Annual Report
2019

NAZIR

COTTON MILLS LTD.

46th Annual Report and Accounts
For the year ended June 30,2019

In the Name of Allah the merciful, the compassionate

CONTENTS

COMPANY'S INFORMATION

Board of Director	Mian Shahzad Aslam	Chief Executive Officer
	Mian Farrukh Naseem	
	Mian Aamir Naseem	
	Mr. Maqbool Hussain Bhutta	
	Mr. Muhammad Asghar	
	Mr. Muhammad Abbas	
	Mr. Muhammad Irfan	
Audit Committee:	Mr. Muhammad Irfan	Chairman
	Mr. Muhammad Abbas	Member
	Mr. Muhammad Asghar	Member
HR & R Committee:	Mr. Muhammad Asghar	Chairman
	Mr. Muhammad Irfan	Member
	Mr. Muhammad Abbas	Member
Chief Financial Officer:	Mr. Maqbool Hussain Bhutta	
Company Secretary:	Mr. Ahsan Raza	
Auditors:	Husnain Ali & Co. Chartered Accountants Room # 103, Frist Floor, Regency Plaza Mini Market Gulberg II, Lahore.	
Bankers:	Habib Bank Limited Muslim Commercial Bank Ltd.	
Share Registrar	Corplink (Pvt) Ltd. 1-K Commercial Modal Town, Lahore. Tel: 042-3561714, 35839182, 35916719	
Registered Office:	61-K, Gulberg III, Lahore. Ph: 042-35763736 Fax: 042-35763768	
Mill:	8-Km, Faisalabad Road, Aslamabad, Khaareyanwala, Sheikhupura. Ph: 056-3544053	

VISION STATEMENT

We aim at seeing our Mills to be a model manufacturing unit producing high quality yarn by complying with the requirements of Quality Management System and continuously improving its effectiveness for total customer's satisfaction. We wish to play a leading role in the spinning sector by keeping a substantial presence in the export and local markets.

MISSION STATEMENT

1. **To install state of the art machinery and to acquire sophisticated process technology to achieve maximum growth in a competitive quality environment.**

2. **To make strenuous efforts to enhance profitability of the mills ensuring a fair return to the investors, shareholders and employees of the Company.**

3. **To exercise maximum care for improvement of quality of our products by employing a team of high skilled technicians and professional managers.**

4. **To strive hard to develop new markets for the sale of our products in export and local markets.**

5. **To improve customer's satisfaction level by adhering strictly to quality requirements of our customers in local and export markets and by improving communications with customers for receiving prompt feed backs about quality of our products.**

6. **To attend to the prompt resolution of customer's complaints by taking timely corrective measures to re-dress the quality complaints.**

7. **To improve logistic facilities for our customers dispatch programme and issue all shipments / delivery documents well in time.**

8. **To make comprehensive arrangement for the training of our workers/technicians.**

9. **To promote team work, sense of transparency and creativity in our professionals and technical people.**

STATEMENTS OF ETHICS AND BUSINESS PRACTICES

NAZIR COTTON MILLS LIMITED has laid down the following business ethics and principles, the observance of which is compulsory for all the directors and staff members of the company in the conduct of company's business in order to protect and safeguard the reputation and integrity of the company at all levels of its operations. Any contravention of these ethics is regarded as misconduct. The company will ensure that all the executives and subordinate staff members are fully aware of these standards and principles.

1. Conflict of interest

All staff members are expected not to engage in any activity which can cause conflict between their personal interests and company's interests, such as:

a) In effecting the purchase for the company and selling its products, the Directors and the staff members are forbidden from holding any personal interest in any organization supplying goods or service to the company or buying its products.

b) The staff members should not engage in any outside business while serving the company.

c) Staff member's are not permitted to conduct personal business in company's premises or use company's facilities for the same.

d) If a staff member has direct or indirect relationship with an outside organization dealing with the company he must disclose the same to the management.

2. Confidentially

All staff members are required not to divulge any secrets / information of the company to any outside even after leaving the service of the company unless it is so required by a court of law. During the course of service in the company they should not disseminate any information relating to business secrets of the company without the consent of management.

3. Kickbacks

All staff members ate strictly forbidden not to accept any favour, gifts or kickbacks from any organization dealing with the company. In case if such a favour is considered, in the interest of the company, the same should be disclosed clearly to the management.

4. Proper Books of Accounts

All funds, receipt and disbursements should be properly recorded in the accounts books of the company. No false or fictitious entries should be made or misleading statement pertaining to the company or its operation should be issued. All agreements with agents, dealers and consultants should be made in writing supported with required evidence.

5. Relationship with Government officials suppliers and agents etc.

The dealings of the company with Government officials, suppliers, buyers, agents and consultants of the company should always be such that the integrity of the company and reputation is not damaged. Members having queries in connection with how to deal with these requirements should consult the management.

6. Health and Safety

Every staff members is required to take care of his health and safety and of those working with him. The management's responsibility for keeping its staff members insured government rules and regulations.

7. Environment

To preserve and protect the environment all staff members are required to operate the company's facilities and processes so as to ensure maximum safety of the adjoining communicates, and strive contiguously to improve environmental awareness and protections.

8. Alcohol, Drugs

All types of gambling and betting at the company's work places strictly forbidden. Also taking of any alcohols or drugs inside the work place is not allowed and any member of the staff, not abiding by these prohibitions will attract disciplinary as well as penal action under the law.

9. Coordination among staff members to maintain Discipline

All staff members will work in close coordination with their co-workers, superiors and colleagues. Every member will cooperate with other members so that the company's work carried out effectively and efficiently. All case of non-cooperation among staff members should reported to the management for necessary and suitable action. Strict disciplinary action will be taken against those staff members who violate the rules and regulations of the company.

10. Workplace harassment

All members of the staff will provide an environment that free from harassment and in which all employees are equally respected. Work place harassment means any action that creates an intimidating, hostile or offensive environment which may include sexual harassment, disparaging remarks based on gender, religious, race or ethnicity.

KEY OPERATING AND FINANCIAL DATA

OPERATING

(Rupees in Thousands)

	2019	2018	2017	2016	2015	2014
Sale	1,300	-	-	-	-	-
Gross Profit / (Loss)	(644)	-	-	-	-	-
Operating Profit/(loss)	(16,694)	(19,504)	(23,404)	-	-	-
Profit/(Loss) before tax	(7,149)	(16,566)	(21,420)	(114,113)	(5,039)	(3,426)
Tax	(1,171)	(36)	-	-	-	-
Profit/(Loss) after tax	(8,320)	(16,602)	(21,420)	(114,113)	(5,039)	(3,426)
Total Assets	396,498	206,065	223,202	225,188	235,491	68,534
Current Liabilities	216,936	113,293	21,110	114,131	174,449	177,972
	(179,562)	92,772	202,092	141,057	61,042	(109,438)
REPRESENTED BY						
Share Capital	(198,967)	(176,740)	(159,481)	(136,418)	(250,051)	(245,013)
Reserves	(54,881)	165,318	165,318	165,318	166,563	(479)
Equity	(144,086)	11,442	(5,837)	(28,900)	(83,488)	(245,492)
Long Term Loans & Leases	(35,476)	(104,194)	(196,255)	112,,157	144,530	136,054
	(179,562)	(92,772)	(202,092)	(141,057)	61,042	(109,438)

INDEPENDENT AUDITOR'S REVIEW REPORT

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of NAZIR COTTON MILLS LIMITED ("the Company") for the year ended June 30, 2019, in accordance with the requirements of Regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Paragraph Reference	Description
1	The Board does not consist of any female director.
2	Regulation 6 of the Regulations requires that the independent directors of each listed company shall not be less than two members or one third of the total members of the board, whichever is higher. However, there is only one independent director on the Board of Directors of the Company.
15	Regulation 32 of the Regulations requires that there shall be an internal audit function in every company. The head of internal audit shall functionally report to the audit committee and administratively to the chief executive officer and his performance appraisal shall be done jointly by the Chairman of the audit committee and the chief executive officer. However, there is no internal audit function in the Company.
9	The Board has not arranged any Director's training program nor was the exemption certificate obtained from Commission (Where applicable).

Lahore
November 06, 2019

HASNAIN ALI & CO
Chartered Accountants
Audit Engagement Partner: Hasnain Adam Ali

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 46th Annual General Meeting of the Shareholders of **NAZIR COTTON MILLS LIMITED** will be held at Company's Registered Office, 61-K Gulberg III, Lahore on November 27, 2019 (Wednesday) at 10:00 AM to transact the following business:-

Ordinary Business:

1. To confirm the minutes of the Extraordinary General Meeting of the Company held on May 22, 2019

2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2019 together with the Directors' and Auditors' Report thereon.

3. To appoint Auditors and fix their remuneration for the year ended June 30, 2020

4. To consider any other business which may be placed before the meeting with the permission of the Chair

By Order of the Board

Lahore:
Dated: October 05, 2019

(MIAN SHAHZAD ASLAM)
Chief Executive

Notes:

1. A member eligible to attend and vote at this Meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective, must be received at 61-K Gulberg III, Lahore the Registered Office of the Company not later than 48 hours before the time of the meeting and must be duly stamped, signed and witnessed.

2. The Share Transfer Books of the Company will remain closed from November 21, 2019 to November 27, 2019 (both days inclusive).

3. Members are requested to immediately notify the change in their addresses, if any.

4. Accounts holders and sub-account holders holding book entry securities in respect of the company in Central Depositary Company of Pakistan Limited, who wish to attend the Annual General Meeting are requested to bring original Computerized National Identity Card for identification purpose.

5. Video Conference Facility
Pursuant to the provisions of the Companies Act, 2017, the members residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide them facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address mentioned above, at least 10 days prior to the date of the meeting on the Standard Form available on the company's website: www.nazircottonmills.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors of your company welcome you to the Annual General Meeting and are pleased to present the company's audited financial statements for the year ended June 30, 2019.

Performance Review

The year under review shows that the company has earned net loss of Rs.(8.320)Million after accounting for administrative expenses of Rs. 15.462 Million including depreciation of Rs.(9.534) Million as compared to last corresponding year's net loss of Rs.(21,420) Million.

Due to the unfavourable market condition ,the operation of the mill remained closed during the year under consideration.

The management is in opinion that if the unit cost of electricity become Rs. 9 per unit i.e. eqaul to the unit rate in the neighbor countries, then company will be able to restart it’s commercial production.

Financial Results

The year under review was not good as the textile industry in Pakistan is still facing difficult period. The financial results of the company for the year under the review are as under:

	2019	**2018**
	Rupees	Rupees
Operating Profit/(Loss)	(16,693,667)	(19,504,435)
Financial charges	(20,337)	(4,940)
Other income	9,564,491	2,943,365
(Loss)/Profit before taxation	(7,149,513)	19,566,011
Taxation	(1,170,837)	(36,792)
(Loss)/Profit after taxation	(8,320,351)	(16,602,803)
Accumulated loss brought forward	(426,457,300)	(433,622,468)
Loss available for appropriation	(428,967,382)	450,225,270

Earning / (Loss) per share

Based on net loss for the year ended June 30, 2019, the loss per share for the year ended June 30, 2019 is Rs. (0.36) as compared to the earning per share of Rs. 0.67 in the preceding year ended June 30, 2018.

Dividend

No dividend has been declared by the company during the year due to loss

Auditors' Report

Auditors' has raised their observation about going concern of company. In assessing the going concern status of the Company, management has carefully assessed a number of factors covering the operational performance of the business, the ability to implement a significant debt restructuring of the Company's existing debts and the appetite of directors & associates to continue financial support.

