CONTENTS

COMPANY INFORMATION

Board of Directors

Mr. Javaid S. Siddiqi	Chief Executive
Mr. Pervaiz S. Siddiqi	
Mrs. Fauzia Javaid	
Mr. Salman Javaid Siddiqi	
Mr. Asim Pervaiz Siddiqi	
Mr. Adnan Javaid Siddiqi	
Mr. Arsalan Javaid Siddiqi	

Audit Committee

Mr. Salman Javaid Siddiqi	Chairman
Mr. Pervaiz S. Siddiqi	Member
Mrs. Fauzia Javaid	Member

HR & R Committee

Mr. Pervaiz S. Siddiqi	Chairman
Mr. Javaid S. Siddiqi	Member
Mr. Asim Pervaiz Siddiqi	Member

Company Secretary

- Mr. Sohail Ashraf

Chief Financial Officer

- Mr. Javed Rashid

Auditors

- Grant Thornton Anjum Rahman
  Chartered Accountants
  01-Inter Floor, Eden Centre
  Jail Road, Lahore.

Bankers

- MCB Bank Limited
- Faysal Bank Limited
- Bank AL Habib Limited
- United Bank Limited
- Allied Bank Limited
- Habib Metropolitan Bank Limited

Legal Advisor

- Imtiaz Siddiqi Associates
  179/180-A, Scotch Corner,
  Upper Mall Scheme, Lahore-Pakistan.
  Tel: 042-35758573 - 74
  Fax: 042-35758572

Shares Registrar

- Corplink (Pvt.) Ltd.
  Wings Arcade, 1-K Commercial
  Model Town, Lahore.
  Ph: 042-35916714, 35916719
  Fax : 042-35869037

Registered Office

242-A, Anand Road,
Upper Mall, Lahore.
Ph: 042-35751765-67
Fax : 042-35789206
Web site : www.icctextiles.com

Factory

32-K.M, Multan Road, Sunder,
Distt. Lahore.
Ph: 042-35975426-27
Fax: 042-35975428

Notice of Annual General Meeting

Notice is hereby given that the Twenty Ninth (29th) Annual General Meeting of ICC Textiles Limited will be held at Company's Registered Office at 242-A, Anand Road, Upper Mall, Lahore on Saturday, January 27, 2018 at 10:30 a.m. to transact the following business:

1. To confirm the minutes of the Extraordinary General Meeting held on December 04, 2017.

2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2017 together with the Directors' and Auditors' Reports thereon.

3. To appoint statutory auditors for the year ending June 30, 2018 and to fix their remuneration.

4. Any other business with the permission of the Chair.

By Order of the Board

LAHORE:
January 06, 2018

SOHAIL ASHRAF
Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from 19.01.2018 to 27.01.2018 (both days inclusive). No transfer will be accepted for registration during this period.

2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. The CDC Account Holders are requested to bring their original CNIC and participant ID to attend the meeting.

3. Shareholders are requested to promptly notify the change in their address, if any, to the Company's Shares Registrar M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore.

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the board of directors, I take pleasure in presenting the audited financial statements of the company pertaining to the financial year ended on June 30, 2017.

Financial Highlights

The company earned an after tax profit of Rs. 4.739 million on total sales of Rs. 31.883 million as against an after tax loss of Rs. 211.063 million on total sales of Rs. 443.604 million in the preceding period.

•	Revenue	Rs.	31,883,191
•	Gross (Loss)	Rs.	-56,761,735
•	Operating (Loss)	Rs.	-52,286,274
•	Finance Cost	Rs.	50,764,927
•	Change in Fair Value of Investment Property	Rs.	100,452,810
•	Profit after tax	Rs.	4,738,508
•	Unappr. (Loss) brought forward	Rs.	-816,970,385
•	Total Accumulated (Loss)	Rs.	-787,599,476
•	Earning per share	Rs.	0.16

Period under Review

The fabric sale declined as substantial quantity of machinery comprising all Airjet looms alongwith associated back process & allied equipment and 23 Sulzer cam looms, placed in assets held for sale in June 2016 was disposed off during the year. This conformed to our consolidation plan to reduce the company debt through sale of machinery alongwith injection of sponsor's funds.

Moreover, the sluggish global demand and unsupportive textile policy of the government continued the financial hardship for the entire textile sector during the year. The cost of doing business remained high which is evident from the very high cost of energy in the region and the overvalued Pakistan rupee. Unfortunately, the notification for lifting the ban on captive gas connection has not been issued todate, despite long overdue expectation. Instead, the Textile Industry was offered RLNG at an exorbitant price which is not a viable option. As per our plan, the company's object clause-1 of Memorandum of Association was amended by the shareholders in Oct 2016 to allow enhanced scope of our principal business activity which included rental of our industrial premises. Hence, the reduced textile activity was compensated by revenue earned from renting out partial available industrial building. Accordingly, the portion of premises not available for production activity was classified as "Investment property".

The following factors influenced the performance of the company during this period:

- Sale of cloth reduced from Rs. 443.604 million to Rs. 21.974 million attributed to disposal of all air- jet & 23 Sulzer cam looms and overhauling of 40 Sulzer dobby looms during the year.
- Company's rental income for the period Feb 01, 2017 to June 30, 2017 was Rs.9.910 million (2016: Nil)
- The company has classified its partial land and buildings, not required for textile business, as "Investment Property" and change in fair value of the investment property amounted to Rs. 100.453 million has been accounted for during the year.
- Financial cost has been decreased from Rs. 52.712 million to Rs. 50.765 million.
- Other income has been reduced from Rs. 51.233 million to Rs. 40.090 million.

Future Strategy and Prospects

We are continuing on our plan to consolidate the company's affairs by selling off old and obsolete machinery to reduce our debt burden and curtailing our overall expense and liability. You may recall that the Board of directors of the company had decided in June 2016 to dispose off, energy intensive 78 air-jet looms with complete back process equipment, which are no more financially viable and are causing continuous losses.

As a result of Sponsors fund injection and sale of machinery during the year under review, the company was able to reduce its bank debt to Rs. 70 million (2016: Rs. 318 million) by making payment of Rs. 248 million.

Even after the balance sheet date, the negative sentiment continued to prevail in the textile weaving sector and no respite was felt in cost of doing business, primarily due to non-availability of a vialble gas option for energy and an overvalued rupee, the company decided to further reduce its bank liability by gradually selling off some of its remaining textile machinery.

Accordingly, the bank borrowing has been further reduced by Rs. 15 million.

Subsequently, the shareholders of the company in the EOGM held on Dec 4, 2017 decided to dispose off the balance Sulzer dobby looms with accessories, equipment and parts, thus enabling the Company to rent out additional area. It was decided to focus on generating rental income to improve the cashflow of the company.

We are monitoring the general textile environment and considering our existing textile infrastructure, may decide to invest in the new textile weaving technology in future.

Contingencies and commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the balance sheet relates and the date of Directors' Report, except as disclosed in the financial statements.

Outstanding Statutory Dues

There are no outstanding statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2017 except for those disclosed in the financial statements.

Corporate Social Responsibility

Your company is a responsible corporate citizen and fully recognizes its responsibility towards community, employees and environment.

Corporate and Financial Reporting Framework

In order to follow the SECP code of corporate governance, the following statements are given:

Presentation of Financial Statements

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

Books of Accounts

Proper books of accounts have been maintained by the Company.

Accounting Policies

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

International Financial Reporting Standards (IFRS)

International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

Internal Control System

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

Going Concern

Without qualifying their opinion, Company's auditors, in their report, have drawn your attention to note 1.2 to the financial statements, which describes that the Company's current liabilities exceeded its current assets by Rs. 150.557 million, and its accumulated losses stood at Rs. 787.600 million. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern.These financial statements have, however, been prepared on going concern basis on the grounds that the company will be able to achieve satisfactory levels of profitability in the future based on plan drawn up by the management for this purpose and bringing its liabilities to serviceable levels and availability of the adequate working capital from its lenders and sponsors.

To substantiate its going concern assumption the directors had decided to consolidate the company'sresources and settle banks' finance facilities as elaborated in "Future Strategy", to pass through this difficult time, and taken steps as mentioned in note 1.2 (i – ix) to the financial statements.

Corporate Governance

The Company's auditors, in their review report to the members have mentioned regarding non appointment of independent director(s) as required by the Code of Corporate Governance. The company is making effort and resolve the issue by June 2018. There has been no other material departure from the best practices of corporate governance, as detailed in the listing regulations of stock exchanges.

Operating and Financial Data

Key operating and financial data of last six years is as under:

						(Rs. in Million)
	2012	2013	2014	2015	2016	2017
Revenue :						
- Fabric Sales (Rs.)	1,778.224	1,728.459	1,234.768	540.948	443.604	21.974
- Rental (Rs.)	-	-	-	-	-	9.910
Net profit/(loss) after tax (Rs.)	(82.897)	2.984	(73.401)	(63.965)	(211.063)	4.739
Fixed assets (Rs.)	1,015.677	979.040	933.611	928.706	675.842	242.183
Investment property (Rs.)	-	-	-	-	-	620.350
Retained earnings (Rs.)	(554.301)	(535.519)	(592.182)	(625.212)	(816.970)	(787.600)
Net profit rate	(4.7%)	0.2%	(5.9%)	(11.8%)	(47.6%)	14.86%
Current ratio	0.37:1	0.35:1	0.28:1	0.34:1	0.21:1	0.28:1
Share break up value (Rs.)	(8.47)	(7.85)	(9.74)	(10.84)	(17.23)	(16.25)
Earning per share (Rs.)	(2.76)	0.10	(2.45)	(2.13)	(7.04)	0.16
Dividend	Nil	Nil	Nil	Nil	Nil	Nil

Staff Retirement Benefits

Value of unfunded gratuity scheme, based on actuarial valuation, at the period end was Rs.43.218 million (2016: Rs. 72.777 million).

Board and Committees Meetings

During the year July 2016 to June 2017, thirteen meetings of the Board of Directors, seven meetings of audit committee and one meeting of HR & R committee were held. Attendances by the Directors were as follows:

Name of Directors	Attendance	Remarks
Board of Directors		
Mr. Shafiq A. Siddiqi	5	Died on 10-02-2017
Mr. Javaid S. Siddiqi	11	
Mr. Pervaiz S. Siddiqi	13	
Mrs. Fauzia Javaid	12	
Mr. Salman Javaid Siddiqi	13	
Mr. Asim Pervaiz Siddiqi	12	
Mr. Adnan Javaid Siddiqi	2	
Mr. Arsalan Javaid Siddiqi	1	Appointed on 29-03-2017
Audit Committee		
Mr. Salman Javaid Siddiqi	7	
Mr. Pervaiz S. Siddiqi	7	
Mrs. Fauzia Javaid	7	
HR & R Committee		
Mr. Pervaiz S. Siddiqi	1	
Mr. Javaid S. Siddiqi	1	
Mr. Asim Pervaiz Siddiqi	1	

Pattern of Shareholding

The Pattern of shareholding as required by the Code of Corporate Governance is attached with this report.

Trading of Company Shares

During the financial year there was no trading in shares of the company by Directors, Company Secretary, CEO, CFO and Executives of the Company (including their spouses and minor children).

Audit Committee

The Audit Committee comprises 3 members, of whom all are non-executive directors.

HR And Remuneration Committee

The HR and Remuneration Committee comprise 3 members, of whom 2 are non-executive directors.

Auditors

M/s Grant Thornton Anjum Rahman, Chartered Accountants will retire at the conclusion of 29th Annual General Meeting. They have expressed their willingness for reappointment. The Audit Committee has recommended their reappointment.

Dividend

Considering the results for the year, the board is not recommending disbursement of any dividend for the period ended June 30, 2017.

Acknowledgement

The directors of the company wish to extend their appreciation and gratitude to all staff members and workers for their continued hard work and quality standard.

For and on behalf of the Board of Directors

Sd/-
JAVAID S. SIDDIQI
Chief Executive Officer

LAHORE
January 06, 2018

Statement of Compliance with Best Practices of Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the relevant listing Rules of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manners.

1. Although company encourages representation of independent non-executive directors, no independent director was on Board of Directors of the company. At present, the Board includes:

Category	Name
Independent	--
Executiev Directors	Mr. Javaid S. Siddiqi
Non-Executive Directors	Mr. Pervaiz S. Siddiqi Mrs. Fauzia Javaid Mr. Salman Javaid Siddiqi Mr. Asim Pervaiz Siddiqi Mr. Adnan Javaid Siddiqi Mr. Arsalan Javaid Siddiqi

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBFI or being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring in on 10-02-2017 was filled up within 46 days.
5. 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.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of Chief Executive and other executive and non-executive directors, have been taken by the Board / Shareholders.
8. The meetings of the Board were presided over by a director elected as chairman by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. One director has already completed Director Training Program. Two of the Directors of the Company are exempted from the requirement of the directors' training program, and one of the remaining Directors will be trained within specified time according to Rule Book of Pakistan Stock Exchange.
10. No new appointment of CFO, Company Secretary and Head of Internal Audit made during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an audit committee. It comprises three members, all the members including chairman are non-executive directors.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of references of the committee have been formed and advised to the committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee. It comprises three members, of whom 2 are non-executive directors and the chairman is non-executive director.

