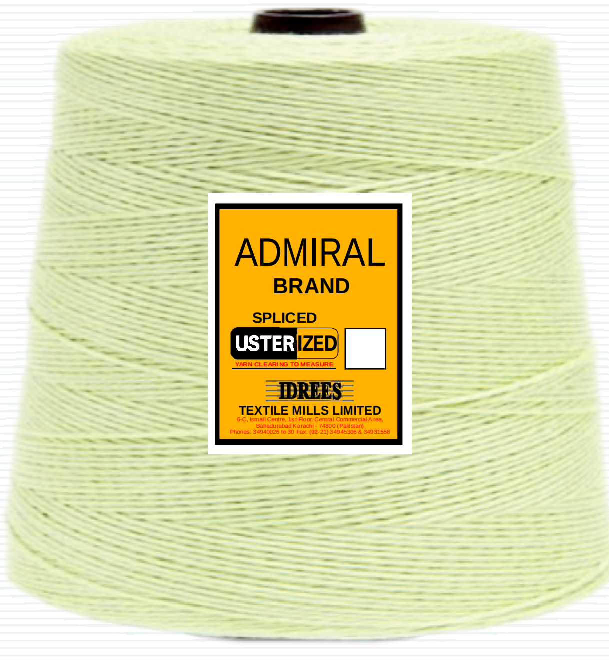
IDREES

TEXTILE MILLS LIMITED

Annual Report 2017



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COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Muhammad Idrees Allawala	- Chairman
	Mr. S. M. Mansoor Allawala	- CEO
	Mr. Kamran Idrees Allawala	- Director
	Mr. Naeem Idrees Allawala	- Director
	Mr. Omair Idrees Allawala	- Director
	Mr. Rizwan Idrees Allawala	- Director
	Mr. Muhammad Israil	- Director
	Mr. Muhammad Saeed	- Director
AUDIT COMMITTEE	Mr. Rizwan Idrees Allawala	- Chairman
	Mr. Muhammad Saeed	- Member
	Mr. Muhammad Israil	- Member
	Syed Shahid Sultan	- Secretary
COMPANY SECRETARY	Syed Shahid Sultan	
CHIEF FINANCIAL OFFICER	Mr. Muhammad Jawaid	
AUDITORS	M/s. Deloitte Yousuf Adil Chartered Accountants	
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Kamran Idrees Allawala	- Chairman
	Mr. Rizwan Idrees Allawala	- Member
	Mr. Muhammad Saeed	- Member
BANKERS	National Bank of Pakistan Bank Alfalah Limited Habib Metropolitan Bank Ltd. Soneri Bank Limited Silk Bank Ltd. Meezan Bank Ltd. Bank of Punjab Ltd. BankIslami Pakistan Ltd. Bank Al Habib Ltd. Dubai Islamic Bank Pakistan Ltd. J.S Bank Ltd.	
REGISTERED OFFICE	6-C, Ismail Centre, 1st Floor, Central Commercial Area, Bahadurabad, Karachi - 74800.	
SHARES REGISTRAR	M/S. NI Associates (Pvt) Ltd.	
MILLS	Kot Shah Mohammad, Tehsil Nankana, District Nankana, Punjab. www.idreestextile.com	

Notice is hereby given that the 28nd Annual General Meeting of the Shareholders of Idrees Textile Mills Ltd. will be held on Saturday, October 28, 2017 at 11.00 am at Sadabahar, 53 Kokan Society, Alamgir Road/Hyder Ali Road, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on October 31, 2016.
2. To receive, consider and adopt Reports of Directors and Auditors together with Audited financial statements of the Company for the year ended June 30, 2017.
3. To appoint Auditors for the year ending June 30, 2018 and fix their remuneration. The retiring auditors M/s Deloitte Yousuf Adil Chartered Accountants , being eligible, offer themselves for re-appointment.
4. To approve cash dividend @5% (i.e Re. 0.50 per share) to shareholders, as recommended by the Board of Directors.
5. To elect eight Directors of the Company as fixed by the Board in accordance with the provisions of section 159 (1) of the Companies Act 2017 for the term of three years. The names of the retiring Directors are as under:

1. Mr. Muhammad Idrees Allawala	2. Mr. S.M. Mansoor Allawala
3. Mr. Kamran Idrees Allawala	4. Mr Naeem Idrees Allawala
5. Mr. Rizwan Idrees Allawala	6. Mr. Omair Idrees Allawala
7. Mr. Muhammad Israil	8. Mr. Mohammad Saeed

The retiring Directors are eligible for re-election.

SPECIAL BUSINESS:

6. To get consent & approval of the Shareholders as per SRO. 470(I)2016 dated May 31, 2016 issued by the Securities & Exchange Commission of Pakistan, for the transmission of annual report including annual audited financial statements, auditor's/directors' report, and notices of annual general meeting of the Company commencing from the year ending 30th June 2017 onwards through CD/DVD/USB instead of transmitting the same in hard copies.

   "RESOLVED that consent & approval of the Shareholders be and is hereby accorded for transmission of audited financial statement, auditor's/ directors' report and notices of annual general meeting of the Company commencing from the year ended June 30, 2017 onwards through CD/DVD/USB instead of transmitting the same in hard copies. However, if shareholders of the Company request hard copy of Audited Financial Statements the same shall be provided free of cost within seven (7) days of receipt of such request.

7. To transact any other business that may be placed before the meeting with the permission of the Chair

By order of the Board

Karachi
Dated : September 28, 2017

SYED SHAHID SULTAN
Company Secretary

Notes:

(i) Shareholders are advised to promptly notify any change in their addresses.

(ii) Share Transfer Books of the Company will remain closed from October 24, 2017 to October 31, 2017 (both days inclusive).

(iii) A member eligible to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend, and vote for him/her.

(iv) Any person who seeks to contest the election of Director shall file with the Company at its Registered office, not later than fourteen days before the date of meeting, the following:

   (a) a notice of his/her intention to offer himself/herself for election as a Director ;
   (b) a declaration (copy may be obtained from Registered Office) on the matters required by the Code of Corporate Governance:

(v) An instrument of proxy under which it is signed, in order to be valid must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

(vi) Shareholders of the Company whose shares are registered in their account/sub-account with Central Depository System (CDS) are requested to bring original CNIC along with account number in CDS and participant's ID number for verification. In case of appointment of proxy by such account holders and sub-account holders the guidelines laid down in Circular No. 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan shall be followed.

(vii) Members who have not yet submitted photocopies of their CNIC and NTN certificate to the Company's Registrar, are requested to send the same at the earliest.

(viii) Transmission of Annual Financial Statements through E-mail:

In pursuance of the directions given by SECP vide SRO 787(I)2014 September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by Post are advise to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. www.idreestextile.com and send the said form duly signed by the shareholder along with copy of his/her CNIC to the Company's Share Registrar.

(ix) Video Conference Facility:

Member can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 10 days before holding the Annual General Meeting. If the Company receive consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability such facility in that city.

The company will intimate members regarding venue of video conference facility at least 5 days before the date of meeting along with complete information necessary to enable them to access such facility.

I/We __________________ of __________________, being a member of the Idrees Textile Mills Ltd. holder of ____________ Ordinary Share(s) as per Register CDC/Folio no. __________ hereby opt for video conference facility at _________________.

(x) E-Voting

Pursuant to SECP Companies (E-voting) Regulations, 2016, Members can also exercise their right to vote through e-voting by giving their consent in writing at least 10 days before the date of the meeting to the Company on the appointment Executive Officer by the intermediary as Proxy.

(xi) Payment of Cash Dividend Electronically:

In order to receive the dividends through electronic mode as per requirements of Section 242 of the Companies Act. 2017, for all shareholders are requested to provide the details of their Bank mandate specifying : a)title of account, b) account number c)IBAN number d) bank name and e) branch name, code and address to the Company's Share Registrar. Those shareholders who hold shares with participants/Central Depository Company are advised to provide bank mandate detail to the concerned participant/CDC.

(xii) Unclaimed Dividends

Shareholders, who by any reason, could not claim their dividend, are advised to contact our Share Registrar M/s NI Associates (Pvt) Ltd to claim their unclaimed dividend if any. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government.

Statement Under Section 134(3) of the Companies Act, 2017.

The statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on, September 28, 2017.

Item 6 of the Agenda

As per SECP SRO No. 470(I)/2016 dated May 31, 2016 allow to transmit annual report etc, to the Company's shareholders at their registered address in the form of soft copies in CD/DVD/USB instead of printed copy, provided consent of shareholders has been obtained in a general meeting and an option of hard copy of the same information is offered to any interested shareholder.

The Directors, Sponsors, and their relatives are not interested, directly or indirectly, in the above said business except to the extent of shares that are held by them in the Company.

The Directors of your Company are pleased to present the audited financial statements for the year ended June 30, 2017.

FINANCIAL AND OPERATIONAL OVERVIEW

During the year under review, the Company's turnover amounted to Rs. 2,215.269 million as compared to Rs. 1,586.063 million last year. Gross profit has increased to Rs. 230.386 million compared to Rs. 122.207 million in the last year and profit after tax amounted to Rs. 87.287 million against loss after tax of Rs. 11.602 in the comparable period.

Continuous supply of Re-gasified Liquefied Natural Gas (RLNG) to the mill for power generation and timely procurement of raw material, at comparatively lower rates, has enabled the Company to end FY17 with a green bottom-line. High cost of doing business has weakened the competitiveness of not only the spinning sector but of the whole textile chain. The major factors of cost escalation being expensive energy and various types of direct and indirect taxes and levies such as exorbitant withholding taxes, sales tax, provincial taxes on services, custom duties, professional tax, textile cess, education cess, cotton cess, social security, EOBI, etc. For sustainability of the textile industry, these costs need review and rationalization by the government. To meet market challenges, we are investing in process optimization and focusing on product innovation. We are also looking for new markets for yarn export to mitigate the effects of slowdown in Chinese economy. Since China is the main destination for our yarn export, economic slowdown there is a major cause for low price of Pakistani yarn in the market.

EARNING PER SHARE

The earnings per share for the year under review worked out to Rs. 4.84 as compared to loss per share of Re. 0.64 for the corresponding year.

DIVIDEND

The Directors of the Company are pleased to recommend cash dividend @ 5% (2016: Nil) i.e Re. 0.50 (Fifty paisa only) for each share of Rs. 10/-

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

(b) Proper books of account of the Company have been maintained.

(c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgement.

(d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.

(e) The system of internal control is sound in design and has been effectively implemented.

(f) There are no significant doubts upon the Company's ability to continue as a going concern.

(g) There has been no material departure from the best practices of corporate governance, as detailed in the regulation of PSX rule book.

(h) The book value of investments made by the Employees' Provident Fund, being operated for head office employees only, is Rs.15,290,664/- (2015: Rs.13,276,669) as per audited financial statements of the Fund as on June 30, 2016.

Mills employees are entitled to gratuity as per law and appropriate provision has been made in the financial statements.

(i) As required by the Code, we have included the following information in this report:

- Statement of Pattern of Shareholding.
- Statement of Shares held by associated undertaking and related parties.
- Key operating and financial statistics for last six years.

(j) During the year under review, eight Board of Directors, six Audit Committee and two Human Resource & Remuneration Committee (HR & RC) meetings were held and attended as follows:

Name of Director	Board of Directors	Audit Committee	HR & RC
Mr. Muhammad Idrees Allawala	08	N/A	N/A
Mr.S.M.Mansoor Allawala	08	N/A	N/A
Mr.Kamran Idrees Allawala	08	N/A	02
Mr.Naeem Idrees Allawala	08	N/A	N/A
Mr.Rizwan Idrees Allawala	08	N/A	02
Mr.Omair Idrees Allawala	07	06	N/A
Mr.Muhammad Israil	08	06	N/A
Mr. Muhammad Saeed	08	06	02

(k) During the year under review, there has been no trading in shares of the Company by CEO, Directors and their Spouses.
(l) We have an audit committee the members of which are from the board of directors and the chairman is a non executive director.
(m) We have prepared and circulated a statement of ethics and business strategy amongst directors and employees.
(n) The board has adopted a mission statement and a statement of overall corporate strategy.

FUTURE OUTLOOK

The textile sector in Pakistan may be termed as backbone of the economy and, in a highly competitive global environment, it needs to upgrade its processes, improve productivity and focus on value-addition. The Prime Minister's export led Growth Package, which aims to reduce the cost of doing business, may give the required stimulus to the business activities. The package will not only restore competitiveness of the textile sector but will also encourage new investment. This step is likely to help in achieving better results in the ensuing year. In addition to provision of subsidies to the cotton growers, as done for other crops, the Government should take appropriate measures to avoid crop losses. Such losses compel us to import cotton from India, USA and other countries. The government is yet to announce implementation of the proposals given by the textile industry, i.e., (a) provide Sui Gas/RLNG to the industry at regionally competitive rate of Rs 400/MMBTU, (b) do away with the levy of GIDC and (c) fix the tariff of electricity at Rs. 7 per unit for independent feeders.

The present 'Sales Tax Zero-rating Regime' for export-oriented sectors, including the textile sector, under SRO 1125 should continue in the future as well to save the industry from piled-up refunds. The government should release sales tax refunds of the industry and should also ensure zero rating of all inputs in true spirit including packaging materials, spare parts and fuel. As a matter of practice, the government earmarks a certain amount after long gaps for payment of sales tax refunds to the taxpayers, thus the amount remains stuck for a long time. FBR should take measures, as demanded by the business community, to expedite release of pending sales tax refunds.

The current growth momentum led by CPEC related investments and positive domestic policy measures are likely to boost foreign direct investment inflows and Pakistan's exports are also expected to post gains. Projects envisaged under the CPEC are likely to turn Pakistan towards cleaner forms of energy as China is world leader in renewable energy. Despite hydropower being the cheapest source of electricity for Pakistan, the prohibitively high capital costs to supplement the existing hydro resources has distorted the hydro-thermal ratio in the power generation mix and resulted in a significant increase in energy cost. The Thar coalfields are being termed as a game changer and the same is true for the RLNG agreement with Qatar provided that these projects are governed with due zeal and diligence. Under CPEC, Chinese companies are going to complete numerous power projects which will hopefully eliminate the gap between demand and generation of electricity. If all goes well, Pakistan's economy is set to post healthy growth numbers in FY18 supported by a growing PSDP, improved energy availability to industry and improved law and order situation. Low interest rates translated into private sector credit flows in FY17 reaching a decade high of Rs. 748 billion as compared with Rs. 446 billion in FY16. It is an excellent opportunity for undertaking capacity expansions. CPEC has also created opportunities for increased trade on numerous routes between China, Middle East and Africa. On the political front, the current situation is not encouraging for business activities and new investment, therefore, prompt and amicable resolution of discord between the stake-holders is crucial for economic revival.

AUDITORS

The retiring Auditors M/s. Deloitte Yousuf Adil, Chartered Accountants being eligible have offered themselves for re-appointment for the ensuing year 2017-2018. The audit committee in its meeting held on September 27, 2017 has recommended the appointment of the retiring auditors.

