ISHAQ

TEXTILE MILLS LIMITED

36th Annual Report 2017

بسم الله الرحمن الرحيم

CONTENTS

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 Ishaq 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.

COMPANY INFORMATION

Board of Directors	Mrs. Nazma Amer	Chairperson
	Mr. Aizad Amer	Chief Executive Officer
	Mrs. Zareen Akhtar	Director
	Mr. Anns Amer	Director
	Mrs. Hajra Raza	Director
	Ms. Yusra Amer	Director
	Mr. Abdul Rauf	Director
Audit Committee	Mr. Abdul Rauf	Chairman
	Mrs. Hajra Raza	Member
	Mrs. Zareen Akhtar	Member
HR and Remuneration Committee	Mrs. Zareen Akhtar	Chairperson
	Mr. Abdul Rauf	Member
	Ms. Yusra 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 Faysal Bank 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	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to all the members of Ishaq Textile Mills Limited ("the Company") that an Annual General Meeting of the Company will be held on Tuesday, October 31, 2017 at 11:00 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 Annual General Meeting held on October 31, 2016.

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

3. To appoint the auditors and fix their remuneration for the next financial year. The retiring auditors Messrs Riaz Ahmad and Company, Chartered Accountants, being eligible, have offered themselves for re-appointment.

SPECIAL BUSINESS:

1. To consider and if thought fit, to pass the following resolutions as special resolutions, with or without modifications, addition or deletion:

Resolved that "Approval be and is hereby given for the change of name of the company from 'Ishaq Textile Mills Limited' to 'Wadood Textile Mills Limited'."

Further resolved that, "The name Ishaq Textile Mills Limited, wherever it occurs in the memorandum and articles of association of the company and/or any other deed, document, titles etc. be substituted with the name 'Wadood Textile Mills Limited'."

Further resolved that, "Mr. Tahir Shahzad, Company Secretary of the company be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem necessary or incidental and to complete all legal formalities and file all necessary documents to Securities and Exchange Commission of Pakistan, as may be necessary for the purpose of implementing the aforesaid resolution."

2. To consider and if deemed fit, to pass the following resolutions as ordinary resolutions with or without modification, addition(s) or deletion(s), as recommended by the directors:

Resolved that "Consent be and is hereby accorded in terms of Section 183(3)(a) of the Companies Act, 2017 for entering into a lease arrangement with Masood Textile Mills Limited, for lease of part of its land, building and related accessories, initially for a period of 2 years with effect from 01 January 2017 extendable with mutual consent of both parties at the end of lease term for initial monthly rent of Rupees 9/- (Rupees nine only) per Sqft to be increased by 10% after every year and to be negotiated on each renewal and on such other terms and conditions as may be approved by the Board".

Further resolved that "Any of Chief Executive officer and Chief Financial officer be and is hereby authorized singly to prepare, sign and deliver any and all documents in relation to the subject agreement and to sign and execute lease agreement and to take all steps and actions necessary, incidental and ancillary for the lease arrangement and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the ordinary resolution".

3. To consider and if thought fit, to pass the following resolution as special resolution, with or without modifications, addition or deletion:

Resolved that "Utilization of proceeds from disposal of plant and machinery of weaving segment of the Company amounting to Rupees 129.186 million for the purposes of spinning operations of the Company be and is hereby ratified".

OTHER BUSINESS:

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

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This Statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on 31-10-2017.

Lease Arrangement with Masood Textile Mills Limited

The land, building and related accessories of the Company at 35 K.M. Sheikhupura Road, Faisalabad were not in use of the Company since disposal and discontinuation of Weaving segment of the Company. In order to generate income from these assets of the Company and to save fixed costs, the Company decided to enter into a lease arrangement with Masood Textile Mills Limited.

Salient features of the lease arrangement are as follows:

- Ishaq Textile Mills Limited will lease out its land and building consisting of total covered area of 97,289 Sqft (extendable with mutual consent of both the parties) to Masood Textile Mills Limited situated at 35 K.M. Sheikhurpura Road, Faisalabad.

- Initially, the duration of lease will be for a period of 2 years with effect from 01 January 2017 which is extendable for further period at the end of lease term with mutual consent of both parties.

- The lease rental of the Leased property for the Initial Lease Period shall be Rupees 9/- (Rupees nine) per Sqft to be increased by 10% after every year and to be negotiated on renewal as may be approved by the Board of Directors.

- The lessee shall be responsible for all security costs, facility running costs and insurance.

Change of Name of the Company

In order to re-brand, re-fresh and give a new look to the Company, it has been decided by the board of directors of the Company that name of Ishaq Textile Mills Limited be changed to Wadood Textile Mills Limited. The availability of the name Wadood Textile Mills Limited for use by the Company is subject to confirmation by the office of the Registrar of Companies, Securities and Exchange Commission of Pakistan, Faisalabad.

Consequent to the change in the name of the company, alteration in memorandum and articles of association would also be required, wherever the extant name of the Company appears.

Since prior consent of the members by way of a special resolution is required for affecting any change in the name of a company, consent of the members to the change in the name of the company, as aforesaid, is being sought in terms of the special resolution set out in the notice.

Upon receipt of approval of members, the company shall make an application to the Registrar of Companies, SECP, Faisalabad for approving the change in the name of the company and issuing a fresh certificate of incorporation to the company in the new name as aforesaid, upon receipt of which the company shall make the required alteration in the memorandum and articles of association of the company, title of bank accounts, deeds, registration, other documents etc. so that the said documents reflect the new name as aforesaid, in place of the Ishaq Textile Mills Limited, the current name of the company.

Utilization of proceeds from disposal of plant and machinery of weaving segment of the Company

The Company obtained approval of shareholders of the Company in its Annual General Meeting dated 31 October 2014 regarding disposal of plant and machinery of Weaving Segment of the Company in terms of section 196(3) of the repealed Companies Ordinance, 1984.

At the time of obtaining approval from shareholders, the Company's management has plans to utilize the proceeds from disposal of assets of Weaving Segment to acquire power looms which are more viable and can extract better profits in future.