18. The Board has set up an effective internal audit function comprised of personnel considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality Control Review program of the Institute of Chartered Accountants 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 Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period' prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles enshrined in the CCG have been complied with.

Sd/-

LAHORE: JAVAID S. SIDDIQI
January 06, 2018 Chief Executive Officer

Review Report to the Members on Statement of Compliance with the best practices of code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of ICC Textiles Limited (the Company) for the year ended June 30, 2017 to comply with the requirements of Rule 5.19 of the Rule Book of the Pakistan Stock Exchange where the Company is listed.

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

As a part of our audit of 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's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendations of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendations of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code to the Company for the year ended June 30, 2017.

Further, we highlighted below instance of non–compliances with the requirements of the Code as reflected in following paragraphs where these are stated in the Statement of Compliance:

Paragraph:

Reference	Description
1 & 15	The Board and audit committee of the Company do not have any independent director as required by the Code.

GRANT THORNTON ANJUM RAHMAN
CHARTERED ACCOUNTANTS
Engangement Partner: Muhammad Shaukat Naseeb
Lahore
Dated: January 6, 2018

Auditors' Report to the Members

We have audited the annexed balance sheet of ICC Textiles Limited ("the Company") as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

(ii) the expenditure incurred during the year was for the purpose of the Company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Without qualifying our opinion, we draw attention towards note 1.2 to the financial statements which describes that as at June 30, 2017, the Company's current liabilities exceeded its current assets by Rs. 150.557 million and its accumulated losses stood at Rs. 787.599 million. These conditions indicate existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern. These financial statements have, however, been prepared on a going concern basis for the reasons, as more fully explained in note 1.2 to the financial statements.

GRANT THORNTON ANJUM RAHMAN
CHARTERED ACCOUNTANTS
Engangement Partner: Muhammad Shaukat Naseeb
Lahore
Dated: January 6, 2018

BALANCE SHEET
AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 32,000,000 (2016: 32,000,000) ordinary shares of Rs. 10 each		320,000,000	320,000,000
Issued, subscribed and paid-up share capital	4	300,011,200	300,011,200
Accumulated losses		(787,599,476)	(816,970,385)
Total Shareholders' equity		(487,588,276)	(516,959,185)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX	5	603,715,735	523,687,940
NON-CURRENT LIABILITIES			
Long term financing from directors	6	501,588,618	270,570,409
Long term financing from commercial banks	7	-	-
Deferred liabilities	8	112,787,495	142,772,428
		614,376,113	413,342,837
CURRENT LIABILITIES			
Trade and other payables	9	106,354,396	161,006,389
Security deposits		7,853,730	-
Accrued interest / mark-up	10	25,923,989	30,453,900
Short term borrowings	11	4,331,979	124,319,088
Current portion of long term liabilities	12	65,288,898	192,496,743
		209,752,992	508,276,120
TOTAL EQUITY AND LIABILITIES		940,256,564	928,347,712
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes 1 to 43 form an integral part of these financial statements.

LAHORE:
January 06, 2018

	Note	2017 Rupees	2016 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	242,182,764	675,842,075
Investment property	15	620,349,770	-
Long term loans and advances	16	209,000	29,000
Long term deposits	17	1,629,034	1,629,034
		864,370,568	677,500,109
CURRENT ASSETS			
Stores, spare parts and loose tools	18	15,801,172	25,123,900
Stock in trade	19	1,035,767	14,551,946
Trade debts	20	127,448	9,576,623
Loans and advances	21	429,907	3,603,334
Short term prepayments and other receivables	22	1,345,669	1,659,834
Tax refunds due from Government	23	40,000,826	38,288,792
Cash and bank balances	24	455,207	11,442,103
		59,195,996	104,246,532
Non-current assets classified as held for sale	25	16,690,000	146,601,071
TOTAL ASSETS		940,256,564	928,347,712

Sd/-	Sd/-	Sd/-
Chief Executive Officer	Director	Chief Financial Officer

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

	Note	2017 Rupees	2016 Rupees
REVENUE	26	31,883,191	443,604,149
DIRECT COST	27	(88,644,926)	(574,237,873)
GROSS LOSS		(56,761,735)	(130,633,724)
DISTRIBUTION COST	28	(2,529,582)	(4,705,792)
ADMINISTRATIVE EXPENSES	29	(31,395,863)	(34,771,153)
OTHER EXPENSES	30	(1,689,395)	(46,007,762)
OTHER INCOME	31	40,090,301	51,232,992
OPERATING LOSS		(52,286,274)	(164,885,439)
FINANCE COST	32	(50,764,927)	(52,711,509)
CHANGE IN FAIR VALUE OF INVESTMENT PROPERTY	15	100,452,810	-
LOSS BEFORE TAXATION		(2,598,391)	(217,596,948)
TAXATION	33	7,336,899	6,533,578
PROFIT / (LOSS) AFTER TAXATION FOR THE YEAR		4,738,508	(211,063,370)
EARNING/(LOSS) PER SHARE - BASIC AND DILUTED	34	0.16	(7.04)

The annexed notes 1 to 43 form an integral part of these financial statements.

LAHORE:	Sd/-	Sd/-	Sd/-
January 06, 2018	Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees Restated
INCOME / (LOSS) AFTER TAXATION FOR THE YEAR		4,738,508	(211,063,370)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified to profit or loss			
Gain on remeasurement of staff retirement benefits	8.1	3,151,734	5,248,757
Total other comprehensive income for the year		3,151,734	5,248,757
TOTAL COMPERHENSIVE INCOME / (LOSS) FOR THE YEAR		7,890,242	(205,814,613)

The annexed notes 1 to 43 form an integral part of these financial statements.

LAHORE:	Sd/-	Sd/-	Sd/-
January 06, 2018	Chief Executive Officer	Director	Chief Financial Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year before taxation		(2,598,391)	(217,596,948)
Adjustments for:			
Depreciation on property, plant and equipment		25,560,599	40,510,759
Loss / (gain) on disposal of property, plant and equipment & assets held for sale		82,772	(586,897)
Impairment of assets classified as held for sale		-	45,192,151
Amortization of interest free loan		(8,604,541)	(50,268,051)
Unwinding of discount		27,250,249	28,635,572
Amortization of transaction cost		714,286	1,428,571
Change in fair value of investment properties		(100,452,810)	-
Staff gratuity		7,331,227	16,029,282
Other finance cost		22,800,392	24,075,937
		(25,317,826)	105,017,324
		(27,916,217)	(112,579,624)
Decrease in current assets			
Stores, spare parts and loose tools		9,322,728	6,393,643
Stock in trade		13,516,179	25,195,552
Trade debts		9,449,175	5,525,174
Loans and advances		3,173,427	526,853
Short term prepayments and other receivables		314,165	328,622
Sales tax refundable		34,365	1,517,252
		35,810,039	39,487,096
(Decrease) / Increase in current liabilities			
Trade and other payables		(54,651,993)	44,964,543
Security deposits		7,853,730	-
		(46,798,263)	44,964,543
Net cash used in operation		(38,904,441)	(28,127,985)
Finance cost paid		(28,044,589)	(5,860,209)
Taxes paid		(4,677,977)	(5,345,072)
Gratuity paid		(33,738,714)	(7,016,655)
		(66,461,280)	(18,221,936)
Net cash used in operating activities		(105,365,721)	(46,349,921)

	Note	2017 Rupees	2016 Rupees
CASH FLOWS FROM INVESTING ACTIVITIES			
(Amount distributed) / received pertaining to long term loans and advances		(180,000)	746,000
Proceeds from disposals of property, plant and equipment & assets held for sale		125,736,226	646,500
Purchase of property, plant and equipment and investment property		(1,264,678)	(809,080)
Net cash from investing activities		124,291,548	583,420
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of short term borrowings - net		(119,987,109)	(25,628,677)
Proceeds from long term financing obtained from directors		214,968,251	70,459,001
Repayment of long term financing obtained from commercial banks - net		(124,893,865)	-
Net cash (used in) / from financing activities		(29,912,723)	44,830,324
NET DECREASE IN CASH AND CASH EQUIVALENTS		(10,986,896)	(936,177)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		11,442,103	12,378,280
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	455,207	11,442,103

The annexed notes 1 to 43 form an integral part of these financial statements.

LAHORE:	Sd/-	Sd/-	Sd/-
January 06, 2018	Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2017

Description	Paid-up Capital Rupees	Accumulated Losses Rupees	Total Share-holders' Equity Rupees
	A	B	C=A+B
Balance as at July 01, 2015	300,011,200	(625,212,279)	(325,201,079)
Other comprehensive income for the year	-	5,248,757	5,248,757
Loss for the year	-	(211,063,370)	(211,063,370)
Total comprehensive loss for the year	-	(205,814,613)	(205,814,613)
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	14,056,507	14,056,507
Balance as at June 30, 2016	300,011,200	(816,970,385)	(516,959,185)
Other comprehensive income for the year	-	3,151,734	3,151,734
Profit for the year	-	4,738,508	4,738,508
Total comprehensive income for the year	-	7,890,242	7,890,242
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	21,480,667	21,480,667
Balance as at June 30, 2017	300,011,200	(787,599,476)	(487,588,276)

The annexed notes 1 to 43 form an integral part of these financial statements.

LAHORE:	Sd/-	Sd/-	Sd/-
January 06, 2018	Chief Executive Officer	Director	Chief Financial Officer

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

1 STATUS AND NATURE OF BUSINESS

1.1 ICC Textiles Limited ("the Company") was incorporated in Pakistan on May 25, 1989 as a public limited company under the Companies Ordinance, 1984. The shares of the Company are listed on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of greige fabric and renting out vacant buildings and / or open area of the company's premises. The registered office of the Company is situated at 242-A, Anand Road, Upper Mall, Lahore.

1.2 The Company has accumulated losses amounting to Rs. 787.600 million at the year end. In addition, the Company's current liabilities exceeded its current assets by Rs. 150.557 million at the year end. These conditions indicate existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern and therefore, may be unable to realize its assets and discharge its liabilities in normal course of business. Continuation of the Company as a going concern is dependent on its ability to attain satisfactory levels of profitability and liquidity in the future and continuous support of financial institutions by bringing its liabilities to serviceable levels and availability of adequate working capital through continued support from:

(a) the principal lenders of the Company; and
(b) the sponsors of the Company.

These financial statements have been prepared on going concern basis on the grounds that the Company will be able to achieve satisfactory levels of profitability and liquidity in the future based on the plans drawn up by the management for this purpose, bringing its liabilities to serviceable levels and availability of the adequate working capital from its lenders and sponsors.

To substantiate its going concern assumption;

i In order to consolidate the Company's resources, due to uncertainty in securing industrial gas connection, which is essential for cheaper and continuous gas based electricity, the Company had disposed off, during the year, 23 old sulzer looms and 74 old energy intensive air-jet looms, with complete back process equipment, which were no more financially viable and were causing continuous losses. Similarly, during the year, Company has started renting out factory buildings, labour colony and / or open land to generate cashflows.

ii Bank borrowings have been reduced from Rs. 318 million on June 30, 2016 to Rs. 70 million on June 30, 2017. Similarly, subsequent to the balance sheet date Rs.15 million has further been repaid to the banks.

iii Subsequently, the Company has also decided to dispose off 40 inefficient Sulzer Dobby looms with accessories, equipment and parts which will enable the Company to rent out additional area.

iv During the year 2015, the Company also managed to repay the term loan amounting to Rs. 14.896 million and reduce the running finance facilities from Rs. 480 million to Rs. 330 million, as 37 sulzer looms were disposed off and one director of the Company sold his property to MCB Bank Limited under buy-back arrangement, and advanced such proceeds amounting to Rs. 140 million as long term loan to the Company for partial settlement of the finance facilities. Only cost of funds of MCB Bank Limited was payable to MCB by the Company at the time of exercise of buy-back option by the director.

v Some directors of the Company have also extended long term interest bearing loans amounting to Rs. 214.254 million during the year to meet working capital requirements of the Company and settlement of banks' finance facilities. The sponsors of the Company would continue such support in future.

vi Few directors of the Company had also invested through long term interest free loans amounting to Rs. 321.531 million during May 2013 to June 2016 to meet working capital requirements of the Company.

vii The Company had also installed six additional air-jet looms during May 2013, through sponsors' financing, which increased rated capacity of the plant.

viii During 2013, the Board of Directors of ICC (Private) Limited, an associated undertaking, had decided to write off following outstanding loans advanced to ICC Textiles Limited.

- Long term interest free loans amounting to Rs. 189.150 million having carrying value, in ICC Textiles Limited books, of Rs. 48.801 million; and
- Short term interest bearing loans of Rs. 30.850 million.

ix During April 2011, the Company had also increased its paid-up capital by Rs. 200,003,200 by converting already received loans from associated company, directors and their family members by issuing further 20,000,320 ordinary shares of Rs.10 each at par.

The financial statements consequently do not include any adjustment relating to the realization of the assets and liquidation of its liabilities that might be necessary would the Company be unable to continue as a going concern.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Standards, amendments or interpretations that became effective during the year

The Company has adopted following amendments to published standards which became effective during the current year.