ACKNOWLEDGEMENT

The directors are thankful to the bankers, suppliers and customers of the Company for their continued support and appreciate the hard work by the employees of the Company.

on behalf of Board of Director

Director **Chief Executive**

Karachi
Dated : September 28, 2017

It is my pleasure to present a review of your Company for the year ended on 30th June 2017.

For success of any organization, sound governance is imperative. It is of great value and facilitates a company in achievement of its desired objectives. The Code of Corporate Governance (Code) requires an annual evaluation of the Board of Directors. The evaluation is aimed to measure the Board's overall performance and conduct of the Company's affairs in accordance with the best practices of corporate governance. For the year under review, based on the evaluation, the overall performance and effectiveness of the Board has been assessed as Satisfactory. The areas identified for further improvement shall be followed up for conformity with the international best practices.

The Board has duly formulated a vision and mission statement and remains actively engaged in planning and monitoring of the Company's operations. It directs the formulation of appropriate policies and procedures, including those relating to human resource management, and also monitors the Company's financial arrangements. The Board met eight times during the year.

During the year under review the performance of your Company has been commendable as compared to the previous year. Pakistan economy is also showing some healthy indicators and further improvement is expected in view of power and infrastructure projects planned under the framework of 'China-Pakistan Economic Corridor' (CPEC). The Board is well aware of the ongoing developments on the domestic as well as on the international front and I am confident that your Company shall be able to seize the opportunities that are likely to arise in the medium term.

On behalf of the Board, I appreciate the services rendered by all our employees and also wish to thank our shareholders, customers, suppliers, bankers and other stakeholders for their valued support and confidence.

Muhammad Idrees Allawala
Chairman/Director

September 28, 2017

	2012	2013	2014	2015	2016	2017
Sales	1,169,019,495	2,242,355,182	2,901,068,553	2,306,871,955	1,586,062,979	2,215,268,509
Cost of goods sold	(1,003,060,782)	(1,997,815,097)	(2,687,542,978)	(2,114,097,785)	(1,463,856,118)	(1,984,882,334)
Gross Profit	165,958,713	244,540,085	213,525,575	192,774,170	122,206,861	230,386,175
Other operating Income/loss	(2,373,975)	3,156,568	8,772,603	3,590,645	33,176,150	62,665,832
	163,584,738	247,696,653	222,298,178	196,364,815	155,383,011	293,052,007
Distribution Cost	(871,811)	(8,206,345)	(17,520,357)	(22,100,541)	(11,538,415)	(8,170,378)
Administration expenses	(34,409,770)	(46,294,576)	(65,360,402)	(64,211,617)	(61,391,867)	(62,913,405)
Other operating expenses	(3,888,380)	(22,832,524)	(7,725,995)	(15,491,593)	(20,355,264)	(16,467,315)
Finance cost	(81,873,201)	(91,103,014)	(106,021,261)	(94,073,566)	(97,348,847)	(96,819,649)
	(121,043,162)	(168,436,459)	(196,628,015)	(195,877,317)	(190,634,393)	(184,370,747)
Profit/(Loss) before taxation	42,541,576	79,260,194	25,670,163	487,498	(35,251,382)	108,681,260
Taxation	(8,805,145)	(17,712,110)	5,634,909	4,680,745	23,649,372	(21,394,127)
Profit/(Loss) after taxation	33,736,159	61,548,084	31,305,072	5,168,243	(11,602,010)	87,287,133
Other Comprehensive income for the year	-	-	65,152	485,406	2,967,482	(36,800)
Total comprehensive income for the year	33,736,159	61,548,084	31,370,224	5,653,649	8,634,528	87,250,333
Earning/(Loss) per shares	1.87	3.41	1.73	0.29	(0.64)	4.84

This statement is being presented to comply with the Code of Corporate Governance ("CCG") contained in Regulation No 5.19 of the Rule book of Pakistan Stock Exchange (PSX) for the purpose of establishing a framework of good governance, where by a listed company is managed in compliance with the best practices of Corporate Governance.

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

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

Categories	**Names**
Independent Director	Mr. Muhammad Saeed
Executive Directors	Mr. S. M. Mansoor Allawala Mr. Naeem Idrees Allawala Mr. Omair Idrees Allawala
Non-Executive Directors	Mr. Muhammad Idrees Allawala Mr. Kamran Idrees Allawala Mr. Rizwan Idrees Allawala Mr. Muhammad Israil

The independent director meets the criteria of independence under clause 5.19.1,(b) of the CCG.

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

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 an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the Board during the current year.

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 the Chief Executive Officer (CEO), other executive and non-executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The directors have been made aware of the Listing regulations of Stock Exchanges, the Company's Memorandum and Articles of Association and the CCG during various Board meetings. The directors are therefore well conversant with their duties and responsibilities. Five out of eight directors meet the exemption requirement of the Directors' Training Program. Two directors have completed the Directors' Training Program and became certified directors. The Company plans to arrange training program for the remaining director by June 30, 2018.

10. No new appointment of Chief Financial Officer (CFO), Company Secretary or Head of Internal Audit has been 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 of three members, of whom one is an independent director and two are non-executive directors and the chairman of the Audit Committee is a non-executive director.

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

17. The Board has formed an HR and Remuneration Committee. It comprises of three members, of whom two are non-executive directors including chairman of the committee and one independent director.

18. The Board has set up an effective internal audit function who are considered suitable qualified and experienced for the purpose and are 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 (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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

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

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

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 contained in the CCG have been complied with.

For and on behalf of the Board

S M Mansoor Allawala
Chief Executive
Karachi
September 28, 2017

We have reviewed the enclosed Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Idrees Textile Mills Limited (the Company) for the year ended June 30, 2017 to comply with Regulation No. 5.19 of the Rule Book of the Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement 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 part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board'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 recommendation of the Audit Committee, place before the Board for their review and approval the Company's 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 prices 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 approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

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

Chartered Accountants

Deloitte Yousuf Adil

Engagement Partner
Nadeem Yousuf Adil

Karachi
September 28, 2017

A member firm of
Deloitte Touche Tohmatsu Limited

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

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

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material 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, 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, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no Zakat deductible at source under the Zakat and Ushr Ordinance,1980 (XVIII of 1980)

Chartered Accountants

Deloitte Yousuf Adil

Engagement Partner
Nadeem Yousuf Adil

Karachi
September 28, 2017

A member firm of
Deloitte Touche Tohmatsu Limited

	Note	2017 Rupees	2016 Rupees
EQUITY AND LIABILITIES			
Share capital	4	180,480,000	180,480,000
Revenue reserve			
Unappropriated profit		615,532,531	487,455,878
		796,012,531	667,935,878
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax	5	591,088,750	633,801,984
NON-CURRENT LIABILITIES			
Long-term finance			
Banking company	6	4,844,700	9,689,400
Related parties	7	82,917,355	75,379,415
		87,762,055	85,068,815
Liabilities against assets subject to finance lease	8	21,902,140	49,801,114
Deferred liabilities	9	287,080,522	279,704,517
		396,744,717	414,574,446
CURRENT LIABILITIES			
Trade and other payables	10	235,919,722	306,150,375
Interest / mark-up accrued	11	23,917,979	20,605,454
Short-term borrowings	12	1,008,768,874	880,745,622
Current portion of			
long-term finance	6	6,459,600	6,459,600
liabilities against assets subject to finance lease	8	46,532,723	52,287,236
Provision for taxation		22,527,473	16,312,378
		1,344,126,371	1,282,560,665
CONTINGENCIES AND COMMITMENTS	13		
		3,127,972,369	2,998,872,973

CHIEF EXECUTIVE

	Note	2017 Rupees	2016 Rupees
ASSETS			
Property, plant and equipment	14	1,506,539,437	1,566,331,401
Long-term deposits	15	8,915,986	20,768,751
		1,515,455,423	1,587,100,152
CURRENT ASSETS			
Stores, spares and loose tools	16	41,885,773	35,181,990
Stock-in-trade	17	683,468,913	579,045,301
Trade debts	18	709,931,347	672,058,634
Loans and advances	19	49,576,151	42,046,643
Deposits and short-term prepayments	20	16,548,897	10,218,383
Other receivables	21	54,481,467	34,759,053
Other financial asset	22	40,550,710	36,050,710
Cash and bank balances	23	16,073,688	2,412,107
		1,612,516,946	1,411,772,821
		3,127,972,369	2,998,872,973

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

DIRECTOR

	Note	2017 Rupees	2016 Rupees
Sales - net	24	2,215,268,509	1,586,062,979
Cost of sales	25	(1,984,882,334)	(1,463,856,118)
Gross profit		230,386,175	122,206,861
Distribution cost	26	(8,170,378)	(11,538,415)
Administrative expenses	27	(62,913,405)	(61,391,867)
		(71,083,783)	(72,930,282)
		159,302,392	49,276,579
Finance cost	28	(96,819,649)	(97,348,847)
Other operating expenses	29	(16,467,315)	(20,355,264)
		46,015,428	(68,427,532)
Other income	30	62,665,832	33,176,150
Profit / (loss) before taxation		108,681,260	(35,251,382)
Taxation	31	(21,394,127)	23,649,372
Profit / (loss) for the year		87,287,133	(11,602,010)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligation	9.2.6	(49,360)	3,965,812
- Related tax	9.1	12,560	(998,330)
		(36,800)	2,967,482
Total comprehensive income for the year		87,250,333	(8,634,528)
Earnings per share - basic and diluted	32	4.84	(0.64)

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

CHIEF EXECUTIVE **DIRECTOR**

	Note	2017 Rupees	2016 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		108,681,260	(35,251,382)
Adjustments for :			
Depreciation		80,957,837	91,252,882
Provision for slow moving store items		-	538,513
Reversal of provision		-	(2,846,563)
Provision for staff gratuity		10,379,815	15,479,212
Finance cost		96,819,649	97,348,847
Loss on disposal of property, plant and equipment - net		3,141,668	16,233,770
Operating cash flows before working capital changes		299,980,229	182,755,279
Decrease / (increase) in current assets			
Stores, spares and loose tools		(6,703,783)	3,641,679
Stock-in-trade		(104,423,612)	89,522,832
Trade debts		(37,872,713)	(239,237,647)
Loans and advances		(4,087,882)	21,624,966
Deposits and short-term prepayments		(6,330,514)	(1,252,636)
Other receivables		(19,722,414)	(25,203,848)
(Decrease) / increase in current liabilities			
Trade and other payables		(68,690,313)	46,121,032
Working capital changes		(247,831,231)	(104,783,622)
Cash generated from operations		52,148,998	77,971,657
Finance cost paid		(80,122,941)	(81,855,841)
Staff gratuity paid		(3,485,719)	(15,768,290)
Income tax paid		(20,429,482)	(16,457,270)
Long-term deposits - net		11,852,765	5,837,258
Net cash used in operating activities		(40,036,379)	(30,272,486)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(23,278,541)	(23,182,844)
Proceeds from disposal of property, plant and equipment		7,325,000	2,425,000
Other financial asset - net		(4,500,000)	(2,500,000)
Net cash used in investing activities		(20,453,541)	(23,257,844)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance repaid		(4,844,700)	-
Long-term finance obtained		-	16,149,000
Liabilities against assets subject to finance lease - net		(47,853,730)	(65,308,045)
Dividend paid		(1,173,321)	(3,194,561)
Net cash used in financing activities		(53,871,751)	(52,353,606)
Net decrease in cash and cash equivalents (A+B+C)		(114,361,671)	(105,883,936)
Cash and cash equivalents at the beginning of the year		(878,333,515)	(772,449,579)
Cash and cash equivalents at the end of the year	33	(992,695,186)	(878,333,515)

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

CHIEF EXECUTIVE

DIRECTOR

	Note	Share capital	Unappropriated profit	Total
		---------- Rupees ----------		
Balance as at July 1, 2015		180,480,000	455,620,076	636,100,076
Total comprehensive income for the year				
Loss for the year		-	(11,602,010)	(11,602,010)
Other comprehensive income		-	2,967,482	2,967,482
		-	(8,634,528)	(8,634,528)
Transfer from surplus on revaluation of property, plant and equipment on account of				
- incremental depreciation charged thereon - net of tax	5	-	31,695,808	31,695,808
- disposal - net of tax	5		11,689,635	11,689,635
Transaction with owners recognized directly in equity				
Final cash dividend for the year ended June 30, 2015 @ Re. 0.5 per share to minority shareholders		-	(2,915,113)	(2,915,113)
Balance as at June 30, 2016		**180,480,000**	**487,455,878** *	**667,935,878**
Total comprehensive income for the year				
Profit for the year		-	87,287,133	87,287,133
Other comprehensive income		-	(36,800)	(36,800)
		-	87,250,333	87,250,333
Transfer from surplus on revaluation of property, plant and equipment on account of				
- incremental depreciation charged thereon - net of tax	5	-	38,329,354	38,329,354
- disposals - net of tax	5	-	2,496,966	2,496,966
Balance as at June 30, 2017		**180,480,000**	**615,532,531** *	**796,012,531**

* This includes unamortized portion of interest free loan obtained from related parties amounting to Rs. 17,412,646 (2016: Rs. 24,950,586), which is not avaiable for distribution.

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

CHIEF EXECUTIVE **DIRECTOR**

1. STATUS AND NATURE OF BUSINESS

1.1 Idrees Textile Mills Limited (the Company) was incorporated in Pakistan as an unquoted public limite d company on June 5, 1990 under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 6-C, Ismail Centre, 1st floor, Central Commercial Area, Bahadurabad, Karachi in the Province of Sindh. The principal activity of the Company is manufacturing, processing and sale of fabrics and all kinds of yarn. The Company's manufacturing facility is located at Kot Shah Muhammad, District Nankana in the Province of Punjab.

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 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 or directives of the Companies Ordinance, 1984 shall prevail.

During the year, the Companies Act, 2017 was enacted on May 30, 2017 and came into force at once. Subsequently, the Securities and Exchange Commission of Pakistan (SECP) has notified through Circular No. 17 of July 20, 2017 that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Therefore, these financial statements have been prepared under the Companies Ordinance, 1984.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except that certain categories of property, plant and equipment are stated at revalued amounts and the Company's liability under defined benefit plan (gratuity) is stated at present value of defined benefit obligation.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupees, which is the Com pany's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of approved accounting standards, as applicable in Pakistan, that have a significant effect on the financial statements and estimates with significant risk of material judgment in the next financial year are set forth below:

- assumptions and estimates used in accounting for define benefit plan (notes 3.1.1 and 9.2)
- assumptions and estimates used in determining revalued amounts of certain items of property, plant and equipment (notes 3.5 and 14.1);
- assumptions and estimates used in determining residual values, useful lives and recoverable amount of property,

plant and equipment (notes 3.5, 3.14.2 ,14.1 and 14.5);

- assumptions and estimates used in determining provision for taxation including deferred taxation (notes 3.2, 9.1 and 31);
- assumptions and estimates used in determining the provision for slow moving stores and spares (notes 3.8 and 16.1);
- assumptions and estimates used in writing down items of stock-in-trade to their net realizable value (notes 3.9 and 17) and;
- assumptions and estimates used in calculating the provision for impairment for trade debts (notes 3.10 and 18).