However, in view of the fact that continuing the weaving operations required a lot of working capital and in view of opportunity available to the Company to scale up its spinning segment for better returns for shareholders in future, the Company utilized the proceeds from disposal of plant and machinery of weaving segment of the Company amounting to Rupees 129.186 million for the purposes of spinning operations. Shareholders' are requested to ratify the aforesaid utilization of proceeds from disposal of plant and machinery of weaving segment of the Company for the purposes of continuing operations of the Company i.e. spinning.

None of the directors has any personal interest in the above resolutions except as a member of the company. The relevant documents are available for inspection at the registered office of the company during office hours till 31-10-2017.

By order of the Board

Shahzad

Dated: October 09, 2017
Faisalabad

Tahir Shahzad
(Company Secretary)

NOTES:

1. The share transfer books of the Company shall remain closed from October 24, 2017 to October 31, 2017 (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 23, 2017 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. SECP vide SRO 787(1)/2014 dated September 8, 2014 has provided an option to receive audited financial statements electronically through email. Hence, members who hold shares in physical form and are interested in receiving the annual reports electronically in future are required to submit their e-mail addresses and consent for electronic transmission to the Shares Registrar of the Company. CDC shareholders are requested to submit their email address and consent directly to their broker (Participant) / CDC investor Account Services.

6. In compliance with SECP notification No. 634(1)/2014 dated July 10, 2014, the audited financial statements and reports of the Company for year ended June 30, 2017 are being placed on the Company's website: www.ishaqtextile.com for the information and review of shareholders.

CHAIRPERSON'S REVIEW
For the year ended June 30, 2017

On behalf of the Board of Directors It is my pleasure to share with you the performance of company for the year ended June 30, 2017. Likewise financial year 2016, the overall performance of the textile industry remained lackluster throughout the financial year 2017 due to high cost of performing business, erratic trends in the prices of raw material, disproportionate selling prices of yarn, adverse economic conditions and increase in minimum wage by the Government.

In a very competitive and difficult business scenario iam pleased to share with you that we have enhanced the production capacity by adding spindles and installed compact spinning system on 41 ring frames. Due to the installation of these new spindles and compact spinning system the Company has to face huge production losses. However, all installations / required changes have been completed by the end of financial year 2017 and the management of the Company expects better results in next financial year.

The management, employees, bankers, vendors and our valuable customers have shown their commitment to remain hand in hand in difficult times to exhibit improved performance. I take this opportunity along with my board members to thank all of them who have remained our strength and provided valuable support and contribution to the Company.

I will also like to take this opportunity to thank our valuable shareholders for their support and trust in the Company. We are confident that with their support we will perform better and improve our results for our mutual benefits.

For and on behalf of the Board of Directors

Nazma Amer

Mrs.NazmaAmer
Chairperson

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of the Company are pleased to present their 36th Annual Report, comprising of Annual Financial Statements of the Company for the financial year ended June 30, 2017 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:

	2017	2016
	(RUPEES IN THOUSAND)	
CONTINUING OPERATIONS:		
REVENUE	1,102,932	1,466,267
COST OF SALES	(1,161,404)	(1,506,150)
GROSS LOSS	(58,472)	(39,883)
DISTRIBUTION COST	(5,790)	(7,342)
ADMINISTRATIVE EXPENSES	(41,427)	(54,796)
OTHER EXPENSES	(606)	-
OTHER INCOME	39,381	2,416
FINANCE COST	(62,082)	(41,573)
LOSS BEFORE TAXATION	(128,996)	(141,178)
TAXATION	(46,216)	39,293
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS	(175,212)	(101,885)
DISCONTINUED OPERATION:		
(LOSS) / PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION	(5,126)	19,757
LOSS AFTER TAXATION	(180,338)	(82,128)
LOSS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	(18.14)	(10.55)
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)	(0.53)	2.05

REVIEW OF OPERATING RESULTS

During the year under review, sales proceeds were Rupees 1,102.932million as compared to previous year's sales amounting to Rupees1,466.267million. The cost of sales was Rupees 1,161.404 million as compared to Rupees1,506.150 million to previous year.

The Current financial year has not been very good for textile industry as a whole. Textile exports of the country are also decreasing day by day. This sluggish trend is mainly due to the high cost of performing business as compared to our competitors in international market, erratic trends in the prices of raw material, disproportionate selling prices of yarn, adverse economic conditions, heavy taxes and constant increase in minimum wages.

Due to the above mentioned factors the company faced loss after taxation of Rupees 175.212 million from continuing operations as compared to loss after taxation of Rupees 101.885 million of previous year. Moreover the company earned Loss after taxation amounting to Rupees 5.126 million as compared to previous year's profit after taxation of Rupees 19.757 million from discontinued operation.

FUTURE OUTLOOK

The operations of the Company was designed for coarse count since its inception but due to the present circumstances of textile industry and in order to compete with the market, during the financial year 2017 the management of the company has enhanced its production capacity and converted whole operations of the mills from coarse count to fine count which is relatively profitable. Moreover, the Company has already installed new compact spinning system on its 41 ring frames during the financial year 2017. Due to the installation of these new spindles and compact spinning system the Company has to face huge production losses. However, all installations / required changes have been completed by the end of financial year 2017 and the management of the Company expects better results in next financial year. Moreover, the management of the Company isalso taking steps to enhance the production capacity by adding more spindles and to install the compact spinning system on the remaining ring frames of the Company.

Furthermore, the Company has also leased out some of its freehold land and buildings thereon which was not under used.

DIVIDEND

Since the Company has incurred gross loss, therefore, the directors have not recommended any dividend for the year.

OUTSTANDING STATUTORY PAYMENTS

All outstanding payments are nominal and of routine nature.

PATTERN OF SHAREHOLDING

Pattern of shareholding as on June 30, 2017 is annexed. No trading in shares of the company was made by the directors, Chief Executive Officer, Executives, Company Secretary and Chief Financial Officer other than those disclosed on page no. 60.

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 MessrsRiaz 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 Messrs 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 Ordinance, 1984, 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 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.

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.

BOARD AND COMMITTEES CHANGES

The following change occurred on the Board during the period under review:

Mr. Muhammad Raza resigned and Ms. Yusra Amer was appointed as new Director in his place with effect from October 10, 2016.