Standard or Interpretation		Effective Date
IAS 1	Presentation of Financial Statements - Disclosure Initiative (Amendment)	01-Jan-16
IAS 16	Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendment)	01-Jan-16
IFRS 10	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	01-Jan-16
IAS 27	Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	01-Jan-16
IAS 16	Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	01-Jan-16
	Annual Improvements to IFRSs 2012 - 2014 Cycle	01-Jan-16

The adoption of above amendments to IAS and IFRS did not have any significant effect on these financial statements.

2.3 Standards, amendments and interpretations to the approved accounting standards that are relevant but not yet effective and not early adopted by the Company

The following amendments with respect to the approved accounting standards as applicable in Pakistan and new interpretations would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or interpretation		IASB effective date
IFRS 2	Share-based Payments – Classification and Measurement of Share-based Payment Transactions (Amendments)	01-Jan-18
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 7	Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	01-Jan-17
IAS 12	Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)	01-Jan-17
IFRIC 22	Foreign Currency Transactions and Advance Consideration	01-Jan-18
IFRIC 23	Uncertainty Over Income Tax Treatment	
IFRS 12	- Annual Improvements to IFRS 2014-2016	01-Jan-17
IFRS 1	and IAS 28 - Annual Improvements to IFRSs 2014-2016	01-Jan-18
IFRS 9	Financial Instruments (2014) and consequent amendments to IFRS 4 Insurance Contracts	July 1, 2018
IFRS 15	Revenue from Contracts with Customers	July 1, 2018
IAS 40	- Transfers of Investment Property (Amendments to IAS 40)	01-Jan-18

Similarly, recently Companies Ordinance, 1984 has been repealed through inclusion of Companies Act 2017. New disclosure requirements relating to this Act would be applicable from July 01, 2017.

The Company is in process of assessing impact of these amendments to the published standards, interpretations and Companies Act 2017 on the financial statements of the Company.

2.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

In addition to the above, following standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan ;

Standard or Interpretation		Effective Date (Annual periods beginning on or after)
IFRS 14	Regulatory Deferral Accounts	January 1, 2016
IFRS 16	Leases	January 1, 2019
IFRS 17	Insurance Contracts	January 1, 2021

2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- staff retirement benefits which are measured at present value of defined benefit obligation (refer note 3.1);

- free hold land, buildings and plant and machinery which are measured at revalued amount (refer note 3.2);

- financial assets and liabilities which are measured at fair value (refer note 3.8); and

- assets held for sale which are measured at fair value (refer note 3.17).

2.6 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are discussed below:

Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

Trade debts and other receivables

Impairment loss against doubtful trade and other debts is made on a judgment basis, which provisions may differ in the future years based on the actual experience. The difference in provision if any, is recognized in the future period.

Property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its plant and equipment. The estimates for revalued amounts of different classes of property, plant and equipment are based on valuation by external professional valuers and recommendations of technical teams of the Company. The said recommendation also includes estimates with respect to residual values and depreciable lives. Further, the Company reviews the values of the assets for possible impairment on an annual basis. Any change in the estimate in the future years might affect the carrying amounts of the respective item of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Investment property and assets classified as held for sale

Valuation is performed by external professional valuers. Further, the Company reviews the values of the assets for possible impairment on an annual basis. Any change in the estimate in the future years might affect the carrying amounts of the respective item with a corresponding effect on the impairment.

Stock in trade and stores, spare parts and loose tools

The Company's management reviews the net realizable value (NRV) and impairment of stock in trade and stores, spare parts and loose tools to assess any diminution in the respecting carrying values and wherever required provision for NRV / impairment is made. The difference in provision, if any, is recognized in the future period.

Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 3.1 to the financial statements for the valuation of present value of defined benefit obligation. Any changes in these assumptions in future years might affect unrecognized gains and losses in those years.

Provision for contingencies

The Company's management uses assumptions and estimates in disclosure and assessment of provision for contingencies.

2.7 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Staff retirement benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) covering all eligible directors and employees, payable at the cessation of employment. The liability is provided on the basis of actuarial valuation using Projected Unit Credit (PUC) Actuarial Method while movement in the liability is included in the profit or loss. The Company has a policy of carrying out actuarial valuations annually with the assistance of independent actuarial appraisers to cover the obligations under the scheme.

Principal actuarial assumptions used in the actuarial valuation carried out as at June 30 are as follows:

- Discount rate used for year end obligation	7.75% (2016: 7.25%) per annum
- Expected rate of salary increase in future	6.75% (2016: 6.25%) per annum
- Average expected remaining working life of employees	4 years (2016: 5 years)

- Mortality rate assumed were based on the SLIC 2001-2005 mortality table (2016 : SLIC 2001-2005 mortality table)

3.2 Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Furniture and fittings, vehicles, electrical appliances and office equipment

Subsequently, furniture and fittings, vehicles, electrical appliances and office equipment are measured using cost model i.e cost less subsequent accumulated depreciation and impairment losses, if any. Depreciation is charged to profit or loss on diminishing balance method at the

rates as disclosed in Note 14 so as to write off the depreciable amount of furniture and fittings, vehicles, electrical appliances and office equipment over their estimated useful lives.

Freehold land, building on freehold land and plant and machinery

Free hold land is subsequently measured using revaluation model at the revalued amount.

Buildings and plant and machinery are subsequently measured using revaluation model at revalued amount less subsequent accumulated depreciation and impairment losses, if any. Any surplus on evaluation of freehold land, building on freehold land, and plant and machinery is credited to the surplus on revaluation of property, plant and equipment account. Revaluation is carried with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment (net of deferred tax) is transferred directly to accumulated profit / (loss).

Depreciation on buildings and plant and machinery is charged to profit or loss on straight line method at the rates as disclosed in note 14 so as to write off the depreciable amount of these assets over their estimated useful lives.

Depreciation on additions to property, plant and equipment except freehold land is charged from the date of acquisition / capitalization / start of commercial production of the assets and depreciation on assets disposed off during the year is charged up to the date of disposal.

Gain / loss on disposal of property, plant and equipment is reflected in the income during the period in which they are incurred. Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized.

The asset's residual values and estimated useful lives are reviewed as required, but at least annually whether or not the asset is revalued and adjusted if impact on depreciation is significant.

3.3 Investment property

Properties which are held to earn rentals or for capital appreciation or for both are classified as investment properties. Investment properties are initially recognized at cost, being the fair value of the consideration given. Subsequently these are stated at fair value. The fair value is determined annually by an independent professional valuer based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable willing parties in an arm length transaction. Any gain or loss arising from a change in fair value is charged to the profit and loss account.

When an item of property, plant and equipment is transferred to investment property, following a change in its use, any difference arising at the date of transfer between the carrying amount of the item and its fair value is recognized in surplus on revaluation of fixed assets. Upon disposal of the item, the related surplus on revaluation is transferred to retained earnings. Any gain or loss arising in this manner is charged to profit and loss account.

When an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

3.4 Finance leases

Assets subject to finance lease in which the Company bears substantially all risks and rewards of ownership of the assets are recognized at the inception of lease at the lower of present value of the minimum lease payments under the lease agreements and the fair value of the assets.

The related obligations of leases, net of finance cost, are included in liabilities against assets subject to finance lease.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate of financial cost on the balance outstanding. The interest element of the rental is charged to income over the lease term.

Assets acquired under a finance lease are depreciated over the useful life of the assets on reducing balance method. Depreciation of the leased assets is charged to income currently.

Depreciation on additions to leased assets is charged from the date of acquisition of the assets and depreciation on assets disposed off during the year is charged up to the date of disposal.

3.5 Capital work-in-progress

Capital work-in-progress is stated at cost accumulated upto the balance sheet date less accumulated impairment losses, if any. Capital work-in-progess is recognized as an operating fixed asset when it is made available for intended use.

3.6 Stores, spare parts and loose tools

These are stated at lower of cost & net realizable value using moving average method except goods in transit which are stated at lower of cost.

3.7 Stock in trade

Stock in trade is stated principally at lower of cost and net realizable value.

Cost of major components of stock in trade is determined as follows:-

Raw materials	- At annual average cost
Work in process and finished goods	- At prime cost plus appropriate production overheads using weighted average
Wastes	- At net realizable value

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred to make the sale.

3.8 Financial instruments

3.8.1 Financial assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs. Subsequent measurement of financial assets are described below. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial assets of the Company are classified as follows:

3.8.1.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. These are included in current assets, except for maturities for greater than twelve monthsafter the balance sheet date, which are classified as non-current assets. Loans and receivables with less than twelve months maturities are classified as current assets. The Company's cash and cash equivalents, trade debts, loans and advances, deposits and other receivables fall into this category of financial instruments. Loans and receivables are subject to review for impairment at each reporting date to identify whether there is objective evidence that the financial asset is impaired

3.8.1.2 Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the categories of loans and receivables, financial assets at fair value through profit or loss and financial assets held to maturity. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the end of reporting period.

After initial recognition, available- for-sale investments are measured at fair value in accordance with IAS 39 "Financial Instruments: Recognition and Measurement". Gains or losses on available-for-sale investments are recognized through other comprehensive income until the investment is sold or de-recognized, at which time the cumulative gain or loss previously reported is included in profit or loss.

Dividends on available-for-sale equity instruments are recognized in the profit or loss when the Company's right to receive payments is established.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company assesses at each balance sheet date whether there is objective evidence, that a financial asset or group of financial assets is impaired. If any such evidence exists for 'available-for-sale' financial assets, the cumulative loss is removed from equity and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments are not reversed through profit and loss account.

3.8.2 Financial liabilities

The Company's financial liabilities include borrowings and trade and other payables.

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

Financial liabilities are measured initially at fair value, less attributable transaction costs. Financial liabilities are measured subsequently at amortized cost using the effective interest method, in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement.

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 the lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of original liability and the recognition of new liability, and the difference in respective carrying amounts is recognized in the profit and loss account.

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

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the Company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.9 Foreign currencies

Transactions in currencies other than Pak Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except where forward exchange contracts have been entered into wherein the rates contracted for are used.

Gains and losses arising on retranslation are recorded in net profit or loss for the period

3.10 Revenue recognition

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

- Export sales are recorded at the time of shipment. Exchange differences, if any, are adjusted in the period of realization.
- Local sales are recorded on dispatch of goods to the customers.
- Export rebates are accounted for on accrual basis.
- Interest income is recognized on time proportion basis.
- Rental income is recognised on accrual basis.

3.11 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemption available, if any, and tax paid on presumptive basis.

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses can be utilized. Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

3.12 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that assets excluding inventory may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed recoverable amount, assets are written down to their recoverable amount and the difference is charged to the profit or loss.

3.13 Provisions

A provision is recognized in the financial statements when the Company has 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.

3.14 Cash and cash equivalents

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

3.15 Contingent liability

Contingent liability is disclosed when:

- There is possible obligation that arises from past events 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

- There is present 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 the obligation cannot be measured with sufficient reliability.

3.16 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 decisions. The management has determined that the Company has two reportable segments as the Board of Directors views the Company's operations as two reportable segments.

3.17 Non-current assets held for sale

Non-current assets classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recoverable principally through a sale transaction rather than through a continuing use.

3.18 Trade and other payable

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the cosideration to be paid in future for goods and services received.

		Note	2017 Rupees	2016 Rupees
4	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL 30,001,120 (2016 : 30,001,120) ordinary shares of Rs. 10 each fully paid in cash		300,011,200	300,011,200
5	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX			
	Surplus arising on revaluation	5.1	668,375,265	593,682,912
	Less: Deferred tax arising on surplus on revaluation	5.2	64,659,530	69,994,972
			603,715,735	523,687,940

		Note	2017 Rupees	2016 Rupees
5.1	Opening balance of surplus on revaluation		593,682,912	669,414,234
	Add: Surplus arising during the year - net	5.1.1	110,701,498	-
	Less: Incremental depreciation:			
	Buildings		4,285,782	5,689,219
	Plant & machinery		12,039,397	15,290,642
			16,325,179	20,979,861
	Less: Revaluation relating to plant disposed off		15,423,966	-
	Less: Revaluation decrease in non-current assets classified as held for sale	5.3	4,260,000	54,751,461
			668,375,265	593,682,912

5.1.1 The revaluation of property, plant and equipment i,e free - hold land, buildings on free - hold land and plant and machinery was carried out by Arch-e-decon (Evaluators, Surveyors, Architects and Engineers) as at June 30, 2017. The revaluations resulted in followings:

	Rupees
Increase in carrying value of free - hold land	83,250,000
Increase in carrying value of buildings on free - hold land	34,685,784
Decrease in carrying value of plant and machinery	(7,234,286)
	110,701,498

Incremental depreciation represents the difference between actual depreciation on revalued property, plant and equipment and equivalent depreciation based on historical cost of property, plant and equipment.

Surplus on revaluation of property, plant and equipment can be utilized by the Company only for the purposes specified in section 235 of the Companies Ordinance, 1984.

		2017 Rupees	2016 Rupees
5.2	Related deferred tax liability on July 01	69,994,972	96,646,471
	Deferred tax liability arising on revaluation	8,509,964	-
	Tax effect on incremental depreciation & disposal of machinery during the year	(10,268,478)	(6,923,354)
	Tax effect on revaluation decrease in non-current assets classified as held for sale	(1,320,600)	(17,540,802)
	Effect of change in tax rate	(2,256,328)	(2,187,343)
		64,659,530	69,994,972

Deferred tax asset amounting to Rs. 201.101 million (2016: Rs. 161.707 million) arising on account of temporary differences mainly for property, plant and equipment, gratuity and unused tax losses and unused tax credits has not been accounted for due to uncertainty regarding its recoverability in the foreseeable future.