Based on the analysis of these, and key management efforts and decisions as mentioned above, management is comfortable that the Company will be able to continue as a going concern in the foreseeable future.

Based on analysis of theses, key management decisions as mentioned in 'future outlook' the management is comfortable that the Company will be able to continue as a going concern in the foreseeable future.

The company resolved in its EGM held on May 22, 2019 that the company will start its side business of Dairy Farming which has been started. It is expected that in next two month it will be working in full capacity and enable the company to become a going concern.

Future Prospects

The management is fully aware of present challenges facing the textile industry specially spinning and making their efforts to revive the operation of mills subject to support of banks.

The Government has announced incentive for textile industries particularly in the field of sales tax and prices of gas & electricity. The Government has announced the per unit price textile sector @ Rs .9.50. In present situation, The Management is hopeful to respect its commercial production in next forceable future.

The management is in opinion that if the unit cost of electricity become Rs. 8 per unit i.e. eqaul to the unit rate in the neighbor countries, then company will be able to restart it's commercial production.

Corporate Governance

As required by the Code of Corporate Governance, directors are pleased to report that:

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

ii. Proper books of accounts of the Company have been maintained.

iii. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

iv. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed.

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

vi. Management feels that there is no significant doubt on the Company's ability to continue as going concern. We had already provided our reply on Auditors' Observation in this report and mitigating factors are also disclosed in detail.

vii. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations. Company has also constituted Audit Committee and HR &R Committee and its members are disclosed in annual report.

viii. The detail of trading in shares of the Company, if any, carried out by the directors, CEO, CFO, and Company Secretary and their spouses and minor children is provided in pattern of shareholding annexed with this report.

ix. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relate and the date of Directors' report.

x. Key operating and financial data for last six years is annexed.

xi. The pattern of shareholding is also annexed.

xii. The Company has fulfilled its major statutory and financial obligations.

xiii. No dividend or bonus shares are declared because of loss during the year.

xiv. Company has arranged in house training programs for its directors; however, most of directors meet criteria as laid down in code of corporate governance regarding directors' training.implemented and monitored.

Board of directors meeting

During the year, four (4) Meeting of the Board of Directors were held. Attendance by each Director at the Board Meetings as under:-

Name of the Directors	No. of Meetings Attended		
	BOD	HR	AC
Mian Shahzad Aslam	5	-	-
Mian Faruukh Naseem	5	-	-
Mian Aamir Naseem	5	-	-
Maqbool Hussain Bhutta	5	-	-
Mr.muhammad Asghar	5	4	4
Mr.Muhammad Abbas	5	4	4
Mr.Muhammad Irfan	5	4	4

Directors who could not attend Board Meeting due to illness or some other engagements were granted leave of absence in accordance with law.

Audit committee

The Board of Directors in compliance of Code of Corporate Governance has established an Audit Committee and the following Directors are its members.

Mr. Muhammad Irfan	Chairman
Mr. Muhammad Abbas	Member
Mr. Muhammad Asghar	Member

Acknowledgement

The directors would like to place on record their appreciation for services rendered by the employees of the company who have contributed their optimum skills and hope that the same spirit of devotion will continue in future. In addition, we thank our stakeholders for trusting us.

For and on behalf of the Board

Lahore
Dated: November 06, 2019

(MIAN SHAHZAD ASLAM)
Chief Executive

ڈائریکٹرز رپورٹ

کمپنی ڈائریکٹرز نے 30 جون، 2019 کو اختتام پذیر ہونے والے مالی سال کے لئے، کمپنی کی سالانہ رپورٹ، آڈٹڈ فائینشیل رپورٹ کے ہمراہ پیش کیے ہیں۔

کمپنی پرفارمنس:

رواں مالی سال کے دوران کمپنی کا خسارا 8.320 ملین رہا جس میں انتظامی اخراجات 15.462 اور مشینوں کی گھسائی 9.534 ملین ہے جبکہ پچھلے سال کا نقصان 21.420 ملین تھا۔

رواں مالی سال میں نامناسب مارکیٹ حالات کی وجہ سے کمپنی کا کاروبار بند رہا

انتظامیہ کا خیال ہے کہ اگر بجلی کا فی یونٹ نرخ 9 روپے ہوجائے جو کہ ہمسایہ ممالک میں ہے تو پھر مل چل سکتی ہے

گزشتہ اور موجودہ سال کے آپریٹنگ نتائج کا موازنہ مندرجہ ذیل ہے:

مالی نتائج

	2019	2018
	روپے (ہزاروں میں)	
آپریٹنگ نقصان--	(16,694)	(19,504)
مالیاتی اخراجات	(20)	(4940)
متفرق آمدنی	(9,564)	(2,433)
(نفع نقصان) ٹیکس سے پہلے	(7,150)	(19,566)
ٹیکس	(1171)	(36)
(نفع نقصان) ٹیکس کے بعد	(8,320)	(16,602)
(نفع نقصان) فی شیئر	(0.36)	(0.72)

مختلف آپریشنل مشکلات (انرجی اور گیس کی قیمتوں میں اضافے اور پرافٹ مارجن میں کمی) کی وجہ سے مل بدستور بند رہی۔ کمپنی کی انتظامیہ آپریشنل ڈھانچہ کی تنظیم نو کر رہی ہے تاکہ موجودہ مشینری کی وجہ سے جو آپریشنل نقصانات ہو رہے ہیں اُن کو کم کیا جاسکے۔

مستقبل کے تناظر میں:

انتظامیہ کو موجودہ مشکلات کا پورا اندازہ ہے جو کہ ٹیکسٹائل کی صنعت خصوصاً سپننگ سیکٹر کو درپیش ہیں اور اسی کوشش میں کہ مل دوبارہ کس طرح شرع کی جائے۔

مزید براں حکومت نے پچھلے سال ٹیکسٹائل صنعت کو کچھ مراعات دینے کا اعلان کیا تھا خصوصاً سیلز ٹیکس اور دیگر محصولات میں کمی کی گئی ہے خصوصاً بجلی اور گیس کے نرخوں میں کمی کی گئی ہے۔ بجلی کے نرخ 0.67 روپے فی یونٹ مقرر کیا گیا ہے۔ انتظامیہ پر امید ہے کہ آئندہ سال مل اپنا کام شروع کردے گی

آڈیٹرز کے مشاہدات / اہلیت پر تبصرے

موجودہ پُرتشویش مفروضہ جات

کمپنی کے آڈیٹر نے کمپنی کی موجودہ صورت حال کو سامنے رکھتے ہوئے۔ خدشہ ظاہر کیا ہے کہ کمپنی مستقبل میں اپنے جاری وجود کو برقرار نہ رکھ پائے گی۔ جس کا جواب درج ذیل ہے۔

انتظامیہ کو موجودہ مشکلات کا پورا اندازہ ہے جو کہ ٹیکسٹائل کی صنعت خصوصاً سپننگ سیکٹر کو درپیش ہیں اور اسی کوشش میں کہ مل دوبارہ کس طرح شرع کی جائے۔ مزید براں حکومت نے

پچھلے سال ٹیکسٹائل صنعت کو کچھ مراعات دینے کا اعلان کیا تھا خصوصاً سیلز ٹیکس اور دیگر محصولات میں کمی کی گئی تھی۔اس کے علاوہ انتظامیہ پر امید ہے کہ سال 2019 میں ملک میں بجلی کی پیداوار وافر مقدار میں ہوگی اور بجلی کی فی یونٹ قیمت کم ہو کر ہمسایہ ملکوں کی بجلی کی قیمت کے برابر تقریباً 9.5 روپے فی یونٹ ہو گئی ہے۔ان مفروضات کی بنیاد پر انتظامیہ پر امید ہے کہ کمپنی اپنی تجارتی پیداوار شروع کر دے گی

کمپنی نے اپنے غیر معمولی اجلاس منعقدہ 22 مئی 2019 کو ایک قرارداد منظور کی تھی جس کے ذریعے یہ طے پایا تھا کہ کمپنی ڈیری فارم کے طور پر اپنا متبادل کاروبار شروع کرے گے جو کہ شروع ہو چکا ہے اور امید کی جاتی ہے کہ یہ کاروبار کچھ ہی ماہ میں مکمل طور پر چالو ہو جائے گا اور کمپنی کے وجود کو جاری رکھنے میں معاون ہوگا۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کارپوریٹ گورننس کے کوڈ کے تناظر میں، ہمارے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر بیانات ذیل میں ہیں:

1- کمپنی کی انتظامیہ کی طرف سے تیار مالی بیانات، موجودہ امور، کاروباری معاملات کے نتائج، نقدی بہاؤ کے نتائج اور تبدیلیوں کو منصفانہ طور پر بیان کرتا ہے۔مالی بیانات میں اثاثہ جات اور ذمہ داریاں تخمینہ تحلیل پر پیش کیے گئے ہیں۔

2- کمپنی کے اکاؤنٹس کی مناسب کتابوں کو برقرار رکھا گیا ہے۔

3-مالی بیانات اور اکاؤنٹنگ اندازوں کی تیاری مناسب اکاؤنٹنگ پالیسوں کو لاگو کیا گیا ہے، اور یہ پالیسیاں مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

4-پاکستان میں قابل بین الاقوامی اکاؤنٹنگ کے معیارات کی مالی بیانات کی تیاری میں پیروی کی گئی ہے، اور ان پالیسیوں سے انحراف بھی ظاہر کر دیا گیا ہے۔

5-اندرونی کنٹرول کے نظام کی مؤثر طریقے سے عملدرآمدگی اور نگرانی کی گئی ہے۔

6-مینجمنٹ کو محسوس ہوتا ہے حالیہ تشویش کے باوجود کمپنی کی صلاحیت پر کوئی قابل ذکر شک نہیں ہے۔ہم نے پہلے ہی اس رپورٹ میں آڈیٹرز کے مشاہدات پر جواب داخل کرا دیئے ہیں۔

7-لسٹنگ کے ضابطے میں کارپوریٹ گورننس کے بہترین طریقوں میں کوئی واضح انحراف موجود نہیں۔ سے تفصیلی طور پر، اضافہ ہو رہا ہے۔ کمپنی نے آڈٹ کمیٹی اور HR &R کمیٹی تشکیل دی ہے اور اس کے اراکین کے نام سالانہ رپورٹ میں ظاہر ہیں۔

8- کمپنی کے حصص میں ٹریڈنگ کی تفصیل، اگر کوئی ہے تو، ڈائریکٹرز، CEO، CFO اور کمپنی سیکریٹری اور ان کے اہل و اعیال کی تفصیل شیئر ہولڈنگ رپورٹ میں پیٹرن کے مطابق فراہم کی جا چکی ہے۔

9-اس مالی سال کے آخر اور اُس مالی سال کے درمیان، جس سے یہ مالی بیانات اور ڈائریکٹرز کی رپورٹ تعلق رکھتے ہیں، کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی خاطر خواہ تبدیلیاں اور وعدے واقع نہیں ہوئے۔

10-اہم آپریٹنگ اور گزشتہ چھ سال کا مالیاتی ڈیٹا اَن ریکارڈ ہے۔

11-شیئر ہولڈنگ کا پیٹرن بھی اَن ریکارڈ ہے۔

12- کمپنی نے اہم قانونی اور مالی ذمہ داریوں کو پورا کیا ہے

13-رواں مالی سال خسارے کے باعث، کوئی منفعتی یا بونس شیئرز جاری نہیں ہوئے۔

14- کمپنی نے ڈائریکٹرز کے لئے" مرتب کیے ہیں، تاہم اکثر ڈائریکٹرز اس ٹریننگ کے معاملے میں کارپوریٹ گورننس کے معیار پر پورا اترتے ہیں۔