Due to the resignation of above mentioned Director, the formation of Human Resource and Remuneration Committee was changed accordingly. The names of the members of these committees are given hereunder:

HR and Remuneration Committee

Mrs. ZareenAkhtar	Chairperson
Mr. Abdul Rauf	Member
Ms. YusraAmer	Member

NO. OF BOARD MEETINGS HELD:

During the period under review four (04) meetings of Board of Directors were held. Attendance of each director is as follows:

NAME OF DIRECTOR	MEETINGS ATTENDED
Mr.AizadAmer	04
Mrs.ZareenAkhtar	04
Mrs. NazmaAmer	04
Mr. AnnsAmer	04
Mr. Muhammad Raza	01
Ms. YusraAmer	04
Mr. Abdul Rauf	04

Director who did not attend the above meetings were granted leave of absence by the Board of Directors.

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

FAISALABAD.
Dated: October 09, 2017

(AizadAmer)
Chief Executive Officer

ڈائریکٹرز کی شیئر ہولڈروں کو رپورٹ

کمپنی کے ڈائریکٹرز چھتیسویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کررہے ہیں، جو کہ مشتمل ہے سالانہ فنانس رپورٹ برائے مالیاتی سال 30 جون 2017 بمعہ آڈیٹرز کی رپورٹ جو کہ گورنمنٹ کے عائد کردہ کوڈ کے مطابق معلومات فراہم کی گئی ہیں۔ پچھلے مالیاتی سال کے نتائج موازنہ کے لئے یہاں دوبارہ دیئے جارہے ہیں۔

مالیاتی نتائج:

جاری کاروائی	2017 (رقم ہزروں میں)	2016 (رقم ہزروں میں)
آمدنی	1,102,932	1,466,267
فروخت کی لاگت	(1,161,404)	(1,506,150)
مجموعی نقصان	(58,472)	(39,883)
تقسیم کی لاگت	(5,790)	(7,342)
انتظامیہ اخراجات	(41,427)	(54,796)
دیگر اخراجات	(606)	-
دیگر آمدنی	39,381	2,416
مالیاتی لاگت	(62,082)	(41,573)
ٹیکس سے پہلے نقصان	(128,996)	(141,178)
ٹیکس	(46,216)	39,293
ٹیکس کے بعد نقصان جاری کاروائی سے	(175,212)	(101,885)
روکی ہوئی کاروائی:		
(نقصان)/منافع روکے ہوئے آپریشن سے ٹیکس کے بعد	(5,126)	19,757
ٹیکس کے بعد نقصان	(180,338)	(82,128)
نقصان فی حصہ اور بنیادی تنصیب جاری کاروائی سے (روپے)	(18.14)	(10.55)
نقصان/آمدنی فی حصہ اور بنیادی تنصیب رکی کاروائی سے (روپے)	(0.53)	2.05

کاروائی کے رزلٹ کا جائزہ:

دوران جائزہ سال آمدنی 1102.932 ملین میں ہوئی جب کہ اس کے مقابل پچھلے سال کی آمدنی مبلغ 1,466.267 ملین تھی۔ فروخت کی لاگت مبلغ 1,161.404 ملین جبکہ اس کے مقابل پچھلے سال کی فروخت کی لاگت مبلغ 1,506.150 ملین تھی۔

موجودہ مالیاتی سال تمام ٹیکسٹائل انڈسٹری کے لئے بہت اچھا نہ تھا۔ ملک کی ٹیکسٹائل برآمدات دن بہ دن کم ہورہی ہیں۔ اس سست رجحان کی بنیادی وجہ انٹرنیشنل

مارکیٹ کے مقابل کارکردگی میں زیادہ اخراجات ۔ خام مال کی قیمتوں میں اضافہ،دھاگہ کی غیر مناسب قیمت فروخت ، منفی اقتصادی حالات ، بھاری ٹیکس اور تنخواہوں میں مسلسل اضافہ

مذکورہ بالا حالات کے پیش نظر کمپنی کو اس مالی سال میں ٹیکس کے بعد مبلغ 175.212 ملین نقصان ہوا جبکہ اس کے مقابل پچھلے سال میں ٹیکس کے بعد مبلغ 101.885 ملین کا نقصان ہوا۔ مزید برآں کمپنی کو رکی ہوئی کاروائی سے ٹیکس کے بعد مبلغ 5.126 ملین کا خسارہ ہوا جبکہ اس کے مقابل پچھلے سال میں ٹیکس کے بعد مبلغ 19.757 ملین کا منافع ہوا تھا۔

مستقبل کا خاکہ:

کمپنی کی شروعات سے لے کر اس کے کام کو موٹے دھاگے کے لئے مرتب کیا گیا تھا۔ لیکن سپننگ انڈسٹری کی موجودہ صورتحال کے پیش نظر اور مارکیٹ کا مقابلہ کرنے سے، مالیاتی سال 2017 کمپنی کی انتظامیہ نے اس کی پیداواری صلاحیت میں اضافہ کیا اور اس کی تمام پیداوار کو موٹے دھاگے سے باریک دھاگے پر منتقل کیا جو کہ ایک منافع بخش ہے۔ مزید برآں کمپنی مالی سال 2017 میں کمپیکٹ سپننگ سسٹم 41 رنگ فریم پر لگا چکی ہے۔ سپنڈلوں اور کمپیکٹ سپننگ سسٹم کی تنصیب کرنے کی وجہ سے کمپنی کو بھاری پیداواری خسارہ ہوا۔ تاہم مالیاتی سال 2017 کے آخر میں کمپنی تمام انسٹالیشن/ تبدیلی کی ضروریات کو پورا کر چکی ہے۔ اور کمپنی کی انتظامیہ امید رکھتی ہے کہ اگلے مالی سال میں بہتر نتیجہ آئے گا۔ مزید برآں، کمپنی کی انتظامیہ پیداواری صلاحیت کو بڑھانے کے لئے مزید سپنڈلز شامل اور باقی رنگ فریموں پر کمپیکٹ سپننگ سسٹم انسٹال کر رہی ہے۔