5.3 This represent decrease in fair value of 1 Warping machine & Sizing machine classified as held for sale during last year but could not be sold by June 30, 2017.

	Note	2017 Rupees	2016 Rupees
6 LONG TERM FINANCING FROM DIRECTORS - Unsecured			
Interest free loans	6.1	150,357,690	136,816,906
Interest bearing loan	6.2	136,976,963	133,753,503
Interest bearing loan	6.3	114,253,965	-
Interest bearing loan	6.4	100,000,000	-
		501,588,618	270,570,409

	Note	2017 Rupees	2016 Rupees
6.1 Original Loan amounts	6.1.1	321,531,223	321,531,223
Less: Present Value Adjustment	6.1.2	206,132,600	206,132,600
		115,398,623	115,398,623
Add: Interest charged to profit and loss account (Unwinding of discount)		34,959,067	21,418,283
		150,357,690	136,816,906

6.1.1 These interest free loans are repayable in lump sum on June 30, 2025 (2016: June 30, 2025).

6.1.2 These long term interest free loans have been measured at amortized cost by using weighted average interest rate ranging from 8.06% to 11.64% (2016: 8.06% to 11.64%).

	Note	2017 Rupees	2016 Rupees
6.2 Original Loan amounts	6.2.1 & 6.2.3	140,000,000	140,000,000
Less: Present Value Adjustment	6.2.4	9,653,031	9,653,031
		130,346,969	130,346,969
Add: Interest charged to profit and loss account (Unwinding of discount)		6,629,994	3,406,534
		136,976,963	133,753,503

6.2.1 A director of the company had sold, on June 11, 2015, his property amounting to Rs. 140 million to MCB Bank Limited, with a buy back option on the same price along with cost of fund, within a period of three years thereof in accordance with Finance Facilities Settlement Agreement dated May 28, 2015. The sale proceeds had been advanced to the company as long term loan and had been utilized for settlement of finance facilities extended by MCB Bank. The cost of fund would be paid by the Company to MCB Bank on exercise of buy-back option by the director.

6.2.2 The loan is repayable in lump sum on May 28, 2018 as the director intends to exercise buy back option on that date.

6.2.3 The markup, payable to MCB Bank, is charged equal to cost of funds of MCB Bank for the relevant period i.e. 5.39% - 6.21%. (2016: 5.65% - 6.21%).

6.2.4 The long term loan has been measured at amortized cost by using weighted average interest rate i.e. 8.06% less cost of fund of the Bank i.e. 5.65%. (2016 i.e. 5.65%).

6.3 These loans cover markup @ one month KIBOR plus 2% and are repayable in lump sum on December 31, 2020.

6.4 This loan covers markup @ one month KIBOR plus 2% and is repayable in lump sum on December 31, 2020.

	Note	2017 Rupees	2016 Rupees
7 LONG TERM FINANCING FROM COMMERCIAL BANKS - Secured			
MCB Bank Limited	7.1	-	-
Faysal Bank Limited	7.2	-	-
		-	-

7.1 MCB Bank Limited

	2017 Rupees	2016 Rupees
Running finance facility	339,967,656	339,967,656
Demand Finance - 1	14,896,104	14,896,104
Cost of Documents - Import Letter of Credit	955,664	955,664
	355,819,424	355,819,424
Less: Repayments up to June 30	355,819,424	155,800,000
Balance as on June 30 - Running Finance Facility	-	200,019,424
Less: Present Value Adjustment	27,641,477	27,641,477
	(27,641,477)	172,377,947
Add: Interest charged to profit and loss account (Unwinding of discount)	27,641,477	20,833,082
	-	193,211,029
Less: Deferred transaction cost (cost of professional services for settlement of finance facilities)		
Deferred transaction cost	(2,500,000)	(2,500,000)
Less: Amortization	2,500,000	1,785,714
	-	(714,286)
	-	192,496,743
Current portion :		
Not yet due	-	(61,819,424)
Overdue	-	(130,677,319)
	-	(192,496,743)
	-	-

7.1.1 The loan was obtained from MCB Bank Limited, in accordance with Finance Facilities Settlement Agreement dated May 28, 2015, under restructuring arrangement of running finance facility, last installment of demand finance facility and cost of documents payable under import letter of credit. Running finance facility outstanding as on June 30, 2015 was repayable within three years from the date of the settlement agreement.

7.1.2 The facility was secured against joint pari passu charge by way of hypothecation of current assets and second joint pari passu charge on property, plant and equipment of the Company. No mark-up was to be charged by the bank, provided the entire principal liability would be repaid by May 28, 2018. Tentative repayment schedule was as under:

	Rupees
September 2015	20,200,000
December 2015	56,000,000
June 2016	62,000,000
December 2016	61,819,424
	200,019,424

	Note	2017 Rupees	2016 Rupees

Under this restructuring arrangement, out of total unpaid markup as on March 31, 2015, agreed payable was fixed at Rs. 10 million while balance was relinquished by MCB Bank Limited subject to the condition that entire principal liability referred above would be paid by Dec 31, 2016. The Company repaid such entire liability before Dec 2016, and accordingly, there is no need of reversal of mark up income amounting to Rs. 38.705 million recognized during previous years.

7.1.3 The loan was measured at amortized cost by using weighted average interest rate 8.06% (2016: 8.06%).

7.2 Faysal Bank Limited

	Note	2017 Rupees	2016 Rupees
Running finance Facility	7.2.1	29,976,829	-
Short term advances		56,239,000	-
		86,215,829	-
Less: payment		16,000,000	-
		70,215,829	-
Less: present value adjustment		8,604,541	-
Add: Interest charged to profit and loss account		3,677,610	-
		65,288,898	-
Current portion		65,288,898	-
		-	-

7.2.1 The loan has been obtained from Faysal Bank Limited, in accordance with Finance Facilities Settlement Agreement dated Dec 15, 2016, under restructuring arrangement of short term financing. Short term financing outstanding as on Dec 15, 2016 is now repayable by May 28, 2018.

The facilities were secured against joint pari passu charge by way of hypothecation of stock in trade & current assets, second joint pari passu charge on property, plant and equipment of the Company & ranking charges on current assets, security of an associated company and subordination of directors interest free loans to extend of Rs.162.712 million. Mark-up for the period from April 01, 2015 to Dec 15, 2016 amounting to Rs. 21.884 million has been waived off / (relinquished) and onward no mark-up is being charged by the Bank, provided the entire principal liability would be repaid by May 28, 2018. Repayment schedule is as under:

	Rupees
June 30, 2017	16,000,000
May 28, 2018	70,215,829
	86,215,829

The Company, on the basis of matters stated in note 1.2, would be able to repay liabilities of Faysal Bank Limited by due dates and accordingly, such waiver (relinquishment) by the Bank has been recognized as other income in these financial statements and no mark-up is being accrued onward.

7.2.2 Under this restructuring arrangement, balance mark up payable amounting to Rs. 4.910 million pertaining to the period up to March 31, 2015, will be paid in equal quarterly installments within a period of 18 months, after full payment of principal liability within agreed period of two and a half years.

7.2.3 The loan has been measured at amortized cost by using weighted average interest rate of 8.26%. (2016: Nil)

	Note	2017 Rupees	2016 Rupees

8 DEFERRED LIABILITIES

	Note	2017 Rupees	2016 Rupees
Deferred tax	5.2	64,659,530	69,994,972
Staff retirement benefits - gratuity	8.1	43,218,235	72,777,456
Deferred mark-up	7.2.2	4,909,730	-
		112,787,495	142,772,428

The scheme provides for gratuity benefits for all permanent employees who attain minimum qualifying period. Provision has been made on the basis of latest actuarial valuation made on June 30, 2017 using projected unit credit method.

8.1 Changes in Present Value of Defined Benefit Obligations:

	Note	2017 Rupees	2016 Rupees
Opening liability		72,777,456	69,013,586
Charge for the year	8.2	7,331,227	16,029,282
Remeasurement gain recognised in other comprehensive income (experience adjustment)		(3,151,734)	(5,248,757)
Benefits paid during the year		(33,738,714)	(7,016,655)
Closing liability		43,218,235	72,777,456

8.2 Charge for the year in income statement

	2017 Rupees	2016 Rupees
Current service cost	3,277,890	8,249,071
Gain and losses arising on plan settlements	-	1,393,448
Interest cost	4,053,337	6,386,763
	7,331,227	16,029,282

8.3 The present value of defined benefit obligation is as follows:

	2017 Rupees	2016 Rupees	2015 Rupees	2014 Rupees	2013 Rupees
Present value of defined benefit obligation as at June 30	43,218,235	72,777,456	69,013,586	61,887,298	62,635,232

8.4 Charge for the year has been allocated as under:

	Note	2017 Rupees	2016 Rupees
Direct cost	27.2	1,586,057	9,426,395
Distribution cost	28.1	262,764	261,758
Administrative expenses	29.1	5,482,406	6,341,129
		7,331,227	16,029,282

9 TRADE AND OTHER PAYABLES

	2017 Rupees	2016 Rupees
Creditors	13,837,337	65,564,535
Due to associated company	210,867	-
Accrued liabilities	8,925,688	10,970,926
Payable to employees	24,797	2,036
Advances from customers	21,334,511	35,339,280
Unclaimed dividend	1,662,656	1,662,656
Income tax deducted at source	8,288,291	5,605,095
Sales tax deducted at source	23,141	1,243,448
Final dues payable	24,557,655	12,992,560
Others	27,489,453	27,625,853
	106,354,396	161,006,389

	Note	2017 Rupees	2016 Rupees
10 ACCRUED MARKUP			
Accrued mark-up / interest on long term financing from directors		25,923,989	8,727,495
Accrued mark-up / interest on short term borrowings - overdue		-	21,726,405
		25,923,989	30,453,900

11 SHORT TERM BORROWINGS

	Note	Sanctioned limit Rupees	2017 Rupees	2016 Rupees
Banking companies				
Commercial bank- secured	11.1	155,000,000	-	117,776,829
Commercial bank- current account (bank overdraft)	11.2		817,776	2,694,256
Related parties				
Associated company- unsecured	11.3		3,514,203	3,848,003
			4,331,979	124,319,088

11.1 The facilities were secured against joint pari passu charge by way of hypothecation of stock in trade & current assets, second joint pari passu charge on property, plant and equipment of the Company & ranking charges on current assets, security of an associated company and subordination of directors interest free loans to the extend of Rs.162.712 million. Mark-up was payable at rates ranging from 8.60% to 12.26% (2016: 8.24% to 11.66%) per annum and is payable on quarterly basis.

11.2 The unfavorable balance has arisen due to cheques issued prior to the year end. However, concerned bank statements show favorable balances.

11.3 Mark-up is charged at the same rates which are being charged by the bank to the associated company ranging from 8.22% to 8.28% (2016: 8.41% to 8.96%) per annum.

12 CURRENT PORTION OF LONG TERM LIABILITIES

	Note	2017 Rupees	2016 Rupees
Long term financing from commercial bank	7	65,288,898	192,496,743

13 CONTINGENCIES AND COMMITMENTS

13.1 CONTINGENCIES

13.1.1 During the year 2011, Assistant Commissioner Inland Revenue issued order u/s 161/205 for tax year 2010 demanding tax liability amounting to Rs. 50,349,214. The Company preferred appeal before the Learned Commissioner Inland Revenue Appeals Lahore. The Learned Commissioner Inland Revenue Appeals Lahore (CIR-A) reduced the demand to Rs. 2,044,547 and remanded back the case in respect of remaining demand. The Company, however, preferred appeal before the Income Tax Appellate Tribunal Lahore which is pending for adjudication.

At the same time, Assistant Commissioner Inland Revenue finalized the remanded back proceedings u/s 161/205 demanding a tax liability of Rs. 4,460,664 comprising of Rs. 2,115,578 in respect of the above demand u/s 161 and Rs. 2,345,086 in respect of default surcharge u/s 205. The Company has preferred an appeal before the CIR-Appeals against the said default surcharge of Rs. 2,345,086/-.

The same has been heard on 15-12-2017 but the CIR-Appeals order is still awaited. However, no provision has been made in these financial statements as the management of the company is confident of favourable outcome of such appeals.

13.1.2 During the year 2015, Deputy Commissioner Inland Revenue (DCIR) issued order u/s 161/205 for tax year 2009 and raised impugned demand of Rs. 1,968,012. The Company preferred appeal before the Commissioner Inland Revenue Appeals which is pending for adjudication. However, no provision has been made in these financial statements as the management of the company is confiden of favourable outcome.

13.1.3 During the year 2016, proceedings u/s 122(5A) were initiated by Additional Commissioner Inland Revenue for tax year 2010 by imposing minimum tax u/s 113 and creating a demand of Rs. 4,187,861. The Company preferred appeal before the Commissioner Inland Revenue Appeals-II (CIR-A) Lahore against the order passed by the Additional Commissioner Inland Revenue in respect of issue of minimum tax which is a legal issue and is pending for adjudication till date. However, no provision has been made in these financial statements as the management of the company is confident of favourable outcome.