15-رواں مالی سال کے دوران کسی ڈائریکٹر نے کارپوریٹ گورننس کی ٹریننگ حاصل نہیں کی

بورڈ آف ڈائریکٹرز کی سالانہ تشخیص:

بورڈ کمپنی میں تین اہم امور سرانجام دیتا ہے۔ یہ سمت فراہم کرتا ہے۔(یعنی کمپنی کی اسٹریٹجک سمت کا تعین کرتا ہے)۔ یہ کنٹرول کرتا ہے (یعنی انتظام پر نظر رکھتا ہے) اور یہ مدد اور مشورہ فراہم کرتا ہے۔ بورڈ نے ایک اندرونی کارکردگی کی تشخیص کا طریقہ کار وضع کیا ہے جو عام طور پر ان کرداروں اور ان کے نتیجے میں آنے والی لازمی ذمہ داریوں کا جائزہ لیتا ہے

اورنظر رکھتا ہے کہ کتنے موثر طریقے سے ان ذمہ داریوں کوادا کیا گیا ہے۔ بورڈ کی کارکردگی کے جائزے میں بنیادی طور پر یہ دیکھا جاتا ہے کہ درج ذیل امور کو کیسے سرانجام دیا ہے۔

ا) بورڈ کی ساخت، اس کی تشکیل، اس کا آئین، تنوع اور کمیٹیاں، اراکین کی مہارت، بورڈ اور کمپنی کے چارٹر (قوانین) اور اجلاسوں کی تعداد اور طریقہ کار۔

ب) بورڈ کے محرکات اور کام کاج، بورڈ کا سالانہ کیلنڈر، معلومات کی دستیابی، سی ای او اور سینئر افسروں کے ساتھ گفت وشنید اور مواصلات، بورڈ کا ایجنڈا، بورڈ کے اجلاس میں میل جول اور شرکت کے معیار۔

پ) کاروباری حکمت عملی کا نظم وضبط، کمپنی کی حکمت عملی میں بورڈ کا کردار

ت) مالیاتی رپورٹنگ کا عمل، اندرونی جانچ پڑتال اور کنٹرول، متعلقہ پارٹیوں کے ساتھ غیر منصفانہ لین دین کے پیش نظر مالی اور دیگر کنٹرول کے نظام کی سلامتی، متحرک طریقہ کار اور خطرات سے نپٹنا۔

ٹ) نگرانی کا کردار: پالیسیوں، حکمت عملی کا نفاذ اور نگرانی۔

ث) امدادی اور مشاورتی کردار۔

بورڈ اور آڈٹ کمیٹی کے اجلاس

بورڈ آف ڈائریکٹرز، بورڈ آڈٹ کمیٹی (BAC) اور HR&R کمیٹی میں سے ہر ایک کے ڈائریکٹر کی طرف سے اجلاس میں حاضری، حسب ذیل ہے:

منعقد ملاقاتوں کی تعداد	HR&R	AC	BOB
			حاضری
1- میاں شہزاد اسلم	-	-	5
2- میاں فرخ نسیم	-	-	5
3- میاں عامر نسیم	-	-	5
4- مقبول حسین بھٹہ	-	-	5
5- محمد اصغر	4	4	5
6- محمد عباس	4	4	5
7- محمد عرفان	4	4	5

آڈیٹرز

کمپنی کے آڈیٹر ریٹائرڈ ہوئے اور اگلے سال دوبارہ تعیناتی کے لئے اہل ہیں۔ آڈٹ کمیٹی حسنین اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی آئندہ سال کے لئے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کی سفارش کی ہے۔

اعترافیہ

بورڈ آف ڈائریکٹرز بینکوں اور مالیاتی اداروں کی امداد اور تعاون کے ساتھ ساتھ تمام ملازمین اور کمپنی کے ٹھیکیداروں کی کوششوں، لگن اور عزم اور تقسیم کاروں، ڈیلرز، سپلائرز اور اسٹیک ہولڈرز کے تعاون کا شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

جناب میاں شہزاد اسلم
سی-ای-او

لاہور۔ نومبر 06, 2019

STATEMENT OF COMPLIANCE
with Listed Companies (Code of Corporate Governance) Regulations, 2017

The Nazir Cotton Mills Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2017 ("the Regulations") in the following manner:

1. The total number of directors is Seven as per the following.

a.	Male:	Seven
b.	Female:	None

2. The composition of the Board of Directors (the Board) is as follows:

a.	Category Independent	Mr. Muhammad Irfan
b.	Director Executive Directors	Mian Shahzad Aslam
c.	Non-Executive Directors	Mian Farrukh Naseem
		Mian Amir Naseem
		Maqbool Husain Bhutta
		Mr. Muhammad Abbas
		Mr. Muhammad Asghar

3. Directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations.

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

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

9. The Board remained fully compliant with the provision with regard to their training program. The majority of the Board members have the prescribed qualifications and experience required for exemption from training program of directors pursuant to regulation 20 of the Regulations.

10. The Board has approved appointment of CFO and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.

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

    a. Audit Committee

Mr. Muhammad Irfan	(Chairman)
Mr. Muhammad Abbas	(Member)
Mr. Muhammad Asghar	(Member)

    We have appoint independent director as Chairman of the Audit Committee in due course.

    b. HR and Remuneration Committee

Mr. Muhammad Asghar	(Chairman)
Mr. Muhammad Abbas	(Member)
Mr. Muhammad Irfan	(Member)

    We have appointed independent director as member of HR and Remuneration Committee in due course.

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

14. The frequency of meetings of the aforesaid committees were as per following:

    a. Audit Committee: Four meetings during the financial year ended 30 June 2019
    b. HR and Remuneration Committee: one meeting during the financial year ended 30 June 2019.

15. The board has not set up an internal audit function because the operation of the company has been suspended since last many years.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, 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.

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

18. We confirm that all other requirements of the Regulations have been complied with.

Lahore
Dated: November 06, 2019

(MIAN SHAHZAD ASLAM)
Chief Executive

INDEPENDENT AUDITOR'S REPORT

To the members of Nazir Cottong Mills Ltd.

Report on the Audit of Financial Statements

We have audited the annexed financial statements of Nazir Cotton Mills Limited ("the Company"), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the effects of the matters discussed in the basis for adverse opinion paragraph the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the loss, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

The company has not accrued mark-up on the outstanding balances of loans with financial institutions as well as a related party.

As adequately discussed in going concern section, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Despite the fact, the company has prepared its financial statements on going concern basis.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. As referred in note 4.1.2 we have been unable to satisfy ourselves with respect to steps taken by the management for adoption of IFRS 9.

Material Uncertainty Relating to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company has incurred after tax loss of Rs. 8.320 million (2018: Rs. 15.431 million) and its accumulated losses stood at Rs. 428.967 million (2018: Rs. 426.457 million) as at June 30, 2019. The Company's current liabilities exceeded current assets by Rs. 201.606 million (2018: Rs. 198.831 million). Furthermore, the Company has closed down its business operations and the production remained suspended throughout the year. The Company has been unable to arrange fresh financing for working capital and other purposes. The management of the Company did not provide us its assessment of going concern assumption used in preparation of these financial statements and the future financial projections indicating the economic viability of the Company. These conditions along with others indicates the existence of material uncertainty that may cause significant doubt about the company's ability to continue as going concern and the company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the basis for adverse opinion and in the material uncertainty relating to going concern section, we have determined the matters described below to the key audit matters to be communicated in our report.

Following are the Key audit matter(s):

S.No.	Key audit matter(s) Companies Act, 2017	How the matter was addressed in our audit
1	**Revaluation of property, plant and equipment** (Refer to note 8 in financial statements) During the year, Company has recognized the revaluation surplus amounting to Rs. 211,001,741/- on property, plant and equipment. Fair values of freehold land, building on freehold land and plant and machinery were determined based on independent external valuations. We consider this as key audit matter due to significant amount involved and significant judgements made by the management.	Our procedure in relation to management's valuation assessment of revalued assets including the following - Assessing the methodologies used by the external valuer to estimate values; - Evaluating the independent valuer's competence, capabilities and objectivity; - Checked the accuracy and relevance of input data provided by the management to the external valuer; - Obtain relevant underlying supports the disclosures and assessed their appropriateness for sufficient audit evidence; and - Verified the supporting evidence for the additional disclosures and ensured the appropriateness of the disclosures made.

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

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended June 30, 2019, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

a) Except for the effects of the matters discussed in the Basis for Adverse Opinion section of our report, proper books of account have been kept by the Company as required by the Companies Act, 2017(XIX of 2017);

b) Except for the effects of the matters discussed in the Basis for Adverse Opinion section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) Except for the effects of the matters discussed in the Basis for Adverse Opinion section of our report, Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
The engagement partner on the audit resulting in this independent auditor's report is Hasnain Adam Ali.

Lahore
November 06, 2019

HASNAIN ALI & CO
Chartered Accountants
Audit Engagement Partner: Hasnain Adam Ali

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 (Restated) Rupees	2017 (Restated) Rupees
EQUITY AND LIABLITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital				
25,000,000 (2018 : 25,000,000)				
-ordinary shares of Rs. 10/- each		250,000,000	250,000,000	250,000,000
Issued, subscribed and paid up capital	6	230,000,000	230,000,000	230,000,000
Capital reserve		434,000	434,000	434,000
Deficit on remeasurement of available for sale investments	7	(3,928,825)	(2,778,925)	(2,122,315)
Revenue reserve - general		45,829,500	45,829,500	45,829,500
Surplus on revaluation of operating fixed assets	8	300,719,061	113,571,848	117,445,361
Accumulated loss		(428,967,382)	(426,457,300)	(417,482,306)
TOTAL EQUITY		144,086,354	(39,400,877)	(25,895,760)
NON - CURRENT LIABLITIES				
Long term loans	9	-	-	92,188,792
Deferred tax liablity	10	35,475,067	17,430,807	20,013,149
CURRENT LIABILITIES				
Short term financing	11	205,303,086	196,382,749	104,065,957
Trade and other payables	12	1,656,110	832,236	11,860,952
Accrued mark up on loan	13	9,248,965	20,235,608	9,248,965
Provision for taxation		727,968	36,792	-
		216,936,129	217,487,385	125,175,874
CONTINGENCIES AND COMMITMENTS	14	-	-	-
TOTAL EQUITY AND LIABLITIES		396,497,550	195,517,315	211,482,056
ASSETS				
NON CURRENT ASSESTS				
Property, plant and equipment	15	376,789,398	175,322,441	185,918,613
Biological assets	16	3,989,600	-	-
Investments	17	388,300	1,538,200	2,194,810
		381,167,298	176,860,641	188,113,423
CURRENT ASSETS				
Stores, spare parts and loose tools	18	1,534,873	1,534,873	1,805,733
Trade debts	19	615,760	-	-
Deposits, prepayments and other receivables	20	13,014,315	12,994,845	12,667,317
Cash and bank balances	21	165,304	4,126,956	8,895,583
		15,330,252	18,656,674	23,368,633
TOTAL ASSETS		396,497,550	195,517,315	211,482,056