مزید برآں، کمپنی نے کچھ غیر استعمال زمین اور بلڈنگ کو کرایہ پر دے دیا ہے۔

اختصاص

چونکہ کمپنی کو مجموعی طور پر خسارہ ہوا ہے، اس وجہ سے کمپنی کے ڈائریکٹرز نے اس سال کوئی اختصاص تجویز نہیں کیا۔

قانونی واجبات

تمام بقایاجات عام اور روزمرہ کے ہیں

شیئر ہولڈرز کی ترتیب:

30 جون 2017 کی شیئر ہولڈرز کی ترتیب لف ہے۔

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 اکاؤنٹنٹ ریٹائرڈ ہوئے اور انہوں نے مالی سال 2018 کے لئے اپنے آپ کو دوبارہ تعیناتی کے لئے پیش

کیا۔آڈٹ کمیٹی اور ڈائریکٹرز کے بورڈ نے پیش آمدہ سالانہ عمومی اجلاس پر شیئر ہولڈرز کی طرف سے غور اور منظوری پر ان کی تعیناتی کی سفارش کی ہے۔

کوڈ آف کارپوریٹ گورننس

کورڈ آف کارپوریٹ گورننس کا بیانیہ لف ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک پر بیان:

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۔

بورڈ اور کمیٹی تبدیلیاں

اس مالیاتی سال میں بورڈ آف ڈائریکٹر میں مندرجہ ذیل تبدیلیاں وقوع پذیر ہوئیں ہیں۔

جناب محمد رضا نے استعفیٰ دیا اور محترمہ یسرہ عامر کو 10 اکتوبر 2016 سے اس کی جگہ پر نامزد کیا۔

اس وجہ سے مذکورہ بالا ڈائریکٹر کے استعفیٰ سے ہیومن ریسورس اور معاوضہ کمیٹی میں مندرجہ ذیل تبدیلی ہوئی۔

HR اور معاوضہ کمیٹی

مسز زرین اختر	چیئر پرسن
جناب عبدالرؤف	ممبر
محترمہ یسرہ عامر	ممبر

بورڈ میٹنگ تعداد:

اس مالی سال میں بورڈ آف ڈائریکٹرز کی 4 میٹنگز ہوئیں۔ ہر ڈائریکٹر کی حاضری مندرجہ ذیل ہے۔

ڈائریکٹرز کے نام	میٹنگ حاضری
جناب ایزد عامر	04
مسز زرین اختر	04
مسز ناظمہ عامر	04
جناب انس عامر	04
جناب محمد رضا	01
محترمہ یسرہ عامر	04
جناب عبدالرؤف	04

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 09 اکتوبر 2017

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE TO THE MEMBERS

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Chapter 5.19 of Rule Book of Pakistan Stock Exchange Limited (PSX) for the purpose of establishing the framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

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

   Executive Directors

   Mr. Aizad Amer
   Mr. Anns Amer

   Non-Executive Directors

   Mrs. Nazma Amer

   Mrs. Zareen Akhtar

   Mrs. Hajra Raza

   Ms. Yusra Amer

   Independent Director

   Mr. Abdul Rauf

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

2. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or being a broker of a stock exchange has been declared as a defaulter by that stock exchange.
4. One casual vacancy has been occurred during the year and the same was filled by the Directors within stipulated time.
5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other non-executive directors, have been taken by the Board.
8. All the meetings of the Board were presided over by the Chairperson and, in his 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 2017. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. No training program for the directors of the Company was arranged during the year as required by Rule 5.19.7 of the Regulations of Pakistan Stock Exchange Limited. However, we shall comply this requirement in next financial year.

10. The Board has approved terms of appointment and remuneration including terms and conditions of employment of Chief Financial Officer (CFO), Company Secretary and the Head of Internal Audit.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and it fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and CFO before approval by the Board.
13. The Directors, CEO and executives do not hold any interest in the shares of the Company, other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, who are non-executive directors including the chairman of the Committee.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises of 3 members, who are non-executive directors including the Chairperson of the committee.
18. The Board has set-up an effective internal audit function.
19. 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), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with except for para no. 9 for which the Company will take reasonable measaures in next financial year.

By order of the Board

Tahir Shahzad
Company Secretary
Date: October 09, 2017

KEY OPERATING & FINANCIAL DATA
FOR LAST SIX YEARS

PARTICULARS	2017	2016	2015	2014	2013	2012
	........................(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	1,420,748	1,485,900	1,393,255	1,833,702	1,805,257	1,511,009
Accumulated depreciation	583,766	602,354	612,542	917,942	859297	811,855
Current assets	340,281	579,574	636,257	1,307,361	1,446,087	1,414,012
Current liabilities	476,717	737,370	753,606	1,206,483	1,308,931	1,297,014
INCOME						
Revenue	1,102,932	1,466,267	1,358,792	4,150,048	3,731,271	3,748,190
Other income	39,381	2,416	8,560	12,091	6,788	4,903
Pre tax (loss) / profit	(128,996)	(141,178)	(110,479)	31,226	91,620	34,277
Taxation	(46,216)	39,293	37,183	23,070	19,557	23,630
STATISTICS AND RATIOS						
Pre tax (loss) / profit to sales %	(11.70)	(9.63)	(8.12)	0.75	2.45	0.91
Pre tax (loss) / profit to capital %	(133.54)	(146.15)	(114.29)	32.32	94.84	35.48
Current ratio	1:0.71	1:0.79	1:0.84	1:0.92	1:0.91	1:0.92
Paid up value per share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
(Loss) / earnings after tax per share (Rs.)	(18.14)	(10.55)	(7.59)	0.84	7.46	1.10
Cash dividend %	-	-	-	-	10.00	---
Break up value per share (Rs.)	48.16	28.24	33.80	59.30	58.35	50.53

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of ISHAQ TEXTILE MILLS LIMITED ("the Company") for the year ended 30 June 2017 to comply with the Code contained in the Regulations of Pakistan Stock Exchange Limited, where the Company is listed.

