AN
TEXTILE MILLS LIMITED

Annual Report 2019

بسم الله الرحمن الرحيم

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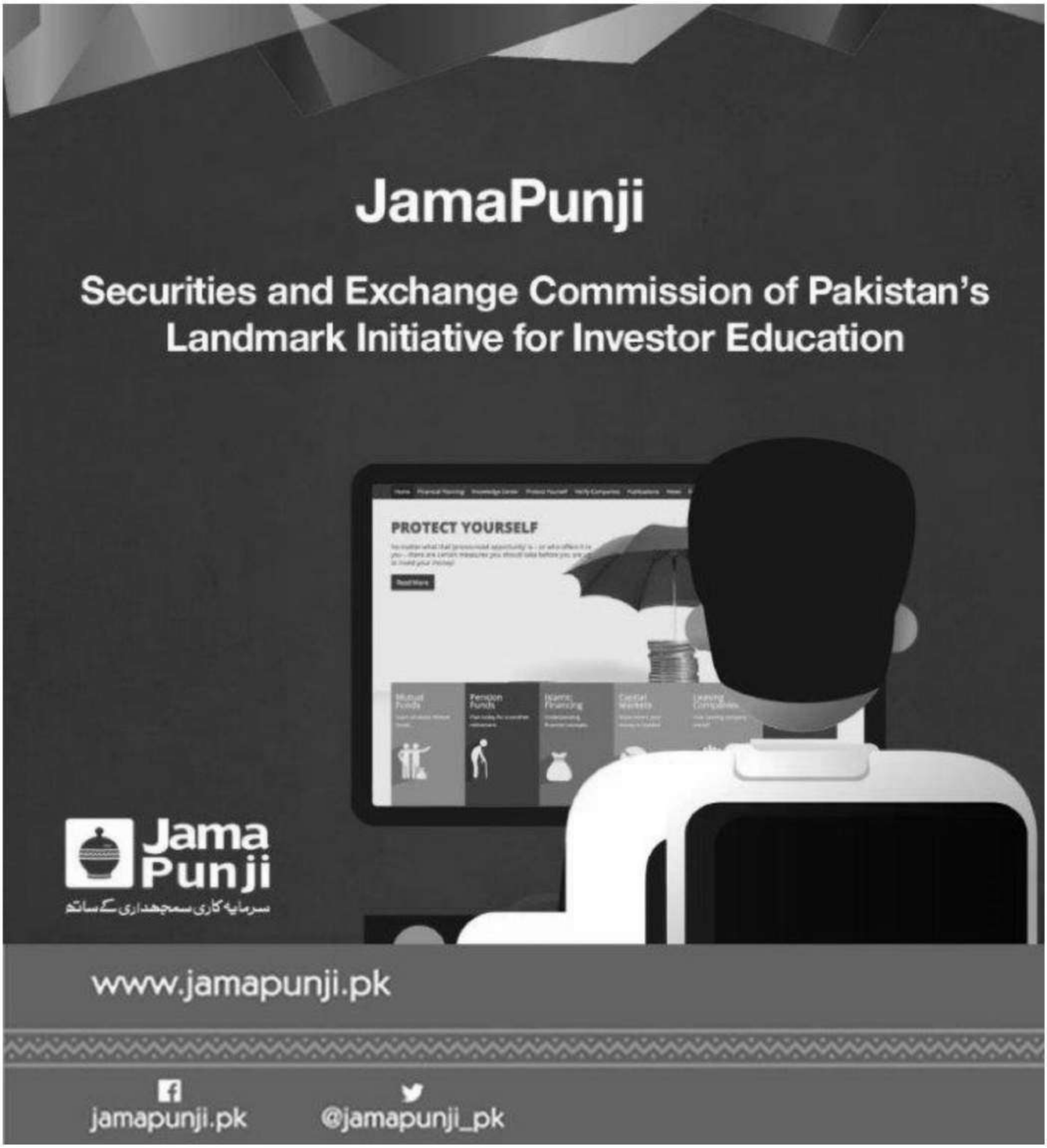
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COMPANY INFORMATION

Board of Directors	Mrs. Nazma Amer	Chairperson
	Mr. Aizad Amer	Chief Executive Officer
	Mrs. Zareen Akhtar	Director
	Mr. Anns Amer	Director
	Ms. Yusra Amer	Director
	Mr. Abdul Rauf	Director
	Syed Khalid Ali	Director
Audit Committee	Mr. Abdul Rauf	Chairman
	Ms. Yusra Amer	Member
	Syed Khalid Ali	Member
HR and Remuneration Committee	Syed Khalid Ali	Chairman
	Mr. Abdul Rauf	Member
	Mr. Anns Amer	Member
Chief Financial Officer	Mr. Muhammad Saqib Ehsan	
Company Secretary	Mr. Tahir Shahzad	
Auditors	Riaz Ahmad and Company Chartered Accountants 560-F, Raja Road, Gulistan Colony, Faisalabad	
Bankers	Bank Al Habib Limited Habib Metropolitan Bank Limited Al-Baraka Bank (Pakistan) Limited Habib Bank Limited Meezan Bank Limited National Bank of Pakistan	
Share Registrar	Corplink (Private) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore	
Registered Office & Mills	35 Kilometer, Sheikhupura Road, Tehsil Jaranwala, Faisalabad	

VISION STATEMENT

To be a customer oriented Company having wide and diversified customer base with a team of professionals working together to add value to all the stakeholders and contributing to society to help build a strong and progressive Pakistan.

MISSION STATEMENT

The mission of AN Textile Mills Limited is, recognition of its project as the most modern units, and to produce fine quality of product with the understanding of customer behavior. Build the Company on sound financial footings, increase earnings for handsome distribution of dividend to its shareholders, and to earn foreign exchange for the country.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 38th Annual General Meeting of the members of AN Textile Mills Limited ("the Company") will be held on Monday, October 28, 2019 at 10:00 A.M. at its registered office situated at 35 K.M. Sheikhupura Road, Faisalabad to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of last Extra Ordinary General Meeting held on March 22, 2019.

2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2019 together with the Chairperson's review, Directors' and Auditors' reports thereon.

3. To approve and declare final cash dividend of Rupees 0.4 per share i.e. 4% as recommended by the Board of Directors of the Company for the year ended June 30, 2019.

4. To appoint the auditors of the Company for the next financial year and to fix their remuneration. The retiring auditors M/s Riaz Ahmad and Company, Chartered Accountants, being eligible, have offered themselves for re-appointment.

5. To transact any other business that may be brought forward with the permission of the Chair.

By order of the Board

Shahzad

Dated: October 07, 2019
Faisalabad

Tahir Shahzad
(Company Secretary)

NOTES:

1. The share transfer books of the Company shall remain closed from October 21, 2019 to October 28, 2019 (both days inclusive). Transfers received in order at Registered Office of the Company or our Share Registrar, M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on October 19, 2019 will be considered in time.

2. A member entitled to attend and vote at this general meeting is entitled to appoint another member as proxy. Proxies must be received in order to effective at the registered office of the Company not less than 48 hours before the time for the meeting.

3. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his / her original CNIC or Passport to prove his / her identity and in case of Proxy must enclose an attested copy of his / her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose.

4. Shareholders are requested to notify the change in their addresses if any, immediately. Moreover, the members who have not yet submitted their Computerized National Identity Cards to the Company are requested to send at their earliest.

5. Under the provisions of section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank accounts, shareholders are requested to fill in dividend mandate form available on Companies website: www.antextile.com.pk and send it duly signed along with a copy of CNIC to the Share Registrar of the Company M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore during working hours in case of physical shares. In case shares are held in CDC then dividend mandate form must be submitted directly to shareholders' broker participant/CDC account services.
In case of non-submission of an IBAN, the Company will withhold the payment of dividends under Companies (Distribution of Dividends) Regulations, 2017.

6. Shareholders of the Company are hereby informed that as per the record, there are some unclaimed/uncollected/ unpaid dividends and shares. Shareholders who could not collect their dividends/shares are advised to contact our Shares Registrars to collect enquire about their unclaimed dividend or shares, if any. In compliance with section 244 of the Companies Act, 2017, after having completed the stipulated procedure, of three years or more from the date due and payable, shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of share, shall be delivered to the Securities and Exchange Commission of Pakistan.

7. Government of Pakistan through Finance Act, 2019, has made certain amendments in withholding tax provisions by substituting the definition of "Filers" with "Active Taxpayer List" (ATL), whereby the Company is required to collect tax on dividend under section 150 of the Income Tax Ordinance, 2001 from the person not appearing in the ATL at the rates specified in the Ordinance as increased by 100%. These tax rates are as under:

(a) For persons appearing in ATL 15% (b) For persons not appearing in ATL 30%

Shareholders who are filers, are advised to make sure that their names are entered into latest ATL provided on the website of Federal Board of Revenue (FBR) at the time of dividend payment, otherwise they shall be treated as person not appearing in ATL and tax on their cash dividends will deducted at the rate of 30% instead of 15%.

8. For shareholders holding their shares jointly as per the clarification issued by the FBR, withholding tax will be determined separately as per status of their names appearing in the ATL for principal shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint shareholder(s) in respect of shares held by them to our Share Registrar.

9. SECP through its notification SRO 787(1)/2014 dated September 8, 2014 has allowed the circulation of audited financial statements along with the notice of Annual General Meeting electronically to the shareholders of the Company through email. Therefore, shareholders who wish to receive the soft copy of Annual Report are requested to send their e-mail addresses. The consent form for electronic transmission can be downloaded from the Company's website. The Company shall however, continue to provide hard copy of the audited financial statements to its shareholders, on request free of cost, within seven days of receipt of such request.

10. In compliance with SECP notification No. 634(1)/2014 dated July 10, 2014, the audited financial statements and reports of the Company for the year ended June 30, 2019 are being placed on the Company's website: www.antextile.com.pk for information and review of the shareholders.

11. Pursuant to the provisions of the Companies Act, 2017 the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the AGM. The demand for video-link facility shall be received by the Share Registrar at the address given here in above at least seven days prior to the date of the meeting on the Standard Form available on the Company's website: www.antextile.com.pk

CHAIRPERSON'S REVIEW
For the year ended June 30, 2019

The Board of Directors of AN Textile Mills Limited ("the Company") is performing its duties in accordance with law and in the best interest of the Company and its shareholders as required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2019, the Board's overall performance and effectiveness has been assessed as satisfactory. This is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

AN Textile Mills Limited complies with all the requirements set out in the Law with respect to the composition, procedures and meetings of the Board of Directors and its committees. Necessary Board agenda and related supporting documents were duly made available to the board in sufficient time prior to the board and its committees' meetings. The Board has exercised all its powers in accordance with relevant laws and regulation and the non-executive and independent directors are equally involved in important decisions of the Board.