The annexed notes from 1 to 39 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 (Restated) Rupees	2017 (Restated) Rupees
Sales - net	22	1,300,236	-	-
Cost of sale	23	(1,944,635)	-	-
Gross (loss)		(644,399)	-	-
Administrative expenses	24	15,962,241	18,061,621	21,902,188
Other expenses	25	87,027	270,860	-
		16,049,268	18,332,481	21,902,188
Operating (loss)		(16,693,667)	(18,332,481)	(21,902,188)
Other income	26	9,564,491	2,943,365	1,788,680
		(7,129,176)	(15,389,116)	(20,113,508)
Finance cost	27	(20,337)	(4,940)	(4,633)
(Loss) before taxation		(7,149,513)	(15,394,056)	(20,118,141)
Taxation	28	(1,170,837)	(36,792)	-
(Loss) after taxation		(8,320,351)	(15,430,848)	(20,118,141)
(Loss) per share - basic & diluted	29	(0.36)	(0.67)	(0.87)

The annexed notes from 1 to 39 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 (Restated) Rupees	2017 (Restated) Rupees
(Loss) after taxation	(8,320,351)	(15,430,848)	(20,118,141)
Other comprehensive (loss) for the year			
Items that may be reclassified to statement of profit or loss:			
(Deficit) arising on measurement of available for sale -investments to fair value	(1,149,900)	(656,610)	(1,643,190)
Items that will not be reclassified to statement of profit or loss:			
Surplus on revaluation of operating fixed assets - net of tax	190,691,476	-	-
Deferred tax in respect of incremental depreciation	1,684,978	1,936,756	2,223,683
Effect of change in rate of tax	581,027	645,585	717,317
	192,957,481	2,582,342	2,941,000
Total comprehensive (loss) for the year	183,487,231	(13,505,117)	(18,820,331)

The annexed notes from 1 to 39 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018	2017
		(Restated)	(Restated)
	Rupees	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) before taxation	(7,149,513)	(15,394,056)	(20,118,141)
Adjustment for:			
Depreciation	9,534,784	10,596,171	11,775,853
Deficit on revaluation of investment	(1,149,900)	(656,610)	(1,643,190)
Financial charges	20,337	4,940	4,633
	8,405,221	9,944,501	10,137,296
Operating income/(loss) before working capital changes	1,255,708	(5,449,555)	(9,980,845)
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools	-	270,860	-
Deposits, prepayments and other receivables	-	49,345	18,903,891
Trade debts	(615,760)	-	2,827,973
	(615,760)	320,205	21,731,864
(Decrease)/increase in current liabilities:			
Trade and other payables	823,874	(11,028,716)	508,721
Accrued mark up on loan	(10,986,643)	10,986,643	-
	(10,162,769)	(42,073)	508,721
Cash (utilized in)/generated from operations	(9,522,821)	(5,171,423)	12,259,740
Provision for taxation	-	-	(1,341,384)
Tax paid	(499,131)	(376,873)	-
Financial charges paid	(20,337)	(4,940)	(4,633)
Net cash (utilized in)/generated from operating activities	(10,042,289)	(5,553,236)	10,913,723
CASH FLOW FROM INVESTING ACTIVITIES			
Deficit on revaluation of investment	1,149,900	656,610	1,643,190
Capital expenditure	(3,989,600)	-	-
Net cash (utilized in)/generated from investing activities	(2,839,700)	656,610	1,643,190
CASH FLOW FROM FINANCING ACTIVITIES			
Financing from banking companies	(7,466,581)	-	205,000
Sponsors loan	16,359,918	-	-
Loan fron related parties	27,000	128,000	(8,295,656)
Net cash generated from/(utilized in) financing activities	8,920,337	128,000	(8,090,656)
Net (decrease)/increase in cash and cash equivalents	(3,961,652)	(4,768,626)	4,466,257
Cash and cash equivalents at the beginning of the year	4,126,956	8,895,583	4,429,326
Cash and cash equivalents at the end of the year	165,304	4,126,956	8,895,583

The annexed notes from 1 to 39 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	SHARE CAPITAL	CAPITAL RESERVES	RESERVE/(DEFICIT) ON REMEASUREMENT OF AVAILABLE FOR	REVENUE RESERVE - GENERAL	SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS	ACCUMULATED (LOSS)	TOTAL
	-----	-----	-----	Rupees	-----	-----	-----
Balance as at June 30, 2016	230,000,000	434,000	(479,125)	45,829,500	165,318,214	(412,202,155)	28,900,434
Impact of restatement - Note 5	-	-	-	-	(43,640,682)	7,664,818	(35,975,863)
Balance as at June 30, 2016 - restated	230,000,000	434,000	(479,125)	45,829,500	121,677,532	(404,537,337)	(7,075,429)
(Loss) for the year after taxation	-	-	-	-	-	(20,118,141)	(20,118,141)
Other comprehensive income	-	-	(1,643,190)	-	717,317	2,223,683	1,297,810
Incremental depreciation-net of deferred tax	-	-	-	-	(4,949,488)	4,949,488	-
Balance as at June 30, 2017 - restated	230,000,000	434,000	(2,122,315)	45,829,500	117,445,361	(417,482,306)	(25,895,760)
(Loss) for the year after taxation	-	-	-	-	-	(15,430,848)	(15,430,848)
Other comprehensive income	-	-	(656,610)	-	645,585	1,936,756	1,925,732
Incremental depreciation-net of deferred tax	-	-	-	-	(4,519,098)	4,519,098	-
Balance as at June 30, 2018 -restated	230,000,000	434,000	(2,778,925)	45,829,500	113,571,848	(426,457,300)	(39,400,877)
(Loss) for the year after taxation	-	-	-	-	-	(8,320,351)	(8,320,351)
Other comprehensive income	-	-	(1,149,900)	-	191,272,503	1,684,978	191,807,581
Incremental depreciation-net of deferred tax	-	-	-	-	(4,125,291)	4,125,291	-
Balance as at June 30, 2019	230,000,000	434,000	(3,928,825)	45,829,500	300,719,061	(428,967,382)	144,086,354

The annexed notes from 1 to 39 form an integral part of these financial statements.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

1 THE COMPANY AND ITS OPERATIONS

Nazir Cotton Mills Limited is a Public Limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and its shares are listed on the Pakistan Stock Exchange Limited. The Company is engaged in manufacturing, selling, buying and dealing in Yarn of all types. The registered office of the Company is situated at 61-K, Gulberg III, Lahore. Park Lahore Cantt. The manufacturing unit is located at 8-KM, Faisalabad Road, Aslamabad, Khareanwala, Sheikhupura.

The Company has been authorised by the members in an extra ordinary general meeting to enter into a new line of business of dairy farming.

2 GOING CONCERN ASSUMPTION

The Company has incurred after tax loss of Rs. 8.320 million (2018: Rs. 15.431 million) and its accumulated losses stood at Rs. 428.967 million (2018: Rs. 426.457 million) as at June 30, 2019. The Company's current liabilities exceeded current assets by Rs. 201.606 million (2018: Rs. 198.831 million). Furthermore, the Company has closed down its business operations and the production remained suspended throughout the year. These condition along with others indicate the existence of material uncertainty that may cause significant doubt about the companies ability to continue as going concern and the company may be unable to realize its assets and discharge its liabilites in the normal course of business.

However management is expecting to revive its operations and for this the company has entered into negotiation with all the lending banks during the year. Furthermore, it is expected that there will be excess electricity and per unit rate will be equal to neighbor countries. Management is in view that the company will restart its commercial production in foreseeable future, as the government announced textile policy and there were some benefits announced for textile sector.

3 BASIS OF PREPARATION

3.1 Statement of Compliance

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

i) International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017; and

ii) Provisions of and directives issued under the Companies Act, 2017.

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

3.2 Initial application of standards, amendments or an interpretation to existing standards
The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

3.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in the current year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2018 but are considered not to be relevant to or have any significant effect on the company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except for the following:

i) IFRS 9, 'Financial Instruments': This standard was notified by the Securities and Exchange Commission of Pakistan ('SECP') to be effective for annual periods ending on or after June 30, 2019. This standard replaces guidance in International Accounting Standard ('IAS') 39, 'Financial Instruments: Recognition and Measurement'. It includes requirements on the classification and measurement of financial assets and liabilities. It also includes an expected credit losses model that replaces the current incurred loss impairment model. However, in respect of companies holding financial assets due from the Government of Pakistan, SECP through SRO 985(I)/2019 dated September 2, 2019 has notified that the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till June 30, 2021 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period.

ii) IFRS 15, 'Revenue from Contracts with Customers': This standard was notified by the SECP to be effective for annual periods beginning on or after July 1, 2018. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, 'Revenue', and IAS 11, 'Construction contracts', and related interpretations. The application of IFRS 15 does not have any impact on the revenue recognition policy of the company.

3.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after July 1, 2018 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these financial statements, except for the following:

i) Amendments to IFRS 9 (effective for annual periods beginning on or after 01 January 2019) clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ('SPPI') condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments are not likely to have significant impact on the Company's financial statements.

ii) Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing general purpose financial statements in accordance with IFRS.

iii) IFRS 16, 'Leases': this standard has been notified by the SECP to be effective for annual periods beginning on or after January 1, 2019. This standard replaces the current guidance in IAS 17, 'Leases' and is a far eaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on statement of financial position) and an operating lease (off statement of financial position). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees.

SECP through SRO 986(I)/2019 dated September 2, 2019 has granted exemption from the requirements of IFRS 16 to all companies that have executed their power purchase agreements before January 1, 2019. Therefore, the standard will not have any impact on the company's financial statements.

3.2.3 Standard, amendments to approved accounting standards and interpretations that are not yet effective and are not considered relevant

There are other new accounting standards, amendments to approved accounting standards and interpretations that are mandatory for future years. However, these are not expected to affect materially the financial statements of the Company.

3.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except as explained in relevant notes.

3.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is the Pakistan Rupee (Rs).

3.5 Critical accounting estimate and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amount 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 the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affect only that period, or in the period of revision in future period if the revision affects both current and future periods.

Significant areas requiring the use of management estimates in the financial statements are stated below;

Residual values and useful lives of depreciable assets

The Company reviews appropriateness of the rates of depreciation / useful lives and residual values used in the calculation of depreciation at each financial year end. Any change in estimate in future might effect the carrying amounts of the respective item of property, plant and equipment's with corresponding effect on the depreciation charge and impairment.

Provision for taxation

In making the estimate for income tax payable, the company takes into account the applicable tax laws. Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts use for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary difference when they reverse, based on the laws that have been enacted or substantively enactive by the reporting date. Significant judgment is exercised to determined the amount of net deferred tax liabilities to be recognized.

Provisions and contingencies

The Company reviews its doubtful balances at each balance sheet date to assess the adequacy of the provision there against. In particular, judgment is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provision.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented in these financial statements, except as disclosed in note 4.1.

4.1 Change in significant accounting policies

The Company has adopted IFRS 15 ‘Revenue from Contracts with Customers’ and IFRS 9 ‘Financial Instruments’ from 01 July 2018 which are effective from annual periods beginning on or after 01 July 2018. Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of these new standards. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

4.1.1 IFRS 15 - Revenue from Contracts with Customers

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers. Any bundled goods or services that are distinct are separately recognized, and any discounts or rebates on the contract price are generally allocated to the separate elements.

Revenue is to be recognised in accordance with the aforementioned principle by applying the following steps:

i) Identify the contract with a customer.
ii) Identify the per formance obligation in the contract.
iii) Determine the transaction price of the contract.
iv) Allocate the transaction price to each of the separate performance obligations in the contract.
v) Recognize the revenue when (or as) the entity satisfies a per formance obligation.