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

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

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

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

As stated in paragraph No. 9 of the Statement of Compliance, no training program for the directors of the Company was arranged during the year as required by Rule 5.19.7 of the Regulations of Pakistan Stock Exchange Limited.

RIAZ AHMAD & COMPANY
Chartered Accountants

Riaz Ahmad & Co.

Name of engagement partner:
Liaqat Ali Panwar
Date: October 09, 2017
FAISALABAD

AUDITORS' REPORT TO THE MEMBERS

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

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

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

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

(b) in our opinion:

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

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

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

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

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Riaz Ahmad & Co.

Name of engagement partner:
Liaqat Ali Panwar
Date: OCTOBER 09, 2017.
FAISALABAD

BALANCE SHEET AS AT 30 JUNE 2017

	NOTE	2017 (RUPEES IN THOUSAND)	2016 (RUPEES IN THOUSAND)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10 000 000 (2016: 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	-
Reserves	5	8,706	176,241
Total equity		465,306	272,841
Surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax	6	287,053	273,904
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	-	176,736
Deferred income tax liability	8	50,917	8,262
Staff retirement gratuity	9	8,950	8,007
Long term security deposit	10	4,000	-
		63,867	193,005
CURRENT LIABILITIES			
Trade and other payables	11	141,184	155,124
Accrued mark-up	12	6,052	9,586
Short term borrowings	13	325,811	570,752
Current portion of long term financing	7	-	1,552
Provision for taxation		3,670	356
		476,717	737,370
TOTAL LIABILITIES		540,584	930,375
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		1,292,943	1,477,120

	NOTE	2017 (RUPEES IN THOUSAND)	2016 (RUPEES IN THOUSAND)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	15	836,982	886,546
Investment properties	16	105,979	-
Long term investments	17	5,901	7,149
Long term deposits and prepayments	18	3,800	3,851
		952,662	897,546
CURRENT ASSETS			
Stores, spare parts and loose tools	19	36,605	37,621
Stock in trade	20	146,219	282,710
Trade debts	21	51,617	89,749
Loans and advances	22	63,634	49,571
Short term deposits and prepayments	23	2,431	2,438
Other receivables	24	22,505	33,382
Current portion of long term investments	17	1,541	
Cash and bank balances	25	15,729	5,582
		340,281	501,053
Non-current assets held for sale	26	-	78,521
		340,281	579,574
TOTAL ASSETS		1,292,943	1,477,120

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

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017	2016
		(RUPEES IN THOUSAND)	
CONTINUING OPERATIONS:			
REVENUE	27	1,102,932	1,466,267
COST OF SALES	28	(1,161,404)	(1,506,150)
GROSS LOSS		(58,472)	(39,883)
DISTRIBUTION COST	29	(5,790)	(7,342)
ADMINISTRATIVE EXPENSES	30	(41,427)	(54,796)
OTHER EXPENSES	31	(606)	-
OTHER INCOME	32	39,381	2,416
FINANCE COST	33	(62,082)	(41,573)
LOSS BEFORE TAXATION		(128,996)	(141,178)
TAXATION	34	(46,216)	39,293
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS		(175,212)	(101,885)
DISCONTINUED OPERATION:			
(LOSS) / PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION	26	(5,126)	19,757
LOSS AFTER TAXATION		(180,338)	(82,128)
LOSS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	35	(18.14)	(10.55)
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)	35	(0.53)	2.05

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**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	(RUPEES IN THOUSAND)	
LOSS AFTER TAXATION	(180,338)	(82,128)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Experience adjustment on staff retirement gratuity	374	-
Deffered income tax related to experienced adjustment	(109)	-
	265	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income - net of deferred income tax	265	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(180,073)	(82,128)

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017	2016
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	145,363	16,595
Finance cost paid		(31,239)	(29,590)
Income tax paid		(11,969)	(19,070)
Staff retirement gratuity paid		(6,321)	(378)
Increase in long term security deposit		4,000	-
Net decrease / (increase) in long term deposits and prepayments		51	(64)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES		99,885	(32,507)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(76,209)	(75,995)
Proceeds from sale of property, plant and equipment		10,446	461
Proceeds from non-current assets held for sale		73,395	47,041
Profit on long term investments received		235	1,225
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		7,867	(27,268)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sponsors' loans		170,000	100,000
Repayment of long term financing		(12,664)	(2,447)
Short term borrowings - net		(254,941)	(34,961)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES		(97,605)	62,592
NET INCREASE IN CASH AND CASH EQUIVALENTS		10,147	2,817
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		5,582	2,765
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 25)		15,729	5,582

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

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

	SHARE CAPITAL	DIRECTORS' LOANS	RESERVES					TOTAL EQUITY
			CAPITAL RESERVES			REVENUE RESERVE	TOTAL	
			Premium on issue of shares	Equity portion of shareholders' loans	Sub total	Unappropriated profit / (accumulated loss)		
	(RUPEES IN THOUSAND)							
Balance as at 30 June 2015	96,600	-	17,250	23,416	40,666	189,287	229,953	326,553
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	7,054	7,054	7,054
Loss for the year	-	-	-	-	-	(82,128)	(82,128)	(82,128)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	(82,128)	(82,128)	(82,128)
Equity portion of shareholder's loan	-	-	-	21,362	21,362	-	21,362	21,362
Balance as at 30 June 2016	96,600	-	17,250	44,778	62,028	114,213	176,241	272,841
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	8,303	8,303	8,303
Surplus transferred to unappropriated profit on account of disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	-	4,126	4,126	4,126
Loss for the year	-	-	-	-	-	(180,338)	(180,338)	(180,338)
Other comprehensive income for the year	-	-	-	-	-	374	374	374
Total comprehensive loss for the year	-	-	-	-	-	(179,964)	(179,964)	(179,964)
Directors' loans received / revolved during the year	-	360,000	-	-	-	-	-	360,000
Balance as at 30 June 2017	96,600	360,000	17,250	44,778	62,028	(53,322)	8,706	465,306

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

1. THE COMPANY AND ITS OPERATIONS

Ishaq Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed 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.