13.2 COMMITMENTS

13.2.1 Commitments against irrevocable letter of credit amounted to Rs. Nil (2016: Rs. Nil).

14 PROPERTY PLANT AND EQUIPMENT

DESCRIPTION	Cost Or Assessed Value As On July 01, 2016	Cost of additions/ (deletion)	Surplus/deficit on revaluation of assets	Non-current assets classified as held for sale	Transfered to investment property	Gross book value as on June 30, 2017	DEPRECIATION Rate %	As on July 01, 2016	Revaluation adjustments	For the year/ (adjustments on disposals)	As on June 30, 2017	Net book value as on June 30, 2017
	Rupees						Rupees					
Land - freehold	384,100,000	-	83,250,000	-	(387,450,000)	79,900,000	-	-	-	-	-	79,900,000
Building on freehold land	156,338,719	-	34,685,784	-	(131,724,770)	45,884,800	3.8-10	7,816,936	(13,414,933)	5,597,997	-	45,884,800
			(13,414,933)									
Plant and machinery	170,567,772	-	(7,234,286)	-	-	111,704,868	4.8-10	32,083,683	(51,418,618)	19,377,007	-	111,704,868
		(210,000)	(51,418,618)	-						(42,072)		
Furniture and fittings	3,107,005	-	-	-	-	3,107,005	10	2,524,607	-	58,240	2,582,847	524,158
Vehicles	3,543,180	-	-	-	-	3,543,180	20	2,910,352	-	126,566	3,036,918	506,262
Electrical appliances	2,101,539	-	-	-	-	2,101,539	10	1,387,777	-	71,376	1,459,153	642,386
Office equipment	9,086,017	542,488	-	-	-	9,628,505	10	6,278,802	-	329,413	6,608,215	3,020,290
2017 Rupees	728,844,232	542,488	45,867,947	-	(519,174,770)	255,869,897		53,002,157	(64,833,551)	25,560,599	13,687,133	242,182,764
		(210,000)								(42,072)		

DESCRIPTION	Cost Or Assessed Value As On July 01, 2015	Cost of additions/ (deletion)	Surplus/deficit on revaluation of assets	Non-current assets classified as held for sale	Transfered to investment property	Gross book value as on June 30, 2016	DEPRECIATION Rate %	As on July 01, 2015	Revaluation adjustments	For the year/ (adjustments on disposals)	As on June 30, 2016	Net book value as on June 30, 2016
	Rupees						Rupees					
Land - freehold	384,100,000	-	-	-	-	384,100,000	-	-	-	-	-	384,100,000
Building on freehold land	156,338,719	-	-	-	-	156,338,719	3.8-10	-	-	7,816,936	7,816,936	148,521,783
Plant and machinery	382,967,726	702,230	-	(213,102,184)	-	170,567,772	4.8-10	-	-	32,083,683	32,083,683	138,484,089
Furniture and fittings	3,155,305	-	-	-	-	3,107,005	10	2,499,687	-	64,828	2,524,607	582,398
		(48,300)								(39,908)		
Vehicles	4,201,937	-	-	-	-	3,543,180	20	3,362,803	-	159,472	2,910,352	632,828
		(658,757)	-	-	-				-	(611,923)		
Electrical appliances	2,101,539	-	-	-	-	2,101,539	10	1,308,470	-	79,307	1,387,777	713,762
Office equipment	8,987,667	106,850	-	-	-	9,086,017	10	5,976,392	-	306,533	6,278,802	2,807,215
		(8,500)								(4,123)		
2016 Rupees	941,852,893	809,080	-	(213,102,184)	-	728,844,232		13,147,352	-	40,510,759	53,002,157	675,842,075
		(715,557)								(655,954)		

	Note	2017 Rupees	2016 Rupees
14.1 Depreciation for the year has been allocated as under :			
Direct cost	27	24,975,004	39,900,619
Administrative expenses	29	585,595	610,140
		25,560,599	40,510,759

14.2 Disposal of fixed assets & assets held for sale

The following are details of disposals during the year:

Particulars	Book value Rs.	Sale proceeds Rs.	Gain/(loss) on disposal Rs.	Mode of disposal	Name and address
Operating Fixed Assets:					
Fork Lifter Nissan - Capacity 3 Tons	167,928	50,000	(117,928)	By Negotiation	M. Abid Malik Kot Assadullah Khan, Manga Mandi, Lahore.
Assets held for sale:					
23 Sulzer looms with accessories	20,909,070	20,909,070	-	By Negotiation	Ellahi Fabrics, 4-A/III Industrial Estate, Multan.
54 Air-jet looms with accessories & back process allied equipment	52,492,000	52,492,000	-	By Negotiation	Lakhany Textile International, E-11, SITE, Karachi.
20 Air-jet Looms with accessories	52,250,000	52,285,156	35,156	By Negotiation	International Heavy Equipment & Spare Parts Trading LLC, Plot No. 153-154, New Industrial Building #: 1, Ajman, U.A.E.
2017 Rupees	125,818,998	125,736,226	(82,772)		
2016 Rupees	59,603	646,500	586,897		

14.3 Free - hold land, buildings on free - hold land and plant and machinery were revalued during the year ended June 30, 2017 by an independent valuer, Arch-e-decon (Evaluators, Surveyors, Architects and Engineers), resulting in surplus of Rs. 110.701 million and incorporated in the financial statements for the year ended June 30, 2017. Previously, four revaluations had been carried out by Arch-e-decon, an independent valuer. First revaluation was carried out during 2006, second during 2009, third during 2012 and fourth during 2015. The basis used for revaluation of property, plant and equipment are as follows:

Free - hold land :	The value of free - hold land ascertained according to the local market value;
Buildings on free - hold land:	Present day construction rates for different types of building structure depreciated to account for the age and condition of the building;
Plant and machinery:	The value has been determined with reference to prevailing prices of similar plants and machinery depreciated to account for the age, usage and physical condition.

14.4 Free - hold land, buildings on free - hold land and plant and machinery represent values subsequent to revaluations. Had there been no revaluation, carrying amount of the revalued assets would have been as follows:

	2017 Rupees	2016 Rupees
Free - hold land	1,062,969	7,553,867
Buildings on free - hold land	3,069,219	40,426,637
Plant and machinery	45,927,238	53,304,497
	50,059,426	101,285,001

	Note	2017 Rupees	2016 Rupees
15 INVESTMENT PROPERTIES			
Transferred from property, plant and equipment on Jan 31, 2017:			
Free hold land	14	387,450,000	-
Buildings on freehold land	14	131,724,770	-
		519,174,770	-
Additions in buildings during the year		722,190	-
Carrying value before revaluation as at June 30			
Free hold land		387,450,000	-
Buildings on freehold land		132,446,960	-
		519,896,960	-
Change in fair values during the period:			
Free hold land		100,450,000	-
Buildings on freehold land		2,810	-
		100,452,810	-
Fair values as at June 30			
Free hold land		487,900,000	-
Buildings on freehold land		132,449,770	-
		620,349,770	-

15.1 As of reporting date, investment properties comprise of freehold land and buildings on freehold land transferred from property, plant and equipment on January 31, 2017.

15.2 Latest valuation of these properties has been carried out on June 30, 2017 by an independent valuer, M/s Arch-E' Decon.

15.3 The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (i.e. derived from prices) [level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Recurring fair value measurements

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2017.

Valuation techniques used to derive level 2 fair values:

At the end of each financial year, the management updates its assessment of the fair value of the investment properties, taking into account the most recent independent valuation. The management determines the properties' value within a range of reasonable fair value Estimates. Level 2 fair value of investment properties has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square feet.

	Note	2017 Rupees	2016 Rupees
16. LONG TERM LOAN AND ADVANCES			
Advances - Considered Good	16.1	209,000	29,000
16.1 Advance to:			
Employees		281,000	155,000
Less: Current portion		(72,000)	(126,000)
		209,000	29,000

16.2 Loans to employees are secured against retirement benefits. Maximum aggregate amount in respect of loan extended to employees is at the discretion of the Board of Directors.

		Note	2017 Rupees	2016 Rupees
17	LONG TERM DEPOSITS			
	Security deposits	17.1	1,629,034	1,629,034

17.1 Security deposits mainly include security deposits for electricity connection.

		Note	2017 Rupees	2016 Rupees
18	STORES, SPARE PARTS AND LOOSE TOOLS			
	Stores		5,683,849	6,038,590
	Spare parts		8,684,466	15,875,369
	Packing materials		64,395	162,317
	Loose tools		1,368,462	3,047,624
			15,801,172	25,123,900
19	STOCK IN TRADE			
	Raw materials		204,332	1,181,799
	Work in process		68,500	4,880,817
	Finished goods		734,477	8,245,741
	Scrap / waste		28,458	243,589
			1,035,767	14,551,946
20	TRADE DEBTS - Considered good			
	Local - Unsecured		127,448	9,576,623
21	LOANS AND ADVANCES			
	Advances - unsecured, considered good:			
	to executives - against salaries and expenses	21.1	26,205	43,434
	to employees - against salaries and expenses		235,638	2,375,992
	to suppliers		168,064	1,183,908
			429,907	3,603,334

21.1 The maximum aggregate amount due from executives at the end of any month was Rs. 26,205 (2016: Rs. 30,950).

		Note	2017 Rupees	2016 Rupees
22	SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES			
	Prepayments		777,338	1,076,331
	Export rebate receivable		568,331	574,275
	Others		-	9,228
			1,345,669	1,659,834
23	TAX REFUNDS DUE FROM GOVERNMENT			
	Income tax refundable - net		29,585,351	27,838,952
	Sales tax refundable		10,415,475	10,449,840
			40,000,826	38,288,792

		Note	2017 Rupees	2016 Rupees
24	CASH AND BANK BALANCES			
	Cash in hand		58,959	2,807,079
	Cash at banks:			
	Current accounts	24.1	393,128	8,634,571
	Deposit accounts		3,120	453
			396,248	8,635,024
			455,207	11,442,103

24.1 Deposit accounts carry interest @ 7% (2016: 7%) per annum.

25 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

This represents realizable value of following assets classified as held for sale. The proceeds will be utilized to settle / reduce banks' finance facilities in order to reduce dependency on external debts and finance cost of the company, as per plan approved by Board of Directors. (mentioned in note 1.2):

	Note	2017 Rupees	2016 Rupees
Plant and equipment:			
Sulzer Looms, warping and sizing machine	25.1	6,240,000	31,409,070
Air-jet looms with back process and allied equipment	25.2	10,450,000	115,192,001
		16,690,000	146,601,071
25.1 Sulzer Looms, warping and sizing machine			
Opening balance (23 looms & warping and sizing machine)		31,409,070	33,442,500
Carrying amount of assets disposed off during the year	14.2	(20,909,070)	-
Decrease in revaluation surplus		(4,260,000)	(2,033,430)
Closing balance (warping and sizing machine)		6,240,000	31,409,070
25.2 Air-jet Looms with back process and allied equipment			
Opening balance (78 looms)		115,192,001	-
Carrying value transferred from property, plant and equipment		-	213,102,184
Decrease in revaluation surplus		-	(52,718,032)
Impairment charged to profit & loss account		-	(45,192,151)
Carrying amount of assets disposed off during the year	14.2	(104,742,001)	-
Closing balance (4 looms)		10,450,000	115,192,001

		Note	2017 Rupees	2016 Rupees
26	REVENUE			
	Sale of cloth	26.1	21,973,641	443,604,149
	Rental income		9,909,550	-
			31,883,191	443,604,149
26.1	Sale of Cloth:			
	- Export		2,821,869	38,477,797
	- Local		12,943,892	318,585,047
	- Claim in respect of local sales		2,370,450	-
			18,136,211	357,062,844
	Waste		2,865,672	6,161,596
	Export rebate		-	14,066
	Processing income		3,127,766	82,930,834
			24,129,649	446,169,340
	Commission		(2,156,008)	(2,565,191)
			21,973,641	443,604,149

26.2 Sales are exclusive of sales tax amounting to Rs. 84,593 (2016: Rs. 12,654,462).

		Note	2017 Rupees	2016 Rupees
27	DIRECT COST			
	Raw materials consumed	27.1	3,321,990	264,440,737
	Salaries, wages and other benefits	27.2	24,653,095	98,469,097
	Fuel and power		4,930,999	112,970,264
	Stores and spares consumed		11,330,264	34,231,797
	Processing charges		419,616	433,048
	Insurance		450,050	1,960,082
	Repairs and maintenance		2,449,852	1,113,948
	Depreciation on property, plant and equipment	14.1	24,975,004	39,900,619
	Others		2,714,362	686,000
			75,245,232	554,205,592
	Opening stock		4,880,817	12,744,852
	Closing stock		(68,500)	(4,880,817)
			4,812,317	7,864,035
	Opening stock		8,489,330	20,657,576
	Purchases		860,982	-
	Closing stock		(762,935)	(8,489,330)
			8,587,377	12,168,246
			88,644,926	574,237,873

		2017 Rupees	2016 Rupees
27.1	Raw materials consumed		
	Opening stock	1,181,799	6,345,070
	Purchases	2,195,025	255,875,693
	Freight and octroi	149,498	3,401,773
		2,344,523	259,277,466
	Closing stock	(204,332)	(1,181,799)
		3,321,990	264,440,737

27.2 Salaries, wages and other benefits include post retirement benefits amounting to Rs. 1,586,057 (2016: Rs. 9,426,395).