2.5 Amendments to published accounting standards that are effective in the current year

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

- Amendments to IFRS 5 ‘Non-current Assets Held for Sale and Discontinued Operations’: Clarification regarding changes in the method of disposal of an asset.
- Amendments to IFRS 7 ‘Financial Instruments – Disclosures’: Disclosure requirements for servicing arrangements on continuing involvement in transferred financial assets.
- Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 (Revised 2011) 'Investments in Associates and Joint Ventures': Application of consolidation exception
- Amendments to IFRS 11 'Joint Arrangements': Accounting for acquisitions of an interest in a joint operation.
- Amendments to IAS 1 'Presentation of Financial Statements" - Disclosure initiative
- Amendments to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets': Clarification on acceptable methods of depreciation and amortisation.
- Amendments to IAS 19 ‘Employee Benefits’: Clarification that the same currency bonds be used to determine the discount rate in which benefits are to be paid.
- Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements.

2.6 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following amendments to approved accounting standards and new IFRS interpretations are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	Effective date (accounting periods beginning on or after)
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 1, 2018
Amendments to IAS 7 'Statement of Cash Flows': Amendments as result of the disclosure initiative	January 1, 2017
Amendments to IAS 12 'Income Taxes': Recognition of deferred tax assets for unrealised losses	January 1, 2017
Amendments to IAS 28 'Investments in Associates and Joint Ventures' – Measuring an associate or joint venture at fair value	January 1, 2018
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property.	January 1, 2018
Amendments to IFRS 12 'Disclosure of Interests in Other Entities': Clarification of scope of the standard	January 1, 2017
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 1, 2018

	Effective date (accounting periods beginning on or after)
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 1, 2019

Other than the aforesaid interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases
- IFRS 17 – Insurance Contracts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are the same, as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2016 and are enumerated as follows:

3.1 Staff retirement benefits

3.1.1 Defined benefit plan

The Company operates an unfunded gratuity scheme covering all its factory workers who have completed the minimum qualifying period of service as defined under the scheme. The Company's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses are recognized immediately in other comprehensive income.

The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and current service cost are recognized in profit and loss account. The most recent valuation of the scheme was carried out as at June 30, 2017. Details of the scheme are given in note 9.2 of these financial statements.

3.1.2 Defined contribution plan

The Company operates an approved funded contributory provident fund scheme for all head office staff. Equal monthly contributions are made both by the Company and the employees at the rate of 8.33% of basic salary per annum.

3.2 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in other comprehensive income or below equity, in which case it is recognized in other comprehensive income or below equity respectively.

3.2.1 Current tax

Provision for current taxation is based on the taxability of certain income streams of the Company under the Final Tax Regime at the applicable tax rates and the remaining income streams chargeable at current rate of taxation under the Normal Tax Regime after taking into account available tax credits and tax rebates, if any, or on turnover at the specified rate or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed / finalized during the year.

3.2.2 Deferred tax

Deferred tax is recognized using the balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the balance sheet date.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits in the foreseeable future will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Further, the Company also recognizes a deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

3.3 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.4 Markup bearing borrowings

Markup bearing borrowings are recognized initially at fair value, less attributable transaction cost. Subsequent to initial recognition, markup bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in profit and loss account over the period of borrowings on an effective interest basis.

3.5 Property, plant and equipment

3.5.1 Owned assets

Property, plant and equipment are stated as follows:

- Land is stated at revalued amount less impairment loss, if any;
- Building, labour colony, plant and machinery, electric installations and mill equipment are stated at revalued amounts less accumulated depreciation and impairment losses, if any; and
- Office equipment, furniture and fixtures and vehicles are stated at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of an asset including borrowing costs, if any. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in an asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost incurred to replace a component of an item of property, plant and equipment is capitalized and the asset so replaced is derecognized. Normal repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Depreciation is charged to the profit and loss account on a straight line basis at the rates specified in note 14.1. Depreciation on additions is charged from the month an asset is available for use upto the month prior to its disposal.

Depreciation methods, useful lives and residual values of each item of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed and adjusted, if appropriate at each balance sheet date.

Surplus on revaluation of assets is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the estimated fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of assets (net of deferred taxation) is transferred directly to retained earnings (unappropriated profit).

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized in other income / other expenses in the profit and loss account. When revalued assets are sold, any related amount included in the surplus on revaluation is transferred to retained earnings (unappropriated profit).

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any, and consists of expenditure incurred and advances made in respect of assets in the course of their acquisition, construction and installation. Transfers are made to relevant asset categories as and when assets are available for intended use.

3.5.2 Leased assets

Leases which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases and are capitalized at the inception of the lease at the fair value of leased assets or, if lower, at the present value of the minimum lease payments. Other leases are classified as operating leases.

Plant and machinery acquired under finance lease is stated at revalued amounts less accumulated depreciation and impairment losses, if any. Vehicles acquired under finance lease are stated at cost less accumulated depreciation and impairment losses, if any. Assets acquired under finance lease are depreciated over the useful life of the assets commencing from the year in which the leased assets are put into operation. Depreciation and other policies are same as for the owned assets described above.

3.6 Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Company. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as liabilities against assets subject to finance lease. Lease payments are apportioned between finance charges and reduction of the liabilities against assets subject to finance lease so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit and loss account, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy on borrowing costs.

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of the respective assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit and loss account in the period in which they are incurred.

3.8 Stores, spares and loose tools

These are stated at lower of moving average cost and net realizable value, less allowance for obsolete and slow moving items (if any). Items in transit are stated at cost comprising invoice value plus other charges incurred thereon upto the balance sheet date. Provision for obsolete and slow moving stores, spares and loose tools is determined based on the management's estimate regarding their future usability.

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

3.9 Stock-in-trade

These are stated at lower of cost and net realizable value applying the following basis:
Cost signifies in relation to:

- Raw material	Weighted average cost
- Stock-in-transit	Cost accumulated up to balance sheet date
- Work-in-process and finished goods	Average manufacturing cost
- Waste	Net realizable value.

Average manufacturing cost in relation to work-in-process and finished goods signifies cost including a portion of related direct overheads.

Net realizable value (NRV) signifies the estimated selling price in the ordinary course of business less the net estimated costs necessary to be incurred to make the sale.

3.10 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment, if any. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written-off.

3.11 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand and balances with banks in current and deposit accounts. Short-term borrowings availed by the Company, which are payable on demand and form an integral part of the Company's cash management, are included as part of cash and cash equivalents for the purpose of the cash flow statement.

3.12 Financial instruments

All financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provision of instruments. 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. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Any gai n or loss on derecognition of the financial assets or liabilities is taken to profit and loss account.

3.13 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only where there is legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.14 Impairment

3.14.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

3.14.2 Non-financial assets

The carrying amounts of non-financial assets, other than inventories and deferred tax asset, are reviewed at each balance sheet date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.15 Foreign currency translation

Transactions in foreign currencies are translated into Pakistani Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing on the balance sheet date.

Exchange differences are included in the profit and loss account currently.

3.16 Provisions

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

3.17 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in the normal course of business.

- Revenue from sales of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

- Revenue from export sales are recognized upon transfer of significant risks and rewards of ownership, which coincides with date of bill of lading.

- Interest income is recognized on a time-apportioned basis using the effective rate of return.

3.18 Dividend and appropriation to / from reserves

Dividend distribution to the Company's shareholders and appropriations to / from reserves is recognized in the period in which these are approved.

3.19 Earnings per share

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

4. SHARE CAPITAL

2017	2016		2017	2016
Number of shares			Rupees	Rupees
		Authorized		
22,000,000	22,000,000	Ordinary shares of Rs. 10/- each	220,000,000	220,000,000
		Issued, subscribed and paid-up		
18,048,000	18,048,000	Ordinary shares of Rs. 10/- each paid in cash	180,480,000	180,480,000

4.1 The Company has one class of ordinary shares which carry equal voting rights but no right to fixed income.

	Note	2017 Rupees	2016 Rupees
5. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax			
As at July 1,		819,614,401	718,616,332
Surplus arising during the year		-	160,300,206
Less: transferred to unappropriated profit on account of:			
- incremental depreciation - net of tax		(38,329,354)	(31,695,808)
- related deferred tax liability		(12,892,554)	(11,628,151)
- disposals - net of tax		(2,496,966)	(11,689,635)
- related deferred tax liability		(839,886)	(4,288,543)
		(54,558,760)	(59,302,137)
As at June 30,		765,055,641	819,614,401
Less: related deferred tax liability on:			
Revaluation surplus as at July 1,		185,812,417	173,721,444
Surplus arising during the year	9.1	-	37,826,629
Adjustment due to change in tax rate	9.1	1,886,914	(9,818,962)
Incremental depreciation charged during the year		(12,892,554)	(11,628,151)
Assets disposed-off during the year		(839,886)	(4,288,543)
	9.1	173,966,891	185,812,417
		591,088,750	633,801,984

	Note	2017 Rupees	2016 Rupees
6. LONG-TERM FINANCE - Banking company - secured			
Term finance	6.1	11,304,300	16,149,000
Less: current portion shown under current liabilities		(6,459,600)	(6,459,600)
		4,844,700	9,689,400

6.1 This represents long-term finance facility obtained by the Company for the purpose of retirement of LC opened to procure machinery. The facility carries markup at SBP LTF-EOP rate + 2% per annum and is payable in 10 quarterly instalments within a period of 2.5 years. The loan is secured against first pari passu charge of Rs. 21.53 million (with 25% margin) over fixed assets including land, building, plant and machinery of the Company and personal guarantees of all the directors.

	Note	2017 Rupees	2016 Rupees
7. LONG-TERM FINANCE - Related parties - unsecured			
Interest free loan	7.1	100,330,001	100,330,001
Less: present value adjustment		(17,412,646)	(24,950,586)
		82,917,355	75,379,415

7.1 On June 04, 2015, the Company entered into agreements with various related parties (directors / shareholders and their closed family members) in their capacity as sponsors, whereby the repayment of the loan paid in previous years was deferred for a period of four years from the date of the agreement. The loans are interest free, unsecured and are repayable in full at the end of four-year period until further extended by mutual agreement. Using the discount rate of 10% per annum, the fair value of the loans was estimated at Rs. 68.045 million at June 30, 2015. The difference of Rs. 32.285 million between the gross proceeds and the fair value of the loan was recognized in equity through a transfer to unappropriated profit (the unamortized portions are not available for distribution). The interest (i.e., unwinding of the difference between present value on initial recognition and the amount received) is being recognized on the loan in the profit and loss account using the effective interest method.

	Note	2017 Rupees	2016 Rupees
8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Present value of minimum lease payments	8.1	68,434,863	102,088,350
Less: current portion shown under current liabilities		(46,532,723)	(52,287,236)
		21,902,140	49,801,114

8.1 These represent plant and machinery and vehicles acquired under finance leases (and musharaka arrangement) from leasing companies and financial institutions. Future minimum lease payments under lease together with the present value of the net minimum lease payments are as follows:

	2017			2016		
	Minimum lease payments	Finance cost	Present value	Minimum lease payments	Finance cost	Present value
	Rupees					
Not later than one year	49,225,329	2,692,606	46,532,723	57,427,975	5,140,739	52,287,236
Later than one year but not 111later than five years	23,224,624	1,322,484	21,902,140	52,143,835	2,342,721	49,801,114
Total minimum lease payments	72,449,953	4,015,090	68,434,863	109,571,810	7,483,460	102,088,350

The rates of mark-up ranges from 8.53% to 9.65% (2016: 8.61% to 13.44%) per annum and are used as discounting factor. The lease terms are upto 5 years. The Company intends to exercise its option to purchase the leased assets upon completion of the lease period. Liabilities are secured against leased assets, demand promissory notes and security deposits.

		Note	2017 Rupees	2016 Rupees
9.	**DEFERRED LIABILITIES**			
	Deferred taxation - net	9.1	253,330,223	253,264,693
	Staff gratuity	9.2	37,903,770	30,960,314
	Less: gratuity due but not yet paid	10	(4,153,471)	(4,520,490)
			33,750,299	26,439,824
			287,080,522	279,704,517
9.1	**Deferred taxation - net**			
	Balance as at July 1,		253,264,693	264,583,145
	Reversal to profit and loss account	31	(1,808,824)	(40,324,449)
	Charged to other comprehensive income		(12,560)	998,330
	Adjustment to the related deferred tax liability on revaluation surplus	5	1,886,914	(9,818,962)
	Surplus arising on revaluation of property, plant and equipment	5	-	37,826,629
	Balance as at June 30,		253,330,223	253,264,693
	This comprises of the following:			
	Deferred tax credits:			
	- accelerated depreciation on property, plant and equipment		126,127,682	120,466,666
	- surplus on revaluation of property, plant and equipment	5	173,966,891	185,812,417
			300,094,573	306,279,083
	Deferred tax debits:			
	- provision for doubtful trade debts		2,996,791	2,996,791
	- provision for stores and spares		515,617	561,386
	- provision for doubtful other receivables		1,447,492	1,447,492
	- provision for staff gratuity		9,644,757	7,793,766
	- minimum tax		32,159,693	33,653,333
	- unused tax losses		-	6,561,622
			(46,764,350)	(53,014,390)
			253,330,223	253,264,693
9.2	**Staff gratuity**			
	Mill	9.2.2	37,651,398	30,707,942
	Head office	9.2.11	252,372	252,372
			37,903,770	30,960,314

9.2.1 Staff gratuity - defined benefit plan

The Projected Unit Credit Method based on following significant assumptions was used for valuation of the scheme. The basis of recognition together with details as per actuarial valuation are as under:

	2017	2016
The principal assumptions used are as follows:		
- Discount rate	7.00%	7.25% p.a.
- Expected rate of salary increase	7.00%	6.25% p.a.
- Mortality rate	SLIC 2001-2005 set back one year	SLIC 2001-2005 set back one year

		Note	2017 Rupees	2016 Rupees
9.2.2	**Liability recognized in the balance sheet**			
	Present value of defined benefit obligation (DBO)	9.2.3	33,497,927	26,187,452
	Benefits due but not yet paid	9.2.4	4,153,471	4,520,490
			37,651,398	30,707,942
9.2.3	**Movement in defined benefit obligation (DBO) during the year**			
	Balance as at July 1,		26,187,452	28,592,712
	Expense recognized in profit and loss account	9.2.5	10,379,815	15,479,212
	Total remeasurements recognized in other comprehensive income	9.2.6	49,360	(3,965,812)
	Benefits paid		(676,600)	(11,396,990)
	Benefits due but not yet paid		(2,442,100)	(2,521,670)
			33,497,927	26,187,452
9.2.4	**Movement in benefits due but not yet paid**			
	Balance as at July 1,		4,520,490	6,370,120
	Add: transfer from DBO during the year		2,442,100	2,521,670
	Less: payments made during the year		(2,809,119)	(4,371,300)
			4,153,471	4,520,490
9.2.5	**Expense recognized in profit and loss account**			
	Current service cost		8,594,278	13,369,957
	Interest cost		1,785,537	2,109,255
			10,379,815	15,479,212
9.2.6	**Total remeasurements recognized in other comprehensive income**			
	Actuarial loss / (gain) on liability arising on			
	- financial assumptions		58,419	(228,869)
	- demographic assumptions		-	-
	- experience adjustments		(9,059)	(3,736,943)
	- remeasurement loss of prior year		-	-
			49,360	(3,965,812)

9.2.7 Sensitivity analysis

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	Change in assumption	Increase / (decrease) in defined benefit obligation due to	
		Increase in assumption	Decrease in assumption
		Rupees	Rupees
Discount rate	**1%**	**(1,978,944)**	**2,270,342**
Salary growth rate	**1%**	**2,370,779**	**(2,107,392)**

9.2.8 The gratuity scheme exposes the Company to the following risks:

Longevity risks: The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risk: The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal risk: The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the defined benefit obligation. The movement of the liability can go either way.