4.1.2 IFRS 9 - Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company has applied IFRS 9 retrospectively, but has elected not to restate comparative information because the balance of trade receivables was nill in the previous periods. Accordingly, the company’s management has assessed that the adoption of IFRS 9 has not resulted in any impact on the Company's financial statements.

4.1.2.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

Classification

The Company classifies its financial assets in the following categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The arranagement determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at amortized cost

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

b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Company can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income unless these are held for trading in which case these have to be measured at fair value through profit or loss. The equity investments of the Company held in short term investments are classified at fair value through profit or loss because they are frequently traded.

Reclassification

When the Company changes its business model for managing financial assets, it reclassifies all affected financial assets accordingly. The Company applies the reclassification prospectively from the reclassification date.

In case of reclassification out of the amortized cost measurement category to fair value through profit or loss measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair value is recognized in profit or loss.

In case of reclassification out of fair value through profit or loss measurement category to the amortized cost measurement category, fair value of the financial asset at the reclassification date becomes its new gross carrying amount.

In case of reclassification out of the amortized cost measurement category to fair value through other comprehensive income measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair value is recognized in other comprehensive income. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through other comprehensive income measurement category to the amortized cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification

In case of reclassification out of fair value through profit or loss measurement category to the fair value through other comprehensive income measurement category, the financial asset continues to be measured at fair value.

In case of reclassification out of fair value through other comprehensive income measurement category to the fair value through profit or loss measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

4.1.2.2 Initial recognition and measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date – the date on which the Company commits to purchase or sell the asset.

Except for trade receivables, financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account when the Company's right to receive payments is established. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15. Where the Company uses settlement date accounting for an asset that is subsequently measured at amortized cost, the asset is recognized initially at its fair value on the trade debt.

4.1.2.3 Subsequent measurement

For the purpose of measuring financial assets after initial recognition, these are classified into the following categories:

- financial assets at amortized cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair value through profit or loss.

Financial assets carried at amortized cost are subsequently measured using the effective interest method. Gain or loss on financial assets not part of hedging relationship is recognized in profit or loss when the financial asset is derecognized, reclassified, through the amortization process or in order to recognize impairment gains or losses.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in profit or loss.

Financial assets 'at fair value through other comprehensive income' are marked to market using the closing market rates and are carried in the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognized in other comprehensive income. Interest calculated using the effective interest rate method is credited to the statement of profit or loss. Dividends on equity instruments are credited to the statement of profit or loss when the Company's right to receive payments is established.

Financial assets 'at fair value through profit or loss' are marked to market using the closing market rates and are carried in the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss account in the period in which these arise.

Fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

4.1.2.4 Derecognition

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

a) the Company has transferred substantially all the risks and rewards of the asset; or
b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in profit or loss.

If the Company transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability which cannot be offset with the related asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

If the Company's continuing involvement is in only a part of a financial asset, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the consideration received for the part no longer recognized is recognized in profit or loss.

4.1.2.5 Impairment of financial assets

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Company recognizes a loss allowance for expected credit losses on a financial asset measured at amortized cost and through other comprehensive income, a lease receivable, a contract asset or a loan commitment and a financial guarantee contract. In case of financial assets measured at fair value through other comprehensive income, loss allowance is recognized in other comprehensive income and carrying amount of the financial asset in the statement of financial position is not reduced.

The Company measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables or contract assets that result from transactions under IFRS 15 and lease receivables.

The Company recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in the profit or loss.

4.1.2.6 Financial liabilities

4.1.2.7 Initial recognition and measurement

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost except for financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, commitments to provide a loan at a below-market interest rate and contingent consideration recognized in a business combination.

The Company does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are credited in the profit and loss account.

The Company's financial liabilities include trade and other payables, loans and borrowings including Company overdrafts, financial guarantee contracts and derivative financial instruments.

4.1.2.8 Subsequent measurement

The measurement of financial liabilities depends on their classification, as descr ibed below:

Financial liabilities at fair value through profit or loss

Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The amount of change in the fair value that is attributable to changes in the credit risk of financial liability is presented in other comprehensive income and the remaining amount of change in the fair value of the liability is presented in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if it eliminates or significantly reduces a measurement or recognition inconsistency or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Company's key management personnel. The Company has not designated any financial liability as at fair value through profit or loss.

Financial guarantee contracts and commitments to provide a loan at a below-market interest rate

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts and commitments to provide a loan at a below-market interest rate are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

Contingent consideration recognized in a business combination

These are subsequently measured at fair value with changes recognized in profit or loss.

All other liabilities

All other financial liabilities are measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

4.1.2.9 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

If the Company repurchases a part of a financial liability, the Company allocates the previous carrying amount of the financial liability between the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the repurchase. The difference between the carrying amount allocated to the part derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, for the part derecognized is recognized in profit or loss.

4.1.2.10 Offsetting of financial assets and liabilities

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

4.2 Provisions

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

4.3 Taxation

Current:

Provision of current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred:

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination; and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

4.4 Property, plant and equipment

Property, plant & equipment is stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land, building on freehold land and plant and machinery. Freehold land is stated at revalued amount. Building on freehold land and plant and machinery are stated at revalued amounts less accumulated depreciation and impairment losses, if any. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Cost of these assets consists of historical cost and directly attributable costs of bringing the assets to working condition. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Cost incurred to replace a component of an item of property, plant and equipment is capitalized and the asset so replaced is derecognized. Borrowing costs pertaining to the construction and erection are capitalized up to the date of completion. Depreciation on property, plant & equipment is charged to income on reducing balance method at the rates specified in note No.7.1 to the accounts to write off the cost over their estimated useful lives. Depreciation on addition and deletion is charged on the basis of number of days the asset remains in use of the company. Assets' residual values, useful life and depreciation rates are reviewed and adjusted, if appropriate, at each balance sheet date. Any impairment loss, or its reversal, is also charged to income. When an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the assets' carrying amount less the residual value over its estimated useful life. Normal repair and maintenance is charged to income as and when incurred. Major renewals and improvements are capitalized.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit are expected from its use or disposal. Any gain and losses on disposal or de-recognition (calculated at the difference between the net disposal proceeds and carrying amount of the asset) is taken to profit and loss account.

Increases in the carrying amounts arising on revaluation of operating fixed assets are recognized, net of deferred income tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of deferred income tax, is reclassified from surplus on revaluation of operating fixed assets to unappropriated profit.

4.5 Biological assets

The Company uses fair value model for its biological assets for those biological assets for which fair value is readily determinable without undue cost or effort. The Company measures a biological asset on initial recognition and at each reporting date at its fair value less cost to sell. Changes in fair value less cost to sell is recognized in profit or loss. The fair values are based on the market price of livestock of similar age, weight and market values.

4.6 Leases

Assets subject to finance lease are stated at lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligations of the lease are accounted for as liabilities. Financial charges are allocated to the accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liabilities. Depreciation on these assets is charged in line with normal depreciation policy adopted for assets owned by the company.

4.7 Investments

All investments are initially recognized at cost, being fair value of the consideration given including acquisition charges associated with investments and are classified as either Held for Trading or Available for Sale. After initial recognition, investments Held for Trading or Available for Sale are measured at fair value.

Gains and losses on Investments Held for Trading are recognized in income. Gains and losses on Investments Available for Sale are recognized as separate component of equity until investments are sold, disposed off or determined to be impaired, at which time the accumulated gain/loss previously reported in equity is included in income.

4.8 Stores and spares

These are valued at weighted average cost. Items in transit are valued at cost comprising invoice value and other incidental charges thereon.

4.9 Stocks-in-trade

These are value at lower of cost or net realizable value. Cost is calculated as follows

Raw materials	-	at lower of weighted average cost
Work in process	-	at direct material cost plus appropriate proportion of production overheads
Finished goods	-	at estimated manufacturing cost
Wastes	-	at net realizable value

Net realizable value signifies the prevailing market prices in the ordinary course of business less selling and distribution expenses incidental to sales.

Raw materials in transit are valued at cost comprising invoice value plus incidental charges paid thereon.

4.10 Trade and other receivables

Trade debts are recognized and carried at original invoice amount less an allowance for any uncollectible amount. An estimated provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred. Other receivables are recognized at nominal amount which is the fair value of the consideration to be received less an allowance for any uncollectible amount.

4.11 Financial instruments

Financial instruments carried on the balance sheet include bank balances, advances, deposits, other receivables, trade and other payables, short term borrowings, mark-up, loan from ex-chief executive, etc. Financial assets and liabilities are initially recognized at fair value at the time the company becomes a party to the contractual provisions of the instruments. The particular measurement methods adopted are disclosed in the individual policy statements associated with the each item. Financial assets are derecognized when the company loses control of the contractual rights that comprise the financial asset. The company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the company surrenders those rights. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and derecognition is charged to the profit or loss currently.

a) Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

b) Trade and other receivables

Trade and other receivables are recognized and carried at original invoice amount / cost less an allowance for any uncollectible amounts. Carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the reliability of these receivables, appropriate amount of provision is made.

c) Off Setting of financial assets and financial liabilities

Financial assets and financial liabilities are off set and the net amount is reported in the financial statements when there is a legally enforceable right to off set and the company intends either to settle on a net basis, or to realize the asset and to settle the liabilities simultaneously.

d) Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost being the fair value of consideration received, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at original cost less subsequent repayments.

4.12 Borrowing costs

Mark-up, interest and other charges on borrowings which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs i.e. mark-up, interest and other charges are charged to the profit and loss account in the period in which they are incurred.

4.13 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non- financial assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account. 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 recognized.

4.14 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, cheese in hand, deposits in banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

4.15 Related party transactions

All transactions between company and related party are accounted for at arm's length price in accordance with 'Comparable Uncontrolled Price Method'.

4.16 Earnings per share

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

4.17 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

4.18 Share capital

Ordinary shares are classified as equity and recognized at their fair value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

4.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decision. The management has determined that the Company has a single reportable segment, as Board of Directors views the Company's operations as one reportable segment.

4.20 Staff retirement benefits

The company operates unfunded gratuity scheme covering its permanent employees. Employees are eligible for benefits under the gratuity scheme after completion of one year of continuous services. The benefit is calculated based upon the number of completed years of service and last drawn gross salary.

5. Correction of error

In prior year, the Company did not recorded the deferred tax liablity on revaluation surplus and reclassification of assets from held for sale (IFRS-5) to Property Plant & equipments (IAS-16), Further in year ended 2012 Property plant & equipments amounting Rs. 37,512,232 were in correctly write off.

The correction of the error is accounted for retrospectively, and the comparative information for 2017 has been restated. The error has been corrected by restating each of the affected financial statement line items for the prior period.