Nazma Amer

Mrs. Nazma Amer
Chairperson

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of the Company are pleased to present their 38th Annual Report along with audited Financial Statements of the Company for the financial year ended June 30, 2019, along with Auditors' Report thereon and other required information prescribed under the Code of Corporate Governance. The comparative financial results of the Company are reproduced hereunder:

FINANCIAL RESULTS:

	2019	2018
	(RUPEES IN THOUSAND)	
REVENUE	1,885,310	1,598,473
COST OF SALES	(1,747,080)	(1,537,855)
GROSS PROFIT	138,230	60,618
DISTRIBUTION COST	(2,111)	(2,945)
ADMINISTRATIVE EXPENSES	(42,969)	(35,376)
OTHER EXPENSES	(3,239)	(3,526)
OTHER INCOME	18,330	16,250
FINANCE COST	(46,714)	(31,604)
PROFIT BEFORE TAXATION	61,527	3,417
TAXATION	(42,507)	(11,020)
PROFIT / (LOSS) AFTER TAXATION	19,020	(7,603)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	1.97	(0.79)

REVIEW OF OPERATING RESULTS

As compared to financial year 2018, in current financial year revenue grew by 17.94% from Rupees 1,598.473 million to 1,885.310 million while cost of sales increased by 13.6% from 1,537.855 million to 1,747.080 million. The Company earned gross profit of Rupees 138.230 million as compared to previous year's gross profit of Rupees 60.617 million which is 128.03% more than the last year. Moreover, the Company earned profit after taxation of Rupees 19.020 million as compared to loss after taxation of Rupees 7.603 million in corresponding year. By the Grace of Almighty Allah the Company able to achieve these results due to shifting of operations of the Company from coarse count to fine count, installation of Compact Spinning system on all ring frames of the Company, Balancing, Modernization and Replacement (BMR) of plant and machinery and related equipment of the Company and due to the stern efforts made by its management in last couple of years.

FUTURE OUTLOOK

Pakistan Textile industry has been under pressure to compete internationally due to high cost of doing business. The Government support in the form of availability of energy at reduced prices, and release of funds against tax refunds is imperative for industry to compete internationally. Moreover, in next financial year the management of your Company has planned to further enhance its production capacity and every possible effort will be made by its management to curtail and keep its expenses to a minimum level to earn maximum profitability so that the shareholders can get returns on their investments.

EARNINGS PER SHARE

The earnings per share for the year ended June 30, 2019 is Rupees 1.97 as compared to loss per share of Rupees 0.79 for last year ended on June 30, 2018.

DIVIDEND

The Board of Directors of your Company proposed a cash dividend for the year ended 30 June 2019 of Rupees 0.4 per share i.e. 4% to all shareholders.

OUTSTANDING STATUTORY PAYMENTS

All outstanding payments are nominal and of routine nature.

PATTERN OF SHAREHOLDING

Pattern of shareholding as on June 30, 2019 is annexed. No trade in the shares of the company was carried out during the year by its Directors, CEO, CFO and Company Secretary and their spouses and minor children except for the sales/purchase of shares as mentioned on page no. 63.

RELATED PARTY TRANSACTIONS

All transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable un-controlled price method. The Company has complied with best practices on transfer pricing as contained in listing regulations of the Stock Exchanges of Pakistan.

AUDITORS

The auditors M/s Riaz Ahmad & Company, Chartered Accountants retired and being eligible for re-appointment, the Board of Directors has been suggested by the Audit Committee, the re-appointment of M/s Riaz Ahmad & Company, Chartered Accountants, as auditors of your company for the next financial year.

CORPORATE GOVERNANCE

The statement of compliance of best practices of Code of Corporate Governance is annexed.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

In compliance to listing regulations of stock exchanges and as required under the Companies Act, 2017, your Directors are pleased to state as under:

1. The financial statements prepared by the Management of your Company present fairly its state of affairs, the results of its operations, cash flow and changes in equity.

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

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

4. International Financial Reporting Standards and International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements. The system of internal control is sound in design and has been effectively implemented and monitored.

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

6. There is no doubt upon the Company's ability to continue as a going concern.

7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

8. Key operating financial data of last six years in summarized form is annexed.

9. The Company operates un-funded gratuity scheme for its employees as reflected in these financial statements.

NO. OF BOARD AND OTHER COMMITTEES MEETINGS HELD:

Sr. #	Name	Board Of Directors Meeting	Audit Committee Meeting	HR & Remuneration Committee Meeting
1	Mrs. Nazma Amer	4/4	-	-
2	Mr. Aizad Amer	3/4	-	-
3	Mr. Anns Amer	4/4	-	1/1
4	Mrs. Zareen Akhtar	4/4	-	-
5	Mr. Abdul Rauf	4/4	4/4	1/1
6	Ms. Yusra Amer	4/4	4/4	-
7	Syed Khalid Ali	4/4	4/4	1/1

Leave of absence was granted to the directors who could not attend some of the Board and Committee meetings.

ACKNOWLEDGEMENT:

The Board places on record its appreciation for the cooperation, commitment and hard work extended to the Company by the customers, suppliers, bankers and all the employees of the Company.

On behalf of the Board

(Aizad Amer)
Chief Executive Officer

FAISALABAD.
Dated: October 05, 2019

ڈائریکٹرز کی شیئر ہولڈروں کو رپورٹ

کمپنی کے ڈائریکٹرز اڑتیسویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کررہے ہیں، جوکہ مشتمل ہے سالانہ فنانس رپورٹ برائے مالیاتی سال 30 جون 2019 بمعہ آڈیٹرز کی رپورٹ اورکوڈ آف کارپوریٹ گورننس کے مطابق دیگر معلومات فراہم کی گئی ہیں۔ پچھلے مالیاتی سال کے نتائج موازنہ کے لئے یہاں دوبارہ دیئے جارہے ہیں۔

مالیاتی نتائج:

	2019 (رقم ہزاروں میں)	2018 (رقم ہزاروں میں)
آمدنی	1,885,310	1,598,473
فروخت کی لاگت	(1,747,080)	(1,537,855)
مجموعی منافع	138,230	60,618
تقسیم کی لاگت	(2,111)	(2,945)
انتظامیہ اخراجات	(42,969)	(35,376)
دیگر اخراجات	(3,239)	(3,526)
دیگر آمدنی	18,330	16,250
مالیاتی لاگت	(46,714)	(31,604)
ٹیکس سے پہلے منافع	61,527	3,417
ٹیکس	(42,507)	(11,020)
ٹیکس کے بعد منافع / (نقصان)	19,020	(7,603)
منافع / (نقصان) فی حصہ اور بنیادی تنصیب (روپے)	1.97	(0.79)

کاروائی کے رزلٹ کا جائزہ:

مالی سال 2018 کا موازنہ کرنے سے، موجودہ مالی سال کی آمدنی %17.94 سے بڑھ کر 1,598.473 ملین سے 1,885.310 ملین ہوگئی ہے۔ جبکہ فروخت کی لاگت %13.60 بڑھ کر مبلغ 1,537.855 ملین سے مبلغ 1,747.080 ملین ہوگئی ہے۔ پچھلے مالی سال کا مجموعی نفع 60.618 ملین کا موازنہ کرنے سے کمپنی نے مجموعی منافع مبلغ 138.230 ملین حاصل کیا جو کہ %128.03 پچھلے سال سے زائد ہے۔ مزید برآں کمپنی نے ٹیکس کے بعد مبلغ 19.020 ملین کا نفع کمایا۔ جبکہ گزشتہ مالی سال میں ٹیکس کے بعد نقصان مبلغ 7.603 ملین تھا۔ اللہ تعالیٰ کی کرم نوازی کی وجہ سے کمپنی نے یہ نتیجہ حاصل کیا ہے کہ ہم نے کمپنی کی کاروائی کو موٹے دھاگے سے باریک دھاگے میں شفٹ کیا، کمپیکٹ سپننگ سسٹم کو تمام

موجودہ فریموں پر انسٹال کیا۔ کمپنی کی انتظامیہ نے پلانٹ اور مشینری کو جدید اور تبدیل کیا(BMR) اور اس کے متعلقہ اوو زاروں کو تبدیل کرنے کے لئے پچھلے دو سالوں کی انتھک کوشش سے ہوا۔

مستقبل کا ڈھانچہ:

پاکستان کی ٹیکسٹائل انڈسٹری مقابلتاً بہت زیادہ پریشر میں ہے کیونکہ کاروبار کو چلانے کے لئے اس کی لاگت بہت زیادہ آرہی ہے۔ بین الاقوامی مقابلے کے لئے بہت ضروری ہے کہ گورنمنٹ کم قیمت پر توانائی کی فراہمی میں مدد کرے اور ٹیکس ریفنڈز میں پھنسی ہوئی رقم واپس کرے۔ مزید برآں، آپ کی کمپنی کی انتظامیہ نے پروگرام بنایا ہے کہ اگلے مالی سال میں پروڈکشن بڑھانے کی صلاحیت میں اضافہ کیا جائے اور اخراجات کم کر کے منافع بڑھانے کی ہر ممکن کوشش کی جائے تا کہ حصص داران اپنی سرمایہ کاری کا منافع حاصل کر سکیں۔

نفع فی حصہ دار:

فی حصہ دار نفع مالی سال 30 جون 2019 کے اختتام پر مبلغ 1.97 جبکہ مالی سال 30 جون 2018 کے اختتام پر نقصان مبلغ 0.79 روپے فی حصہ دار تھا۔

منافع بخش:

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے مالی سال 30 جون 2019 کے اختتام پر تمام حصہ داروں کو 0.40 روپے منافع فی حصہ (4%) تجویز کیا ہے۔

بقایا قانونی ادائیگی:

تمام ادائیگی نارمل ہیں اور معمول کے مطابق ہیں۔

شیئر ہولڈرز کا نقشہ:

30 جون 2019 کا شیئر ہولڈرز کا نقشہ ساتھ لگا دیا گیا ہے۔ کمپنی کے ڈائریکٹرز، CFO، CEO اور کمپنی کے سیکرٹری اور ان کی ازواج اور نابالغ بچوں کی طرف سے صفحہ نمبر۔۔63۔۔ پر دی گئی تفصیل کے علاوہ کوئی فروخت/خرید نہیں کی گئی۔

متعلقہ پارٹی کی لین دین:

متعلقہ پارٹیوں سے تمام لین دین بازار کے ریٹ کے مطابق ہیں جو کہ قابل موازنہ نا قابل کنٹرول طریقہ سے وضع کی گئیں۔ کمپنی نے پاکستان سٹاک ایکسچینج کے تمام قوانین کی اس معاملہ میں پابندی کی ہے۔

آڈیٹرز:

موجودہ آڈیٹرز میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ ہوئے اور یہ دوبارہ تعیناتی کے اہل ہیں۔ آڈٹ کمیٹی اور ڈائریکٹرز کے بورڈ نے پیش آمدہ سالانہ اجلاس عام میں میسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس آپ کی کمپنی کا بطور آڈیٹر یز کی دوبارہ تعیناتی کی منظوری دی ہے۔

کوڈ آف کارپوریٹ گورننس

کوڈ آف کارپوریٹ گورننس کا بیانیہ لف ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک پر بیان:

سٹاک ایکسچینج کے قوائد وضوابط اور کمپنیز ایکٹ 2017 کے مطابق ڈائریکٹرز آپ کو مندرجہ ذیل بیان کرتے ہوئے خوشی محسوس کرتے ہیں۔

1۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی سٹیٹمنٹس منصفانہ طور پر اس کے معاملات کی حالت، اس کے عوامل کے نتائج، کیش کا بہاؤ اور مساوات میں تبدیلی پر مشتمل ہے۔

2۔ اکاؤنٹس کی کتابیں مناسب طریقہ سے مرتب کی گئی ہیں۔

3۔ مالیاتی سٹیٹمنٹس کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسیوں کو مسلسل لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناب اور ٹھوس فیصلوں پر مبنی ہیں۔

4۔ مالیاتی سٹیٹمنٹس کی تیاری اور انٹرنیشنل فنانشل رپورٹنگ کے معیارات جیسے پاکستان میں لاگو ہیں، ان کی پیروی کی گئی ہے اور ان سے کسی بھی رخصت پر مناسب وضاحت دی گئی ہے۔

5۔ اندرونی کنٹرول کا نظام ڈیزائن میں محفوظ ہے اور اس کا نفاذ اور نگرانی موثر طریقے سے کی گئی ہے۔

6۔ کمپنی میں متعلقہ معاملات کو جاری رکھنے کے لئے ممکنہ صلاحیت موجود ہے۔

7۔ کارپوریٹ نظام کے بہترین تجربہ سے مادی طور پر روگردانی ممکن نہیں۔

8۔ پچھلے چھ سال کا مالیاتی ڈیٹا لف ہے۔

9۔ کمپنی اپنے ملازمین کی فلاح و بہبود کے لئے گریجویٹی سکیم چلا رہا ہی ہے جو کہ اس سٹیٹمنٹ میں بیان کی گئی ہے۔

بورڈ اور دوسری کمیٹی میٹنگز کی تعداد

سیریل نمبر	نام	بورڈ آف ڈائریکٹرز میٹنگ	آڈٹ کمیٹی میٹنگ	HR اور معاوضہ کمیٹی میٹنگ
1	مسز ناظمہ عامر	4/4	-	-
2	جناب ایزد عامر	3/4	-	-
3	جناب انس عامر	4/4	-	1/1
4	مسز زرین اختر	4/4	-	-
5	جناب عبدالرؤف	4/4	4/4	1/1
6	محترمہ یسرہ عامر	4/4	4/4	-
7	سید خالد علی	4/4	4/4	1/1

وہ ڈائریکٹر جو میٹنگ میں حاضر نہیں ہوئے انہوں نے بورڈ آف ڈائریکٹرز سے چھٹی حاصل کی تھی۔

اعتراف:

بورڈ اپنے گاہکوں سپلائرز بینکرز اور ملازموں کے تعاون، عزم اور محنت کی تعریف کرتا ہے اور اس کو اپنے ریکارڈ میں لاتا ہے۔

منجانب: بورڈ آف ڈائریکٹرز

ایزد عامر

چیف ایگزیکٹو آفیسر

فیصل آباد

مورخہ 05 اکتوبر 2019

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

Name of Company: **AN Textile Mills Limited**
Year Ending: **30 June 2019**

The company has complied with the requirement of the Regulations in the following manner:

1. The total number of Directors are seven as per the following:

   a. Male: Four
   b. Female: Three

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

   a) Independent Directors

      Mr. Abdul Rauf
      Syed Khalid Ali

   b) Other Non-executive Directors

      Mrs. Nazma Amer
      Mrs. Zareen Akhtar
      Ms. Yusra Amer

   c) Executive Directors

      Mr. Aizad Amer
      Mr. Anns Amer

3. The Directors have confirmed that none of them is serving as a Director of more than five listed companies, including this company.

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

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

6. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other non-executive directors, have been taken by the Board.

7. All the meetings of the Board were presided over by the Chairperson and, in her absence, by a Director elected by the Board for this purpose. The Board met at least once in each quarter during the year ended 30 June 2019. 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.

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

9. No training program for the directors of the Company was arranged during the year as required by Rule 20 of the Regulations. However, we shall comply this requirement in next financial year.

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

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

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

    a) Audit Committee

Mr. Abdul Rauf	(Chairman)
Ms. Yusra Amer	(Member)
Syed Khalid Ali	(Member)

    b) HR and Remuneration Committee

Syed Khalid Ali	(Chairman)
Mr. Abdul Rauf	(Member)
Mr. Anns Amer	(Member)

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

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

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

15. The Board has set up an effective internal audit function which comprises the persons who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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

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

For and on behalf of the Board of Directors

Nazma Amer

NAZMA AMER
Chairperson
Dated: October 05, 2019

KEY OPERATING & FINANCIAL DATA
FOR LAST SIX YEARS

PARTICULARS	2019	2018	2017	2016	2015	2014
	................................(Rupees in Thousand)................................					
FINANCIAL POSITION						
Paid up capital	96,600	96,600	96,600	96,600	96,600	96,600
Share premium	17,250	17,250	17,250	17,250	17,250	17,250
Fixed assets at cost/revalued amount	1,481,947	1,431,460	1,420,748	1,485,900	1,393,255	1,833,702
Accumulated depreciation	653,241	613,088	583,766	602,354	612,542	917,942
Current assets	657,727	418,114	340,281	579,574	636,257	1,307,361
Current liabilities	740,677	556,464	476,717	737,370	753,606	1,206,483
INCOME						
Revenue	1,885,310	1,598,473	1,102,932	1,466,267	1,358,792	4,150,048
Other income	18,330	16,250	39,381	2,416	8,560	12,091
Pre tax profit / (loss)	61,527	3,417	(128,996)	(141,178)	(110,479)	31,226
Taxation	(42,507)	(11,020)	(46,216)	39,293	37,183	23,070
STATISTICS AND RATIOS						
Pre tax profit / (loss) to sales %	3.26	0.21	(11.70)	(9.63)	(8.12)	0.75
Pre tax profit / (loss) to capital %	63.69	3.54	(133.54)	(146.15)	(114.29)	32.32
Current ratio	1:0.89	1:0.75	1:0.71	1:0.79	1:0.84	1:0.92
Paid up value per share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Earnings/(Loss) after tax per share (Rs.)	1.97	(0.79)	(18.14)	(10.55)	(7.59)	0.84
Cash dividend %	4.00	-	-	-	-	-
Break up value per share (Rs.)	80.08	77.36	77.88	56.60	33.80	59.30

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of AN Textile Mills Limited (formerly Ishaq Textile Mills Limited)

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of AN Textile Mills Limited {formerly Ishaq Textile Mills Limited} (the Company) for the year ended 30 June 2019 in accordance with the requirements of Regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2019.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Paragraph Reference	Description
9	The Company has not made any arrangement to carry out orientation courses for their directors.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants
Faisalabad
Date: October 05, 2019.

INDEPENDENT AUDITOR'S REPORT

To the members of AN Textile Mills Limited (formerly Ishaq Textile Mills Limited)

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

<table>
<tr><th>Sr. No.</th><th>Key audit matters</th><th>How the matters were addressed in our audit</th></tr>
<tr><td>1.</td><td>Inventory existence and valuation

Inventories as at 30 June 2019 amounting to Rupees 465.935 million represented a material position in the statement of financial position, break up of which is as follows:

- Stores, spare parts and loose tools of Rupees 42.702 million

- Stock in trade of Rupees 423.233 million

The business is characterized by high volume serial production and the valuation and existence of inventories are significant to the business. Therefore, considered as one of the key audit matters.

Inventories are stated at lower of cost and net realizable value. Cost is determined as per accounting policy disclosed in Note 2.7 to the financial statements.

At year end, the valuation of inventories is reviewed by management and the cost of inventories is reduced where it is forecasted to be sold below cost.

Usable stores, spare parts and loose tools are valued at moving average cost, raw materials are valued at</td><td>Our procedures over existence and valuation of inventories included, but were not limited to:

• To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management.

• For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.

• We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice.

• On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any.

• In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents.
• We also made inquiries from management, including those outside of the finance function, and considered the</td></tr>
</table>

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	**Inventory existence and valuation**	
	weighted average cost whereas, costing of work-in-process and finished goods is considered to carry more significant risk as the cost of material, labor and manufacturing overheads is allocated on the basis of complex formulas and involves management judgment. The determination of whether inventories will be realized for a value less than cost requires management to exercise judgment and apply assumptions. Management undertakes the following procedures for determining the level of write down required: • Use inventory ageing reports together with historical trends to estimate the likely future salability of slow moving and older inventory items. • Perform a line-by-line analysis of remaining inventories to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognized, if required. For further information on inventories, refer to the following: - Summary of significant accounting policies, Inventories (Note 2.7 to the financial statements). - Stores, spare parts and loose tools (Note 16) and Stock in trade (Note 17) to the financial	results of our testing above to determine whether any specific write downs were required. • We also assessed the adequacy of the disclosures made in respect of the accounting policies and related notes to the financial statements.

<table>
<tr><th>Sr. No.</th><th>Key audit matters</th><th>How the matters were addressed in our audit</th></tr>
<tr><td>2.</td><td>Revenue recognition

The Company recognized net revenue of Rupees 1,885.310 million for the year ended 30 June 2019.

We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.

For further information, refer to the following:

- Summary of significant accounting policies, Revenue recognition (Note 2.18 to the financial statements).

- Revenue (Note 24 to the financial statements).</td><td>Our procedures included, but were not limited to:

• We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;

• We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents;

• We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period;

• We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers';

• We compared the detail of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation.

We also considered the appropriateness of disclosures in the financial statements.</td></tr>
</table>

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Liaqat Ali Panwar.

Riaz Ahmad & Co.

RIAZ AHMAD &COMPANY
Chartered Accountants
Faisalabad
Date: October 05, 2019.

