدنی (سیلز) کے کل محصولات مبلغ 1,966,036,666 روپے (8,423,533.44 کلوگرام) ہیں جو کہ پچھلے سال مبلغ 1,673,156,869 روپے (7,727,393.52 کلوگرام) تھے۔ کمپنی کا ابتدائی منافع مبلغ 49,054,839 روپے ہے جو کہ پچھلے سال مبلغ 50,541,703 روپے تھا۔ کل خسارہ بعد از ٹیکس مبلغ 40,346,211 روپے ہے جو کہ پچھلے سال مبلغ 37,799,098 روپے تھا۔

موجودہ مالیاتی سال ختمہ 30 جون 2017ء اور پچھلے مالیاتی سال کے متناسب مالیاتی نتائج اکاؤنٹنگ ہیڈز کی ترتیب کے ساتھ ذیل میں دیے گئے ہیں۔

اکاؤنٹس:

سال ختمہ 30 جون 2016ء	سال ختمہ 30 جون 2017ء	
روپے	روپے	
1,673,156,869	1,966,036,666	آمدنی (سلیور- نیٹ)
(1,622,615,166)	(1,916,981,827)	لاگت فروخت کردہ اشیاء
50,541,703	49,054,839	ابتدائی منافع
755,408	(2,316,945)	دیگر (خسارہ) آمدنی
51,297,111	46,737,894	ترسیل و مارکیٹنگ اخراجات
(11,831,038)	(12,492,485)	انتظامی اخراجات
(61,668,429)	(45,799,646)	فنانس لاگت
(13,441,299)	(20,562,389)	خسارہ قبل از ٹیکس
(35,643,655)	(32,116,626)	ٹیکس کی پیش بینی
(2,155,443)	(8,229,585)	سالانہ خسارہ
(37,799,098)	(40,346,211)	دیگر مجموعی آمدنی
-	-	کل حتمی سالانہ خسارہ
(37,799,098)	(40,346,211)	
(47.25)	(50.43)	خسارہ فی حصص - بنیادی وڈائی لیونڈ

اطلاع سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ اللہ وسایا ٹیکسٹائل اینڈ فینشنگ ملز لمیٹڈ کا 60 واں سالانہ اجلاس عام بروز ہفتہ 28 اکتوبر 2017ء بوقت 3:30 بجے سہ پہر کمپنی کے رجسٹرڈ آفس اللہ وسایا سکوائر، ممتاز آباد انڈسٹریل ایریا، وہاڑی روڈ، ملتان، پاکستان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

- 1- 29 اکتوبر 2016ء کمپنی کے منعقدہ سابقہ 59 ویں سالانہ اجلاس عام کی کارروائی کی توثیق۔
- 2- سال مختتمہ 30 جون 2017ء کے آڈٹ شدہ حسابات؛ ڈائریکٹروں اور آڈیٹروں کی سفارشات پر غور و خوض اور منظوری۔
- 3- 30 جون 2018ء کو ختم ہونے والے مالیاتی سال کیلئے کمپنی کے آڈیٹر کا تقرر جو کہ آئندہ اجلاس عام کے انعقاد تک آڈٹ کی ذمہ داری سنبھالیں گے اور ان کے مشاہرے کا تعین کیا جائے گا۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر 30 جون 2018ء کو ختم ہونے والے مالیاتی سال کیلئے میسرز ڈی لائیٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس کا نام بطور بیرونی آڈیٹر تجویز کیا ہے۔ میسرز ڈی لائیٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور انہوں نے دوبارہ تعیناتی کیلئے اپنی خدمات پیش کی ہیں۔
- 5- چیئرمین کی اجازت سے دیگر امور پر کارروائی۔

بحکم بورڈ آف ڈائریکٹرز

محمد اسماعیل۔ کمپنی سیکرٹری

ملتان..... مورخہ 4 اکتوبر 2017ء

نوٹ:-

- (i) کمپنی کی حصص کی منتقلی کی کتب 21 اکتوبر 2017ء تا 28 اکتوبر 2017ء (بشمول دونوں دن) بند رہیں گی۔
- (ii) حصص کی منتقلیاں جو کہ مورخہ 20 اکتوبر 2017ء کو کاروباری دن کے اختتام سے قبل کمپنی کے شیئرز رجسٹرار آفس، میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، ایچ۔ ایم ہاؤس، 7 بنک سکوائر، لاہور میں پہنچ جائیں گی، قبل از وقت شمار ہوں گی۔
- (iii) اجلاس ہذا میں شرکت اور ووٹ دینے کا استحقاق رکھنے والا ممبر اپنی جگہ پر ووٹ دینے اور شرکت کرنے کیلئے کسی دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی کا ممبر ہونا لازمی ہے۔ پراکسی کے موثر ہونے کیلئے ضروری ہے کہ پراکسی فارم پر 51 روپے کا رسیدی ٹکٹ چسپاں ہو، علاوہ ازیں پراکسی فارم پر ممبر اور دو گواہوں کے بھی دستخط ہوں جو کہ اجلاس کے آغاز سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں پہنچ جائیں۔
- (iv) سی ڈی سی حصص داران جو اس اجلاس میں شرکت اور ووٹ دینے کا استحقاق رکھتے ہوں ان کے لیے ضروری ہے کہ اپنی شناخت کیلئے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ ہمراہ لائیں اور پراکسی کی صورت میں کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل لف کریں۔ کارپوریٹ ممبرز کے نمائندگان معمول کی ضروری دستاویزات اپنے ہمراہ لائیں۔
- (v) ممبران کی آسانی کیلئے ایک معیاری درخواست فارم (Standard Request Form) کمپنی کی ویب سائٹ (www.allawasaya.com) پر دے دیا گیا ہے۔ جو ممبران سالانہ آڈٹ شدہ مالیاتی نتائج کی وصولی بذریعہ سی ڈی وی ڈی ریویس بی بی کی بجائے ہارڈ کاپی وصول کرنا چاہتے ہیں وہ اپنی درخواست کمپنی سیکرٹری کے ڈاک کے پتہ پر یا ای میل ایڈریس secretary@allawasaya.com کے ذریعے بھیج سکتے ہیں۔