9.2.9 The weighted average duration of the defined benefit obligation as at June 30, 2017 is 6 years (2016 : 7 years).

9.2.10 Number of employees covered by the scheme are 652 (2016: 584) employees.

	Note	2017 Rupees	2016 Rupees
9.2.11 Staff gratuity - head office			
Balance as at July 1		252,372	252,372
Paid during the year		-	-
Balance as at June 30	9.2.12	252,372	252,372

9.2.12 This amount relates to the unfunded gratuity scheme for the head office staff which has been freezed since 2002, as per the Company policy.

	Note	2017 Rupees	2016 Rupees
10. TRADE AND OTHER PAYABLES			
Creditors	10.1	34,514,843	23,845,732
Accrued liabilities		128,962,719	29,817,252
Bills payable		-	34,407
Advance from customers		14,556,951	207,717,027
Workers' profit participation fund	10.2	5,874,267	28,683
Workers' welfare fund		11,404,381	8,474,582
Infrastructure cess	10.3	23,587,865	19,126,284
Unclaimed dividend		2,207,582	3,380,903
Provident fund		338,001	317,924
Gratuity due but not yet paid	9	4,153,471	4,520,490
Withholding tax payable		10,319,642	8,887,091
		235,919,722	306,150,375

10.1 Trade payables are non-interest bearing and are normally settled on 90-days term.

		Note	2017 Rupees	2016 Rupees
10.2	**Workers' profit participation fund**			
	Balance as at July 1,		28,683	26,181
	Allocation during the year	29	5,874,267	-
	Interest on funds utilized in Company's business	28	-	2,502
			5,902,950	28,683
	Paid during the year		(28,683)	-
	Balance as at June 30,		5,874,267	28,683

10.3 The Government of Sindh through Sindh Finance Act, 1994 provided for imposition of an infrastructure fee for the development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The levy was challenged by the Company along with other companies in the High Court of Sindh through civil suits which were dismissed by the single judge of the High Court of Sindh through its decision in October 2003. On appeal filed there against, the High Court of Sindh has held through an order passed in September 2008 that the levy as imposed through the Sindh Finance Act, 1994 (amended time to time) was not valid till December 28, 2006, however, thereafter on account of an amendment in the Sindh Finance (Amendment) Ordinance, 2006, it had become valid and is payable by the Appellants. The Company, along with other companies, filed an appeal in the Supreme Court of Pakistan against the aforementioned order of the High Court of Sindh. The Supreme Court granted stay by passing an interim order on January 22, 2009. The order passed by the High Court of Sindh was set aside by the Supreme Court vide its order dated May 20, 2011. Consequently, a new petition has been filed in the High Court of Sindh. Through the interim order passed on May 31, 2011, the High Court has ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed.

The Management is confident for a favorable outcome. However, as a matter of prudence, the Company has made provision as follows:

	Note	2017 Rupees	2016 Rupees
Balance as at July 1,		19,126,284	15,035,290
Charge for the year		8,923,162	8,181,988
		28,049,446	23,217,278
Payments made during the year		(4,461,581)	(4,090,994)
Balance as at June 30,		23,587,865	19,126,284

		Note	2017 Rupees	2016 Rupees
11.	**INTEREST / MARK-UP ACCRUED**			
	Long-term finance		265,441	159,428
	Short-term borrowings		23,652,538	20,446,026
			23,917,979	20,605,454
12.	**SHORT-TERM BORROWINGS**			
	Banking companies - secured			
	Running finance		374,549,458	332,046,340
	Cash finance		242,367,799	232,417,002
	Finance against Imported Merchandise (FIM)		391,851,617	316,282,280
		12.1	1,008,768,874	880,745,622

12.1 Facilities for running finance, cash finance, FIM and Murabahah are available from various banks up to Rs. 2,095 million (2016: Rs. 1,795 million). These facilities are subject to mark-up at the rates 3 month KIBOR plus 1.75% to 2.75% (2016: 3 month to 6 month KIBOR plus 1.75% to 3%) per annum payable quarterly. These are secured against various assets including first pari passu hypothecation charge over present and future stock-in-trade, pledge of cotton, first hypothecation charge over present and future book debts, ranking charge on the stocks and receivables of the Company, equitable mortgage on various properties and personal guarantees of all directors of the Company.

The aggregate unavailed short-term borrowing facilities amounted to Rs. 1,091 million (2016: Rs. 926 million).

	2017 Rupees	2016 Rupees

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 Letters of guarantee issued by banks on behalf of the Company to:

	2017 Rupees	2016 Rupees
- Lahore Electric Supply Company Limited	15,310,568	9,975,220
- Sui Northern Gas Pipelines Limited	24,314,000	24,314,000
- Excise and Taxation Office	22,258,600	17,758,600

13.1.2 In August 2013, the Oil and Gas Regulatory Authority (OGRA) vide its S.R.O. # 726(I)/2015 notified the sale price for sale of natural gas at Rs. 573.28/MMBTU for captive power consumption (CPP) with immediate effect. Subsequent to the said S.R.O., the Company received gas bills at Rs. 573.28/MMBTU, being considered as CPP by the utility company. The Company, considering itself as industrial consumer paid gas charges at the rate applicable before August 2013 on the basis of the stay order obtained from the Court.

Subsequently, on September 1, 2015, OGRA vide its S.R.O. # 876(I)/2015 notified the price for sale of natural gas at Rs. 600/MMBTU for industrial consumers and on captive power consumption, with effect from September 1, 2015. Aggrieved by the notification, the Company filed a suit in the Lahore High Court contending that the mandatory procedures as laid down in the OGRA Ordinance, 2002 and Rules made thereunder were not fulfilled while issuing the notification. Hence, the Company paid / accrued gas charges at rates applicable before the above S.R.O. # 726(I)/2015 on the basis of stay orders obtained from Lahore high Court, Multan bench, from time to time, until November 2015 (refer note 13.1.3)

From December 2015, the gas company has started supplying imported Liquified Natural Gas (LNG) resulting in the change in rates over which no dispute has been raised by the Company.

13.1.3 Under the Gas Infrastructure Development Cess Act, 2011, Government of Pakistan levied Gas Infrastructure Development (GID) Cess on gas bills at the rate of Rs. 13 per MMBTU on all industrial consumers. In the month of June 2012, the Federal Government revised GID Cess rate from Rs. 13 per MMBTU to Rs. 100 per MMBTU.

The Company along with group of other plaintiffs filed a suit before the High Court of Sindh, challenging the applicability of Gas Infrastructure Cess Act, 2011. The Sindh High Court had restrained the Federation and gas companies from recovering GID Cess over and above Rs. 13 per MMBTU. On August 22, 2014, the Supreme Court of Pakistan declared that the levy of GID Cess as a tax was not validly levied in accordance with the Constitution.

In September 2014, the Federal Government promulgated Gas Infrastructure Cess (GIDC) Ordinance No. V I of 2014. In May 2015, the said Ordinance was approved in the parliament and became an Act. Under the Act, GID Cess at the rate of Rs. 100 per MMBTU on all industrial consumers and Rs. 200 per MMBTU on all Captive Power Plant (CPP) has been levied.

Subsequent to the approval of the Act, the Company received gas bills in which GIDC was charged at the rate of Rs. 200 per MMBTU, as the Company was considered a CPP by the utility company. The Company, while considering it self as industrial consumer, has paid / accrued GID Cess at the rate of Rs. 100 per MMBTU till August 2015. However, the Company along with group of other plaintiffs has challenged the act through a writ petition filed in the Lahore High Court. Considering the ongoing writ petition, the Company has not recorded GIDC in these financial statements from September 2015 till November 2015, as it is confident that the decision of the case will come in its favor. As disclosed in note 13.1.2, from December 2015, the gas company has started supplying imported Liquified Natural Gas (LNG) resulting in the change in method of billing due to which no GIDC has been levied thereafter in the gas bills.

13.2 Commitments

Letters of credit opened and outstanding for import of:

	Note	2017 Rupees	2016 Rupees
- plant and machinery		18,465,300	-
- raw material		52,594,500	64,311,975
- stores and spares		18,173,418	2,342,339

14. PROPERTY, PLANT AND EQUIPMENT

	Note	2017 Rupees	2016 Rupees
Operating fixed assets	14.1	1,506,539,437	1,564,932,648
Capital work-in-progress - civil work		-	1,398,753
		1,506,539,437	1,566,331,401

14.1 Operating fixed assets

Particulars	Cost / revaluation: As at July 01, 2016	Additions/ (disposal)	Transfers *	Revaluation adjustment	As at June 30, 2017	Accumulated Depreciation: As at July 01, 2016	Depreciation / (adjustment) for the year	Transfers *	Revaluation adjustment	As at June 30, 2017	Carrying Value as at June 30, 2017	Dep. Rate %
	Rupees											
Owned assets												
Land - freehold	90,140,625	-	-	-	90,140,625	-	-	-	-	-	**90,140,625**	-
Mill building on freehold land	178,614,028	-	-	-	178,614,028	-	14,407,070	-	-	14,407,070	**164,206,958**	5-10
Labour colony on freehold land	24,090,495	1,398,757	-	-	25,489,252	-	2,178,633	-	-	2,178,633	**23,310,619**	10
Plant and machinery	1,033,614,160	19,722,784 (10,690,673)	35,250,602	-	1,077,896,873	-	47,887,797 (224,014)	777,436	- -	48,441,219	**1,029,455,654**	4-10
Electric installations	41,609,487	-	-	-	41,609,487	-	3,246,264	-	-	3,246,264	**38,363,223**	5-10
Mill equipment	9,930,785	-	-	-	9,930,785	-	1,320,768	-	-	1,320,768	**8,610,017**	5-10
Office equipment	12,290,680	313,890	-	-	12,604,570	9,298,331	465,800	-	-	9,764,131	**2,840,439**	10
Furniture and fixtures	3,725,803	-	-	-	3,725,803	3,620,452	13,994	-	-	3,634,446	**91,357**	10
Vehicles	53,921,508	3,241,863 (4,225,848)	24,689,000	-	77,626,523	46,113,563	4,805,280 (4,225,839)	9,482,270	-	56,175,274	**21,451,249**	20
	1,447,937,571	24,677,294 (14,916,521)	59,939,602	-	1,517,637,946	59,032,346	74,325,606 (4,449,853)	10,259,706	-	139,167,805	**1,378,470,141**	
Leased assets												
Plant and machinery	150,738,766	2,275,000	(35,250,602)	-	117,763,164	-	3,833,364	(777,436)	-	3,055,928	**114,707,236**	4-10
Vehicles	35,225,500	6,079,000	(24,689,000)	-	16,615,500	9,936,843	2,798,867	(9,482,270)	-	3,253,440	**13,362,060**	20
	185,964,266	8,354,000	(59,939,602)	-	134,378,664	9,936,843	6,632,231	(10,259,706)	-	6,309,368	**128,069,296**	
Total June 30, 2017	1,633,901,837	33,031,294 (14,916,521)	-	-	1,652,016,610	68,969,189	80,957,837 (4,449,853)	-	-	145,477,173	**1,506,539,437**	

* Represents transfer from leased assets to owned assets on maturity of leasing arrangements.

Particulars	Cost / revaluation					Accumulated Depreciation					Carrying Value as at June 30, 2016	Dep. Rate %
	As at July 01, 2015	Additions/ (disposal)	Transfers	Revaluation adjustment	As at June 30, 2016	As at July 01, 2015	Depreciation / (adjustment) for the year	Transfers	Revaluation adjustment	As at June 30, 2016		
	Rupees											
Owned assets												
Land - freehold	80,125,000	-	-	10,015,625	90,140,625	-	-	-	-	-	90,140,625	-
Mill building on freehold land	334,772,589	-	-	(156,158,561)	178,614,028	151,961,630	18,232,896	-	(170,194,526)	-	178,614,028	5-10
Labour colony on freehold land	45,007,494	-	-	(20,916,999)	24,090,495	18,944,506	2,831,153	-	(21,775,659)	-	24,090,495	10
Plant and machinery	1,649,170,131	21,727,120 (40,660,591)	43,840,426	(640,462,926)	1,033,614,160	726,284,798	52,688,948 (22,001,821)	2,927,356 -	(759,899,281)	-	1,033,614,160	4-10
Electric installations	84,679,421	-	-	(43,069,934)	41,609,487	41,538,981	3,797,546	-	(45,336,527)	-	41,609,487	5-10
Mill equipment	21,310,214	-	-	(11,379,429)	9,930,785	10,773,487	908,761	-	(11,682,248)	-	9,930,785	5-10
Office equipment	12,148,009	142,671	-	-	12,290,680	8,854,076	444,255	-	-	9,298,331	2,992,349	10
Furniture and fixtures	3,711,503	14,300	-	-	3,725,803	3,606,514	13,938	-	-	3,620,452	105,351	10
Vehicles	39,375,462	- (1,790,954)	16,337,000	-	53,921,508	35,762,240	1,415,418 (1,790,954)	10,726,859	-	46,113,563	7,807,945	20
	2,270,299,823	21,884,091 (42,451,545)	60,177,426	(861,972,224)	1,447,937,571	997,726,232	80,332,915 (23,792,775)	13,654,215	(1,008,888,241)	59,032,346	1,388,905,225	
Leased assets												
Plant and machinery	149,322,127	36,936,086	(43,840,426)	8,320,979	150,738,766	4,011,966	3,978,600	(2,927,356)	(5,063,210)	-	150,738,766	4-10
Vehicles	51,562,500	-	(16,337,000)	-	35,225,500	13,722,335	6,941,367	(10,726,859)	-	9,936,843	25,288,657	20
	200,884,627	36,936,086	(60,177,426)	8,320,979	185,964,266	17,734,301	10,919,967	(13,654,215)	(5,063,210)	9,936,843	176,027,423	
Total June 30, 2016	2,471,184,450	58,820,177 (42,451,545)	-	(853,651,245)	1,633,901,837	1,015,460,533	91,252,882 (23,792,775)	-	(1,013,951,451)	68,969,189	1,564,932,648	

* Represents trensfer from leased assets to owned assets on maturity of lease arrangements.