AN TEXTILE MILLS LIMITED
(formerly Ishaq Textile Mills Limited)
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	NOTE	2019	2018
		(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10 000 000 (2018: 10 000 000) ordinary shares of Rupees 10 each		100,000	100,000
Issued, subscribed and paid up share capital	3	96,600	96,600
Directors' loans	4	360,000	360,000
Capital reserves			
Premium on issue of shares	5	17,250	17,250
Equity portion of shareholders' loans		44,778	44,778
Surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax	6	290,931	282,631
Accumulated loss		(35,954)	(53,970)
Total equity		773,605	747,289
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income tax liability	7	69,265	43,470
Staff retirement gratuity	8	18,274	12,144
Long term security deposit	9	4,000	4,000
		91,539	59,614
CURRENT LIABILITIES			
Trade and other payables	10	175,721	141,889
Unclaimed dividend		742	746
Accrued mark-up		15,083	8,221
Short term borrowings	11	526,495	388,244
Provision for taxation		22,636	17,364
		740,677	556,464
TOTAL LIABILITIES		832,216	616,078
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		1,605,821	1,363,367

	NOTE	2019	2018
		(RUPEES IN THOUSAND)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	828,706	821,059
Investment properties	14	115,554	120,381
Long term deposits and prepayments	15	3,834	3,813
		948,094	945,253
CURRENT ASSETS			
Stores, spare parts and loose tools	16	42,702	42,546
Stock in trade	17	423,233	189,654
Trade debts	18	31,678	68,642
Loans and advances	19	82,936	81,767
Short term deposits and prepayments	20	1,555	1,539
Other receivables	21	20,071	23,141
Short term investments	22	5,500	6,061
Cash and bank balances	23	50,052	4,764
		657,727	418,114
TOTAL ASSETS		1,605,821	1,363,367

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

AIZAD AMER
Chief Executive Officer

ANNS AMER
Director

Muhammad Saqib Ehsan
Chief Financial Officer

AN TEXTILE MILLS LIMITED
(formerly Ishaq Textile Mills Limited)
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019	2018
		(RUPEES IN THOUSAND)	
REVENUE	24	1,885,310	1,598,473
COST OF SALES	25	(1,747,080)	(1,537,855)
GROSS PROFIT		138,230	60,618
DISTRIBUTION COST	26	(2,111)	(2,945)
ADMINISTRATIVE EXPENSES	27	(42,969)	(35,376)
OTHER EXPENSES	28	(3,239)	(3,526)
OTHER INCOME	29	18,330	16,250
FINANCE COST	30	(46,714)	(31,604)
PROFIT BEFORE TAXATION		61,527	3,417
TAXATION	31	(42,507)	(11,020)
PROFIT / (LOSS) AFTER TAXATION		19,020	(7,603)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	32	1.97	(0.79)

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

AIZAD AMER	**ANNS AMER**	**Muhammad Saqib Ehsan**
Chief Executive Officer	**Director**	**Chief Financial Officer**

AN TEXTILE MILLS LIMITED
(formerly Ishaq Textile Mills Limited)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	(RUPEES IN THOUSAND)	
PROFIT / (LOSS) AFTER TAXATION	19,020	(7,603)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of staff retirement gratuity	380	1,322
Deferred income tax related to remeasurements	(110)	(383)
	270	939
Surplus on revaluation of property, plant and equipment	19,869	-
Related deferred tax liability	(5,762)	-
	14,107	-
	14,377	939
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year - net of deferred income tax	14,377	939
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	33,397	(6,664)

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

AIZAD AMER
Chief Executive Officer

ANNS AMER
Director

Muhammad Saqib Ehsan
Chief Financial Officer

AN TEXTILE MILLS LIMITED
(formerly Ishaq Textile Mills Limited)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	SHARE CAPITAL	DIRECTORS' LOANS	RESERVES – CAPITAL RESERVES: Premium on issue of shares	Equity portion of shareholders' loans	Surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax	Sub total	Accumulated loss	TOTAL EQUITY
	(RUPEES IN THOUSAND)							
Balance as at 30 June 2017	96,600	360,000	17,250	44,778	287,053	349,081	(53,322)	752,359
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(5,998)	(5,998)	5,998	-
Impact of change in deferred income tax rate	-	-	-	-	1,594	1,594	-	1,594
Surplus transferred to accumulated loss on account of disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	(18)	(18)	18	-
Loss for the year	-	-	-	-	-	-	(7,603)	(7,603)
Other comprehensive income for the year	-	-	-	-	-	-	939	939
Total comprehensive loss for the year	-	-	-	-	-	-	(6,664)	(6,664)
Balance as at 30 June 2018	96,600	360,000	17,250	44,778	282,631	344,659	(53,970)	747,289
Adjustment on adoption of IFRS 9 (Note 2.13)	-	-	-	-	-	-	(7,081)	(7,081)
Adjusted total equity as on 01 July 2018	96,600	360,000	17,250	44,778	282,631	344,659	(61,051)	740,208
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(5,807)	(5,807)	5,807	-
Profit for the year	-	-	-	-	-	-	19,020	19,020
Other comprehensive income for the year	-	-	-	-	14,107	14,107	270	14,377
Total comprehensive income for the year	-	-	-	-	14,107	14,107	19,290	33,397
Balance as at 30 June 2019	96,600	360,000	17,250	44,778	290,931	352,959	(35,954)	773,605

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

AIZAD AMER
Chief Executive Officer

ANNS AMER
Director

Muhammad Saqib Ehsan
Chief Financial Officer

AN TEXTILE MILLS LIMITED
(formerly Ishaq Textile Mills Limited)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019	2018
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	33	(9,254)	12,918
Finance cost paid		(39,852)	(29,435)
Income tax paid		(21,646)	(16,968)
Staff retirement gratuity paid		(3,296)	(3,753)
Dividend paid		(4)	(2)
Net increase in long term deposits and prepayments		(21)	(13)
NET CASH USED IN OPERATING ACTIVITIES		(74,073)	(37,253)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(19,149)	(37,969)
Proceeds from sale of property, plant and equipment		138	1,594
Profit on long term investments received		121	230
NET CASH USED IN INVESTING ACTIVITIES		(18,890)	(36,145)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		138,251	62,433
NET CASH FROM FINANCING ACTIVITIES		138,251	62,433
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		45,288	(10,965)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		4,764	15,729
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 23)		50,052	4,764

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

AIZAD AMER	ANNS AMER	Muhammad Saqib Ehsan
Chief Executive Officer	Director	Chief Financial Officer

AN TEXTILE MILLS LIMITED
(formerly Ishaq Textile Mills Limited)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. THE COMPANY AND ITS OPERATIONS

AN Textile Mills Limited {formerly Ishaq Textile Mills Limited} (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and its share are quoted on Pakistan Stock Exchange Limited. Its registered office and mills premises are situated at 35 Kilometers Sheikhupura Road, Faisalabad. The principal activity of the Company is manufacturing, sale and trading of yarn and cloth. The Company has changed its name from Ishaq Textile Mills Limited to AN Textile Mills Limited on 12 April 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

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

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

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

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

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except for the recognition of staff retirement gratuity at present value and certain operating fixed assets and investment properties which are carried at their fair value.

c) Critical accounting estimates and judgments

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

Useful lives, patterns of economic benefits and impairments

The estimates for revalued amounts, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Income tax

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

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, based on the Company's experience of actual credit loss in past years.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Staff retirement gratuity

Certain actuarial assumptions have been adopted as disclosed in Note 8 to the financial statements for determination of present value of staff retirement gratuity. Any change in these assumptions in future years might affect the current and remeasurement gains and losses in those years.

d) Standards, interpretation and amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following standards, interpretation and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2018:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers'
- IFRS 15 (Amendments), 'Revenue from Contracts with Customers'
- IAS 40 (Amendments), 'Investment Property'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
- Annual Improvements to IFRSs: 2014 – 2016 Cycle

The Company had to change its accounting policies and make certain adjustments without restating prior year results following the adoption of IFRS 9. These are disclosed in Note 2.13. Most of the other amendments listed above except for IFRS 9 and IFRS 15 (as disclosed in Note 2.14) did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

e) Standards, interpretation and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, interpretation and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2019 or later periods:

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases–Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard in the Company's financial statements.

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

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the 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'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

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

IAS 19 (Amendments), 'Employee Benefits' - Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period, and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.

On 12 December 2017, IASB issued Annual Improvements to IFRSs: 2015 – 2017 Cycle, incorporating amendments to four IFRSs more specifically in IAS 12 'Income Taxes', relevant to the Company. The amendments are effective for annual periods beginning on or after 01 January 2019. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 29 March 2018, the IASB has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits–this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, de-recognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRSs. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 01 January 2020 for preparers that develop an accounting policy based on the Framework.

f) Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2019 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Property, plant, equipment and depreciation

All operating fixed assets except freehold land are stated at cost less accumulated depreciation and any identified impairment loss, except those subject to revaluation which are stated at revalued amount less accumulated depreciation and any identified impairment loss. Capital work-in-progress is stated at cost less any recognized impairment loss. Freehold land is stated at revalued amount less any identified impairment loss. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the construction / erection period of qualifying assets and other directly attributable costs of bringing the asset to working condition.

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

Subsequent costs are included in the 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 the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss during the period in which they are incurred.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying

Depreciation

Depreciation on property, plant and equipment is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 13.1. The Company charges the depreciation on additions from the month when the asset is available for use and on deletions up to the month preceding the disposal when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is de-recognized.

2.3 Investment properties

Land and buildings held to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is included in the statement of profit or loss for the year in which it arises.

2.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted 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 impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.5 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.6 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset.

2.7 Inventories

Inventories, except for stock in transit and waste stock, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. In transit stores, spare parts and loose tools are valued at invoice amount plus other charges paid thereon.

Stock-in-trade

Cost of raw materials, work-in-process and finished goods is determined as follows:

(i) For raw materials:	Weighted average cost.
(ii) For work-in-process and finished goods:	Average manufacturing cost including a portion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock is valued at net realizable value.

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

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.9 Staff retirement benefit

The Company operates defined benefit plan - unfunded gratuity scheme for its permanent employees, who have completed the minimum qualifying period of service as defined under the scheme. The liabilities relating to defined benefit plan are determined through actuarial valuation using the Projected Unit Credit Method. Latest actuarial valuation has been carried on 30 June 2019. The method involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of the benefit, such estimates are subject to certain uncertainties. Significant assumptions used to carry out the actuarial valuation have been disclosed in Note 8.5 to these financial statements.

Remeasurements changes which comprise actuarial gains and losses are recognized immediately in other comprehensive income.

2.10 Provisions

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

2.11 Taxation

Current

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

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.12 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.13 IFRS 9 'Financial Instruments'

The Company has adopted IFRS 9 "Financial Instruments" from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt instrument shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an 'Expected Credit Loss' ('ECL') model to recognize an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measure expected credit losses using a lifetime expected loss allowance is available.

The Company has adopted IFRS 9 without restating the prior year results. Key changes in accounting policies resulting from application of IFRS 9 are as follows:

i) Recognition of financial instruments

The Company initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, Fair Value Through Profit or Loss (FVTPL), available for sale and held to maturity with the categories such as amortized cost, FVTPL and Fair Value Through Other Comprehensive Income (FVTOCI).

Investments and other financial assets

a) Classification

From 01 July 2018, the Company classifies its financial assets at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining wether their cash flows are solely payments of principal and interest. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments at amortized cost. Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses).

Financial liabilities

Classification and measurement

The adoption of IFRS 9 did not have a signi?cant effect on the Company's accounting policies related to ?nancial liabilities, and therefore no change in the classification and measurement of financial liabilities.

iii) Impairment of financial assets

From 01 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv) De-recognition

a) Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expired.

v) Offsetting of financial instruments

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

vi) Impacts of adoption of IFRS 9 on these financial statements as on 01 July 2018

On 01 July 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets (01 July 2018)

	Held to maturity	Loans and receivables	Amortized cost
	(RUPEES IN THOUSAND)		
Opening balance	6,061	81,310	-
Adjustments due to adoption of IFRS 9:			
Adjustment on adoption of IFRS 9 by reclassifying financial instruments designated as 'Loans and Receivables' and 'Held-to-Maturity' to 'Amortized Cost'	(6,061)	(81,310)	87,371
Recognition of expected life time credit losses on trade debts	-	-	(7,081)
Opening balance (after reclassification)	-	-	80,290

The impact of these changes on the Company's accumulated loss and equity is as follows:

	Effect on accumulated loss	Effect on total equity
	(RUPEES IN THOUSAND)	
Opening balance (before classification)	(53,970)	747,289
Adjustment on adoption of IFRS 9 due to recognition of expected life time credit losses on trade debts	(7,081)	(7,081)
Opening balance (after reclassification)	(61,051)	740,208

2.14 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

2.15 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts overdue by 365 days.