(vi) ممبران سے التماس ہے کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (S.E.C.P) کے حکم کے مطابق اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی غیر منسوخ شدہ مصدقہ کاپی جمع کروائیں، اگر ابھی تک نہیں جمع کروائی اور اگر پتہ میں کوئی تبدیلی ہو تو کمپنی کو فوراً مطلع کریں۔

(vii) ممبران وڈیو کانفرنس کی سہولت حاصل کر سکتے ہیں جن شہروں میں ممبران کا جغرافیائی پھیلاؤ زیادہ ہے۔ اس مقصد کیلئے سالانہ اجلاس عام کے انعقاد سے دس (10) دن قبل ذیل میں دی گئی منشاء کمپنی کے رجسٹرڈ پتہ پر پہنچ جانی چاہیے۔

ممبر میسرز اللہ وسایا ٹیکسٹائل اینڈ فینشنگ ملز لمیٹڈ، حامل عام حصص _____ کارکی رہائش _____

برطانیہ رجسٹرڈ فونو نمبر سی ڈی سی اکاؤنٹ نمبر _____ وڈیو کانفرنس کی سہولت کا انتخاب کرتا کرتی ہوں جو کہ _____ شہر میں ہو۔

ممبر کے دستخط _____

اگر کمپنی نے مجموعی دس (10) فیصد یا اس سے زائد ممبران کی منشاء وصول پائی جو کہ کمپنی کے سالانہ اجلاس عام سے دس دن قبل کمپنی کو وصول ہوئیں تو پھر کمپنی اس شہر میں وڈیو کانفرنس کی سہولت فراہم کرے گی بشرطیکہ اس شہر میں یہ سہولت موجود ہو۔

پراکسی فارم

میں (نام و فولیو نمبر) رہائشی
 بحیثیت ممبر اللہ وسایا ٹیکسٹائل اینڈ فینشنگ ملز لمیٹڈ اور حامل عام حصص بمطابق (نام و فولیو نمبر)
 کو بطور اپنے / ہمارے ایما پر مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ کمپنی کے سالانہ اجلاس عام / غیر معمولی اجلاس عام میں
 جو بتاریخ کو منعقد ہو رہا ہے۔ میں اور یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے / حق رائے دہی
 استعمال کرے بالکل اس طرح جیسے اگر میں خود اس جگہ موجود ہوتا / ہوتی۔

دستخط بتاریخ 2017ء

پانچ روپے کارسیدی ٹکٹ چسپاں کریں۔

گواہ نمبر 1

نام

پتہ

شناختی کارڈ نمبر

دستخط

گواہ نمبر 2

نام

پتہ

شناختی کارڈ نمبر

دستخط

اہم نوٹ : پُرشدہ مکمل پراکسی فارم اجلاس کے آغاز سے ۴۸ گھنٹے قبل کمپنی کے رجسٹرڈ آفس واقع اللہ وسایا سکوائر، ممتاز آباد انڈسٹریل ایریا، وہاڑی روڈ، ملتان،
 پاکستان میں پہنچ جانا چاہیے۔



FORM OF PROXY

I,

.....

of

being a member of ALLAWASAYA TEXTILE & FINISHING MILLS LIMITED, hereby

appoint

of

as my proxy in my absence to attend and vote for me and on my behalf at the (Ordinary or / and Extraordinary as the case may be) General Meeting of the Company to be held on the and at any adjournment thereof.

As witness my hand this

day of 2017

Please affix Rs. 5/- Revenue Stamps

Signed by the said

In presence of

Witness No.1

Name: _____

Address: _____

CNIC No.: _____

Signature: _____

Witness No.2

Name: _____

Address: _____

CNIC No.: _____

Signature: _____

IMPORTANT

This form of proxy, duly completed, must be deposited at the Company's Registered office at Allawasaya Square, Mumtazabad Industrial Area, Vehari Road, Multan not less than 48 hours before the time for holding the meeting.

www.allawasaya.com

Allawasaya Square
Mumtazabad Industrial Area
Vehari Road Multan - PAKISTAN
Ph # : +92 61 423 3624 - 3 Lines
Fax # : +92 61 652 5202
E-mail: atm@allawasaya.com