		Note	2017 Rupees	2016 Rupees
28	DISTRIBUTION COST			
	Salaries and other benefits	28.1	1,892,964	2,412,049
	Vehicles running and maintenance		131,939	209,363
	Communication		104,575	164,888
	Freight, shipment and others		353,346	1,833,764
	Other expenses		46,758	85,728
			2,529,582	4,705,792

28.1 Salaries and other benefits include post retirement benefits amounting to Rs. 262,764 (2016: Rs. 261,758).

		Note	2017 Rupees	2016 Rupees
29	ADMINISTRATIVE EXPENSES			
	Salaries and other benefits	29.1	19,882,072	21,036,718
	Travelling and conveyance		1,095,628	1,202,741
	Rent, rates and taxes		3,066,720	4,493,926
	Printing and stationery		583,205	649,462
	Communication		689,317	936,653
	Vehicles running and maintenance		1,804,439	2,230,628
	Entertainment		885,708	813,633
	Repairs and maintenance		364,665	348,868
	Utility expenses		875,535	993,583
	Legal and professional		1,068,200	475,800
	Subscription		247,800	424,711
	Insurance		158,279	514,790
	Advertisement		88,700	39,500
	Depreciation on property, plant and equipment	14.1	585,595	610,140
			31,395,863	34,771,153

29.1 Salaries and other benefits include post retirement benefits amounting to Rs. 5,482,406 (2016: Rs. 6,341,129).

		Note	2017 Rupees	2016 Rupees
30	OTHER EXPENSES			
	Auditors’ remuneration	30.1	744,901	775,195
	Impairment of non-current assets classified as held for sale	25.2	-	45,192,151
	Loss on sale of property, plant and equipment & assets held for sale		82,772	-
	Debtors written off during the year		792,938	-
	Others		68,784	40,416
			1,689,395	46,007,762
30.1	Auditors’ remuneration			
	Audit fee		500,000	500,000
	Half yearly review		50,000	50,000
	Code of Corporate Governance review		26,250	25,000
	Tax representation and consultancy fee		145,781	176,945
	Out of pocket expenses		22,870	23,250
			744,901	775,195

	Note	2017 Rupees	2016 Rupees
31 OTHER INCOME			
Income on financial assets			
Interest on deposit accounts		18	10,190
Income on assets other than financial assets			
Gain on disposal of property, plant and equipment		-	586,897
Markup waived off	7.2.1	21,884,404	-
Trade creditors written back		9,597,838	-
Amortization of interest free loans:			
- on directors' interest free loan		-	38,642,827
- on directors' interest bearing loan		-	4,472,503
- on Commercial bank's interest free loan		8,604,541	7,152,721
		8,604,541	50,268,051
Others		3,500	367,854
		40,090,301	51,232,992
32 FINANCE COST			
Mark-up on:			
- Financing from directors		17,196,494	8,424,098
- Financing from associated company		303,186	411,879
- Short term borrowings		5,067,730	12,800,424
Unwinding of discount		27,250,249	28,635,572
Amortization of transaction cost		714,286	1,428,571
Bank charges		232,982	1,010,965
		50,764,927	52,711,509
33 TAXATION			
Current tax expense		2,490,857	389,776
Prior year tax expense		440,722	-
Deferred tax income	5.2	(10,268,478)	(6,923,354)
		(7,336,899)	(6,533,578)

33.1 Provision for income tax has been made in the accounts for tax on export proceeds @ 1% under final tax regime u/s 154 plus 1% of local sales under minimum tax regime u/s 113 of the Income Tax Ordinance, 2001. Provision for rental income has been made at the current rate of corporate tax after taking into account allowable deductions / exemptions available under the Income Tax Ordinance, 2001.

33.2 As the Company's taxable income fall under final tax regime and there are carry farward business losses, the reconciliation of applicable and effective tax rate is not meaningful.

34 EARNING/ (LOSS) PER SHARE - BASIC AND DILUTED

Earning/(Loss) per share is calculated by dividing profit /(loss) after tax for the period by weighted average number of shares outstanding during the year as follows:

	2017	2016
Profit /(Loss) attributable to ordinary shareholders	4,738,508	(211,063,370)
Weighted average number of ordinary shares	30,001,120	30,001,120
Earning/ (Loss) per share - Basic and diluted	0.16	(7.04)

34.1 No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

35 FINANCIAL ASSETS AND LIABILITIES

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

- Credit risk
- Liquidity risk
- Market Risk

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

35.1 Credit risk and concentration of credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if the counter parties fail completely to perform as contracted.

Credit risk arises principally from loans and advances, trade debts, deposits, other receivables and bank balances. Out of total financial assets of Rs. 2.851 million (2016: Rs. 25.105 million), the financial assets that are subject to credit risk amounted to Rs. 2.792 million (2016: Rs. 22.298 million).

The Company monitors the credit quality of the financial assets with reference to the historical performance of such assets and available external credit ratings.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate. The table below shows the bank balances and investment held with some major counterparties at the balance sheet date.

Banks	Rating		Agency	June 2017	June 2016
	Short term	Long term		(Rupees)	(Rupees)
Allied Bank Limited	A1+	AA+	PACRA	6,351	4,519
MCB Bank Limited	A1+	AAA	PACRA	3,120	38,189
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	14,421	45,833
National Bank of Pakistan	A1+	AAA	PACRA	3,854	7,254
United Bank Limited	A - 1+	AAA	JCR-VIS	290,345	8,482,700
Bank Al Habib Limited	A1+	AA+	PACRA	22,081	-
TOTAL				340,172	8,578,495

The aging of trade receivables at the reporting date is:

	2017 Rupees	2016 Rupees
Past due 1-30 days	34,075	5,378,373
Past due 31-150 days	9,211	1,189,754
Past due over 150 days	84,162	3,008,496
	127,448	9,576,623

35.2 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 obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation.

The following are the contractual maturities of financial liabilities as at 30 June 2017:

	Carrying amount (Rupees)	Less than one year (Rupees)	One to five year (Rupees)	More than year (Rupees)
Long term financing from directors	501,588,618	136,976,963	214,253,965	150,357,690
Long term financing from commercial banks	65,288,898	65,288,898	-	-
Trade and other payables	106,354,396	106,354,396	-	-
Accrued markup	25,923,989	25,923,989	-	-
Short term borrowings	4,331,979	4,331,979	-	-
Deferred mark-up	4,909,730	4,909,730	-	-
Total	708,397,610	343,785,955	214,253,965	150,357,690

The following are the contractual maturities of financial liabilities as at 30 June 2016:

	Carrying amount (Rupees)	Less than one year (Rupees)	One to five year (Rupees)	More than year (Rupees)
Long term financing from directors	270,570,409	-	-	270,570,409
Long term financing from commercial banks	193,211,029	193,211,029	-	-
Trade and other payables	161,006,389	161,006,389	-	-
Accrued markup	30,453,900	30,453,900	-	-
Short term borrowings	124,319,088	124,319,088	-	-
Total	779,560,815	508,990,406	-	270,570,409

35.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's value of its financial instruments.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk on trade debts denominated in US Dollars. The Company's exposure to foreign currency risk for US Dollars is as follows:

	2017 Rupees	2016 Rupees
Foreign debtors	-	-

The following significant exchange rates have been applied:

Rupees per USD		
Average rate	104.65	103.10
Reporting date rate	104.80	104.50

As at year end, had the exchange of USD depreciated or appreciated against the currency with all other variables held constant, the change in post tax loss, mainly as a result of foreign exchange gain/loss on translation of foreign currency denominated receivable, would have been as follows:

Currency	% change	2017 Rupees	2016 Rupees
US $	10%	-	-

b) Interest Risk

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

At the reporting date, the variable interest rate profile of the Company's significant interest bearing financial instruments was as follows:

Variable rate instruments	2017 Effective rate of interest	2016 Effective rate of interest	June 2017 Carrying value in Rupees	June 2016 Carrying value in Rupees
Financial liablities				
Long term financing from directors	5.39% to 8.29%	5.65% to 6.2%	140,000,000	140,000,000
Long term financing from commercial banks	-	-	-	-
Short term borrowings	8.22% to 12.26%	8.24% to 11.66%	4,331,979	124,319,088
Total			144,331,979	264,319,088
Financial assets				
Cash at bank - deposit accounts	7%	7%	3,120	453
Total			3,120	453

Cash flow sensivity for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

	Profit or loss 100 basis points	
	Increase Rupees	Decrease Rupees
As at 30 June 2017		
Cash flow sensitivity-Variable rate financial liabilities	3,585,859	(3,585,859)
As at 30 June 2016		
Cash flow sensitivity-Variable rate financial liabilities	2,643,191	(2,643,191)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the Company.

c) Equity price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk as the Company does not hold investments whose fair value or future cash flows will fluctuate because of changes in fair value.

35.4 Financial instrument by categories

	Available for sale		Loans and receivables		Total	
	June 2017	June 2016	June 2017	June 2016	June 2017	June 2016
	---------- Rupees ----------					
Financial assets						
Loans and advances	-	-	470,843	2,448,426	470,843	2,448,426
Deposits	-	-	1,629,034	1,629,034	1,629,034	1,629,034
Trade debts	-	-	127,448	9,576,623	127,448	9,576,623
Other receivables	-	-	-	9,228	-	9,228
Cash and bank balances	-	-	455,207	11,442,103	455,207	11,442,103
TOTAL	-	-	2,682,532	25,105,414	2,682,532	25,105,414

	Financial liablities at amortised cost	
	June 2017 (Rupees)	June 2016 (Rupees)
Financial liabilities		
Long term financing from directors	501,588,618	270,570,409
Long term financing from commercial banks	65,288,898	193,211,029
Trade and other payables	106,354,396	161,006,389
Accrued markup	25,923,989	30,453,900
Short term borrowings	4,331,979	124,319,088
TOTAL	703,487,880	779,560,815

35.5 Fair values of financial assets and liablities

The carrying values of financial assets and financial liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

35.6 Fair Value

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

'IFRS 13, 'Fair value Measurements' requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quotes prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

The following table show the categories as well as carrying amounts and fair values of financial assets according to there respective category, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is reasonable approximation of fair value.

	Carrying amount					Fair Value			
Rupees in thousand	Cash and cash equivalent	Loans and receivables	Available for sale instrument	Fair value through profit or loss	TOTAL	Level 1	Level 2	Level 3	TOTAL
June 30, 2017									
Financial assets measured at fair value	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Non-current assets									
Long termdeposits	-	1,629,034	-	-	1,629,034	-	-	-	-
Current assets									
Trade debts-unsecured	-	127,448	-	-	127,448	-	-	-	-
Loans and advances	-	261,843	-	-	261,843	-	-	-	-
Cash and bank balance	455,207	-	-	-	455,207	-	-	-	-
	455,207	2,018,325	-	-	2,473,532	-	-	-	-
June 30, 2016									
Financial assets measured at fair value	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Non-current assets									
Long termdeposits	-	1,629,034	-	-	1,629,034	-	-	-	-
Current assets									
Trade debts-unsecured	-	9,576,623	-	-	9,576,623	-	-	-	-
Loans and advances	-	2,419,426	-	-	2,419,426	-	-	-	-
Cash and bank balance	11,442,103	-	-	-	11,442,103	-	-	-	-
	11,442,103	13,625,083	-	-	25,067,186	-	-	-	-

35.7 Capital risk management

The Company’s objectives when managing capital are to safeguard the entity’s ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders.

Debt is calculated as total borrowings ("long term financing" and "short term borrowings" as shown in the balance sheet). Total capital comprises shareholders' equity as shown in the balance sheet under "share capital, reserves and surplus on revaluation and net debt''.

The salient information relating to capital risk management of the Company at year end were as follows:

	2017 Rupees	2016 Rupees
Total borrowings	571,209,495	587,386,240
Less: Cash and cash equivalent	455,207	11,442,103
Net debt	570,754,288	575,944,137
Total equity (including surplus on revaluation)	116,127,459	6,728,755
Total capital	686,881,747	582,672,892
Gearing ratio	83.09	98.85

36 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of associated companies, directors and their close family members, executives and major shareholders of the Company. Remuneration and benefits to executives of the Company are in accordance with the terms of their employment. Outstanding balances with related parties at balance sheet dates are disclosed in relevant notes. Transactions with related parties during the year, other than those disclosed elsewhere in the financial statements, are as follows:

	2017 Rupees	2016 Rupees
Long term borrowing obtained from directors - interest bearing	214,253,965	-
Long term borrowing obtained from directors - interest free	-	70,459,001
Short term borrowing repaid to ICC (Private) Limited - interest bearing	333,800	1,157,771
Interest on loan debited by ICC (Private) Limited	303,186	411,879
Reimbursable expenses incurred on behalf of ICC (Private) Limited	2,810,878	1,786,150
Reimbursable expenses incurred by ICC (Private) Limited	2,384,759	-
Unwinding of discount on loans from directors	16,764,244	14,364,276
Interest on loan obtained from director (Payable to MCB Bank Ltd)	8,694,000	8,424,098
Interest on loan obtained from directors	8,502,494	-
Amortization of interest free loan from directors	-	38,642,829

36.1 Interest on interest bearing long term financing and short term borrowing is charged at the same rates which are charged by the banks to the associated company/sponsor member/director.