The Company has applied the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.16 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.17 Functional and presentation currency along with foreign currency transactions and translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.18 Revenue from contracts with customers

The Company has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. These are further elaborated hereunder:

i) Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved.

Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental Income

Revenue from rental income is recognized when rent is accrued.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iii) Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

iv) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

v) Impacts of adoption of IFRS 15 on these financial statements as on 01 July 2018

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results. However, the application of IFRS 15 does not have any impact on the revenue recognition policy of the Company and therefore, the cumulative effect of initially applying this standard as an adjustment to the opening balance of accumulated loss in the year of initial application is Rupees Nil.

2.19 Earnings / (loss) per share

The Company presents Earnings Per Share (EPS) or Loss Per Share (LPS) data for its ordinary shares. EPS / (LPS) 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.

2.20 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.21 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2019	2018		2019	2018
(NUMBER OF SHARES)			(RUPEES IN THOUSAND)	
9 060 000	9 060 000	Ordinary shares of Rupees 10 each fully paid in cash	90,600	90,600
600 000	600 000	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	6,000	6,000
9 660 000	9 660 000		96,600	96,600

4. DIRECTORS' LOANS

These loans are interest free and payable at the discretion of the Company.

5. PREMIUM ON ISSUE OF SHARES

This reserve can be utilized by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

6. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES - NET OF DEFERRED INCOME TAX

Property, plant and equipment (Note 6.1)	218,845	203,362
Investment properties (Note 6.2)	72,086	79,269
	290,931	282,631

	2019	2018
	(RUPEES IN THOUSAND)	

6.1 Property, plant and equipment

	2019	2018
Balance as at 01 July	203,362	214,974
Add:		
Surplus arising on revaluation during the year - net of deferred income tax	14,107	-
Impact of change in deferred income tax rate	-	1,594
Surplus related to investment properties - net of deferred income tax	7,183	-
	224,652	216,568
Transferred to accumulated loss in respect of incremental depreciation charged during the year - net of deferred income tax	(5,807)	(5,998)
Adjustment of surplus on sale of plant and machinery - net of deferred income tax	-	(18)
Surplus related to investment properties - net of deferred income tax	-	(7,190)
	(5,807)	(13,206)
	218,845	203,362

6.1.1 Freehold land, buildings thereon, plant and machinery, electric installations / appliances, generators and laboratory equipment of the Company were revalued by an independent valuer, Messers Zafar Iqbal and Company on 29 June 2019 on the basis of prevailing market prices. Previously these assets were revalued by independent valuers on 30 September 2001, 01 July 2003, 10 April 2007, 28 June 2013 and 30 June 2016.

6.2 Investment Properties

	2019	2018
Balance as at 01 July	79,269	72,079
Surplus related to investment properties - net of deferred income tax	-	7,190
	79,269	79,269
Surplus related to investment properties - net of deferred income tax	(7,183)	-
Balance as at 30 June	72,086	79,269

7. DEFERRED INCOME TAX LIABILITY

This comprises the following:

	2019	2018
Taxable temporary difference		
Accelerated tax depreciation	167,853	151,754
Deductible temporary differences		
Staff retirement gratuity	(5,300)	(3,522)
Accumulated tax losses	(73,124)	(76,690)
Allowance for expected credit losses	(2,053)	-
Minimum tax	(18,111)	(28,072)
	(98,588)	(108,284)
	69,265	43,470

8. STAFF RETIREMENT GRATUITY

The amount included in the statement of financial position is as follows:

	2019	2018
Present value of defined benefit obligation	18,274	12,144

8.1 Movement in present value of defined benefit obligation

	2019	2018
Balance as at 01 July	12,144	8,950
Provision for the year (Note 8.3)	9,806	8,269
Retirement benefit paid	(3,296)	(3,753)
Remeasurements chargeable to other comprehensive income (Note 8.4)	(380)	(1,322)
Balance as at 30 June	18,274	12,144

		2019	2018
		(RUPEES IN THOUSAND)	
8.2	**Reconciliation of the movements in the net liability recognized in the statement of financial position**		
	Opening balance	12,144	8,950
	Add: Provision for the year (Note 8.3)	9,806	8,269
	Experience adjustment recognized in other comprehensive income (Note 8.4)	(380)	(1,322)
		21,570	15,897
	Less: Paid during the year	(3,296)	(3,753)
		18,274	12,144
8.3	**Provision for the year**		
	Current service cost	8,861	7,721
	Interest cost	945	548
		9,806	8,269
8.4	**Remeasurements chargeable to other comprehensive income**		
	Actuarial gain from changes in financial assumptions	45	7
	Experience adjustments	(425)	(1,329)
		(380)	(1,322)

		2019	2018
8.5	**Principal actuarial assumptions used**		
	Discount rate for interest cost in the statement of profit and loss charge (per annum)	9.00%	7.75%
	Discount rate for year end obligation (per annum)	14.25%	9.00%
	Expected rate of increase in salaries (% per annum)	13.25%	8.00%
	Average duration of the benefit	5	5
	Mortality rates	SLIC 2001-05 set back 1 year	SLIC 2001-05 set back 1 year
	Withdrawal rate	Age based	Age based
	Retirement assumption	Age 60	Age 60

8.6 The estimated expenses to be charged to the statement of profit or loss for the year ending on 30 June 2020 is Rupees 13.219 million.

8.7 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation as at reporting date to changes in the weighted principal assumption is:

	2019	2018
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(870)	(583)
Decrease in assumption (Rupees in thousand)	980	661
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	980	661
Decrease in assumption (Rupees in thousand)	(884)	(593)

8.8 Amounts for the current and previous four years:

	2019	2018	2017	2016	2015
	RUPEES IN THOUSAND				
Present value of defined benefit obligation	18,274	12,144	8,950	8,007	1,174
Remeasurements on defined benefit obligation	(380)	1,322	374	-	-

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit plan to significant actuarial assumptions, the same method (present value of the defined benefit plan calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year, except for certain changes as given in Note 8.5.

8.9 Risk associated with the scheme

a) Final salary risk

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit in calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

b) Demographic risks

Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

9. LONG TERM SECURITY DEPOSIT

This represents security deposit received from Masood Textile Mills Limited (MTM) against lease of investment properties of the Company. This amount is being utilized by the Company in accordance with the written agreement between MTM and the Company in terms of section 217 of the Companies Act, 2017.

10. TRADE AND OTHER PAYABLES

	2019 (RUPEES IN THOUSAND)	2018
Creditors (Note 10.1)	123,732	79,372
Accrued liabilities	45,635	38,347
Advances from customers	2,438	22,318
Income tax deducted at source	677	1,672
Workers' profit participation fund (Note 10.2)	3,239	180
	175,721	141,889

10.1 These include Rupees 14.081 million (2018: Rupees 11.722 million) due to Blue Moon Filling Station, a related party.

10.2 Workers' profit participation fund

	2019	2018
Balance as on 01 July	180	-
Interest for the year (Note 30)	11	-
Provision for the year (Note 28)	3,239	180
	3,430	180
Less: Payments during the year	191	-
Balance as on 30 June	3,239	180

10.2.1 Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

11. SHORT TERM BORROWINGS

	2019	2018
From banking companies - secured		
Running and cash finances (Note 11.1)	505,792	369,041
Others - unsecured		
Other related parties (Note 11.2)	20,703	19,203
	526,495	388,244

11.1 These finances are obtained from banking companies under mark-up arrangements and are secured against hypothecation of stocks and further secured against the pledge of cotton, polyester and yarn. These form part of total credit facility of Rupees 877 million (2018: Rupees 850 million). The rates of mark-up range from 6.00% to 12.99% (2018: 6.00% to 10.15%) per annum on the balance outstanding.

11.2 These represent interest free loans obtained from directors of the Company which are repayable on demand.

12. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) The Company is contingently liable for Rupees 3.000 million (2018: Rupees 3.000 million) to Director Excise and Taxation on account of import duty.

ii) Guarantees of Rupees 32.273 million (2018: Rupees 26.888 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections and Faisalabad Electric Supply Company Limited (FESCO) against electricity connection.

iii) An appeal has been filed by the Company before Appellate Tribunal Inland Revenue, Lahore dated 07 June 2017 against the demand of Rupees 22.378 million (2018: Rupees 22.378 million) by the tax department regarding disallowance of minimum tax adjustment for the tax year 2011. The Appellate Tribunal Inland Revenue disposed the appeal. Then the department filed a reference before the Lahore High Court, Lahore aganist this order. The related provision is not made in these financial statements in view of favorable outcome of the appeal.

iv) The Company has filed appeals in Islamabad High Court, Islamabad, dated 29 August 2016 and in Lahore High Court, Lahore, dated 10 August 2017 against the charge of Gas Infrastructure Development Cess (GIDC) and Re-Gasified Liquefied Natural Gas (RLNG) respectively, charged by SNGPL. The related provision of Rupees 38.329 million (2017: Rupees 21.249 million) and Rupees 12.224 million (2017: Rupees 8.478 million) is not accounted for in these financial statements in view of favorable outcome of the appeals.

v) An appeal has been filed by the Company before Appellate Tribunal Inland Revenue, Lahore dated 16 April 2019, against the order of Additional Commissioner Inland Revenue (Appeals) dated 14 November 2018, for demand of Rupees 14.663 million by the tax department regarding disallowance of withholding taxes as adopted in income tax return for the tax year 2016. The related provision is not made in these financial statements in view of favorable outcome of the appeal.

vi) The Company filed appeal before Appellate Tribunal Inland Revenue, Lahore as on 21 March 2019 against the order of Additional Commissioner Inland Revenue for demand of Rupees 114.118 million by the tax department by nullifying the proration of the income between FTR and NTR as adopted by the Company for the tax year 2014. The related provision is not made in these financial statements in view of favorable outcome of the appeal.

vii) An appeal has been filed by the Regional Tax Office (RTO) Faisalabad before Appellate Tribunal Inland Revenue, Lahore in March 2019 because Additional Commissioner Inland Revenue amended the assessment for the tax year 2007 and created a demand of Rupees 5.766 million on the issue of proration of expenses and prorated the specific expenses related to normal tax regime to final tax regime. The related provision is not made in these financial statements in view of favorable outcome of the appeal.

viii) An appeal has been filed by the Company before Appelate Tribunal Inland Revenue, Lahore for the tax year 2017 involving a demand of Rupees 8.966 million on 26 October 2018. The original order was issued by the Assistant Commissioner Inland Revenue for non-deduction of withholding tax on certain parties under various clauses of section 153 of the Income Tax Ordinance, 2001. The related provision is not made in these financial statements in view of favorable outcome of the appeal.

b) Commitments

i) There was no capital commitment as at 30 June 2019 (2018: Rupees Nil).

ii) Letters of credit / contracts for other than capital expenditure were of Rupees 14.376 million (2018: Rupees 28.167 million).