	Note	2017 Rupees	2016 Rupees
14.2 Depreciation for the year has been allocated as under			
Cost of sales	25	72,873,896	82,437,906
Administrative expenses	27	8,083,941	8,814,976
		80,957,837	91,252,882

14.3 The following operating fixed assets were disposed off during the year:

Description	Cost / Revaluation	Accumulated Depreciation	Carrying Value	Sale Proceeds	Mode of Disposal	Particulars of purchaser
Plant and Machinery - Owned	6,512,725	56,444	6,456,281	3,025,000	Negotiation	Rukhsar Trading Company
Plant and Machinery - Owned	1,217,168	38,036	1,179,132	800,000	Negotiation	Hanif Trading Corporation
Plant and Machinery - Owned	1,750,959	76,604	1,674,355	1,200,000	Negotiation	Amir Zafar
Plant and Machinery - Owned	1,209,821	52,930	1,156,891	1,000,000	Negotiation	Zulfiqar Ibrahim
Vehicle	726,686	726,685	1	95,000	Negotiation	Mr. Shahid Mahmood
Vehicle	550,424	550,423	1	110,000	Negotiation	Mr. Muhammad Kamran
Vehicle	484,802	484,801	1	160,000	Negotiation	Mr. Moin ud Din Qureshi
Vehicle	494,990	494,989	1	160,000	Negotiation	Mr. Rehan Memon
Vehicle	770,421	770,420	1	300,000	Negotiation	Mr. Eesa
Vehicle	778,813	778,812	1	300,000	Negotiation	Mr. Shaukat Ali
Vehicle	325,337	325,336	1	150,000	Negotiation	Mr. Muhammad Imran
Vehicle	47,015	47,014	1	15,000	Negotiation	Mr. Syed Zarrar Ahmed
Vehicle	47,360	47,359	1	10,000	Negotiation	Mr. Muhammad Adeel Tahir
	14,916,521	**4,449,853**	**10,466,668**	**7,325,000**		

14.4 The Company carries its land, building, labour colony, plant and machinery, electric installations and mill equipment at revalued amounts under IAS 16 'Property, Plant and Equipment'. The latest revaluation of these assets was carried out as at June 30, 2016 by M/s Al-Noor Consultants & Evaluators (an independent valuer located in Lahore) on the basis of present market values, which resulted in surplus on revaluation amounting to Rs. 160.3 million.

The Company commissioned independent valuations of land, building, labour colony, plant and machinery, electric installations and mill equipment during the years ended June 30, 2006, June 30, 2010, June 30, 2013 and June 30, 2016. The resulting revaluation surpluses have been disclosed in notes 5 and 14.1 to the financial statements and have been credited to the revaluation surplus account net of their related tax effect.

The carrying amount of the aforementioned assets as at June 30, 2017, if the said assets had been carried at historical cost, would have been as follows:

	2017			2016		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
	Rupees					
Land - freehold	8,772,600	-	8,772,600	8,772,600	-	8,772,600
Mills building on freehold land	140,359,650	(100,068,735)	40,290,915	140,359,650	(98,286,273)	42,073,377
Labour colony on freehold land	18,571,950	(15,627,369)	2,944,581	17,173,197	(15,343,138)	1,830,059
Plant and machinery	1,261,303,732	(633,476,280)	627,827,452	1,251,676,967	(620,835,789)	630,841,178
Electric installations	48,897,080	(27,487,722)	21,409,358	48,897,080	(25,963,204)	22,933,876
Mill equipment	7,083,976	(4,590,191)	2,493,785	7,083,976	(4,411,121)	2,672,855
	1,484,988,988	(781,250,297)	703,738,691	1,473,963,470	(764,839,525)	709,123,945

14.5 As a result of revaluation exercise conducted by an independent valuer as of June 30, 2016, the useful lives of building, labour colony, plant and machinery, electric installations and mill equipment have been reassessed. In addition, management has reassessed the salvage values of building, labour colony, plant and machinery, electric installations and mill equipment. These changes in accounting estimates have an impact on depreciation expense for the current year. Had there been no change in useful lives and salvage values of building, labour colony, plant and machinery, electric installations and mill equipment, net depreciation expense pertaining to said classes of assets for the year would have been lower by Rs. 6.64 million.

15. LONG-TERM DEPOSITS

	Note	2017 Rupees	2016 Rupees
Deposits			
- lease		21,577,860	28,157,045
- others		2,855,986	2,754,586
		24,433,846	30,911,631
Less: current portion	20	(15,517,860)	(10,142,880)
		8,915,986	20,768,751

16. STORES, SPARES AND LOOSE TOOLS

	Note	2017 Rupees	2016 Rupees
Stores		29,702,095	22,915,854
Spares		13,787,704	13,787,704
Stores and spares in transit		561,466	643,924
Loose tools		64,585	64,585
		44,115,850	37,412,067
Less: provision for slow moving items	16.1	(2,230,077)	(2,230,077)
		41,885,773	35,181,990

16.1 Movement in provision for slow moving items

	Note	2017 Rupees	2016 Rupees
Balance as at July 1,		2,230,077	1,691,564
Provision made during the year	25	-	538,513
Balance as at June 30,		2,230,077	2,230,077

17. STOCK-IN-TRADE

	Note	2017 Rupees	2016 Rupees
Raw material			
- In hand		405,242,968	323,114,209
- In transit		121,051,427	67,935
Work-in-process		23,177,686	17,736,292
Finished goods		128,124,856	236,284,119
Waste		5,871,976	1,842,746
		683,468,913	579,045,301

18. TRADE DEBTS

	Note	2017 Rupees	2016 Rupees
Unsecured			
Considered good	18.1	709,931,347	672,058,634
Considered doubtful		9,989,304	9,989,304
		719,920,651	682,047,938
Less: Provision for doubtful debts	18.3	(9,989,304)	(9,989,304)
		709,931,347	672,058,634

18.1 Trade debts are non-interest bearing and are generally on 60 to 90 days terms.

18.2 Trade debts include debtors with a carrying amount of Rs. 294.27 million (2016: Rs. 361.93 million) which are past due at the reporting date for which the Company has not made any provision for doubtful recovery as there has not been a significant change in credit quality and the amounts are still considered recoverable.

		Note	2017 Rupees	2016 Rupees
18.3	**Movement in provision for doubtful debts**			
	Balance as at July 1,		9,989,304	12,835,867
	Reversal of provision		-	(2,846,563)
	Balance as at June 30,		9,989,304	9,989,304
18.4	**Ageing of trade debts past due but not impaired**			
	91-180 days		3,775,918	257,931,734
	181 days and above		290,495,582	104,030,515
			294,271,500	361,962,249
19.	**LOANS AND ADVANCES**			
	Considered good			
	Loans to employees - unsecured		172,339	1,229,261
	Advance to employees		2,020,111	-
	Advances - unsecured			
	- to suppliers		11,788,004	5,755,612
	- for expenses		452,162	3,359,861
			12,240,166	9,115,473
	Advance income tax		35,143,535	31,701,909
			49,576,151	42,046,643
20.	**DEPOSITS AND SHORT-TERM PREPAYMENTS**			
	Current portion of long-term deposits	15	15,517,860	10,142,880
	Prepayments		1,031,037	75,503
			16,548,897	10,218,383
21.	**OTHER RECEIVABLES**			
	Sales tax			
	- considered good		35,058,481	17,643,198
	- considered doubtful		2,507,844	2,507,844
	Export rebate - considered doubtful		2,194,344	2,194,344
	Duty draw back receivable		4,126,058	-
	Cotton quality and weight claims			
	- considered good		12,266,737	16,015,168
	- considered doubtful		122,785	122,785
	Profit on deposits		1,682,508	814,127
	Others		1,347,683	286,560
			59,306,440	39,584,026
	Less: provision for doubtful receivables		(4,824,973)	(4,824,973)
			54,481,467	34,759,053

	Note	2017 Rupees	2016 Rupees
22. OTHER FINANCIAL ASSET			
Term deposit receipts	22.1	40,550,710	36,050,710

22.1 These represents term deposit receipts with various banks for a period ranging from six months to one year carrying mark-up at the rates ranging from 4.35% to 7.5% (2016: 4.75% to 7.5%) per annum. The banks have lien on these term deposit receipts on account of guarantees provided by such banks as disclosed in note 13.1.1 to the financial statements. These will mature upto November 30, 2017 (2016: February 28, 2017).

	Note	2017 Rupees	2016 Rupees
23. CASH AND BANK BALANCES			
Cash in hand		340,497	262,265
Cash at banks			
- in current accounts	23.1	15,632,458	2,115,239
- in saving account	23.2	100,733	34,603
		16,073,688	2,412,107

23.1 This includes an amount of Rs. 3.57 million on which the bank has created lien on account of guarantee provided by such bank as disclosed in note 13.1.1 to the financial statements.

23.2 It carries markup of 3.87% (2016: 3.25%) per annum.

	Note	2017 Rupees	2016 Rupees
24. SALES - NET			
Yarn			
- Local		1,760,129,737	1,222,705,358
- Export		337,980,067	309,726,996
		2,098,109,804	1,532,432,354
Fabric - Local		43,374,355	50,414,280
Waste - Local		84,693,969	52,489,131
		2,226,178,128	1,635,335,765
Less:			
Sales tax on local sales		-	42,778,408
Brokerage and commission		10,909,619	6,494,378
		(10,909,619)	(49,272,786)
		2,215,268,509	1,586,062,979
25. COST OF SALES			
Raw material consumed	25.1	1,269,814,260	927,655,356
Salaries, wages and benefits	25.2	119,909,070	135,436,823
Fuel and power		290,414,320	239,924,479
Depreciation	14.2	72,873,896	82,437,906
Stores and spares consumed		43,843,362	36,849,778
Packing material		30,460,264	27,236,826
Insurance		5,462,808	6,664,658
Repairs and maintenance		3,332,758	6,166,959
Vehicles running and maintenance		1,518,699	2,105,066
Provision for slow moving store items	16.1	-	538,513
Other manufacturing overheads		5,462,529	3,759,000
		573,277,706	541,120,008
		1,843,091,966	1,468,775,364

	2017 Rupees	2016 Rupees
Work-in-process		
Opening stock	17,736,292	20,104,990
Closing stock	(23,177,686)	(17,736,292)
	(5,441,394)	2,368,698
Cost of goods manufactured	1,837,650,572	1,471,144,062
Finished goods		
Opening stock	238,126,865	198,738,923
Yarn purchased	43,101,729	-
Fabric purchased	-	32,099,998
Closing stock	(133,996,832)	(238,126,865)
	147,231,762	(7,287,944)
	1,984,882,334	1,463,856,118

25.1 Raw material consumed

Opening stock	323,114,209	305,798,539
Purchases - net	1,351,943,019	944,971,026
	1,675,057,228	1,250,769,565
Closing stock	(405,242,968)	(323,114,209)
	1,269,814,260	927,655,356

25.2 Salaries, wages and benefits include Rs. 10.38 million (2016: Rs. 15.48 million) in respect of staff retirement benefits.

26. DISTRIBUTION COST

	Note	2017 Rupees	2016 Rupees
Freight and octroi		2,646,645	5,250,689
Commission and other charges		1,103,134	1,769,552
Clearing and forwarding		1,395,262	1,845,262
Business promotion expenses		2,208,329	1,902,053
Export development surcharge		817,008	770,859
		8,170,378	11,538,415

27. ADMINISTRATIVE EXPENSES

	Note	2017 Rupees	2016 Rupees
Salaries and benefits	27.1	39,889,023	37,381,463
Fees, subscription and periodicals		661,912	1,264,157
Entertainment		436,779	354,011
Traveling and conveyance		1,589,467	1,438,579
Postage and telephone		2,114,444	1,784,274
Electricity, gas and water		1,866,946	2,056,448
Vehicles running and maintenance		3,806,039	3,936,167
Depreciation	14.2	8,083,941	8,814,976
Legal and professional		727,500	300,000
Auditors' remuneration	27.2	940,000	865,000
Printing and stationery		414,545	423,896
Computer		179,845	142,250
Rest house		312,786	188,993
Advertisement		57,360	71,570
Donation	27.3	1,219,000	1,206,000
Others		613,818	1,164,083
		62,913,405	61,391,867

27.1 Salaries and benefits include Rs. 1.09 million (2016: Rs. 1.03 million) in respect of staff retirement benefits.

		2017 Rupees	2016 Rupees
27.2	**Auditors' remuneration**		
	Audit fee	685,000	625,000
	Half year review fee	120,000	120,000
	Other services	50,000	45,000
	Out of pocket expenses	85,000	75,000
		940,000	865,000

27.3 No director or their spouse had any interest in the donees' fund.

		Note	2017 Rupees	2016 Rupees
28.	**FINANCE COST**			
	Markup / interest on:			
	Long-term finance		890,830	159,428
	Short-term borrowings		75,993,802	75,001,651
	Finance lease arrangements		5,846,243	9,706,485
	Unwinding of discount on long-term finance from related parties	7	7,537,940	7,334,112
	Murabaha finance		-	253,339
	Workers' profit participation fund	10.2	-	2,502
	Markup charges on letters of credit		-	1,959,659
	Bank charges, guarantee commission and other related charges		6,550,834	2,931,671
			96,819,649	97,348,847
29.	**OTHER OPERATING EXPENSES**			
	Workers' profit participation fund	10.2	5,874,267	-
	Workers' welfare fund		2,929,799	-
	Infrastructure cess		4,461,581	4,090,994
	Provision for doubtful debts	18.3	-	-
	Commission on sale of machinery		60,000	30,500
	Loss on disposal of property, plant and equipment		3,141,668	16,233,770
			16,467,315	20,355,264
30.	**OTHER INCOME**			
	Income from financial assets			
	Profit on deposits		1,837,396	1,976,613
	Income from non-financial assets			
	Operating income on trading of raw material	30.1	56,249,376	28,042,103
	Reversal of provision for doubtful debts	18.3	-	2,846,563
	Exchange gain		177,558	140,871
	Duty drawback on export		4,126,058	-
	Sale of scrap		275,444	170,000
			62,665,832	33,176,150

		Note	2017 Rupees	2016 Rupees
30.1	Operating income on trading of raw material			
	Local sales		223,796,927	332,571,623
	Less: cost of sales		(166,537,726)	(303,349,307)
	brokerage and commission		(1,009,825)	(1,180,213)
			(167,547,551)	(304,529,520)
			56,249,376	28,042,103

31. TAXATION

	Note	2017 Rupees	2016 Rupees
Current			
- for the year		22,527,473	16,312,378
- prior year		675,478	362,699
		23,202,951	16,675,077
Deferred	9.1	(1,808,824)	(40,324,449)
		21,394,127	(23,649,372)