The impact of these errors have been applied retrospectively from the earliest period presented in these financial statements:

	As at June 30, 2018			As at June 30, 2017		
	As previously reported on June 30, 2018	Adjustment	As restated on June 30, 2018	As previously reported on June 30, 2017	Adjustment	As restated on June 30, 2017
	Rupees					
5.1 Effect on statement of financial position						
Surplus on revaluation of property,	165,318,214	(51,746,366)	113,571,848	165,318,214	(47,872,853)	117,445,361
Property Plant and equipment	185,870,030	(10,547,589)	175,322,441	197,638,155	(11,719,542)	185,918,613
Share capital and reserves	(11,422,481)	(28,421,265)	(39,843,746)	5,836,931	(31,732,691)	(25,895,760)
Deferred tax Liablity	-	35,475,067	35,475,067	-	17,430,807	17,430,807
5.2 Effect on statement of changes in equity						
Revaluation surplus	165,318,214	(51,746,366)	113,571,848	165,318,214	(47,872,853)	117,445,361
Accumlated Loss	(450,225,270)	23,325,101	(426,900,169)	(433,622,468)	16,140,162	(417,482,306)
5.3 Effect on statement of Comprehensive income						
Loss before income tax	(16,566,011)		(15,394,056)	(21,420,313)		(20,118,141)
Effect of						
(Increase) /Decrease in depreciation	1,171,955			1,302,172		
Restated loss	**(15,394,056)**			**(20,118,141)**		

5.4 Effect on opening equity

	30-Jun-16
	Accumlated loss
Opening equity as reported in year ended June 30, 2017	(412,202,155)
Adjustments:	
Un-recognized depreciation on assets held for sale	(39,499,672)
Transfer from revaluation surplus to retained earnings on account of incremental depreciation for year 2016	5,419,730
Transfer from deferred tax liablity on revaluation surplus to retained earnings on account of incrimental depriciation for year 2016	2,550,461
Realization of revaluation surplus on sale of land in year 2016	1,682,068
Effect of assets in correctly expensed out in year 2012	37,512,232
	7,664,818
Adjusted equity - 2017	**(404,537,337)**

	Revaluation surplus
Opening equity as reported in year ended June 30, 2017	165,318,214
Overstatment of revaluation surplus on account of non recognition of depreciation on assets held for sale	(11,034,274)
Recognition of deferred tax liablity on revaluation surplus	(26,301,629)
Incremental depriciation 2016	(5,419,730)
Gain realized on disposal of land in year 2016	(1,682,068)
Transfer from deferred tax liablity to revaluation surplus due to rate change	797,019
	(43,640,682)
	121,677,532

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL	Note	2019 Rupees	2018 Rupees (Restated)	2017 Rupees (Restated)
20,312,530 (2018: 20,312,530) ordinary shares of Rs. 10/- each -fully paid up in cash		203,125,300	203,125,300	203,125,300
370,000 (2018: 370,000) ordinary shares of Rs. 10/- each -issued as fullypaid up in considerationof Property, and assets of Sargodha Textile Mils Limited as per bifurcation scheme approved by the Honorable High Court in 1974.		3,700,000	3,700,000	3,700,000
2,317,470 (2018: 2,317,470) ordinary shares of Rs. 10/- each -issued as bonus shares		23,174,700	23,174,700	23,174,700
		230,000,000	230,000,000	230,000,000

7 DEFICIT ON REMEASUREMENT OF AVAILABLE FOR SALE INVESTMENTS

Fair value reserve	(3,928,825)	(2,778,925)	(2,122,315)

This represents the unrealizedloss on remeasurement of availablefor sale investmentsat fair value and is not available for distribution.This willbe transferred to the statement of comprehensive incomeon realization.Reconciliationof 'fair value reserve is as under:

Opening balance	(2,778,925)	(2,122,315)	(479,125)
Fair value adjustment during the year	(1,149,900)	(656,610)	(1,643,190)
Closing balance	(3,928,825)	(2,778,925)	(2,122,315)

8 SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS

Opening balance of surplus on revaluation of fixed assets	113,571,848	117,445,361	121,677,532
Revaluation surplus arises during year-net of deferred tax	190,691,476	-	-
Transferred to un-appropriated profit in respect of incremental - depreciation charged during the year-net of deferred tax	(4,125,291)	(4,519,098)	(4,949,488)
Resultant adjustment to reduction in tax rate	581,027	645,585	717,317
Closing balance of surplus on revaluation of fixed assets	300,719,061	113,571,848	117,445,361

Freehold land, building on free hold land and plant & machinery are carried at valuation. Latest valuation on the basis of market values, has been carried out by independent valuers "M/S Al-Noor consultants and evaluaters" on June 30, 2019, resulting in surplus of Rs. 211.001 million. Previously revaluation was carried out on June 30, 2015.

	Note	2019 Rupees	2018 Rupees (Restated)	2017 Rupees (Restated)
9 Long Term Loans				
Financing from banking companies		-	-	92,188,792
		-	-	92,188,792

10 DEFERRED TAX LIABLITY

		2019	2018	2017
Opening balance of deferred tax on revaluation surplus		17,430,807	20,013,149	22,954,149
Deferred tax on revaluation surplus during year		20,310,265	-	-
Transferred to retained earnings in respect of -incremental depreciation		(1,684,978)	(1,936,756)	(2,223,683)
Resultant adjustment to reduction in tax rate		(581,027)	(645,585)	(717,317)
Closing balance		35,475,067	17,430,807	20,013,149

As at June 30, 2019, deferred tax asset amounting to Rs. 14.498 million on unused tax losses have not been recognised in the financial statements as a matter of prudence.

11 SHORT TERM FINANCING

	Note	2019	2018	2017
Financing from banking companies - secured	11.1	84,722,211	92,188,792	-
Sponsors loan	11.2	118,740,774	102,380,856	102,380,856
Loans from related parties - unsecured	11.3	1,840,101	1,813,101	1,685,101
		205,303,086	196,382,749	104,065,957

11.1 Financing from banking companies - secured

	Note	2019	2018	2017
Habib Bank Limited	11.1.1	13,258,000	13,258,000	-
Islamic Investment Bank Limited	11.1.2	71,464,211	71,464,211	-
National Bank of Pakistan	11.1.3	-	7,466,581	-
		84,722,211	92,188,792	-

11.1.1 Habib Bank Limited

The loan is secured against first E/M charge for PKR 69.325 millionon land measuring 35 Kanals 12 Marlas, toghether with factory building, plant & machinery located at 11 K.M. Sheikhupura, Fisalabad Road Kharianwala, Distt. Sheikhupura and hypothecation charge of PKR 243.860 millionon current assets of the Company. This loan was earlier settled by the State Bank of Pakistan in December 29, 2004 which had resulted in reduction of the liabilityby Rs. 3.580 millionwith no further markup to be providedsubject to provisionsthat if the Company failed to repay any of the installment than the agreement would stood cancelled and the bank would be entitled to recover the original outstandingamount withoutany reduction. The Company failed to repay the installmentsand the Bank fileda suite for recovery of its originalliabilityfor Rs. 39,741,015on October 22, 1999 which was consent decreed for PKR 40,080,000 on January 26, 2001. This loan does not carry any further markup as the Bank is only entitled to recover its original outstanding liability without any further markup, hence no markup has been provided.

11.1.2 Islamic Investment Bank Limited

	Note	2019 Rupees	2018 Rupees	2017 Rupees
Principal		17,698,386	17,698,386	17,698,386
Frozen markup		20,354,000	20,354,000	20,354,000
Accrued markup		33,411,825	33,411,825	33,411,825
		71,464,211	71,464,211	71,464,211

The loan was repayable in sixteen quarterly installments w.e.f. April 1, 1999. It carries mark-up @ 20% per annum. Accrued mark-up has been frozen and kept in a separate account. The new mark-up on diminishing principal is also being kept in same account and repayment of this mark-up would start subject to the entire repayment of the principal amount. This loan and mark-up account are secured by Personal guarantees of directors except nominee director and mortgage of fixed assets to the tune of Rs.20 million.The liquidator of Islamic Investment Bank has been appointed. The management is of the opinion that as the bank is a shareholder in the profit/(losses) and that the matter is pending in the Peshawar court of law of the Company, therefore, no markup is payable. The company has filed a suit against the bank to recover the share of losses amounting to Rs. 110.0 million.

11.1.3 National Bank of Pakistan

Principal	-	6,500,000	6,500,000
Accrued markup	-	966,581	966,581
	-	7,466,581	7,466,581

This loan has been settled during the year.

11.2 This represents unsecured and interest free loan obtained from sponsors of the Company to meet the Company's past B.M.R. plans and liquidity problem, with undetermined repayment period. Due to non availability of a defined repayment schedule, this loan is repayable on demand.

11.3 Loans from related parties - Unsecured

Sargodha Textile Mills Limited	1,500,000	1,500,000	1,500,000
Silver Fiber Spinning Mills Limited	340,101	313,101	185,101
Total loan	1,840,101	1,813,101	1,685,101

This represents unsecured with undetermined repayment period. The Company intends to repay the loans on the commencement of commercial operations.

12 TRADE AND OTHER PAYABLES

Other liabilities	57,581	57,581	11,225,602
Accrued liabilities	1,598,530	774,655	635,351
	1,656,111	832,236	11,860,953

	Note	2019 Rupees	2018 Rupees	2017 Rupees
13 ACCRUED MARKUP ON LOAN				
Accrued mark up on loan from banking companies		-	10,986,643	-
Accrued mark up on loan from related parties	13.1	9,248,965	9,248,965	9,248,965
		9,248,965	20,235,608	9,248,965

13.1 This represents markup payable on loan from related parties @ 14% in prior years.

14 CONTINGENCIES & COMMITMENTS

a) Execution petition No. 231-E/2007 titled Habib Bank Limited vs. Nazir Cotton Mills Limited for recovery of Decretal amount of Rs. 39,741,015 filed by Habib Bank Limited against Nazir Cotton Mills Limited and others before the Banking Court No. II, Lahore. The appeal is filed by Nazir Cotton Mills Limited against the order dated March 16, 2015 passed by Banking Court No. II, Lahore in Execution No. 231-E/2007. The management is hopefull that there is substantial likehood of the judgement in their favor.

b) Islamic Investment Bank (in liquidation) and case has been shifted from Lahore High Court to Peshawar High Court because, the liquidation process will be completed in Peshawar. This loan and mark-up account are secured by Personal guarantees of directors except nominee director and mortgage of fixed assets to the tune of Rs.20.0 million. The liquidator of Islamic Investment Bank has been appointed. The management is of the opinion that as the bank is a shareholder in the profit/(losses), therefore, the company has filed a suit against the bank to recover the share of losses amounting to Rs. 110.0 million and that the matter is pending in the Peshawar High Court, hence, no markup is payable.

c) WAPDA had filed a suit against the company for recovering of arrears amounting to Rs. 12.4 million. The Lahore High Court had decided the case in favor of WAPDA. The company had deposited Rs. 12.4 million with WAPDA for electricity case as per orders of the Lahore High Court and has filed an appeal for recovery of the said amount from WAPDA in the Supreme Court. The management is hopeful of a decision in their favors.

Commitments

There are no commitments at the year end.