13. PROPERTY, PLANT AND EQUIPMENT

	2019	2018
	(RUPEES IN THOUSAND)	
Operating fixed assets (Note 13.1)	828,706	818,372
Capital work-in-progress (Note 13.2)	-	2,687
	828,706	821,059

13.1 OPERATING FIXED ASSETS

	Freehold land	Buildings on freehold land		Plant and machinery	Electric installations / appliances	Factory equipment	Generators	Laboratory equipment	Furniture , fixtures	Office equipment	Computers	Vehicles	Total
		Mills	Other										
	(RUPEES IN THOUSAND)												
At 30 June 2017													
Cost / revalued amount	88,165	171,563	57,270	910,543	28,763	1,708	105,692	12,860	3,901	3,444	3,854	32,985	1,420,748
Accumulated depreciation	-	(52,971)	(13,435)	(414,734)	(13,509)	(1,381)	(57,373)	(4,785)	(2,693)	(2,667)	(3,642)	(16,576)	(583,766)
Net book value	88,165	118,592	43,835	495,809	15,254	327	48,319	8,075	1,208	777	212	16,409	836,982
Year ended 30 June 2018													
Opening net book value	88,165	118,592	43,835	495,809	15,254	327	48,319	8,075	1,208	777	212	16,409	836,982
Additions	-	5,202	-	26,170	423	-	-	100	-	-	101	3,286	35,282
Transferred to investment properties													
Cost / revalued amount	-	(21,527)	-	-	-	-	-	-	-	-	-	-	(21,527)
Accumulated depreciation	-	9,966	-	-	-	-	-	-	-	-	-	-	9,966
	-	(11,561)	-	-	-	-	-	-	-	-	-	-	(11,561)
Disposals:													
Cost / revalued amount	-	-	-	(1,833)	-	-	-	-	-	-	-	(1,210)	(3,043)
Accumulated depreciation	-	-	-	954	-	-	-	-	-	-	-	474	1,428
	-	-	-	(879)	-	-	-	-	-	-	-	(736)	(1,615)
Depreciation charge	-	(5,552)	(2,192)	(25,392)	(764)	(33)	(2,416)	(405)	(121)	(78)	(82)	(3,681)	(40,716)
Closing net book value	88,165	106,681	41,643	495,708	14,913	294	45,903	7,770	1,087	699	231	15,278	818,372
At 30 June 2018													
Cost / revalued amount	88,165	155,238	57,270	934,880	29,186	1,708	105,692	12,960	3,901	3,444	3,955	35,061	1,431,460
Accumulated depreciation	-	(48,557)	(15,627)	(439,172)	(14,273)	(1,414)	(59,789)	(5,190)	(2,814)	(2,745)	(3,724)	(19,783)	(613,088)
Net book value	88,165	106,681	41,643	495,708	14,913	294	45,903	7,770	1,087	699	231	15,278	818,372
Year ended 30 June 2019													
Opening net book value	88,165	106,681	41,643	495,708	14,913	294	45,903	7,770	1,087	699	231	15,278	818,372
Additions	-	-	-	17,254	1,291	60	-	-	110	-	-	3,121	21,836
Transferred from investment properties	1,650	7,273	-	-	-	-	-	-	-	-	-	-	8,923
Effect of surplus on revaluation	1,786	10,487	4,053	476	57	-	2,392	618	-	-	-	-	19,869
Disposals:													
Cost	-	-	-	-	-	-	-	-	-	-	-	(141)	(141)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	52	52
	-	-	-	-	-	-	-	-	-	-	-	(89)	(89)
Depreciation charge	-	(5,425)	(2,082)	(25,336)	(761)	(32)	(2,295)	(389)	(117)	(70)	(69)	(3,629)	(40,205)
Closing net book value	91,601	119,016	43,614	488,102	15,500	322	46,000	7,999	1,080	629	162	14,681	828,706
At 30 June 2019													
Cost / revalued amount	91,601	172,998	61,323	952,610	30,534	1,768	108,084	13,578	4,011	3,444	3,955	38,041	1,481,947
Accumulated depreciation	-	(53,982)	(17,709)	(464,508)	(15,034)	(1,446)	(62,084)	(5,579)	(2,931)	(2,815)	(3,793)	(23,360)	(653,241)
Net book value	91,601	119,016	43,614	488,102	15,500	322	46,000	7,999	1,080	629	162	14,681	828,706
Annual rate of depreciation (%)	-	5	5	5	5	10	5	5	10	10	30	20	

13.1.1 The forced sale value of the revalued property, plant and equipment as per the last revaluation carried out on 29 June 2019 was Rupees 648.502 million.

13.1.2 Depreciation charge for the year has been allocated as follows:

	2019	2018
	(RUPEES IN THOUSAND)	
Cost of sales (Note 25)	36,320	36,754
Administrative expenses (Note 27)	3,885	3,962
	40,205	40,716

13.1.3 Particulars of immovable properties (i.e. land and buildings) are as follows:

Particulars	Address	Area	Covered area
		Kanals	Sq ft.
Manufacturing facility and Head Office	35-Kilometers, Sheikhupura Road, Faisalabad	91.60	232 309

13.1.4 Had there been no revaluation, cost, accumulated depreciation and book value of the revalued assets would have been as follows:

	Cost	Accumulated depreciation	Net book value
	(RUPEES IN THOUSAND)		
Freehold land	1,266	-	1,266
Buildings on freehold land:			
Mills	60,513	38,483	22,030
Other	13,641	8,033	5,608
Plant and machinery	1,018,762	544,302	474,460
Electric installations / appliances	23,488	13,679	9,809
Generators	82,044	56,584	25,460
Laboratory equipment	11,533	6,904	4,629
2019	1,211,247	667,985	543,262
2018	1,190,962	640,979	549,983

	2019	2018
	(RUPEES IN THOUSAND)	
13.2 Capital work-in-progress		
Advance against vehicle	-	2,687

14. INVESTMENT PROPERTIES

	2019	2018
Opening net book value transferred from property, plant and equipment	120,381	105,979
Transferred from property, plant and equipment	-	11,561
	120,381	117,540
Transferred to property, plant and equipment	(8,923)	-
	111,458	117,540
Fair value gain transferred to the statement of profit or loss on remeasurement of investment properties at the year end	3,890	-
Fair value gain transferred to the statement of profit or loss on remeasurement of investment properties at the time of transfer to property, plant and equipment	206	-
	4,096	2,841
	115,554	120,381

14.1 During the year, the Company transferred some of its freehold land and buildings thereon, given on lease, from investment properties to property, plant and equipment using fair value model. Latest fair value of the remaining investment properties has been determined on 29 June 2019 by Messrs Zafar Iqbal and Company, an independent valuer. No expenses directly related to investment properties were incurred during the year.

14.2 Forced sales value of investment properties is Rupees 98.221 million (2018: Rupees 102.324 million).

14.3 Particulars of investment properties are as follows:

Particulars	Location	Area	Covered Area
		Kanals	Sq ft.
Land and buildings	35-Kilometers Sheikhupura Road, Faisalabad	34.35	105 075

		2019	2018
		(RUPEES IN THOUSAND)	
15.	**LONG TERM DEPOSITS AND PREPAYMENTS**		
	Long term deposits	3,736	3,726
	Long term prepayments	340	272
		4,076	3,998
	Less: Current portion shown under current assets (Note 20)	242	185
		3,834	3,813
16.	**STORES, SPARE PARTS AND LOOSE TOOLS**		
	Stores (Note 16.1)	13,577	15,109
	Spare parts	28,957	27,269
	Loose tools	168	168
		42,702	42,546

16.1 These include stores in transit of Rupees 1.110 million (2018: Rupees 4.082 million).

		2019	2018
17.	**STOCK IN TRADE**		
	Raw materials (Note 17.1)	395,599	157,677
	Work-in-process	19,574	14,542
	Finished goods	4,682	15,149
	Waste	3,378	2,286
		423,233	189,654

17.1 Raw materials include stock in transit of Rupees 37.667 million (2018: Rupees Nil).

		2019	2018
18.	**TRADE DEBTS**		
	Considered good:		
	Unsecured - Others (Note 18.1)	38,759	68,642
	Less: Allowance for expected credit losses (Note 18.2)	7,081	-
		31,678	68,642

18.1 As at 30 June 2019, trade debts of Rupees 31.432 million (2018: Rupees 55.048 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2019	2018
Upto 1 month	17,729	10,980
1 to 6 months	13,057	13,985
More than 6 months	646	30,083
	31,432	55,048

18.2 Allowance for expected credit losses

	2019	2018
Opening balance	-	-
Add: Recognized as on 01 July 2018	7,081	-
Closing balance	7,081	-

	2019	2018
	(RUPEES IN THOUSAND)	
19. LOANS AND ADVANCES		
Considered good:		
Employees - interest free:		
Against salary (19.1)	859	761
Against expenses		
Executive	200	200
Other employees	128	88
	328	288
	1,187	1,049
Advances to suppliers / service providers	5,139	8,402
Letters of credit	61	101
Income tax	76,549	72,215
	82,936	81,767

19.1 These represent interest free loans given to employees for meeting their personal expenditure and are secured against balance to the credit of employees in the staff retirement gratuity. These are recoverable in equal monthly installments.

20. SHORT TERM DEPOSITS AND PREPAYMENTS

	2019	2018
Deposits	1,313	1,313
Prepayments	-	41
Current portion of long term deposits and prepayments (Note 15)	242	185
	1,555	1,539

21. OTHER RECEIVABLES

	2019	2018
Considered good:		
Export rebate and claims	1,161	1,161
Sales tax and special excise duty refundable	15,234	19,876
Miscellaneous	3,676	2,104
	20,071	23,141

22. SHORT TERM INVESTMENTS

	2019	2018
At amortized cost		
Term Deposit Receipt (Note 22.1)	5,500	-
Current portion of long term investments	-	6,061
	5,500	6,061

22.1 This represents term deposit receipt made with National Bank of Pakistan having maturity period of 6 months. Rate of profit is 7.10 percent per annum (2018: Nil).