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 approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on 30 May 2017. Securities and Exchange Commission of Pakistan (SECP) vide its Circular 17 of 2017 and its press release dated 20 July 2017 has clarified that the companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures about Company's operations and has also enhanced the definition of related parties.

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except as modified by 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 and other factors, 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

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. Further, the Company reviews the value of assets for possible impairment on annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Taxation

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.

Provision for doubtful debts

The Company reviews its receivable balances against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Staff retirement benefit

Certain actuarial assumptions have been adopted as disclosed in Note 9 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.

Inventories

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

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2016:

IFRS 5 (Amendments) 'Non-Current Assets Held for Sale and Discontinued Operations' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstated in the financial statements as if it had never been classified as 'held for sale' or 'held for distribution' simply because the manner of disposal has changed. The amendments also rectify an omission in the standard by explaining that the guidance on changes in a plan of sale should be applied to an asset (or disposal group) which ceases to be held for distribution but is not reclassified as 'held for sale'.

IAS 1 (Amendments) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2016). Amendments have been made to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality consideration applies to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality consideration do apply; clarification that the list of the line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

IAS 19 (Amendments) 'Employee Benefits' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).

IAS 34 (Amendments) 'Interim Financial Reporting' (effective for annual periods beginning on or after 01 January 2016). This amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment also amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information.

The application of the above amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are other amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2016 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.

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

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2017 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the de-recognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 replaces IAS 11 'Construction Contracts', IAS 18 'Revenue', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC 31 'Revenue-Barter Transactions Involving Advertising Services'. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Company's financial statements.

IAS 12 (Amendments), 'Income Taxes' (effective for annual periods beginning on or after 1 January 2018). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have significant impact on the Company's financial statements.

IAS 40 (Amendments), 'Investment Property' (effective for annual periods beginning on or after 01 January 2018). Amendments have been made to state that an entity shall transfer a property to, or from investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The list of examples of evidence in paragraph 57 (a)-(d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list. The amendment is not likely to have a significant impact on the Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018). IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation is not expected to have a material 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.

g) 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 2017 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

Operating fixed assets

All operating fixed assets except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss, apart from those subject to revaluation which are stated at revalued amount less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss. Capital work-in-progress is stated at cost less any recognized 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.

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 profit and loss account 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 amount.

Any revaluation surplus is credited to surplus on revaluation of operating fixed assets except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss account, in which case the increase is recognized in profit and loss account. A revaluation deficit is recognized in profit and loss account, except to the extent that it offsets an existing surplus on the same asset recognized in surplus on revaluation of operating fixed assets.

An annual transfer from surplus on revaluation of operating fixed assets to unappropriated profit is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account 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 15.1.1. The Company charges the depreciation on additions from the month when the asset is available for use and on deletions upto the month 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 is included in the profit and loss account 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 profit and loss account for the year in which it arises.

2.4 Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.5 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "Investment at fair value through profit or loss" which is measured initially at fair value.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments.

a) Investment at fair value through profit or loss

Investments classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

b) Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

c) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available for sale are measured at fair value. Gains or losses on available for sale investments are recognized directly in statement of other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of other comprehensive income is included in profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

Unquoted

The investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, subsequent to after initial recognition are carried at cost less any identified impairment loss.

2.6 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

2.7 Borrowing cost

Interest, mark-up and other charges on long term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long term finances. All other interest, mark-up and other charges are recognized in profit and loss account.

2.8 Inventories

Inventories, except for stock in transit and waste materials, are stated at lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale. 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. Items in transit are valued at cost comprising invoice amount plus other charges paid thereon.

Stock in trade

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

Raw materials	
In hand	Weighted average cost.
In transit	Cost comprising invoice value plus other charges paid thereon.
Work-in-process and finished goods	Cost of direct materials, labour and appropriate manufacturing overheads.
Waste	Net realizable value.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit 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.

2.10 Staff retirement benefit

The Company operates unfunded gratuity scheme for all its permanent employees, who have completed the minimum qualifying period of service as defined under the scheme. The Company's obligation under the scheme is determined through actuarial valuation carried under Projected Unit Credit Method. Latest actuarial valuation has been carried on 30 June 2017.

Remeasurement changes which comprise actuarial gains and losses are recognized initially in other comprehensive income

2.11 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 of the amount can be made.

2.12 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 balance sheet 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 balance sheet date. Deferred tax is charged or credited in the profit and loss account, 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.

2.13 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 the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.14 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the profit and loss account.

2.15 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, long term financing, accrued mark-up, trade and other payables and short term borrowings etc. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for 'financial instruments at fair value through profit or loss' which are measured initially at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

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 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

2.18 Trade and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.19 Revenue recognition

Revenue from different sources is recognized as under:

- Revenue from sale of goods is recognized on dispatch of goods to customers.

- Rental income is recognized when rent is accrued.

- Profit on deposits with banks and on investments is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

2.20 Offsetting

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.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2017	2016		2017	2016
(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

	2017	2016
Opening balance	-	-
Loans from shareholders revolved from long term financing (Note 7.2)	190,000	-
Loan obtained during the year	170,000	-
	360,000	-

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

		2017	2016
		(RUPEES IN THOUSAND)	

5. RESERVES

Composition of reserves is as follows:

	2017	2016
Capital reserves		
Premium on issue of shares (Note 5.1)	17,250	17,250
Equity portion of shareholders' loans (Note 5.2)	44,778	44,778
Revenue reserve		
(Accumulated loss) / unappropriated profit	(53,322)	114,213
	8,706	176,241

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

5.2 Equity portion of shareholders' loans

	2017	2016
Opening balance	44,778	23,416
Gain on recognition of shareholders' loans at fair value	-	21,362
	44,778	44,778

5.2.1 Fair value of shareholders' loans has been estimated at the present value of future cash flows discounted at effective interest rates ranging from 8.34 % to 9.30% (2016: 8.34% to 9.30%) per annum.