31.1 Relationship between tax expense and accounting profit

	2017 Rupees	2016 Rupees
Accounting profit / (loss) before tax	108,681,260	(35,251,382)
Tax @ 31% (2016: 32%)	33,691,191	(11,280,442)
Effect of:		
Tax effect of rebate / credits	(2,216,078)	(2,646,689)
Tax effect of income subject to Final Tax Regime	(13,495,702)	1,388,116
Effect of change in prior year's tax	675,478	362,699
Effect of minimum tax	-	(4,467,530)
Effect of change in tax rate	1,331,789	(6,598,130)
Effect of loss excess recognized in prior year	1,668,236	-
Tax effect of permanent difference	2,180,169	2,732,836
Others	(2,440,956)	(3,140,232)
	21,394,127	(23,649,372)

31.2 The Company has an unrecognized minimum tax of Rs. 19.09 million pertaining to prior years.

32. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company which is based on:

		2017	2016
Profit / (loss) for the year	Rupees	87,287,133	(11,602,010)
Weighted average number of ordinary shares outstanding during the year		18,048,000	18,048,000
Earnings per share	Rupees	4.84	(0.64)

	Note	2017 Rupees	2016 Rupees

33. CASH AND CASH EQUIVALENTS

	Note	2017 Rupees	2016 Rupees
Cash and bank balances	23	16,073,688	2,412,107
Short-term borrowings	12	(1,008,768,874)	(880,745,622)
		(992,695,186)	(878,333,515)

34. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, key management personnel and post employment contribution plan. Long-term loans obtained from directors and associated undertakings (and unwinding of discount thereon) and remuneration of Chief Executive Officer, directors and executives are disclosed in note 7, note 28 and note 35 respectively. Other significant transaction with a related party is as follows:

	Note	2017 Rupees	2016 Rupees
Contribution to employees' provident fund	27.1	1,092,729	1,029,771

35. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2017				2016			
	Chief Executive	Directors		Executives	Chief Executive	Directors		Executives
		Executive	Non-executive			Executive	Non-executive	
	Rupees							
Remuneration	1,280,004	2,160,000	1,080,000	10,217,489	1,280,004	2,160,000	1,080,000	6,563,770
House rent allowance	384,000	648,000	324,000	3,120,401	384,000	648,000	324,000	2,443,430
Utilities	127,992	216,000	108,000	1,021,727	127,992	216,000	108,000	656,358
Medical	128,004	216,000	108,000	744,270	128,004	216,000	108,000	456,648
	1,920,000	3,240,000	1,620,000	15,103,887	1,920,000	3,240,000	1,620,000	10,120,206
Number of persons	1	2	1	14	1	2	1	9

The Chief Executive, directors and some executives are provided with free use of Company maintained cars.

36. OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The Chief Executive of the Company has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive considers the business as a single operating segment as the Company's assets allocation decisions are based on a single, integrated business strategy, and the Company's performance is evaluated on an overall basis.

	2017	2016
37. PLANT CAPACITY AND ACTUAL PRODUCTION		
Installed production capacity 20/s count - yarn in kgs.	14,795,745	14,795,745
Actual production during the year at 20/s count - yarn in Kgs.	10,020,276	6,155,176

It is difficult to precisely describe the production capacity and compare it with actual production in the textile industry since it fluctuates widely depending upon various factors such as count of yarn spun, spindles speeds, twists per inch, raw material used, etc.

38. NUMBER OF EMPLOYEES

The total and average number of employees during the year and as at June 30, 2017 and 2016 respectively are as follows:

	2017	2016
Average number of employees during the year	660	836
Total number of employees as at June 30	695	624

	2017 Rupees (Unaudited)	2016 Rupees (Audited)
39. PROVIDENT FUND		
The financial information of the Fund is as follows:		
a) Size of the fund - Net assets	22,771,188	21,252,448
Cost of investments made	18,016,370	15,480,243
Fair value of investments	18,395,801	15,657,680
Percentage of investments made (%)	80.79%	73.67%

	2017		2016	
	Rupees	%	Rupees	%
b) The break-up of fair value of investments is:				
Bank balances	1,235,534	5.43	367,016	1.72
Fixed income securities	12,000,000	52.70	10,500,000	49.41
Mutual funds	5,160,267	22.66	4,790,664	22.54
	18,395,801	80.79	15,657,680	73.67

39.1 The investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for the purpose.

40. FINANCIAL INSTRUMENTS BY CATEGORY

	2017 Rupees	2016 Rupees
Financial assets as per balance sheet		
Loans and receivables		
Security deposits	24,433,846	30,911,631
Trade debts	709,931,347	672,058,634
Loans and advances	2,192,450	1,229,261
Other receivables	15,296,928	17,115,855
Other financial asset	40,550,710	36,050,710
Cash and bank balances	16,073,688	2,412,107
	808,478,969	759,778,198
Financial liabilities as per balance sheet		
At amortized cost		
Long-term financing		
- from banking company	11,304,300	16,149,000
- from related parties	82,917,355	75,379,415
Liabilities against assets subject to finance lease	68,434,863	102,088,350
Trade and other payables	170,176,616	61,916,708
Interest / mark-up accrued	23,917,979	20,605,454
Short-term borrowings	1,008,768,874	880,745,622
	1,365,519,987	1,156,884,549

41. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

41.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

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

	2017 Rupees	2016 Rupees
Security deposits	24,433,846	30,911,631
Trade debts	709,931,347	672,058,634
Loans and advances	2,192,450	1,229,261
Other receivables	15,296,928	17,115,855
Other financial asset	40,550,710	36,050,710
Cash and bank balances	15,733,191	2,149,842
	808,138,472	759,515,933

Trade debts

The trade debts at year end are primarily due from local customers against local sales. Management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The Company has no major concentration of credit risk with any single customer. The Company establishes an allowance for impairment that represents its estimate of incurred losses for overdue balances based on analysis of each customer. The trade debts that are past due but not impaired are disclosed in note 18.4.

Deposits

Deposits primarily include deposits given to leasing companies / financial institutions for lease of plant and machinery and vehicles. These deposits are usually adjusted at the end of lease term against the purchase of leased asset.

Loans and advances

These include loans and advances given primarily to employees against salaries, which will be adjusted against their future salaries.

Other financial asset and balances with banks

The Company deposits its funds and invests in term deposit receipts (other financial assets) with banks carrying good credit standings assessed by reputable credit agencies. These banks are credit rated as follows:

	Date of Rating	Rating Agency	Short term	Long term
Bank Al-Falah Limited	22-Jun-17	PACRA	AA+	A1+
Bank Al-Habib Limited	22-Jun-17	PACRA	AA+	A1+
Bank Islami Pakistan Limited	22-Jun-17	PACRA	A+	A1
Dubai Islami Bank Limited	17-May-17	JCR-VIS	AA-	A-1
Faysal Bank Limited	22-Jun-17	PACRA	AA	A1+
Habib Bank Limited	22-Sep-17	JCR-VIS	AAA	A-1+
Habib Metropolitan Bank Limited	23-Jun-17	PACRA	AA+	A1+
J.S Bank Limited	22-Jun-17	PACRA	AA-	A1+
Meezan Bank Limited	22-Jun-17	JCR-VIS	AA	A-1+
National Bank of Pakistan	23-Jun-17	PACRA	AAA	A1+
Silkbank Limited	30-Jun-17	JCR-VIS	A-	A-2
Sindh Bank Limited	30-Jun-17	JCR-VIS	AA	A-1+
Soneri Bank Limited	16-Jun-17	PACRA	AA-	A1+
The Bank of Punjab	22-Jun-17	PACRA	AA	A1+
United Bank Limited	30-Jun-17	JCR-VIS	AAA	A-1+

41.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining sufficient cash and bank balances and availability of financing through banking arrangements. The following are the contractual maturities of financial liabilities, including interest payments, excluding the impact of netting agreements:

	June 30, 2017			
	Carrying amount	Contractual maturities	Maturity upto one year	Maturity after one year
	Rupees			
Long-term financing				
- from related parties	82,917,355	100,330,001	-	100,330,001
- from banking company	11,304,300	11,897,776	6,944,070	4,953,706
Liabilities against assets subject to finance lease	68,434,863	72,449,953	49,225,329	23,224,624
Trade and other payables	170,176,616	170,176,616	170,176,616	-
Interest / markup accrued	23,917,979	23,917,979	23,917,979	-
Short-term borrowings	1,008,768,874	1,008,768,874	1,008,768,874	-
	1,365,519,987	1,387,541,199	1,259,032,868	128,508,331

	June 30, 2016			
	Carrying amount	Contractual maturities	Maturity upto one year	Maturity after one year
	Rupees			
Long-term financing				
- from related parties	75,379,415	100,330,001	-	100,330,001
- from banking company	16,149,000	17,619,390	7,534,247	10,085,143
Liabilities against assets subject to finance lease	102,088,350	109,571,810	57,427,975	52,143,835
Trade and other payables	61,916,708	61,916,708	61,916,708	-
Interest / markup accrued	20,605,454	20,605,454	20,605,454	-
Short-term borrowings	880,745,622	880,745,622	880,745,622	-
	1,156,884,549	1,190,788,985	1,028,230,006	162,558,979

41.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company is primarily exposed to interest rate risk only.

41.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term borrowings, liabilities against assets subject to finance lease, other financial assets and bank balances in saving account.

At the balance sheet date the interest rate risk profile of the Company's interest-bearing financial instruments is:

	Carrying Amount	
	2017	2016
	Rupees	Rupees
Fixed rate instruments		
Financial assets	40,651,443	36,085,313
Financial liabilities	94,221,655	91,528,415
Variable rate instruments		
Financial liabilities - KIBOR based	1,077,203,737	982,833,972

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in KIBOR based financial liabilities at the reporting date would have increased / (decreased) equity and profit before tax by Rs. 5.39 million (2016: Rs. 4.91 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as in 2016.

41.4 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide 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 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 to the shareholders or issue bonus / new shares.

The Company is not subject to externally imposed capital requirements.

42. Fair value of financial instruments

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13 requires the Company to classify financial instruments using a 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 - quoted 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 asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company does not have any financial assets and liability measured at fair value other than certain items of property, plant and equipment as disclosed below.

The Company's land, building, labour colony, plant and machinery, electric installations and mill equipment are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's land, building, labour colony, plant and machinery, electric installations and mill equipment was performed by M/s Al-Noor Consultants & Evaluators (an independent valuer), as at June 30, 2016.

When measuring the fair value of an assets or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Details of fair value hierarchy and information relating to fair value of Company's free hold land, building, electric installations and plant and machinery is as follows:

	Level 1	Level 2	Level 3
	-------------------------------------Rupees in '000	-------------------------	
As at June 30, 2017			
Land - freehold	**-**	**90,140,625**	**-**
Mills building on freehold land	**-**	**178,614,028**	**-**
Labour Colony on freehold land	**-**	**25,489,252**	**-**
Plant and machinery - owned	**-**	**1,077,896,873**	**-**
Plant and machinery - leased	**-**	**117,763,164**	**-**
Electric installations	**-**	**41,609,487**	**-**
Mill equipment	**-**	**9,930,785**	**-**
	-	**1,541,444,214**	**-**
As at June 30, 2016			
Land - freehold	-	90,140,625	-
Mills building on freehold land	-	178,614,028	-
Labour Colony on freehold land	-	24,090,495	-
Plant and machinery - owned	-	1,033,614,160	-
Plant and machinery - leased	-	150,738,766	-
Electric installations	-	41,609,487	-
Mill equipment	-	9,930,785	-
	-	1,528,738,346	-

There were no changes in valuation techniques during the year.

42.1 The carrying values of other financial assets and financial liabilities reported in the financial statements approximate their fair values.

43. GENERAL

43.1 Non - adjusting event after balance sheet date

The Board of Directors have proposed a final cash dividend for its shareholders of Re. 0.50 (2016: Re.Nil) per share for the year ended June 30, 2017, amounting to Rs. 9,024,000/- (2016: Rs. Nil) in their meeting held on September 28, 2017, for approval by the members of the Company in the Annual General Meeting. These financial statements do not reflect this cash dividend payable, as per the Company's accounting policy disclosed in note 3.18.

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 28, 2017 by the Board of Directors of the Company.

Chief Executive **Director**

NO. OF SHAREHOLDERS	SHARE-HOLDING FROM	TO	TOTAL SHARES HELD
375	1	100	27,674
836	101	500	381,719
103	501	1000	101,190
90	1001	5000	230,856
18	5001	10000	144,200
8	10001	15000	99,950
16	15001	20000	311,400
4	20001	25000	95,500
4	25001	30000	116,085
1	30001	35000	32,500
2	50001	55000	107,547
1	55001	60000	59,000
1	60001	65000	65,000
1	65001	70000	66,470
3	70001	75000	222,400
3	75001	80000	240,000
1	80001	85000	81,500
1	95001	100000	100,000
1	115001	120000	118,500
1	160001	165001	165,000
1	170001	175000	173,900
1	220001	225000	221,300
1	295001	300000	300,000
1	360001	365000	364,980
2	375001	380000	375,588
2	445001	450000	890,643
1	610001	615000	611,700
2	880001	885000	1,762,478
1	965001	970000	968,692
1	1145001	1150000	1,150,000
1	1910001	1915000	1,910,966
1	2510001	2515000	2,512,838
1	4035001	4040000	4,038,424
1486			18,048,000

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARES HELD	PERCENTAGE
Associated Companies, Undertaking, and Related Parties	1	1,150,000	6.372
Directors, CFO & their Spouse & Minor Children	10	11,047,774	61.213
Joint Stock Companies	6	12,801	0.071
Bank, Development Finance Institutions Insurance Companies, Modarabas	3	169,400	0.939
General Public (Local)	1466	5,668,025	31.405
	1486	18,048,000	100.00

Categories of Shareholders	No. of Shareholders	Shares held	Percentage
Associated Companies, Undertaking			
and Related Parties	1		
Mr. Omar Idrees Allawala		1,150,000	6.372
Directors, CFO & their Spouse and			
Minor Children	10		
Mr. Muhammad Idrees Allawala		500	0.003
Mr. S. M. Mansoor Allawala		1,910,966	10.588
Mr. Kamran Idrees Allawala		2,512,838	13.923
Mr. Naeem Idrees Allawala		4,038,424	22.376
Mr. Rizwan Idrees Allawala		881,239	4.883
Mr. Omair Idrees Allawala		881,239	4.883
Mr. Muhammad Israil		2,000	0.011
Mr. Muhammad Saeed		80,000	0.443
Mrs. Saba Kamran W/o Kamran Idrees Allawala		375,588	2.081
Mrs. Ambreen Mansoor W/o S. M. Mansoor Allawala		364,980	2.022
Executive	-	-	-
Joint Stock Companies	6	12,801	0.071
NIT & ICP	-	-	-
Banks, Development Finance Institutions,			
Non-Banking Finance Institutions, Insurance			
Companies, Modarabas & Mutual Funds	3	169,400	0.939
Shareholders holding 5% or more voting interest			
Mr. S. M. Mansoor Allawala		1,910,966	10.588
Mr. Kamran Idrees Allawala		2,512,838	13.923
Mr. Naeem Idrees Allawala		4,038,424	22.376
Mr. Omar Idrees Allawala		1,150,000	6.372
Mr. Muhammad Iqbal		968,692	5.367