	Note	2019 Rupees	2018 Rupees	2017 Rupees
15 PROPERTY PLANT AND EQUIPMENT			(Restated)	(Restated)
Operating fixed assets	15.1	376,789,398	175,322,441	185,918,613

15.1 Operating fixed assets

	Freehold Land	Building- on Freehold Land	Plant & Machinery	Furniture & Fixtures	Electric Installation	Laboratory Equipment	Office & other Equipment	Air Conditioners	Fire Fighting Equipment	Fans	Tube Well	Arms and Ammunition	Computers	Vehicles	Total
							(Rupees)								
Year ended June 30, 2017															
Cost/Revalued amount															
Opening	80,071,655	117,590,229	382,164,820	915,829	9,043,541	2,207,748	544,571	156,699	1,053,552	228,154	966,025	29,885	368,983	534,536	595,876,227
Closing value - Restated	**80,071,655**	**117,590,229**	**382,164,820**	**915,829**	**9,043,541**	**2,207,748**	**544,571**	**156,699**	**1,053,552**	**228,154**	**966,025**	**29,885**	**368,983**	**534,536**	**595,876,227**
Accumulated depreciation															
Opening	-	54,394,803	328,164,820	866,930	8,883,375	2,161,729	531,625	151,033	1,040,065	225,896	953,721	27,385	252,308	528,071	398,181,761
Charge for the year		6,319,543	5,400,000	4,890	24,025	6,903	1,942	1,133	2,023	339	1,846	250	11,667	1,293	11,775,853
Closing balance	**-**	**60,714,346**	**333,564,820**	**871,820**	**8,907,400**	**2,168,632**	**533,567**	**152,167**	**1,042,088**	**226,235**	**955,566**	**27,635**	**263,976**	**529,364**	**409,957,614**
Net book value 2017	**80,071,655**	**56,875,883**	**48,600,000**	**44,009**	**136,141**	**39,116**	**11,004**	**4,532**	**11,464**	**1,919**	**10,459**	**2,250**	**105,007**	**5,172**	**185,918,613**
Year ended June 30, 2018															
Cost/Revalued amount															
Opening	80,071,655	117,590,229	382,164,820	915,829	9,043,541	2,207,748	544,571	156,699	1,053,552	228,154	966,025	29,885	368,983	534,536	595,876,227
Closing value - Restated	**80,071,655**	**117,590,229**	**382,164,820**	**915,829**	**9,043,541**	**2,207,748**	**544,571**	**156,699**	**1,053,552**	**228,154**	**966,025**	**29,885**	**368,983**	**534,536**	**595,876,227**
Accumulated depreciation															
Opening	-	60,714,346	333,564,820	871,820	8,907,400	2,168,632	533,567	152,167	1,042,088	226,235	955,566	27,635	263,976	529,364	409,957,614
Charge for the year		5,687,588	4,860,000	4,401	20,421	5,867	1,651	906	1,720	288	1,569	225	10,501	1,034	10,596,171
Closing balance	**-**	**66,401,934**	**338,424,820**	**876,221**	**8,927,821**	**2,174,499**	**535,217**	**153,073**	**1,043,807**	**226,523**	**957,135**	**27,860**	**274,476**	**530,399**	**420,553,786**
Net book value 2018	**80,071,655**	**51,188,295**	**43,740,000**	**39,608**	**115,720**	**33,249**	**9,354**	**3,626**	**9,745**	**1,631**	**8,890**	**2,025**	**94,507**	**4,137**	**175,322,441**
Year ended June 30, 2019															
Cost/Revalued amount															
Opening	80,071,655	117,590,229	382,164,820	915,829	9,043,541	2,207,748	544,571	156,699	1,053,552	228,154	966,025	29,885	368,983	534,536	595,876,227
Revaluation surplus arises during the year	140,966,345	24,401,396	45,634,000												211,001,741
Closing value - Restated	**221,038,000**	**141,991,625**	**427,798,820**	**915,829**	**9,043,541**	**2,207,748**	**544,571**	**156,699**	**1,053,552**	**228,154**	**966,025**	**29,885**	**368,983**	**534,536**	**806,877,968**
Accumulated depreciation															
Opening	-	66,401,934	338,424,820	876,221	8,927,821	2,174,499	535,217	153,073	1,043,807	226,523	957,135	27,860	274,476	530,399	420,553,786
Charge for the year		5,118,829	4,374,000	3,961	17,358	4,987	1,403	725	1,462	245	1,333	203	9,451	827	9,534,784
Closing balance	**-**	**71,520,764**	**342,798,820**	**880,182**	**8,945,179**	**2,179,487**	**536,620**	**153,798**	**1,045,269**	**226,767**	**958,469**	**28,062**	**283,927**	**531,226**	**430,088,570**
Net book value 2019	**221,038,000**	**70,470,862**	**85,000,000**	**35,647**	**98,362**	**28,261**	**7,951**	**2,901**	**8,283**	**1,387**	**7,556**	**1,823**	**85,056**	**3,310**	**376,789,398**
Annual rate of depreciation (%)	-	10%	10%	10%	15%	15%	15%	20%	15%	15%	15%	10%	10%	20%	

15.2 Had there been no revaluation the carrying value of revalued assets as at June 30, would have been as under:

	2019 Rupees	2018 Rupees	2017 Rupees
Freehold land	7,171,690	7,171,690	7,171,690
Building- on freehold land	1,518,263	1,686,958	1,874,398
Plant and machinery	31,624,782	35,138,646	39,042,940
	40,314,734	43,997,295	48,089,028

15.3 Buildings and plant and machinery are located at freehold land measuring 18.618 Acres located at 8 K.M., Faisalabad Road, Near Khareanwala, Tehsil & District Sheikhupura. Punjab.
Open land measuring 5 Kanals & 16 Marlas located at Mouza Jhamber, Tehsil & District Kasur.

15.4 As per the valuation report of independent valuer as of June 30, 2019, the forced sales value of freehold land, building on freehold land and plant & machinery is Rs. 176,830,400/- ' 70,470,862/- ' 63,750,000/- respectively.

15.5 The depreciation for the year has been allocated to administrative expense.

	Note	2019 Rupees	2018 Rupees	2017 Rupees
16 BIOLOGICAL ASSETS				
Buffalo		3,144,100	-	-
Cow		731,500	-	-
Bull		114,000	-	-
		3,989,600	-	-
17 INVESTMENTS				
Available for sale				
Quoted:				
Sajjad Textile Mills Limited				
383,300 (2018: 383,300) Ordinary shares of Rs.10/- each	17.1	383,300	1,533,200	2,189,810
Unquoted:				
Sargodha Industrial Urban Development Co-operative Society Limited		5,000	5,000	5,000
50 (2018: 50) Ordinary shares of Rs. 100/- each.		388,300	1,538,200	2,194,810

17.1 The company holds 1.802% (2018: 1.802%) share holding in Sajjad Textile Mills Limited and account for this investment on fair market value.

	Note	2019 Rupees	2018 Rupees	2017 Rupees
18 STORES, SPARE PARTS AND LOOSE TOOLS				
Stores, spare parts and loose tools		1,805,733	1,805,733	1,805,733
Less: Provision for obsolete stores, spare parts and loose tools		(270,860)	(270,860)	-
		1,534,873	1,534,873	1,805,733
19 TRADE DEBTS - Unsecured and considered good				
Receivables		615,760	-	2,827,973
Less: Provision for doubtful debts		-	-	(2,827,973)
		615,760	-	-

Trade debts are non-interest bearing and are generally settled in 15-90 days. As at 30 June, the ageing analysis of trade debts is as follows:

	Note	2019 Rupees	2018 Rupees	2017 Rupees
Past due				
1-90 days		615,760	-	-
20 TRADE DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES				
Deposit with WAPDA		12,418,302	12,418,302	12,418,302
Security deposits		73,500	73,500	73,500
Advance income tax		499,131	479,661	102,788
Other receivables		23,382	23,382	72,727
		13,014,315	12,994,845	12,667,317
21 CASH & BANK BALANCES				
Cash in hand		151,380	136,898	31,103
Cash at banks:				
-Current accounts		13,692	105,501	109,033
-Saving accounts	21.1	232	3,884,557	8,755,447
		13,924	3,990,058	8,864,480
		165,304	4,126,956	8,895,583

21.1 Profit on balances in saving accounts ranged from 1.94% to 4.55% (2018: 1.94% to 4.55%) per annum.

	Note	2019 Rupees	2018 Rupees	2017 Rupees
22 SALES				
Milk		1,300,236	-	-
23 COST OF SALE				
Salaries, wages and benefits		654,484	-	-
Utilities		193,988	-	-
Other direct expenses		1,096,163	-	-
		1,944,635	-	-
24 ADMINISTRATIVE EXPENSES				
\ Director's remuneration		2,400,000	2,400,000	2,400,000
Staff salaries and other benefits		2,219,821	2,819,403	3,190,826
Traveling and conveyance		115,275	79,390	60,250
Printing and stationery		67,724	4,870	78,835
Postage, telephone and telex		33,170	34,157	55,493
Vehicle running and maintenance		21,980	-	127,810
Repairs and maintenance		50,201	93,150	136,010
Entertainment		39,435	35,700	229,560
Rent, rates and taxes		144,000	204,140	155,325
Electricity, water and gas		101,268	343,223	143,009
Fees and subscription		537,800	894,797	457,124
Legal and professional		46,000	190,950	140,000
Auditors' remuneration	24.1	150,000	125,000	55,000
Newspapers and periodicals		26,940	27,795	21,760
Advertisement		189,850	35,000	20,000
Provision for debts		-	-	2,827,973
Miscellaneous expenses		283,993	177,875	27,360
Depreciation	15.5	9,534,784	10,596,171	11,775,853
		15,962,241	18,061,621	21,902,188
24.1 Auditors' remuneration				
Annual statutory audit		100,000	85,000	55,000
Interim review and other certification		50,000	40,000	-
		150,000	125,000	55,000
25 OTHER EXPENSES				
Bank balances - written off		87,027	-	-
Provision for obsolete stores, spare parts and loose tools		-	270,860	-
		87,027	270,860	-
26 OTHER INCOME				
Profit on bank deposits		165,516	356,212	109,300
Bank loan waived		6,013,306	-	-
Miscellaneous		3,385,669	2,587,153	1,679,380
		9,564,491	2,943,365	1,788,680

		Note	2019 Rupees	2018 Rupees	2017 Rupees
27	**FINANCE COST**				
	Bank charges		20,337	4,940	4,633
28	**TAXATION**				
	-Current	28.1	727,968	36,792	
	-Prior year adjustment		442,869	-	-
			1,170,837	36,792	-
28.1	**Reconciliation of tax charge for the year**				
	(Loss) before taxation		(8,320,351)	(15,430,848)	(20,118,141)
	Rental income		3,137,794	-	-
	Less: 1/5th repairs allowance		(627,559)	-	-
	Taxable income		2,510,235	-	-
	Tax @ 29%		727,968	-	-

29 LOSS PER SHARE - BASIC & DILUTED

	2019	2018	2017
(Loss) after taxation	(8,320,351)	(15,430,848)	(20,118,141)
Weighted average number of ordinary shares	23,000,000	23,000,000	23,000,000
Loss per share - basic	(0.36)	(0.67)	(0.87)

29.1 There is no dilution effect on the basic earning per share.

30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts during the year for remuneration includes benefits to Chief Executive Officer, directors and Executives is as under:

	2019 Rupees	2018 Rupees	2017 Rupees
	CEO/Directors/Executives		
Managerial Remuneration	2,400,000	2,400,000	2,400,000
House Rent	-	-	-
Medical	-	-	-
	2,400,000	2,400,000	2,400,000
Total Number(s)	1	1	1

30.1 No remuneration or meeting fee has been paid to chief executive and any director during the year.

30.2 The chief executive is provided with the free use of company maintained cars.

30.3 Executives are defined as employees with basic salary exceeding Rs. 1,200,000 per annum. No employee of the company qualifies as executive.