		2019	2018
		(RUPEES IN THOUSAND)	
23.	**CASH AND BANK BALANCES**		
	With banks:		
	On current accounts	49,319	4,422
	Cash in hand	733	342
		50,052	4,764
24.	**REVENUE**		
	Sales	1,819,285	1,555,223
	Waste	81,384	53,891
		1,900,669	1,609,114
	Less: Sales tax	15,359	10,641
		1,885,310	1,598,473
25.	**COST OF SALES**		
	Raw materials consumed (Note 25.1)	1,180,684	951,552
	Cost of raw materials sold	10,658	73,572
	Loading and unloading charges	3,309	3,086
	Salaries, wages and other benefits	165,942	138,345
	Staff retirement benefit	7,924	6,842
	Stores, spare parts and loose tools consumed	44,928	46,923
	Packing materials consumed	25,609	27,774
	Repair and maintenance	2,057	1,581
	Fuel and power	262,209	235,184
	Insurance	2,487	3,038
	Other factory overheads	610	3,051
	Depreciation (Note 13.1.2)	36,320	36,754
		1,742,737	1,527,702
	Work-in-process		
	Opening stock	14,542	2,906
	Closing stock	(19,574)	(14,542)
		(5,032)	(11,636)
	Cost of goods manufactured	1,737,705	1,516,066
	Finished goods		
	Opening stock	17,435	39,224
	Closing stock	(8,060)	(17,435)
		9,375	21,789
		1,747,080	1,537,855
25.1	**Raw materials consumed**		
	Opening stock	157,677	104,089
	Add: Purchased during the year	1,418,606	1,005,140
		1,576,283	1,109,229
	Less: Closing stock	395,599	157,677
		1,180,684	951,552

		2019	2018
		(RUPEES IN THOUSAND)	
26.	**DISTRIBUTION COST**		
	Salaries and other benefits	567	1,080
	Staff retirement benefit	63	120
	Outward freight and handling	485	840
	Commission to selling agents	996	905
		2,111	2,945
27.	**ADMINISTRATIVE EXPENSES**		
	Salaries and other benefits	15,825	13,083
	Staff retirement benefit	1,819	1,307
	Rent, rates and taxes	450	562
	Insurance	1,498	801
	Travelling and conveyance	2,451	1,986
	Vehicles' running	5,286	3,994
	Entertainment	1,686	1,271
	Auditor's remuneration (Note 27.1)	725	595
	Advertisement	154	217
	Postage and telephone	1,275	1,169
	Utilities	2,871	2,086
	Printing and stationery	306	353
	Repair and maintenance	1,099	779
	Fee and subscription	1,245	1,898
	Legal and professional	755	170
	Miscellaneous	1,639	1,143
	Depreciation (Note 13.1.2)	3,885	3,962
		42,969	35,376
27.1	**Auditor's remuneration:**		
	Audit fee	600	500
	Half yearly review	75	75
	Other certification	50	20
		725	575
28.	**OTHER EXPENSES**		
	Net exchange loss	-	2,666
	Loss on sale of property, plant and equipment	-	21
	Trade debts written off	-	659
	Workers' profit participation fund (Note 10.2)	3,239	180
		3,239	3,526
29.	**OTHER INCOME**		
	Income from financial assets		
	Interest / profit on investments	389	500
	Income from non-financial assets		
	Gain on sale of property, plant and equipment	49	-
	Scrap sales	-	60
	Rental income	13,796	12,747
	Gain on remeasurement of investment properties (Note 14)	4,096	2,841
	Others	-	102
		17,941	15,750
		18,330	16,250

	2019	2018
	(RUPEES IN THOUSAND)	

30. FINANCE COST

	2019	2018
Mark-up on short term borrowings	45,256	29,649
Bank charges and commission	1,447	1,955
Interest on workers' profit participation fund (Note 10.2)	11	-
	46,714	31,604

31. TAXATION

	2019	2018
Charge for the year:		
Current (Note 31.1)	22,636	17,364
Prior year adjustment	(52)	(108)
Deferred	19,923	(6,236)
	42,507	11,020

31.1 Provision for current taxation represents minimum tax on local sales under section 113 of the Income Tax Ordinance, 2001 adjusted by tax credit allowable as at 30 June 2019. The Company has accumulated tax losses of Rupees 252.150 million including unabsorbed depreciation as at 30 June 2019 (2018: Rupees 264.447 million). Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of accumulated tax losses of the Company.

31.2 Under Section 5A of the Income Tax Ordinance, 2001, a tax shall be imposed at the rate of 5% of accounting profit before tax of the Company if it does not distribute at least 20% of its after tax profit for the year within six months of the end of the year ended 30 June 2019 through cash. The requisite cash dividend has been proposed by the Board of Directors of the Company in their meeting held on October 05, 2019 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

32. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basis earnings / (loss) per share which is based on:

		2019	2018
Profit / (loss) for the year after taxation	(Rupees in thousand)	19,020	(7,603)
Weighted average number of ordinary shares	(Numbers)	9 660 000	9 660 000
Earnings / (loss) per share	(Rupees)	1.97	(0.79)

	2019	2018
	(RUPEES IN THOUSAND)	

33. CASH (USED IN) / GENERATED FROM OPERATIONS

	2019	2018
Profit before taxation	61,527	3,417
Adjustments for non-cash charges and other items:		
Depreciation	40,205	40,716
(Gain) / loss on sale of property, plant and equipment	(49)	21
Provision for staff retirement gratuity	9,806	8,269
Gain on remeasurement of investment properties	(4,096)	(2,841)
Interest / profit on long term investments	(52)	(500)
Trade debts written off	-	659
Finance cost	46,714	31,604
Allowance for expected credit losses		
Working capital changes (Note 33.1)	(163,309)	(68,427)
	(9,254)	12,918

33.1 Working capital changes

	2019	2018
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(156)	(5,941)
Stock in trade	(233,579)	(43,435)
Trade debts	29,883	(17,684)
Loans and advances	3,165	(4,727)
Short term deposits and prepayments	(16)	892
Other receivables	3,562	1,015
	(197,141)	(69,880)
Increase in trade and other payables	33,832	1,453
	(163,309)	(68,427)

33.2 Reconciliation of movement of liability to cash flows from financing activity:

	Short term borrowings (RUPEES IN THOUSAND
Balance as at 01 July 2018	388,244
Short term borrowings - net	138,251
Balance as at 30 June 2019	526,495

34. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements for remuneration including all benefits to Chief Executive Officer, Directors and Executive of the Company is as follows:

	Executive	
	2019	2018
Managerial remuneration	1,400	1,149
Allowances		
House rent	696	569
Utilities	4	5
	2,100	1,723
Number of persons	1	1

34.1 Chief Executive Officer and some of the Directors and Executives of the Company are provided with free Company maintained vehicles.

34.2 Chief Executive Officer, Directors and some Executives are entitled to reimbursement of travelling expenses, electricity, gas and water bills.

34.3 No remuneration was paid to non-executive directors of the Company.

35. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertaking, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements is as follows:

Particulars	Basis of relationship	Nature of transaction	2019	2018
			(RUPEES IN THOUSAND)	
Associated undertaking				
Blue Moon Filling Station	Director of the Company is partner of the undertaking	Fuel purchased	2,359	2,454
Other related parties				
Short term borrowings	Directors of the Company	Loans obtained / (repaid)-net	1,500	(8,150)

35.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, Director and Executive is disclosed in Note 34.

36. NUMBER OF EMPLOYEES

	2019	2018
	(NUMBER OF PERSONS)	
Number of employees as on 30 June	582	503
Average number of employees during the year	663	606

37. PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning		**2019**	**2018**
100% plant capacity converted to 20s count based on 3 shifts per day for 1 095 shifts (2018: 1 095 shifts)	(Kgs.)	9 998 000	9 699 000
Actual production converted to 20s count based on 3 shifts per day for 1 080 shifts (2018: 1 080 shifts)	(Kgs.)	8 740 777	7 786 684

37.1 REASON FOR LOW PRODUCTION

Under utilization of available capacity is mainly due to periodical scheduled maintenance.

38. FINANCIAL RISK MANAGEMENT

38.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, investment of excess liquidity and use of non-derivative financial instruments.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company have no receivable / payable balance in foreign currency as at 30 June 2019.

(ii) Other price risk

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

(iii) Interest rate risk

This represents 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 interest rate risk arises from short term borrowings and short term investments. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.
At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	2019	2018
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial assets		
Long term investments	-	5,500
Short term investments	5,500	-
Floating rate instruments		
Financial liabilities		
Short term borrowings	505,792	369,041

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 or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit / (loss) after taxation for the year would have been Rupees 4.805 million (2018: Rupees 3.690 million) higher / lower mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amount of financial instruments outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2019	2018
	(RUPEES IN THOUSAND)	
Investments	5,500	6,061
Loans and advances	859	761
Deposits	5,049	5,039
Trade debts	31,678	68,642
Other receivables	3,676	2,104
Bank balances	49,319	4,422
	96,081	87,029

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate.

	Rating			2019	2018
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
Conventional Accounts					
National Bank of Pakistan	A-1+	AAA	VIS	-	42
Allied Bank Limited	A1+	AAA	PACRA	-	6
Askari Bank Limited	A1+	AA+	PACRA	-	3
Bank Alfalah Limited	A1+	AA+	PACRA	10	85
Habib Bank Limited	A-1+	AAA	VIS	8,722	1,092
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	20	1,522
MCB Bank Limited	A1+	AAA	PACRA	89	102
Soneri Bank Limited	A1+	AA -	PACRA	1	21
Bank Al-Habib Limited	A1+	AA+	PACRA	4	4
United Bank Limited	A-1+	AAA	VIS	-	15
JS Bank Limited	A1+	AA -	PACRA	-	154
Sindh Bank Limited	A-1	A+	VIS	9	9
Faysal Bank Limited	A1+	AA	PACRA	2	107
				8,857	3,162
Shariah Compliant Accounts					
Meezan Bank Limited	A-1+	AA+	VIS	39,956	1,246
AlBaraka Bank (Pakistan) Limited	A-1	A+	VIS	505	13
Bank Alfalah Limited	A1+	AA+	PACRA	1	1
				40,462	1,260
				49,319	4,422

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 18.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2019, the Company had Rupees 371.208 million (2018: Rupees 480.959 million) available borrowing limits from financial institutions and Rupees 50.052 million (2018: Rupees 4.764 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
	(RUPEES IN THOUSAND)					
Contractual maturities of financial liabilities as at 30 June 2019:						
Non-derivative financial liabilities:						
Trade and other payables	169,367	169,367	169,367	-	-	-
Unclaimed dividend	742	742	742	-	-	-
Accrued mark-up	15,083	15,083	15,083	-	-	-
Short term borrowings	526,495	564,354	564,354	-	-	-
	711,687	749,546	749,546	-	-	-
Contractual maturities of financial liabilities as at 30 June 2018:						
Non-derivative financial liabilities:						
Trade and other payables	117,719	117,719	117,719	-	-	-
Unclaimed dividend	746	746	746	-	-	-
Accrued mark-up	8,221	8,221	8,221	-	-	-
Short term borrowings	388,244	395,516	395,516	-	-	-
	514,930	522,202	522,202	-	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in Note 11 to these financial statements.