۳۰ جون ۲۰۱۷ کو ختم ہونے والے سال کے لئے جائزہ رپورٹ پیش کرتے ہوئے میں نہایت مسرت محسوس کر رہا ہوں۔

کسی بھی ادارے کی کامیابی کے لئے اچھی گورنینس لازمی ہے۔ یہ کمپنی کی بنیادی اقدار اور اس کے مطلوب مقاصد کے حصول کے لئے اہمیت رکھتا ہے۔کوڈ آف کارپوریٹ گورنینس بورڈ آف ڈائریکٹر کا سالانہ جائزہ ضروری ہے۔اس جائزے کا مقصد بورڈ کی بہترین طریقوں کے مطابق کمپنی کے معاملات کی عمومی کارکردگی اور جانچنا ہے۔ موجودہ سال کے جائزے کے مطابق بورڈ کی مجموعی کارکردگی اور اثر پزیری اطمینان بخش پائی گئی ہے۔مستقبل میں ترجیحات کی پہچان اور ان کو بین الاقوامی بہترین طریقوں کے مطابق عمل کیا جائے گا۔

بورڈ نے ایک نقطۂ نظر اور مشن بیان تیار کیا ہے اور کمپنی کے مقاصد کی منصوبہ بندی اور نگرانی میں فعال طور پر مصروف ہے۔ یہ انسانی وسائل کے انتظام کے حوالے سے اور مالیاتی معاملات کی نگرانی اور انتظامات کو بھی دیکھتا ہے۔سال کے دوران بورڈ کی آٹھ ملاقاتیں ہوئیں۔

جائزے کے تحت سال کے دوران آپ کے بورڈ کی کارکردگی گزشتہ سال کے مقابلے میں قابلِ تعریف رہی ہے۔ پاکستان کی معیشت میں مستقبل میں چین کے معاشی کوریڈور کے تحت توانائی اور بنیادی ڈھانچے کے منصوبوں میں مزید بہتری متوقع ہے۔ بورڈ مقامی اور بین الاقوامی محاذ پر جاری ترقیات سے اچھی طرح واقف ہے اور مجھے یقین ہے کہ آپ کی کمپنی درمیانی مدت میں پیدا ہونے والے مواقع سے فائدہ اٹھانے کے قابل ہے۔

میں بورڈ کی طرف سے تمام ملازمین کی خدمات کی قدر کرتا ہوں اور تمام حصص یافتگان، سپلائرز، بینکرز اور دیگر متعلقہ اداروں کا شکریہ ادا کرنا چاہتا ہوں۔

کراچی۔ 28 ستمبر 2017ء

محمد ادریس اللہ والا
چیئر پرسن

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	ایچ آر آر سی
ایس ایم ادریس اللہ والا	۰۸	-	-
ایس ایم منصور اللہ والا	۰۸	-	-
کامران ادریس اللہ والا	۰۸	-	۰۲
نعیم ادریس اللہ والا	۰۸	-	-
رضوان ادریس اللہ والا	۰۸	-	۰۲
عمیر ادریس اللہ والا	۰۷	۰۶	-
محمد اسرائیل	۰۸	۰۶	-
محمد سعید	۰۸	۰۶	۰۲

۱۱۔ اس سال کمپنی کے سی ای او، ڈائریکٹرز اور ان کے ازواج نے حصص کی کوئی تجارت نہیں کی۔

۱۲۔ کمپنی کی آڈٹ کمیٹی کے ممبران بورڈ آف ڈائریکٹرز میں سے ہیں۔ جس کا چیئرمین نان ایگزیکٹو ڈایئریکٹر ہے۔

۱۳۔ ہم نے ایک کاروباری حکمت عملی اور اخلاقیات سے متعلق ایک بیانیہ تمام ڈایئریکٹرز اور ملازمین میں تقسیم کیا ہے۔

۱۴۔ بورڈ مکمل کارپوریٹ حکمت عملی اور حصول مقاصد کے بیانیہ پر کاربند ہے۔

مستقبل پر نظر

ٹیکسٹائل کی صنعت جو کہ پاکستان کی بنیادی صنعت ہے اس کو بین الاقوامی طور پر بڑی مسابقت کا سامنا ہے۔ اس کو اپنے پروسس کی بہتری، مصنوعات اور اضافی لاگت پر توجہ کی ضرورت ہے۔ وزیر اعظم کے ایکسپورٹ کی ترقی کے پیکیج کہ جس کا مقصد کاروباری اخراجات کو کم کرنا ہے جس سے کاروباری سرگرمیوں کو مطلوبہ محرک مل سکتا ہے۔ یہ پیکیج نہ صرف ٹیکسٹائل سیکٹر کی بحالی میں مدد کرے گا بلکہ نئی سرمایہ کاری کی بھی حوصلہ افزائی ہوگی۔ یہ آنے والے سالوں میں بہتر نتائج دے گا۔ کاٹن کے کاشتکاروں کی مالی اعانت سمیت حکومت کو دوسرے اقدامات بھی کرنے چاہییں تا کہ فصلوں کے نقصانات پر قابو پایا جا سکے۔ ان نقصانات کی وجہ سے ہمیں کاٹن انڈیا، امریکا، اور دوسرے ملکوں سے درآمد کرنی پڑتی ہے۔ حکومت نے تا حال ٹیکسٹائل انڈسٹری کی تجاویز پر اقدامات نہیں کئے ہیں جیسا کہ: سوئی گیس، آر ایل این جی کی علاقائی مسابقت 400 روپے فی ایم ایم بی ٹی یو کے حساب سے فراہمی، جی ائی ڈی سی کا خاتمہ اور الیکٹریسٹی کا ٹیرف خود مختار فیڈر کا 7 روپے فی یونٹ تک کر دینا۔

ایس آر او 1125 جو کہ برآمد کنندگان اور ٹیکسٹائل سیکٹر کو زیرو ریٹڈ کرتا ہے جاری رہنا چاہئے تا کہ ان کے ریفنڈز میں اضافہ نہ ہو۔

اس بات کو یقینی بنایا جائے کہ تمام مطلوبہ سامان یعنی پیکنگ میٹیریل، پرزہ جات اور ایندھن سب زیرو ریٹڈ کیا جائے۔

ایسا دیکھا گیا ہے کہ حکومت ٹیکس دہندگان کو سیلز ٹیکس ریفنڈز دینے میں کافی دیر کرتی ہے جس کی وجہ سے ریفنڈ کی رقم طویل عرصے تک نہیں ملتی۔ ایف بی آر کو کاروباری برادری کے سیلز ٹیکس ریفنڈ ادا کرنے کے لئے اقدامات کرنے چاہییں۔

سی پیک اور موجودہ ترقی کی رفتار، متعلقہ سرمایہ کاری، مثبت اقدامات کے نتیجے میں براہ راست غیر ملکی سرمایہ کاری سے پاکستانی برآمد بڑھے گی۔ جیسا کہ چین دنیا میں جدید توانائی کا راہنما ہے سی پیک میں جو پروجیکٹس آئیں گے اس سے صاف توانائی بھی حاصل ہوگی۔ جیسا کہ ہائیڈرو پاور، پاکستان میں سستا ترین توانائی کا ذریعہ ہے لیکن بدقسمتی سے اس کی لاگت بہت زیادہ ہے جس کی وجہ سے ہائیڈرو تھرمل کا انظمام خراب ہے اور لاگت بڑھ رہی ہے۔ ایسے میں تھر کے کوئلے کے ذخائر گیم چینجر ہیں اور قطر کے ساتھ آر ایل این جی کی خریداری کا معاہدہ بھی صحیح معنوں میں استعمال کرنے کی ضرورت ہے۔ سی پیک کے تحت چینی کمپنیاں بہت سارے پاور پروجیکٹس مکمل کرنے والی ہیں جن سے بجلی کے طلب و رسد کے فرق کو ختم کرنے میں مدد دے گی۔ اگر سب ٹھیک رہا تو پاکستان کی معیشت 2018 میں اچھی ہوگی اس کی اعانت کے لئے بڑھتا ہوا پی ایس ڈی پی، انڈسٹری کو توانائی کی بہتر فراہمی، قانون پر عمل درآمد وغیرہ ہیں۔ کم قیمت پر قرضوں کی فراہمی کی وجہ سے نجی اداروں میں اس دہائی کے بلند ترین 748 ارب روپے کے قرضے جو 2017 میں لئے گئے جبکہ 2016 میں 446 ارب روپے تھے۔ یہ پیداواری صلاحیت بڑھانے کا مناسب موقع ہے۔ سی پیک نے بھی تجارت بڑھانے کے مواقع دیے ہیں جس میں چین، مشرق وسطی اور افریقا شامل ہیں۔ سیاسی صورتحال کاروبار اور سرمایہ کاری کے لئے موزوں نہیں ہے۔ اس لئے تمام متعلقین میں افہام و تفہیم کی ضرورت ہے تا کہ معیشت بہتر ہو سکے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز ڈیلائٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر مالی سال 18-2017 کی بابت دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی کی میٹنگ جو 27 ستمبر 2017 کو منعقد ہوئی تھی میں بھی ان کا دوبارہ تقرر کرنے کی تجویز دی گئی ہے۔

اظہار تشکر

ڈائریکٹران گراں قدر تعاون اور اعتماد کے لئے مالیاتی اداروں، سپلائرز اور گاہکوں کے مشکور ہیں اور ملازمین کی خدمات کو سراہتے ہیں۔

بورڈ آف ڈائریکٹر کی جانب سے

چیف ایگزیکٹو　　　　ڈائریکٹر

آپ کی کمپنی کے ڈائریکٹران 30 جون 2017 کے ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

مالیاتی کارکردگی کا جائزہ

زیر جائزہ مدت کے دوران خالص فروخت کی مالیت 2,215.269 ملین روپے رہی جبکہ تقابلی مدت 1,58.063 ملین روپے تھی، براہ راست منافع 230.386 ملین روپے تک جا پہنچا جبکہ تقابلی مدت میں یہ 122.207 ملین روپے تھا۔ بعداز ٹیکس منافع 87.287 ملین روپے رہا جبکہ پچھلے سال اسی مدت میں 11.602 ملین روپے کا خسارہ تھا۔
بجلی بنانے کے لئے آر ایل این جی کی مستقل فراہمی، مسابقتی لحاظ سے کم نرخوں پر خام مال کی بروقت خریداری نے کمپنی کو مناسب منافع دیا بھاری کاروباری اخراجات نہ صرف اسپننگ کی صنعت بلکہ تمام ٹیکسٹائل کی صنعت کے لئے مسابقت کرنا دشوار کر رہے ہیں۔ زیادہ اہم بھاری اخراجات میں مہنگی توانائی اور مختلف قسم کے بالواسطہ یا بلاواسطہ ٹیکسز مثال کے طور پر، ود ہولڈنگ ٹیکس، سیلز ٹیکس، خدمات پر ٹیکس، کسٹم ڈیوٹی، پروفیشنل ٹیکس، ٹیکسٹائل سیس، ایجوکیشن سیس، کاٹن سیس، سوشل سیکورٹی، ای او بی آئی، وغیرہ۔ حکومت کو چاہیئے کہ ٹیکسٹایل کی صنعت کے سہارے کے لئے ان اخراجات پر نظر ثانی کرے۔
مارکیٹ کے چیلینجز سے نبرد آزما ہونے کے لئے پروڈکٹ کی جدت، بنائی کی اصلاح پر بھی سرمایہ کاری کر رہے ہیں۔ چین کی سست معیشت پر انحصار کم کرنے کیلئے یارن کی نئی مارکیٹیں بھی دیکھ رہے ہیں۔ چونکہ چین ہماری ایکسپورٹ کا بڑا خریدار ہے اس لئے بھی پاکستانی یارن کی قیمتیں کم ہیں۔

فی حصص آمدنی

اس سال فی حصص منافع 4.84 روپے رہا جبکہ تقابلی مدت میں 0.64 روپے کا فی حصص خسارہ تھا۔

ڈیویڈنڈ

کمپنی کے ڈائریکٹران ۵ فیصد کیش ڈیوڈنڈ (صفر :2016) یعنی ۱۰ روپے کے شیئر پر 0.50 روپے (پچاس پیسہ) فی شیئر تجویز کرتے ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ

۱۔ مالیاتی گوشوارے جیسا کہ کمپنی کی انتظامیہ نے بنائے کمپنی کے معاملات اس کے نتائج زری معاملات اور ایکویٹی میں تبدیلی کو راست انداز میں پیش کرتے ہیں۔
۲۔ کمپنی کے کھاتوں کے درست حسابات رکھے گئے ہیں۔
۳۔ مالیاتی گوشواروں کی تیاری میں مستقل مناسب اکاؤنٹنگ پالیسیز کا اطلاق کیا گیا ہے اور حسابات کے گوشوارے مناسب عاقلانہ فیصلوں پر مبنی ہیں۔
۴۔ مالیاتی حسابات کی تیاری میں، پاکستان میں مستعمل بین الاقوامی مالیاتی رپورٹنگ کے معیارات (آئی ایف آر ایس) کا خیال رکھا گیا ہے اور ان سے کسی بھی قسم کے انحراف کو مناسب انداز میں ظاہر کیا گیا ہے۔
۵۔ انٹرنل کنٹرول کا نظام ساخت کے اعتبار سے مستحکم ہے اور اس پر موءثر انداز سے عمل درآمد کیا گیا ہے۔
۶۔ کمپنی کے فعال انداز سے کارگزار ہونے کی صلاحیت پر کسی قسم کے کوئی شکوت وشبہات موجود نہیں ہیں۔
۷۔ کارپوریٹ گورننس کے بہترین طریقہ عمل سے کسی قسم کا قابل ذکر انحراف نہیں ہوا ہے، جیسا کہ پی ایس ایکس کی رول بک میں بیان کیا گیا ہے۔
۸۔ ہیڈ آفس اسٹاف کے ایمپلائز پروؤیڈینٹ فنڈ میں سرمایہ کاری کی مالیت آڈٹ شدہ گوشوارے ۲۰۱۶ کے مطابق صرف ۲۶۴، ۲۹۰، ۱۵ روپے ہے (سال ۲۰۱۵ میں ۲۶۹، ۲۷۶، ۱۳ روپے) مل سٹاف قانونی طور پر گریجوٹی کے حقدار ہیں اور اخراجات مناسب طور پر مالیاتی گوشواروں میں مختص کر لئے گئے ہیں۔
۹۔ کوڈ کے مطابق درج ذیل معلومات اس رپورٹ کے ساتھ منسلک ہیں:

شیئر ہولڈنگ کی ترتیب کا متن

ایسوسی ایٹس ادارے اور متعلقہ پارٹیوں کے شیئر ہولڈنگ کا بیانیہ
چھ سالوں کی کلیدی، مالیاتی وکارگذاری کی شماریات۔
۱۰۔ زیر جائزہ سال میں آٹھ بورڈ آف ڈائریکٹرز، چھ آڈٹ کمیٹی، اور دو ہیومن ریسورس اینڈ ریمونریشن کمیٹی (ایچ آر اینڈ آر سی) کی میٹنگز ہوئی ہیں جن کی حاضری اور تفصیل درج ذیل ہے۔

(vi) کمپنی کے وہ شیئر ہولڈرز جن کے شیئرز ان کے اکاؤنٹ / سب اکاؤنٹ میں سینٹرل ڈپازٹری سسٹم (سی ڈی ایس) میں رجسٹرڈ ہیں وہ اپنا اوریجنل کمپیوٹرائزڈ شناختی کارڈ مع سی ڈی ایس میں اکاؤنٹ نمبر اور شامل ہونے والے فرد کا آئی۔ڈی نمبر برائے تصدیق پراکسی کی صورت میں، سیکیورٹی ایکس چینج کمیشن آف پاکستان کے 26 جنوری 2000ء کے سرکلر نمبر 1 میں دی گئی ہدایات کے مطابق ساتھ لائیں۔

(vii) جن ممبران نے ابھی تک اپنے کمپیوٹرائزڈ شناختی کارڈ کی کاپی اور این ٹی این نمبر کمپنی رجسٹرار کو نہیں دیا ان سے درخواست ہے وہ جلد از جلد مہیا کر دیں۔

(viii) سالانہ فنانشل اسٹیٹمنٹ کی ای میل کے ذریعے ترسیل۔

ایس۔ای۔سی۔پی کے ایس آر او 2014(1)787 مورخہ 8 ستمبر 2014ء کے تحت وہ شیئر ہولڈرز جو مستقبل میں سالانہ فنانشل رپورٹ ڈاک کی بجائے ای میل کے ذریعے لینا چاہتے ہیں وہ اپنا درست ای میل ایڈریس کمپنی کے منظور شدہ فارم جو کہ کمپنی کی ویب سائٹس **www.idreestextile.com** پر موجود ہے پر اپنے دستخط کر کے مع کمپیوٹرائزڈ شناختی کارڈ کی کاپی کمپنی رجسٹرار کو بھجوائیں۔

(ix) **ویڈیو کانفرنس کی سہولت:**

ممبران ویڈیو کانفرنس کی سہولت سے بھی استفادہ کر سکتے ہیں، اس کے لئے وہ سالانہ اجلاس عام سے دس روز قبل کمپنی کے رجسٹرڈ آفس کو درج ذیل فارم پُر کر کے ارسال کریں۔ اگر کمپنی کو دس یا دس فیصد سے زیادہ شیئر ہولڈرز جو جغرافیائی حدود میں ہو ویڈیو کانفرنس میں شمولیت کرنا چاہیں تو مطلع کریں۔ کمپنی ان کے لیے ان کے علاقے یا شہر میں ویڈیو کانفرنس کی سہولت موجود ہونے کی صورت میں اس کا انتظام کرے گی۔ کمپنی کم سے کم پانچ روز سالانہ اجلاس کے انعقاد کی تاریخ سے قبل ویڈیو کانفرنس کی سہولت سے فائدہ اٹھانے کے خواہش مند افراد کو ضروری اطلاع دے گی۔

I/We ___________________ of __________________, being a member of the Idrees Textile Mills Ltd. holder of _____________ Ordinary Share(s) as per Register CDC/Folio no. __________ hereby opt for video conference facility at __________________.

(x) **ای۔ووٹنگ Form**

ایس۔ای۔سی۔پی کمپنیز (ای۔ووٹنگ) ریگولیشن 2016ء کے تحت ممبران اپنا ووٹ دینے کا حق ای۔ووٹنگ کے ذریعے بھی استعمال کر سکتے ہیں۔ اس حق کے استعمال کے لئے کمپنی کے پراکسی ایگزیکٹیو آفیسر کو تحریری طور پر مطلع کرنا ہوگا۔

(xi) **کیش ڈیویڈینڈ کی الیکٹرونیکلی پے منٹ:**

کمپنیز ایکٹ 2017ء کے سیکشن 242 کے تحت الیکٹرونک موڈ کے ذریعے ڈیویڈنڈ وصول کرنے کے خواہش مند شیئر ہولڈرز سے درخواست ہے کہ وہ بینک مینڈیٹ۔

ا۔ ٹائٹل آف اکاؤنٹ۔ ب۔ اکاؤنٹ نمبر۔ ج۔ IBAN نمبر د۔ بینک کا نام اور برانچ کا نام، کوڈ اور کمپنی کے شیئر رجسٹرار کے ایڈریس سے مطلع کریں۔ وہ شیئر ہولڈرز جن کے شیئرز حصہ داروں / سینٹرل ڈپازیٹری کمپنی کے ساتھ ہیں وہ بینک مینڈیٹ / متعلقہ حصہ داران / سی ڈی سی کی تفصیل سے بھجوائیں۔

(xii) غیر کلیم شدہ منافع

وہ شیئر ہولڈرز جو کسی بھی وجہ سے اپنے حصے کا منافع کلیم نہیں کر سکے انہیں مشورہ دیا جاتا ہے کہ وہ ہمارے شیئر رجسٹرار میسرز این آئی ایسوسی ایٹ (پرائیویٹ) لمیٹڈ سے اپنے کلیم نہ کئے جانے والا منافع (اگر کوئی ہے) کلیم کرنے کے لئے رابطہ کریں۔ نوٹ فرمالیجیے کہ ضروری طریقہ کار کی تکمیل کے تحت کمپنی ایکٹ 2017ء کے سیکشن 244 کی تعمیل میں وہ تمام منافع جو واجب الادا تاریخ سے تین سال کی مدت تک کلیم نہ کیا گیا ہو وہ فیڈرل گورنمنٹ کے پاس جمع کرا دیا جائے گا۔

(کمپنیز ایکٹ 2017ء کے سیکشن (3)134 کے تحت وضاحت) اسپیشل بزنس سے متعلق حقائق کی وضاحت کمپنی کے سالانہ اجلاس میں جو کہ مورخہ 28 ستمبر کو منعقد ہوا اس میں کر دی گئی ہے۔

ایجنڈا کا آئیٹم نمبر 6

ایس ای سی پی کے ایس آر او نمبر 2016/(I)470 مورخہ 31 مئی 2016ء کے تحت کمپنی کے شیئر ہولڈرز کے رجسٹرڈ ایڈریس پر سالانہ رپورٹ کی پرنٹ کی ہوئی کاپیوں کے بجائے سافٹ کاپیاں سی ڈی / ڈی وی ڈی / یو ایس بی میں بھجوانے کی اجازت ہے بشرطیکہ اجلاس عام میں شیئر ہولڈرز کی رضامندی حاصل کر لی گئی ہے اور اگر کوئی شیئر ہولڈر ان تمام معلومات کی ہارڈ کاپی حاصل کرنے کا خواہش مند ہو تو وہ اسے مہیا کر دی جائے۔

ڈائریکٹران، اسپانسرز اور ان کے رشتہ دار بلاواسطہ اور بالواسطہ کمپنی میں صرف اپنے شیئرز کی حد تک جو ان کے پاس موجود ہیں کے علاوہ درج بالا بزنس میں شرکت کے متمنی نہیں۔

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے کہ ادریس ٹیکسٹائل ملز لمیٹڈ کے شیئر ہولڈرز کا اٹھائیسواں سالانہ اجلاسِ عام مورخہ 28 اکتوبر 2017ء بروز ہفتہ صبح 11:00 بجے بمقام "سدا بہار"- 53 کوکن سوسائٹی، عالمگیر روڈ/حیدر علی روڈ، کراچی نمبر 5 پر درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا:

معمول کے امور:

1۔ مورخہ 31 اکتوبر 2016ء کو منعقد ہونے والے پچھلے اجلاسِ عام کی کارروائی کی توثیق۔

2۔ ڈائریکٹران اور آڈیٹرز کی رپورٹ مع 30 جون 2017ء کو ختم ہونے والی مدت تک کے آڈٹ شدہ حسابات کی وصولی، غور و خوض اور منظوری۔

3۔ 30 جون 2018ء کو اختتام پذیر ہونے والے سال کے لیے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین۔

میسرز ڈیلوائیٹ یوسف عادل، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہونے والے آڈیٹرز نے خود کو اپنی اہلیت کی بنیاد پر دوبارہ تقرری کے لیے پیش کیا ہے۔

4۔ بورڈ کی سفارش پر 5 فیصد (فی شیئر 50 پیسے) کے حساب سے شیئر ہولڈرز کے لئے منافع کی منظوری۔

5- کمپنیز ایکٹ 2017 کے سیکشن (1)159 کے تحت تین سال کی مدت کیلئے جیسا کہ کمپنی کے بورڈ کے معین کردہ آٹھ ڈائریکٹروں کا انتخاب۔

ریٹائرڈ ہونے والے ڈائریکٹران کے نام درج ذیل ہیں۔

1-جناب محمد ادریس اللہ والا	2-جناب ایس۔ایم منصور اللہ والا
3-جناب کامران ادریس اللہ والا	4-جناب نعیم ادریس اللہ والا
5-جناب رضوان ادریس اللہ والا	6-جناب عمیر ادریس اللہ والا
7-جناب محمد اسرائیل	8-جناب محمد سعید

ریٹائر ہونے والے ڈائریکٹران دوبارہ منتخب ہونے کے اہل ہیں

اسپیشل بزنس:

6- سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ ایس۔آر۔او 2016(I)470 مورخہ 31 مئی 2016ء برائے ترسیل سالانہ رپورٹ مع آڈٹ شدہ سالانہ فنانشل اسٹیٹمینٹس، آڈیٹرز/ڈائریکٹرز رپورٹ اور 30 جون 2017ء کو ختم ہونے والے سال کے سالانہ اجلاس عام کا نوٹس ہارڈ کاپی کے بجائے سی ڈی/ڈی وی ڈی/یو ایس بی میں بھجوانے کی منظوری۔شیئر ہولڈرز کی اجازت اور منظوری دیئے جانے پر 30 جون 2017ء سے آڈٹ شدہ فنانشل اسٹیٹمینٹس، آڈیٹرز/ڈائریکٹرز رپورٹ، سالانہ اجلاس عام کا نوٹس ہارڈ کاپی کے بجائے سی ڈی/ڈی وی ڈی/یو ایس بی میں بھیجنے پر اتفاق رائے ہوا کہ کتابی صورت میں کمپنی کے شیئر ہولڈرز کی درخواست وصول ہونے کے سات دن میں مفت مہیا کی جائیں گی۔

7-اجلاس میں پیش کئے جانے والے دیگر امور پر چیئرمین کی اجازت سے کارروائی۔

کراچی۔ 28 ستمبر 2017ء   حسب الحکم بورڈ

سید شاہد سلطان۔کمپنی سیکریٹری

نوٹ:

(i) شیئر ہولڈرز سے التماس ہے کہ اگر ان کے ایڈریس میں کوئی تبدیلی واقع ہوئی ہو تو فوری طور پر مطلع کریں۔

(ii) کمپنی کی منتقلی حصص کی کتابیں 24 اکتوبر 2017ء تا 31 اکتوبر 2017ء (بشمول دونوں دن) تک بند رہیں گی۔

(iii) اجلاسِ عام میں شرکت کرنے اور ووٹ دینے کا اہل ممبر شرکت کرنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کرسکتا ہے۔

(iv) کوئی بھی فرد جو ڈائریکٹر کے الیکشن میں حصہ لینے کا خواہش مند ہو وہ اجلاس کی تاریخ سے 14 روز قبل

(a) کمپنی کے رجسٹرڈ آفس کو اپنے ارادے سے باخبر کرسکتا ہے۔

(b) کوڈ آف کارپوریٹ گورنس کے معاملات پر ڈیکلریشن کی کاپی رجسٹرڈ آفس سے حاصل کی جاسکتی ہے

(v) دستخط شدہ پراکسی دستاویز کو موثر بنانے کے لئے سالانہ اجلاس کے انعقاد سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرانا ضروری ہے۔

FORM OF PROXY

The Secretary
IDREES TEXTILE MILLS LTD.
Ismail Centre, 1st Floor,
6-C, Central Commercial Area,
Bahadurabad, Karachi - 74800

I/We ____

of ____

being a member of Idrees Textile Mills Ltd. hereby appoint ______________

of ____

or failing ____

of ____

As my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on Saturday October 28, 2017 and at any adjournment thereof.

As witness my hand this ______________________________ of 2017

Signed by the said ______________________________ in the presence of

1. Witness:

Signature ______________________

Name: ______________________

Address ______________________

Signature on
Five Rupees
Revenue Stamp

____
Signature of Member

2. Witness:

Signature ______________________ Shareholder's Folio No. ______________

Name: ______________________ CDC Participants I.D./Sub A/C # ______________

Address ______________________ CNIC No. | | | | | | | | | | | | | | |

(Important: This form of Proxy, duly completed and signed across a Rs. 5/-revenue stamp, must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the meeting).

پراکسی فارم

سیکریٹری
ادریس ٹیکسٹائل ملز لمیٹڈ
اسمٰعیل سینٹر، پہلی منزل
6-C، سینٹرل کمرشیل ایریا
بہادرآباد، کراچی - 74800

میں/ہم ____________________
ساکن ____________________
بحیثیت رکن ادریس ٹیکسٹائل ملز لمیٹڈ مقرر کرتا ہوں/کرتے ہیں مسمیٰ/مسماۃ ____________________
ساکن ____________________
کو یا ان کی غیر حاضری میں مسمیٰ/مسماۃ ____________________
ساکن ____________________

کو جو خود بھی ادریس ٹیکسٹائل لمیٹڈ کا رکن ہے کہ وہ بطور میرا/ ہمارا مختار نامہ (پراکسی) ادریس ٹیکسٹائل لمیٹڈ کے ۲۸ ویں سالانہ اجلاس عام میں جو بروز ہفتہ، ۲۸ اکتوبر ۲۰۱۷ کو منعقد ہو رہا ہے، یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری/ ہماری جگہ میری/ ہماری طرف سے حق رائے دہی استعمال کرے۔

بطور گواہ میرے دستخط آج مورخہ ____________ ۲۰۱۷ جاری ہوا۔
دستخط متعلقہ پراکسی ____________________ کی موجودگی میں۔

گواہ ۱		گواہ ۲	
دستخط	__________	دستخط	__________
نام	__________	نام	__________
پتہ	__________	پتہ	__________

ممبر فولیو نمبر ____________ CDC شراکت داری نمبر ____________ I.D./Sub A/c No.
شناختی کارڈ نمبر | | | | | | | | | | | | | | | |

ہدایات : یہ مختار نامہ (پراکسی فارم) مکمل پُر شدہ اور پانچ روپے کی ریونیو ٹکٹ پر دستخط شدہ کمپنی کے رجسٹرڈ دفتر میں اجلاس منعقد ہونے سے کم از کم ۴۸ گھنٹے قبل جمع کرانا ضروری ہے۔

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