36.2 ICC (Private) Limited is associated due to common directorship.

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Description	2017			2016		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
Managerial remuneration	1,454,082	-	5,084,392	-	-	6,501,698
House rent alowance	654,336	-	1,861,072	-	-	2,368,291
Otherallowances	-	-	681,136	-	-	882,569
Medical expenses	-	-	172,750	-	-	169,023
Rupees	2,108,418	-	7,799,350	-	-	9,921,581
No. of persons	1	6	7	1	6	8

37.1 Some executives and directors are provided with Company maintained cars as per rules of the Company.

37.2 No meeting fee was paid to the directors for attending meetings of the Board.

37.3 Other directors of the Company have opted not to take any remuneration from the Company voluntarily.

38 REPORTABLE SEGMENT

The Company has following two strategic divisions, which are reportable segments.

REPORTABLE SEGMENTS	NATURE OF OPERATIONS:
1. TEXTILES UNIT	Manufacturing and sale of greige fabric
2. REAL ESTATE SEGMENT	Renting out of Factory buildings and / or open area plus appreciation in investment properties

The management reviews internal management of each divisions.

38.1 INFORMATION ABOUT REPORTING SEGMENTS

Information to each reportable segment is given below.

38.1.1: SEGMENT PROFIT AND LOSS ACCOUNTS

	Textiles	Real Estate	Total
Sales	21,973,641	9,909,550	31,883,191
Cost of sales	(88,644,926)	-	(88,644,926)
Gross loss	(66,671,285)	9,909,550	(56,761,735)
Distribution cost	(2,529,582)	-	(2,529,582)
Administrative expenses	(30,801,290)	(594,573)	(31,395,863)
Other expenses	(1,689,395)	-	(1,689,395)
Other income	40,090,301	-	40,090,301
Operating loss	(61,601,251)	9,314,977	(52,286,274)
Finance cost	(50,764,927)	-	(50,764,927)
Change in fair value of investment property	-	100,452,810	100,452,810
Loss before taxation	(112,366,178)	109,767,787	(2,598,391)
Taxation	9,610,150	(2,273,251)	7,336,899
Loss after taxation	(102,756,028)	107,494,536	4,738,508

38.1.2: SEGMENT ASSETS AND LIABLITIES

Segment assets for reportable segment	323,486,149	620,349,770	943,835,919
Unallocated corporate assets	-	-	-
Total assets as per balance sheet			943,835,919
Segment liabilities for reportable segment	930,218,259	13,617,660	943,835,919
Unallocated corporate liabilities			-
Total liabilities as per balance sheet			943,835,919

39 NUMBER OF EMPLOYEES

	2017	2016
Number of employees at the end of the year	81	404
Average number of employees during the year	266	451

		2017	2016
40 CAPACITY INSTALLED AND ACTUAL PRODUCTION			
No. of looms (including held for sale)		44	141
No. of looms worked		40	118
Shifts per day		2	2
No. of days actually worked		62	362
Rated capacity	(Square Meters in millions)	7.40	34.03
Actual production	(Square Meters in millions)		
- Production - own		0.11	5.40
- Production - conversion basis		0.18	6.50
- Total Production		0.29	11.90

It is difficult to determine precisely the production / rated capacity in textile weaving mills since it fluctuates widely depending on various factors such as speed, width and construction of cloth woven etc.Reduced production was mainly attributed to non-availability of gas connection and shortfall of working capital..

41 FIGURES

- Figures in these financial statements have been rounded off to the nearest rupee.
- Corresponding figures have been re-arranged and / or reclassified, where ever considered necessary, for the purposeof better presentation of the financial statements. However, no significant reclassification has been made in these financial statements except for reclassification of sales tax refundable as tax refundable due from Government instead of other receivable.

42 SUBSEQUENT EVENTS

Subsequent to balance sheet date, the company has sold 4 Airjet and 24 Sulzer dobby looms with accessories. Moreover, the members of the company in an Extra Ordinary Meeting held on Dec 04, 2017 have decided to dispose off 16 Sulzer dobby looms of 1990 model with accessories, equipment and parts enabling the company to rent out additional covered area.

43 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on January 06, 2018.

LAHORE:	Sd/-	Sd/-	Sd/-
January 06, 2018	Chief Executive Officer	Director	Chief Financial Officer

DETAIL OF SHAERHOLDING
AS ON JUNE 30, 2017

Categories of Shareholders		Shares held	Percentage
1	Directors, Chief Executive Officer and their spouse and minor children		
	Mr. Javaid Shafiq Siddiqi	4,457,918	14.86
	Mr. Javaid Shafiq Siddiqi (CDC)	9,781,379	32.60
	Mr. Pervaiz Shafiq Siddiqi (CDC)	7,714,933	25.72
	Mrs. Fauzia Javaid	179,300	0.60
	Mrs. Fauzia Javaid (CDC)	2,194,788	7.32
	Mr. Salman Javaid Siddiqi (CDC)	1,000	0.00
	Mr. Asim Pervaiz Siddiqi (CDC)	1,000	0.00
	Mr. Adnan Javaid Siddiqi	1,000	0.00
	Mr. Arsalan Javaid Siddiqi	500	0.00
	Total	24,331,818	81.10
2	Associated Companies, undertakings and related parties	-	-
3	NIT & ICP		
	Investment Corp. of Pakistan	1,400	0.00
Public Sector Companies and Corporations			
4	Banks Development Financial Institutions and Non Banking Financial Institutions	5,092	0.02
5	Insurance Companies	158,900	0.53
6	Modaraba and Mutual Funds	0	0.00
	Total	163,992	0.55
7	General Public		
	a. Local	5,476,207	18.25
	b. Foreign	-	-
8	Other (to be specified)		
	Joint Stock Companies	12,101	0.04
	Pension Funds	15,073	0.05
	Others	529	0.00
	Total	27,703	0.09
	Grand Total	30,001,120	100.00
9	Shareholders holding 10% or more voting interest		
	Mr. Javaid S. Siddiqi	14,239,297	47.46
	Mr. Pervaiz S. Siddiqi	7,714,933	25.72
	Total	21,954,230	73.18
10	Shareholders holding 5% or more voting interest		
	Mr. Javaid S. Siddiqi	14,239,297	47.46
	Mr. Pervaiz S. Siddiqi	7,714,933	25.72
	Mrs. Fauzia Javaid	2,374,088	7.91
	Total	24,328,318	81.09

FORM OF PROXY

The Company Secretary
ICC Textiles Limited
242-A, Anand Road
Upper Mall, Lahore

I/We --

of --- being a member of ICC TEXTILES

LIMITED and holder of --- Ordinary Shares as per Share
(Number of Shares)

Register Folio No. ____________ and/or CDC Participant I.D. NO. ------------- and Sub Account No. -------------

Hereby appoint --

of --

or failing him ---

of --

as my/our proxy to vote for me/us and my/our behalf at the Annual General Meeting of the Company to be held at its Registered Office 242-A, Anand Road, Upper Mall, Lahore on Saturday, the January 27, 2018 at 10:30 a.m. and at every adjournment thereof.

Signed this -- Day of ----------------January---------------------- 2018.

WITNESSES:

1. Signature:

   Name: ---------------------------------

   Address: --------------------------------

   CNIC or---------------------------------

   Passport No. --------------------------

2. Signature:

   Name: ---------------------------------

   Address: --------------------------------

   CNIC or---------------------------------

   Passport No. --------------------------

Signature

AFFIX REVENUE STAMP RS. 10/-

Note: Proxies, in order to be effective must be received by the Company not less than 48 hours before the meeting, duly completed in all respects.

CDC shareholders and their Proxies are requested to attach an attested photocopy of their National Identity Card or Passport with the proxy form before submission to the Company.

پراکسی فارم

سیکریٹری
آئی سی سی ٹیکسٹائلز لمیٹڈ
242-A آنند روڈ، اپر مال، لاہور

میں رہم ---------------------------------- ساکن --
ضلع ---------------------------------- بحیثیت ممبر آئی سی سی ٹیکسٹائلز لمیٹڈ (سی ڈی سی رفولیو نمبر --
بذریعہ ہذا محترم رمحترمہ ----------------------------------کو بطور مختار (پراکسی) مقرر کرتا ہوں، تا کہ وہ میری جگہ اور میری طرف سے، کمپنی کے 29 ویں سالانہ عام اجلاس جو بتاریخ 27 جنوری 2018 بروز ہفتہ 10:30 بجے کمپنی کے رجسٹرڈ آفس آئی سی سی ٹیکسٹائلز لمیٹڈ، A-242، آنند روڈ، اپر مال، لاہور میں منعقدہ ہو رہا ہے، میں یا اس کے کسی ملتوی ہونے والے عام جلاس میں ووٹ ڈالے۔

یہ پراکسی فارم آج مورخہ ---------------------------------- کو درج ذیل گواہان کی موجودگی میں دستخط ہوا۔

گواہان	دستخط شیئر ہولڈر:
	برائے مہربانی ۱۰ روپے مالیت کی ریونیو سٹمپ چسپاں کریں۔
-1	-2
دستخط ----------------------------------	دستخط ----------------------------------
نام ----------------------------------	نام ----------------------------------
پتہ ----------------------------------	پتہ ----------------------------------
----------------------------------	----------------------------------
CN:C ----------------------------------	CN:C ----------------------------------
یا	
پاسپورٹ نمبر ----------------------------------	پاسپورٹ نمبر ----------------------------------

نوٹ:

۱۔ پراکسی (نمائندگی) کو فعال بنانے کے لیے نامزدگی کا فارم (پراکسی) میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو وصول ہو جانا چاہیئے ۔

۲۔ سی ڈی سی اکاؤنٹ ہولڈر اوران کے نمائندوں سے درخواست ہے کہ وہ پراکسی فارم کے ہمراہ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول جمع کروائیں۔

FORM - 34

PATTERN OF SHAREHOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS ON JUNE 30, 2017

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
165	1	100	12,429
986	101	500	460,685
116	501	1,000	114,047
138	1,001	5,000	410,529
46	5,001	10,000	372,839
22	10,001	15,000	273,198
10	15,001	20,000	173,073
9	20,001	25,000	201,600
3	25,001	30,000	81,500
4	35,001	40,000	146,000
2	45,001	50,000	100,000
1	90,001	95,000	92,000
1	95,001	100,000	99,500
1	105,001	110,000	110,000
1	115,001	120,000	119,500
1	120,001	125,000	125,000
5	125,001	130,000	633,612
1	130,001	135,000	130,500
1	135,001	140,000	139,900
1	155,001	160,000	158,900
1	165,001	170,000	168,950
2	175,001	180,000	354,720
1	190,001	195,000	194,500
1	195,001	200,000	200,000
1	230,001	235,000	235,000
2	235,001	240,000	473,000
1	270,001	275,000	271,120
1	2,190,001	2,195,000	2,194,788
1	4,455,001	4,460,000	4,457,918
1	7,710,001	7,715,000	7,714,933
1	9,780,001	9,785,000	9,781,379
1,527			30,001,120

پیٹرن آف شیئر ہولڈنگ

کوڈ آف کارپوریٹ گورننس کے تحت پیٹرن آف شیئر ہولڈنگز رپورٹ منسلک ہے۔

ادارے کے شیئرز کی خرید وفروخت

مالی سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، کمپنی سیکریٹری، چیف فنانشیل آفیسر اور دیگر افسران (بمع اہل وعیال) نے ادارے کے شیئرز کی کوئی خرید وفروخت نہیں کی ہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی تین ممبران پر مشتمل ہے اور سب نان ایگزیکٹو ڈائریکٹرز ہیں۔

ایچ آر اینڈ آر کمیٹی

ایچ آر اینڈ آر کمیٹی تین ممبران پر مشتمل ہے اور دو نان ایگزیکٹو ڈائریکٹرز ہیں۔

آڈیٹرز

آڈٹ کمیٹی کی تجویز پر، ادارے کے بورڈ آف ڈائیریکٹرز نے 30 جون 2018 کو ختم ہونے والے سال کے لئے ادارے کے موجودہ آڈیٹرز کی دوبارہ تقرری کی تجویز دی ہے۔

ڈیویڈنڈ

سالانہ نتیجہ کے باعث بورڈ آف ڈائریکٹرز نے 30 جون 2017 کو ختم ہونے والے سال کے لئے کسی ڈیویڈنڈ کی تجویز نہیں دی ہے۔

اظہارِ تشکر

آخر میں ادارے کے ڈائریکٹرز اپنے ملازمین کو ان کی لگن اور سخت محنت کی تعریف کرتے ہوئے خراجِ تحسین پیش کرتے ہیں ۔

منجانب بورڈ آف ڈائیریکٹرز

جاوید شفیق صدیقی

چیف ایگزیکٹو آفیسر

لاہور

جنوری 06 2018

ادارے کا کاروباری تسلسل

ادارے کے آڈیٹرز نے اپنی رپورٹ میں، اپنی رائے کو مشروط کئے بغیر، آپکی توجہ سالانہ مالی حسابات کی رپورٹ کے 1.2 نوٹ کی طرف مبذول کرائی ہے جس کے مطابق کمپنی کے موجودہ واجبات اس کے موجودہ اثاثوں سے 150.557 ملین روپے زیادہ ہیں اور ادارے کا موجودہ مجموعی خسارہ 787.600 ملین روپے ہے۔ یہ غیر یقینی حالات ادارے کے جاری رہنے کی صلاحیت بارے قابل ذکر شکوک وشبہات کی جانب اشارہ کرتے ہیں۔