38.2 Financial instruments by categories

	At amortized cost	Held-to-maturity	Loans and receivables	Total
	2019	2018		
	(RUPEES IN THOUSAND)			
Financial assets as per statement of financial position				
Investments	5,500	6,061	-	6,061
Loans and advances	859	-	761	761
Deposits	5,049	-	5,039	5,039
Trade debts	31,678	-	68,642	68,642
Other receivables	3,676	-	2,104	2,104
Cash and bank balances	50,052	-	4,764	4,764
	96,814	6,061	81,310	87,371

	At amortized cost 2019	At amortized cost 2018
	(RUPEES IN THOUSAND)	
Financial liabilities as per statement of financial position		
Accrued mark-up	15,083	8,221
Unclaimed dividend	742	746
Short term borrowings	526,495	388,244
Trade and other payables	169,367	117,719
	711,687	514,930

38.3 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

38.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to be paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent short term borrowings obtained by the Company as referred to in Note 11. Equity represents 'total equity' as shown in the statement of financial position. Total capital employed includes 'total equity' plus 'borrowings' as shown below:

		2019	2018
Borrowings	Rupees in thousand	526,495	388,244
Total equity	Rupees in thousand	773,605	747,289
Total capital employed	Rupees in thousand	1,300,100	1,135,533
Gearing ratio	Percentage	40.50	34.19

The increase in the gearing ratio resulted primarily due to increase in borrowings.

39. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short-term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. However as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

40. RECOGNIZED FAIR VALUE MEASUREMENTS - NON FINANCIAL ASSETS

(i) Fair value hierarchy

The judgements and estimates made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

	Level 1	Level 2	Level 3	Total
	-------------RUPEES IN THOUSAND---------------			
At 30 June 2019				
Freehold land	-	91,601	-	91,601
Buildings on freehold land	-	162,630	-	162,630
Plant and machinery	-	488,102	-	488,102
Electric installations / appliances	-	15,500	-	15,500
Generators	-	46,000	-	46,000
Laboratory equipment	-	7,999	-	7,999
Investment properties	-	115,554	-	115,554
Total non-financial assets	-	927,386	-	927,386
At 30 June 2018				
Freehold land	-	88,165	-	88,165
Buildings on freehold land	-	148,324	-	148,324
Plant and machinery	-	495,708	-	495,708
Electric installations / appliances	-	14,913	-	14,913
Generators	-	45,903	-	45,903
Laboratory equipment	-	7,770	-	7,770
Investment properties	-	120,381	-	120,381
Total non-financial assets	-	921,164	-	921,164

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfer between level 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its investment properties at least annually and for its freehold land, buildings thereon, plant and machinery, electric installations / appliances, generators and laboratory equipment (classified as property, plant and equipment) at least after every three years. the management updates the assessment of the fair value of each property taking into account the most recent independent valuations. The management determines property's value within a range of reasonable fair value estimates. The best evidence of fair value of freehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same buildings. The best evidence of fair value of plant and machinery, electric installations / appliances, generators and laboratory equipment is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the value of new plant and machinery, electric installations / appliances, generators and laboratory equipment of the same specifications.

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's investment properties at the end of every financial year and for freehold land, buildings thereon, plant and machinery, electric installations / appliances, generators and laboratory equipment after at least every three years. The fair value of the investment properties, freehold land, buildings thereon, plant and machinery, electric installations / appliances, generators and laboratory equipment has been performed by Messrs Zafar Iqbal and Company as at 29 June 2019.

Changes in fair values are analyzed at each reporting date during the annual valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

41. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	Note	2019	2018
		(RUPEES IN THOUSAND	
Revenue earned from shariah compliant business	24	1,885,310	1,598,473
Shariah compliant bank deposits and bank balances			
Bank balances	38.1 (b)	40,462	1,260
Profits earned or interest paid on any conventional loan / advance			
Mark-up on short term borrowings	30	43,852	27,790
Interest / profit on investments	29	389	500
Mark-up paid on Islamic mode of financing	30	1,404	1,859
Loans / advances obtained as per Islamic mode			
Advances from customers	10	2,438	22,318
Short term borrowings	11	26,619	48,503

There is no profit earned from shariah compliant bank balances as all the bank balances are in current accounts. Moreover there is no dividend on any investment and no exchange gain earned. The relationship with shariah compliant banks is related to bank accounts as given in Note 38.1 (b) along with short term borrowings with AlBaraka Bank (Pakistan) Limited.

42. EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2019 of Rupees 0.40 per share to all shareholders, at their meeting held on October 05, 2019. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

43. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 05, 2019 by the Board of Directors of the Company.

44. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary for the purpose of comparison. However, no significant re-arrangements have been made.

45. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

AIZAD AMER	ANNS AMER	Muhammad Saqib Ehsan
Chief Executive Officer	Director	Chief Financial Officer

FORM 34

THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1.1 Name of the Company: AN TEXTILE MILLS LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at 30-06-2019

2.2 No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
645	1	100	19,368
248	101	500	57,711
43	501	1,000	38,150
72	1,001	5,000	192,885
15	5,001	10,000	117,961
7	10,001	15,000	93,848
7	15,001	20,000	126,619
4	20,001	25,000	95,000
2	25,001	30,000	60,000
1	40,001	45,000	40,587
1	55,001	60,000	57,500
1	70,001	75,000	72,500
1	75,001	80,000	78,225
2	85,001	90,000	179,000
1	95,001	100,000	100,000
1	260,001	265,000	264,125
1	430,001	435,000	431,446
1	740,001	745,000	742,697
1	885,001	890,000	890,000
1	1,180,001	1,185,000	1,184,193
1	1,475,001	1,480,000	1,475,611
1	1,640,001	1,645,000	1,640,170
1	1,700,001	1,705,000	1,702,404
1,058			**9,660,000**

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	7,918,940	81.9766
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000
2.3.3 NIT and ICP	449,346	4.6516
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	559	0.0058
2.3.5 Insurance Companies	0	0.0000
2.3.6 Modarabas and Mutual Funds	6,600	0.0683
2.3.7 Share holders holding 10% or more	7,007,075	72.5370
2.3.8 General Public		
a. Local	1,190,614	12.3252
b. Foreign	172	0.0018
2.3.9 Others (to be specified)		
1- Joint Stock Companies	40,233	0.4165
2- Investment Companies	200	0.0021
3- Pension Funds	40,587	0.4202
4- Others	12,749	0.1320

AN TEXTILE MILLS LIMITED

Catagories of Shareholding required under Code of Corporate Governance (CCG)

As on June 30, 2019

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	0.0000
Mutual Funds (Name Wise Detail)			
1	GOLDEN ARROW SELECTED STOCKS FUND LIMITED (CDC)	6,500	0.0673
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MRS. ZAREEN AKHTAR	17,409	0.1802
2	MR. AIZAD AMER	1,740,170	18.0142
3	MRS. NAZIMA AMER	1,926,890	19.9471
4	MR. ANNS AMER	1,475,611	15.2755
5	KHAWAJA AMER KHURSHID	1,864,404	19.3002
6	MRS. YUSRA AMER	890,000	9.2133
7	MR. ABDUL RAUF	3,456	0.0358
8	SYED KHALID ALI	1,000	0.0104
Executives:		-	0.0000
Public Sector Companies & Corporations:		-	0.0000
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		41,246	0.4270

Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)

S. No.	Name	Holding	% AGE
1	MRS. NAZIMA AMER	1,926,890	19.9471
2	KHAWAJA AMER KHURSHID	1,864,404	19.3002
3	MR. AIZAD AMER	1,740,170	18.0142
4	MR. ANNS AMER	1,475,611	15.2755
5	MISS YUSRA AMER	890,000	9.2133

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

S. No.	Name	Sale	Purchase
1	KHAWAJA AMER KHURSHID (CDC)	-	72,500

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AN TEXTILE MILLS LIMITED
PROXY FORM

I/We____of ____being member(s) of **AN TEXTILE MILLS LIMITED** holding __________ordinary shares as per Registered Folio No./CDC A/c No. (for members who have shares in CDS) ______________________ hereby appoint Mr./Mrs./Miss ____of (full address) ____or failing him/her Mr./Mrs./Miss____of (full address)____ (being member of the Company) as my/our Proxy to attend, act and vote for me/us and on my/our behalf at the 38th Annual General Meeting of the Company to be held on October 28, 2019 at 10:00 a.m. at its Registered Office 35 K.M. Sheikhupura Road, Faisalabad and/or any adjournment thereof.

As witness my/our hand seal this _________________day of _________________2019 Signed by ____in the presence of ____

Signatures on Rs.5/- Revenue Stamps

(Signature must agree with the specimen signatures registered with the Company)

Notes:

1. This proxy form duly completed and signed, must be received at the Registered Office of the Company or its Share Registrar M/S Corplink (Pvt.) Limited, Wings Arcade, 01-K Commercial, Model Town, Lahore not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he/she himself/herself is a member of the Company, except that a Corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his / her National Identity Card with him/her to prove his/her identity, and in case of proxy, must enclose an attested copy of his / her National Identity Card. Representatives of Corporate members should bring the usual documents required for such purpose.

پروکسی فارم

میں/ہم۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔از۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔بحیثیت **اے این ٹیکسٹائل ملز لمیٹڈ** کے ممبر اور عام حصص یافتہ مطابق شیئر

رجسٹر فولیو/ سی ڈی سی اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔مقرر کرتا ہوں۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔فولیو/ سی ڈی سی اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

سی این آئی نمبر یا پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔یا بصورت دیگر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔فولیو/ سی ڈی سی اکاؤنٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

سی این آئی نمبر یا پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔جو کمپنی کے ممبر بھی ہیں، کو کمپنی کے سوموار 28 اکتوبر 2019ء کو دن 10:00 بجے منعقد ہونیوالے اڑتیسویں سالانہ اجلاس میں اپنی جانب سے شرکت اور رائے دہی کیلئے اپنا پروکسی مقرر کرتا ہوں۔

دستخط مورخہ ۔۔۔۔۔۔۔ 2019ء

گواہی: 1: دستخط ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

نام ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

پتہ ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

سی این آئی سی یا پاسپورٹ نمبر ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

2: دستخط ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

نام ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

پتہ ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

سی این آئی سی یا پاسپورٹ نمبر ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

5 روپے کا
محصول ٹکٹ

دستخط ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔

(کمپنی کے پاس دستخط کے نمونے کے مطابق ہوں)

سی این آئی سی/ پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔۔۔۔

ضروری:

-1 پروکسی فارم ہذا مکمل اور دستخط کے ہمراہ اجلاس کے انعقاد سے کم از کم اڑتالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ آفس یا شیئر رجسٹرار کے آفس مین میں جمع کرا دیا جائے۔

-2 فارم پر ممبر یا اس کا تحریراً مقرر کردہ اٹارنی دستخط کریگا۔ ممبر کارپوریشن ہونے کی صورت میں اس کی مہر فارم پر ثبت کرنی ہوگی۔

-3 اجلاس میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے تاہم کارپوریشن کسی بھی غیر ممبر کو اپنا پروکسی مقرر کر سکتی ہے۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز/ کارپوریشن اینٹیٹی

مزید براں مندرجہ ذیل شرائط پر عمل کرنا ہوگا۔

(i) پروکسی فارم پر دو افراد کی گواہی ہونی چاہیے جن کے نام اور سی این آئی سی یا پاسپورٹ نمبر فارم پر درج ہوں۔

(ii) ممبر اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم کے ہمراہ منسلک کرنی ہوں گی۔

(iii) پروکسی اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔

(iv) کارپوریٹ اینٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی معہ نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پروکسی فارم کے ہمراہ کمپنی کو پیش کرنے ہوں گے۔