31 TRANSACTIONS WITH RELATED PARTIES

The related parties include major shareholders, entities having directors in common with the Company, directors, other key management personnel and employees benefit plans. Transaction with related parties, other than remuneration and benefits to key management personnel under terms of their employment are as under:

	2019 Rupees	2018 Rupees	2017 Rupees
Increase in loans from sponsors	16,359,918	-	-
Loan received/(repaid) from Silver Fiber Spinning Mills Limited - an associated undertaking	27,000	128,000	(8,295,656)

32 FINANCIAL RISK MANAGEMENT

32.1 *Risk management framework*

The Company's activities expose it to a variety of financial risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

32.2 Fair Value

The carrying values of the financial assets and financial liabilities approximate their fair values except for Deferred sponsors' loan and loan from related parties disclosed in note.10 to the financial statements. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If the transaction is not based on market terms, or if a market price cannot be readily determined, then an estimate of future cash payments or receipts, discounted using the current market interest rate for a similar financial instrument, is used to approximate the fair value.

32.3 Financial Risk Factors

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

- Credit Risk
- Liquidity Risk
- Market Risk

32.3.1 *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from long term security deposits, loans and advances to employees, deposits, trade debts, other receivables and bank balances .

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage exposure to credit risk in respect of trade receivables, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date was:

	2019 Rupees	2018 Rupees	2017 Rupees
Cash in hand	151,380	136,898	31,103
Deposits, prepayments and other receivables	13,014,315	12,994,845	12,667,317
Bank balances	13,924	3,990,058	8,864,480
	13,179,619	17,121,801	21,562,900

32.3.2 *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

Following is the maturity analysis of financial liabilities:	**Rupees**	**Rupees**
Non - derivative financial liabilities	**Up to 1 year**	**Up to 5 year**
Trade and other payables	1,656,110	-
Short term financing	84,722,211	-
Accrued mark up on loan	9,248,965	-
June 30, 2019	95,627,286	-
Non - derivative financial liabilities		
Trade and other payables	832,236	-
Long term financing	92,188,792	104,193,957
Accrued mark up on loan	20,235,608	-
June 30, 2018	113,256,636	104,193,957

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effectively as at June 30, 2015. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

32.4 *Market risk*

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate and currency risks.

a) Currency Risk

Currency Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is not significantly expose to currency risk as the company does not maintain bank accounts in foreign currencies.

b) Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates and entering into interest rate swap contracts.

33 CAPITAL RISK MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, the Company's abilityto continue as goingconcern is disclosed in note 2 to the financial statements, and

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditionsand the risk characteristics of the underlying assets. In order to maintainor adjust the capital structure, the Company may, for example, adjust the amount of dividendspaid to shareholders, issue new shares, or sell assets to reduce debt.

The gearing ratio as at September 30, 2019, and September 30, 2018 is as follows:

	2019 Rupees	2018 Rupees
Borrowings - notes 11	205,303,086	196,382,749
Less: Cash and cash equivalents	(165,304)	(4,126,956)
Net debt	205,137,782	192,255,793
Total equity (includes surplus on revaluation on operating fixed assets)	144,086,354	(39,400,877)
Gearing ratio	59%	126%

In accordance with the terms of agreement with the lenders of long term finances (as reffered to in note 8 to these financial statements), the Company is required to comply with certain financial covenants in respect of capital requirements which the Company has compiled with throughout the reporting period.

34 PLANT CAPACITY AND ACTUAL PRODUCTION

		2019 Rupees	2018 Rupees	2017 Rupees
No. of spindles installed		28,800	28,800	28,800
No. of spindles worked		-	-	-
Installed capacity at 20's count based on number of shifts worked.	Kgs	-	-	-
Actual production of yarn on different counts.	Kgs	-	-	-
Actual production of yarn converted into 20's count	Kgs	-	-	-
Number of shifts worked		-	-	-

Reason for low production is due to closure of mills for some period as a result of financial constraints.

35 NUMBER OF EMPLOYEES

	2019				
	Permanent		Contractual		
	Head office	Mills	Head office	Mills	Total
Total number of employees as at the year end	-	-	2	11	13
Average number of employees during the year	-	-	2	15	17

	2018				
	Permanent		Contractual		
	Head office	Mills	Head office	Mills	Total
Total number of employees as at the year end	-	-	2	19	21
Average number of employees during the year	-	-	2	19	21

36 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on November 06, 2019

37 EVENT AFTER THE BALANCE SHEET DATE

There are no reportable events after balance sheet date.

38 CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect better presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. Reclassifications made are as follows:

Sponsors loan and loans from related parties previously presented under 'Non Current Liabilities' now shown under 'Current Liabilities'.

	Rupees
Sponsors loan	118,740,774
Loans from related parties	1,840,101

39 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

FORM - 34
PATTERN OF HOLDINGS OF SHARES
HELD BY THE SHARE HOLDERS AS AT 30.06.2019

No. of Share Holders	Share Holdings From	Share Holdings To	Total Shares Held
37	1	100	661
205	101	500	98,876
123	501	1,000	122,011
327	1,001	5,000	1,044,703
127	5,001	10,000	1,038,912
55	10,001	15,000	721,758
31	15,001	20,000	590,250
16	20,001	25,000	376,601
11	25,001	30,000	304,999
8	30,001	35,000	262,940
6	35,001	40,000	228,640
5	40,001	45,000	214,165
2	45,001	50,000	100,000
2	55,001	60,000	112,500
1	60,001	65,000	64,500
1	65,001	70,000	67,000
2	75,001	80,000	155,500
2	80,001	85,000	169,500
1	85,001	90,000	88,500
1	95,001	100,000	100,000
3	105,001	110,000	329,070
1	110,001	115,000	113,500
2	125,001	130,000	255,689
2	140,001	145,000	288,076
2	145,001	150,000	297,218
1	155,001	160,000	156,200
2	175,001	180,000	353,154
2	275,001	280,000	553,553
2	295,001	300,000	595,551
1	300,001	305,000	300,500
1	440,001	445,000	440,500
1	465,001	470,000	466,144
1	490,001	495,000	492,500
1	585,001	590,000	586,500
1	620,001	625,000	625,000
1	655,001	660,000	657,554
1	710,001	715,000	714,700
1	750,001	755,000	754,580
1	790,001	795,000	793,000
1	820,001	825,000	822,700
2	920,001	925,000	1,844,881
1	1,315,001	1,320,000	1,320,000
1	2,175,001	2,180,000	2,178,000
1	2,195,001	2,200,000	2,199,414
996			**23,000,000**

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	6,167,375	26.8147%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	1,000	0.0043%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Share holders holding 10% or more	4,487,414	19.5105%
2.3.8 General Public		
a. Local	14,621,381	63.5712%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	2,210,244	9.6098%

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. SHAHZAD ASLAM	4,487,414	19.5105
2	MR. FARRUKH NASEEM (CDC)	921,881	4.0082
3	MR. AAMIR NASEEM (CDC)	754,580	3.2808
4	MR. MUHAMMAD ASGHAR	500	0.0022
5	MR. MUHAMMAD IRFAN	2,000	0.0087
6	MR. MUHAMMAD ABBAS	500	0.0022
7	MR. MAQBOOL HUSSAIN BHUTTA	500	0.0022
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		1,000	0.0043
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	MR. SHAHZAD ASLAM	4,487,414	19.5105
2	SEEMA SAJJAD	1,320,000	5.7391

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
1	MIAN SHAHZAD ASLAM (CDC)	-	157,500
	Dear Sir, please check at your end		

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NOT FOR PRINTING

AS ON 30th June, 2019

S. No.	NAME	HOLDING	% AGE
DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN			
1	MR. SHAHZAD ASLAM	2,199,414	9.5627
	MIAN SHAHZAD ASLAM (CDC)	2,178,000	9.4696
	MIAN SHAHZAD ASLAM (CDC)	110,000	0.4783
2	MR. FARRUKH NASEEM (CDC)	921,881	4.0082
3	MR. AAMIR NASEEM (CDC)	754,580	3.2808
4	MR. MUHAMMAD ASGHAR	500	0.0022
5	MR. MUHAMMAD IRFAN	2,000	0.0087
6	MR. MUHAMMAD ABBAS	500	0.0022
7	MR. MAQBOOL HUSSAIN BHUTTA	500	0.0022
		6,167,375	26.8147
ASSOCIATED COMPANIES		0	0.0000
NIT & ICP		0	0.0000
FINANCIAL INSTITUTION			
1	INVEST CAPITAL INVESTMENT BANK LIMITED	1,000	0.0043
		1,000	0.0043
MODARABA & MUTUAL FUNDS		0	0.0000
JOINT STOCK COMPANIES (CDC)			
1	SHAKARGANJ MILLS LIMITED	30,100	0.1309
2	HARVEST SMARTRENT SECURITIES (PVT.) LTD.	19,000	0.0826
3	HIGHLINK CAPITAL (PVT.) LTD.	14,000	0.0609
4	FAIR EDGE SECURITIES (PVT) LTD.	1,500	0.0065
5	MAZHAR HUSSAIN SECURITIES (PVT) LIMITED	8,000	0.0348
6	UNITED CAPITAL SECURITIES PVT. LTD.	31,000	0.1348
7	DARSON SECURITIES (PVT) LIMITED	110,000	0.4783
8	KAI SECURITIES (PVT) LIMITED	8,500	0.0370
9	DURVESH SECURITIES (PVT) LTD.	3,500	0.0152
10	DOSSLANI'S SECURITIES (PVT) LIMITED (CDC)	1,500	0.0065
11	SAAO CAPITAL (PVT) LIMITED (CDC)	1,500	0.0065
12	SALIM SOZER SECURITIES (PVT.) LIMITED (CDC)	466,144	2.0267
13	SARGODHA JUTE MILLS LIMITED (CDC)	923,000	4.0130
14	SHADAB INNOVATIONS (PRIVATE) LIMITED (CDC)	100,000	0.4348
15	NADEEM INTERNATIONAL (PVT.) LTD. (CDC)	492,500	2.1413
		2,210,244	9.6098
EXECUTIVE		0	0.0000
SHARES HELD BY THE GENERAL PUBLIC (LOCAL)		14,621,381	63.5712
SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)		0	0.0000
		14,621,381	63.5712
	TOTAL:	**23,000,000**	**100.0000**

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

S. No.	Name	Holding	% AGE
1	MR. SHAHZAD ASLAM	4,487,414	19.5105
		4,487,414	**19.5105**

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

S. No.	Name	Holding	% AGE
1	MR. SHAHZAD ASLAM	4,487,414	19.5105
2	SEEMA SAJJAD	1,320,000	5.7391
		5,807,414	**25.2496**

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

S. No.	NAME	SALE	PURCHASE
1	MIAN SHAHZAD ASLAM (CDC)	0	157,500

Dear Sir, please check at your end

NAZIR COTTON MILLS LTD.

FORM OF PROXY

The Corporate Secretary,
NAZIR COTTON MILLS LIMITED,
61-K, Gulberg III, Lahore.

I/We ____

of ____ being a member(s) of

NAZIR COTTON MILLS LIMITED, and holder of ________________ ordinary shares

as per share Registered Folio No. ______________________ Hereby appiont

Mr./Mrs./Miss ____

of ____

(being a member of the Company) as my/our proxy to attend, act and vote for me/us and on my/our behalf, at the 43rd Annual General Meeting of the Company to be held at the Registered office, 61-K, Gulberg III, Lahore. on Monday 25th November, 2019 at 10.00 a.m. and at every adjournment thereof.

As witness my hand this __________ day of ____________________ 2019.

Signed by the said in the presence of ______________________________

Signature

Witness

Signature

Affix
Revenue Stamp

Note : (1) Proxies in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

(2) Signature must agree with the specimen signature registered with Company.

(3) No Person shall act as Proxy unless he/she is a member of the Company.

Registered Office: 61-K, Gulberg III, Lahore.
Ph: 042-35763736, 35773742 Fax: 042-35763768