یہ مالی رپورٹ ایک جاری رہنے والے کاروباری ادارے کی بنیاد پر تیار کی گئی ہے کیونکہ ادارہ مستقبل میں تسلی بخش منافع کمانے کی صلاحیت رکھتا ہے جس کا دارومدار ڈائریکٹرز کے اس منصوبے پر ہے کہ قرضہ جات اور ذمہ داریوں کو قابل عمل حد تک نیچے لے کر آئیں اور ڈائریکٹرز کی جانب سے کاروباری سرمایہ فراہم کیا جائے۔ اس مقصد کے لئے، اس مشکل وقت کو گذارنے کے لئے، ڈائریکٹرز نے ادارے کے وسائل کو مجتمع کرتے ہوئے اور بینک کے واجبات کو کم کرنے کے لئے نوٹ نمبر 1.2 میں دیئے گئے اقدامات کئے ہیں۔

کارپوریٹ گورننس

ادارے کے آڈیٹرز نے اپنے جائزہ برائے ممبران میں کہا ہے کہ کوڈ آف کارپوریٹ گورننس کے تحت آزاد ڈائریکٹرز کا تقرر نہیں کیا گیا۔ اس بارے میں ادارہ کوشش کر رہا ہے اور جون 2018 تک یہ مسئلہ حل کر لیا جائے گا۔ اس کے علاوہ اسٹاک ایکسچینج کے فہرستی قواعد وضوابط میں شامل کارپوریٹ گورننس کے بہترین طریقوں سے کوئی اہم انحراف نہیں کیا گیا۔

گذشتہ چھ سالوں کا اہم مالی جدول (ملین روپے)

تفصیل		2012	2013	2014	2015	2016	2017
کپڑے کی فروخت	روپے	1,778.224	1,728.459	1,234.768	540.948	443.604	21.974
آمدن کرایہ	روپے	-	-	-	-	-	9.910
خالص منافع / (نقصان) بعد از ٹیکس	روپے	(82.897)	2.984	(73.401)	(63.965)	(211.063)	4.739
جامد اثاثے	روپے	(1,015.677)	979.040	933.611	928.706	675.842	242.183
جائیداد برائے سرمایہ کاری	روپے	-	-	-	-	-	620.350
مجموعی خسارہ	روپے	(554.301)	(535.519)	(592.182)	(625.212)	(816.970)	(787.600)
خالص منافع ریٹ		(4.7%)	0.2%	(5.9%)	(11.8%)	(47.6%)	14.86%
موجودہ تناسب		0.37:1	0.35:1	0.28:1	0.34:1	0.21:1	0.28:1
شیئر بریک اپ ویلیو	روپے	(8.47)	(7.85)	(9.74)	(10.84)	(17.23)	(16.25)
آمدن فی شیئر	روپے	(2.76)	0.10	(2.45)	(2.13)	(7.04)	0.16
ڈیویڈینڈ کی ادائیگی	روپے	Nil	Nil	Nil	Nil	Nil	Nil

سٹاف ریٹائرمنٹ بینیفٹ

گریچوئیٹی کی حقیقی قدر سال کے اختتام پر 43.218 ملین روپے ہے جو کہ 2016 کے اختتام پر 72.777 ملین روپے تھی۔

بورڈ اور کمیٹی کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے تیرہ اجلاس منعقد ہوئے، آڈٹ کمیٹی کے سات اور ایچ آر اینڈ آر کمیٹی کا ایک اجلاس منعقد ہوا جن کی حاضری حسب ذیل تھی۔

ڈائریکٹرز کے نام	حاضری	
بورڈ آف ڈائریکٹرز		
1- شفیق اے صدیقی	5 عدد	تاریخ وفات 10-02-2017
2- جاوید شفیق صدیقی	11 عدد	
3- پرویز شفیق صدیقی	13 عدد	
4- فوزیہ جاوید	12 عدد	
5- سلمان جاوید صدیقی	13 عدد	
6- عاصم پرویز صدیقی	12 عدد	
7- عدنان جاوید صدیقی	2 عدد	
8- ارسلان جاوید صدیقی	1 عدد	تاریخ نامزدگی 29-03-2017
آڈٹ کمیٹی		
1- سلمان جاوید صدیقی	7 عدد	
2- پرویز شفیق صدیقی	7 عدد	
3- فوزیہ جاوید	7 عدد	

ڈائریکٹرز کے نام	حاضری
ایچ آر اینڈ آر کمیٹی	
1- پرویز شفیق صدیقی	1 عدد
2- جاوید شفیق صدیقی	1 عدد
3- عاصم پرویز صدیقی	1 عدد

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، میں 30 جون 2017 کو ختم ہونے والے مالی سال کی 29 ویں سالانہ آڈٹ شدہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

مالیاتی کارکردگی

ادارے نے 31.883 ملین روپے کی فروخت پر بعد از ٹیکس 4.739 ملین روپے منافع کمایا جو کہ گذشتہ سال مجموعی فروخت 443.604 ملین روپے پر بعد از ٹیکس 211.063 ملین روپے خسارہ تھا۔

فروخت	31,883,191 روپے
مجموعی (خسارہ)	-56,761,735 روپے
عملی (خسارہ)	-52,286,274 روپے
مالیاتی لاگت	50,764,927 روپے
انوسٹمنٹ پراپرٹی کی فیئر ویلیو میں تبدیلی	100,452,810 روپے
منافع بعد از ٹیکس	4,738,508 روپے
سابقہ مجموعی (خسارہ)	-816,970,385 روپے
موجودہ مجموعی (خسارہ)	-787,599,476 روپے
منافع فی حصہ (شیئر)	0.16 روپے

زیر جائزہ مدت

کپڑے کی فروخت میں واضح کمی واقع ہوئی چونکہ تمام ائیر جیٹ لومز بمع اضافی آلات و پرزہ جات اور 23 سلزر ریپئر لومز، جو کہ جون 2016 کو اثاثہ جات برائے فروخت میں شامل کی گئی تھیں، موجودہ سال کے دوران فروخت کر دی گئیں۔ یہ ہمارے اس منصوبے کے مطابق ہے کہ ہم کمپنی کے قرضوں کو مشینری بیچ کر اور ڈائریکٹرز کی جانب سے سرمایہ فراہم کر کے کم کریں گے۔ اس کے علاوہ حکومت کی غیر موزوں ٹیکسٹائل حکمتِ عملی اور عالمی طلب میں سست روی کے باعث ٹیکسٹائل سیکٹر بری طرح مالی بحران کا شکار ہے۔ کاروباری لاگت بہت زیادہ ہے مثلاً بجلی خطے میں انتہائی مہنگی اور پاکستانی روپے کی قدر زیادہ ہے۔ بدقسمتی سے انڈسٹریل گیس کنکشن پر عائد پابندی کا نوٹیفیکیشن ابھی تک جاری نہیں ہوا۔ کپڑے کی صنعت کو RLNG بہت زیادہ قیمت پر آفر کی گئی ہے جو کہ قابل عمل نہیں ہے۔ ہمارے منصوبے کے مطابق اکتوبر 2016 میں کمپنی کے میمورینڈم آف ایسوسی ایشن میں مقاصد کی دفعہ "1" میں شیئر ہولڈرز کی اجازت سے کاروباری عمل کو وسعت دی گئی ہے جس میں ادارے کی وہ جائیداد جو جامہ سازی کے لئے زیر استعمال نہیں ہے کو کرائے پر دیا جا سکتا ہے۔ اس کے مطابق کچھ جائیداد کو انوسٹمنٹ پراپرٹی میں شامل کیا جانا شامل ہے۔

اس مالی سال کے دوران ادارے کی کارکردگی پر مندرجہ ذیل عوامل اثر انداز ہوئے:

- سال کے دوران کپڑے کی فروخت 443.604 ملین روپے سے کم ہو کر 21.974 ملین روپے ہوگئی جسکی وجہ تمام ائیر جیٹ اور 23 سلزر لوموں کی فروخت اور 40 سلزر ڈابی لوموں کی اوور ہالنگ ہے
- جائیداد کے کرایہ کی مد میں یکم فروری 2017 تا 30 جون 2017 ادارے کو 9.910 ملین روپے حاصل ہوئے۔
- سال کے دوران ادارے نے اپنی جائیداد کا وہ حصہ جو کہ جامہ سازی کے لئے درکار نہ تھا کو ''انوسٹمنٹ پراپرٹی'' میں بدلتے ہوئے 100.453 ملین روپے فیئر ویلیو کی تبدیلی کی مد میں آمدنی میں شامل کئے۔
- مالیاتی لاگت 52.712 ملین روپے سے کم ہو کر 50.765 ملین روپے ہوگئی
- دیگر آمدن 51.233 ملین روپے سے کم ہو کر 40.090 ملین روپے ہوگئی

مستقبل کی حکمتِ عملی اور امکانات

ہم اپنے منصوبے پر عمل پیرا ہیں جس کے مطابق ادارہ اپنے قرضوں اور اخراجات کو بذریعہ پرانی اور فرسودہ مشینری بیچ کر کم کر رہا ہے۔ آپکو یاد ہوگا کہ جون 2016 میں ادارے نے فیصلہ کیا تھا کہ 78 ایئر جیٹ لومز بمع اضافی آلات و پرزہ جات جن کو استعمال کرنا مالی طور پر باعث نقصان ہے، کو فروخت کر دیا جائے۔ چنانچہ مشینری بیچ کر اور ڈائریکٹرز کی جانب سے سرمایہ فراہم کر کے موجودہ سال کے دوران بینکوں کے قرضے 248 ملین روپے کی ادائیگی کے بعد 318 ملین روپے سے 70 ملین روپے پر آ گئے ہیں۔ 30 جون 2017 کے بعد بھی کپڑے کی صنعت کے بارے میں منفی حالات جاری ہیں اور کاروباری لاگت میں کوئی کمی محسوس نہیں ہوئی خاص طور پر ناقابل عمل قیمتوں پر گیس کی فراہمی اور روپے کی قدر کا زیادہ رہنا۔ اسلئے ادارے نے فیصلہ کیا کہ بینکوں کے قرضوں کو مزید کچھ مشینری بیچ کر کم کیا جائے، جس کے نتیجے میں 15 ملین روپے اگلے مالی سال کے دوران بینکوں کو قرض کی واپسی کی مد میں ادا کئے گئے ہیں۔

مزید یہ کہ اگلے مالی سال میں شیئرز ہولڈرز نے EOGM منعقدہ 04 دسمبر 2017 کو فیصلہ کیا ہے کہ بقایا سلزر لومز بمع اضافی آلات و پرزہ جات فروخت کر دی جائیں جس کے نتیجے میں ادارے کی مزید جائیداد کرائے پر دی جا سکے گی۔ مزید یہ فیصلہ بھی کیا گیا کہ توجہ ادارے کی جائیداد سے کرائے کی مد میں آمدن حاصل کرنے پر مرکوز کی جائے تاکہ ادارے کے مالی حالات میں بہتری آئے اور کپڑے کی صنعت کے مجموعی حالات کو مدنظر رکھتے ہوئے، کیوں کہ ہمارے پاس کپڑے کی صنعت کا انفراسٹرکچر موجود ہے، مستقبل میں جدید ٹیکسٹائل مشینری میں سرمایہ کاری کا فیصلہ کیا جا سکتا ہے۔

امکانات اور یقین دہانی

مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کے مالی حالات پر اثر انداز ہونے والی کوئی بڑی مادی تبدیلیاں اور وعدے وقوع پزیر نہیں ہوئے جو اس بیلنس شیٹ سے متعلقہ ہوں۔ سوائے جن کا ذکر مالی حسابات میں کیا گیا ہے۔

بقایا قانونی واجبات

کوئی ٹیکسز، ڈیوٹیز، لیویز اور چارجز کی مد میں قانونی ادائیگیاں نہیں ہیں جو 30 جون 2017 کو بقایا ہوں سوائے جن کا ذکر مالی حسابات میں کیا گیا ہے۔

تنظیمی سماجی ذمہ داری

آپکا ادارہ معاشرے، ملازم اور ماحول کے بارے میں اپنی تنظیمی ذمہ داری سے مکمل طور پر آگاہ ہے۔

کارپوریٹ اور مالی رپورٹنگ

کوڈ آف کارپوریٹ گورننس کی تعمیل کے بارے میں مندرجہ ذیل بیانات دیئے جا رہے ہیں۔

مالی حسابات کی اشاعت

ادارے کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئیٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کیا گیا ہے۔

کھاتہ جات

ادارے کے کھاتہ جات مناسب طور پر بنائے گئے ہیں۔

کھاتہ جات کی حکمت عملی

مالی حسابات کی تیاری میں مناسب حکمت عملی کو تسلسل کے ساتھ لاگو کیا گیا ہے اور کھاتوں کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

بین الاقوامی مالی رپورٹنگ معیار (IFRS)

مالی حسابات پاکستان میں لاگو بین الاقوامی مالی رپورٹنگ کے معیار کے مطابق بنائے گئے ہیں۔

داخلی کنٹرول کا نظام

داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے موثر طریقے سے لاگو کیا گیا ہے۔