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

	2017	2016
Property, plant and equipment (Note 6.1)	214,974	273,904
Investment properties	72,079	-
	287,053	273,904

6.1 Property, plant and equipment

	2017	2016
Surplus on revaluation of property, plant and equipment as at 01 July	273,904	233,749
Add:		
Net increase in surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax	25,578	47,209
	299,482	280,958
Less:		
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred income tax	(8,303)	(7,054)
Adjustment of surplus on sale of plant and machinery - net of deferred income tax	(4,126)	-
Surplus related to investment properties - net of deferred income tax	(72,079)	-
	(84,508)	(7,054)
	214,974	273,904

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, Messrs Zafar Iqbal and Company on 30 June 2016 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 and 28 June 2013.

7. LONG TERM FINANCING

	2017	2016
Secured		
Habib Bank Limited (Note 7.1)	-	12,664
Unsecured		
From sponsor directors / shareholders (Note 7.2)	-	165,624
	-	178,288
Less: Current portion shown under current liabilities	-	1,552
	-	176,736

7.1 This fixed asset finance was fully repaid on 04 January 2017.

	2017	2016
	(RUPEES IN THOUSAND)	
7.2 From sponsor directors / shareholders		
Opening balance	165,624	76,584
Loan obtained during the year	-	100,000
	165,624	176,584
Add : Fair value adjustment (Note 33)	34,376	10,402
	200,000	186,986
Less:		
Gain on recognition of shareholder's loan at fair value	-	(21,362)
Transferred to directors' loans (Note 4)	(190,000)	-
Transferred to short term borrowings	(10,000)	-
	(200,000)	(21,362)
Closing balance	-	165,624

7.2.1 On 30 June 2017, the loan agreements between directors and the Company were amended and the loans of Rupees 190 million were agreed as interest free directors' loan payable at the discretion of the Company. These loans were payable in two installments with one bullet installment of Rupees 100 million due on 30 June 2018 while further Rupees 100 million were payable in one bullet installment on 31 December 2018. For revolving the nature of these loans, the total un-winding effect of Rupees 34.376 million has been accounted for as finance cost in Note 33. Moreover, the remaining Rupees 10 million has been transferred in short term borrowings to be repayable on demand.

8. DEFERRED INCOME TAX LIABILITY

This comprises the following:

	2017	2016
Taxable temporary difference		
Accelerated tax depreciation	174,677	155,295
Deductible temporary differences		
Staff retirement gratuity	(2,597)	(1,937)
Accumulated tax losses	(93,091)	(80,512)
Minimum tax	(28,072)	(64,584)
	(123,760)	(147,033)
	50,917	8,262

9. STAFF RETIREMENT GRATUITY

	2017	2016
The amount included in the balance sheet is as follows:		
Present value of defined benefit obligation	8,950	8,007
9.1 Movement in present value of defined benefit obligation		
Balance as at 01 July	8,007	1,174
Provision for the year (Note 9.2)	7,638	7,211
Retirement benefit paid	(6,321)	(378)
Remeasurements chargeable to other comprehensive income	(374)	-
Balance as at 30 June	8,950	8,007
9.2 Provision for the year		
Current service cost	7,166	7,097
Interest cost	472	114
	7,638	7,211
9.3 Remeasurements chargeable to other comprehensive income		
Actuarial gain from changes in financial assumptions	9	-
Experience adjustments	365	-
	374	-

	2017	2016
9.4 Principal actuarial assumptions used		
Discount rate for interest cost in profit and loss charge (per annum)	9.75%	10.50%
Discount rate for year end obligation (per annum)	7.75%	9.75%
Expected rate of increase in salaries (% per annum)	6.75%	8.75%
Average duration of the benefit	5	6
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

9.5 The estimated expenses to be charged to profit and loss account for the year ending on 30 June 2018 is Rupees 8.288 million.

9.6 Sensitivity analysis for actuarial assumptions:

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

Discount rate	1.00%	-
Increase in assumption (Rupees in thousand)	(456)	-
Decrease in assumption (Rupees in thousand)	517	-
Future salary increase	1.00%	-
Increase in assumption (Rupees in thousand)	517	-
Decrease in assumption (Rupees in thousand)	(464)	-

9.7 Amounts for the current and previous four years:

	2017	2016	2015	2014	2013
	RUPEES IN THOUSAND				
Present value of defined benefit obligation	8,950	8,007	1,174	3,126	19,681
Remeasurements on defined benefit obligation	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.

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 9.3.

10. LONG TERM SECURITY DEPOSIT

This represents security deposit received from Messrs Masood Textile Mills Limited against lease of investment properties of the Company.

	2017	2016
	(RUPEES IN THOUSAND)	
11. TRADE AND OTHER PAYABLES		
Creditors (Note 11.1)	102,306	109,521
Accrued liabilities	16,906	13,341
Advances from customers	21,003	31,053
Income tax deducted at source	179	101
Sales tax deducted at source	42	360
Unclaimed dividend	748	748
	141,184	155,124

11.1 These include Rupees 9.268 million (2016: Rupees 6.825 million) due to an associated undertaking.

	2017	2016
	(RUPEES IN THOUSAND)	

12. ACCRUED MARK-UP

Long term financing	-	314
Short term borrowings	6,052	9,272
	6,052	9,586

13. SHORT TERM BORROWINGS

From banking companies - secured		
Running and cash finances (Note 13.1)	298,458	435,285
Others - unsecured		
Other related parties (Note 13.2)	27,353	135,467
	325,811	570,752

13.1 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 635 million (2016: Rupees 615 million). The rates of mark-up range from 6.00% to 9.65% (2016: 6.15% to 10.48%) per annum on the balance outstanding.

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

14. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) The Company is contingently liable for Rupees 3.000 million (2016: Rupees 2.400 million) to Director Excise and Taxation on account of import duty.

ii) Guarantees of Rupees 34.442 million (2016: Rupees 34.442 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 Commissioner Inland Revenue (Appeals) against the demand of Rupees 22.378 million by the tax department regarding disallowance of minimum tax adjustment for the tax year 2011. The related provision is not made in these financial statements in view of favorable outcome of the appeal.

iv) The Company has filed an appeal in Lahore High Court, Lahore against the charge of Gas Infrastructure Development Cess (GIDC) charged by SNGPL. The related provision of Rupees 13.500 million is not accounted for in these financial statements in view of favourable outcome of the appeal.

b) Commitments

i) Letter of credit for capital expenditure is of Rupees 1.680 million (2016: Rupees Nil).

ii) Letters of credit other than for capital expenditure are of Rupees 18.575 million (2016: Rupees Nil).

15. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 15.1)	836,982	883,546
Capital work-in-progress (Note 15.2)	-	3,000
	836,982	886,546

15.1 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 2015													
Cost / revalued amount	89,736	178,669	63,975	887,098	27,585	1,634	87,366	9,644	3,748	3,361	3,847	36,592	1,393,255
Accumulated depreciation	-	(82,982)	(17,056)	(420,485)	(11,912)	(1,318)	(53,149)	(4,078)	(2,410)	(2,501)	(3,421)	(13,230)	(612,542)
Net book value	89,736	95,687	46,919	466,613	15,673	316	34,217	5,566	1,338	860	426	23,362	780,713
Year ended 30 June 2016													
Opening net book value	89,736	95,687	46,919	466,613	15,673	316	34,217	5,566	1,338	860	426	23,362	780,713
Additions	-	2,923	-	67,384	605	-	-	925	150	-	7	3,741	75,735
Effect of revaluation as at 30 June 2016:													
Increase in revaluation	11,025	76,853	16,464	-	471	-	17,494	2,291	-	-	-	-	124,598
Decrease in revaluation:													
Revalued amount	-	-	-	(105,377)	-	-	-	-	-	-	-	-	(105,377)
Accumulated depreciation	-	-	-	49,236	-	-	-	-	-	-	-	-	49,236
	-	-	-	(56,141)	-	-	-	-	-	-	-	-	(56,141)
Disposals:													
Cost	-	-	-	-	-	-	-	-	-	-	-	(2,311)	(2,311)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	2,074	2,074
	-	-	-	-	-	-	-	-	-	-	-	(237)	(237)
Depreciation charge	-	(4,873)	(2,355)	(25,483)	(799)	(32)	(1,711)	(282)	(149)	(86)	(130)	(5,222)	(41,122)
Closing net book value	100,761	170,590	61,028	452,373	15,950	284	50,000	8,500	1,339	774	303	21,644	883,546
At 30 June 2016													
Cost / revalued amount	100,761	258,445	80,439	849,105	28,661	1,634	104,860	12,860	3,898	3,361	3,854	38,022	1,485,900
Accumulated depreciation	-	(87,855)	(19,411)	(396,732)	(12,711)	(1,350)	(54,860)	(4,360)	(2,559)	(2,587)	(3,551)	(16,378)	(602,354)
Net book value	100,761	170,590	61,028	452,373	15,950	284	50,000	8,500	1,339	774	303	21,644	883,546
Year ended 30 June 2017													
Opening net book value	100,761	170,590	61,028	452,373	15,950	284	50,000	8,500	1,339	774	303	21,644	883,546
Additions	-	4,414	-	73,588	102	74	832	-	3	83	-	113	79,209
Transferred to investment properties													
Cost / revalued amount	(12,596)	(91,296)	(23,169)	-	-	-	-	-	-	-	-	-	(127,061)
Accumulated depreciation	-	42,261	8,645	-	-	-	-	-	-	-	-	-	50,906
	(12,596)	(49,035)	(14,524)	-	-	-	-	-	-	-	-	-	(76,155)
Disposals:													
Cost / revalued amount	-	-	-	(12,150)	-	-	-	-	-	-	-	(5,150)	(17,300)
Accumulated depreciation	-	-	-	5,525	-	-	-	-	-	-	-	4,055	9,580
	-	-	-	(6,625)	-	-	-	-	-	-	-	(1,095)	(7,720)
Depreciation charge	-	(7,377)	(2,669)	(23,527)	(798)	(31)	(2,513)	(425)	(134)	(80)	(91)	(4,253)	(41,898)
Closing 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
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
Annual rate of depreciation (%)	-	5	5	5	5	10	5	5	10	10	30	20	

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

	2017	2016
	(RUPEES IN THOUSAND)	
Cost of sales (Note 28)	37,340	35,535
Administrative expenses (Note 30)	4,558	5,587
	41,898	41,122

15.1.2 Detail of operating fixed assets disposed of during the year is as follows:

Description	Qty.	Cost / revalued amount	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
		(RUPEES IN THOUSAND)						
Plant and Machinery								
Drawings RSBD	2	7,000	3,343	3,657	4,950	1,293	Negotiation	The Crescent Textile Mills Limited, Faisalabad
MK-5 cards	3	4,200	2,116	2,084	2,100	16	Negotiation	Azad Textile Mills Limited, Mangla, Tehsil and District Mirpur, Azad Kashmir
Air filter complete	1	950	66	884	650	(234)	Negotiation	Ashraf and Brothers, Rasool Pura, Faisalabad
		12,150	5,525	6,625	7,700	1,075		
Vehicles								
Toyota Corolla FSN-3587	1	1,314	1,173	141	296	155	Negotiation	Agha Wajid, Johar Town, Lahore
Honda Civic UC-538	1	1,950	1,303	647	1,350	703	Negotiation	Mr. Shoukat Ali, Hajvery Town, Faisalabad
Honda Civic FDA-09-1540	1	1,886	1,579	307	1,100	793	Negotiation	Aims Textile Mills Limited, Lahore
		5,150	4,055	1,095	2,746	1,651		
		17,300	9,580	7,720	10,446	2,726		

15.2 Capital work-in-progress

	2017	2016
	(RUPEES IN THOUSAND)	
Advance to civil contractor	-	3,000
	-	3,000

15.3 Had there been no revaluation, cost, accumulated depreciation and book value of the revalued assets as at 30 June 2017 would have been as follows:

	Cost	Accumulated depreciation	Net book value
	------------ (RUPEES IN THOUSAND) ------------		
Freehold land	944	-	944
Buildings on freehold land:			
Mills	62,287	44,462	17,825
Other	13,641	7,427	6,214
Plant and machinery	977,171	491,509	485,662
Electric installations / appliances	21,774	12,762	9,012
Generators	82,044	53,833	28,211
Laboratory equipment	11,433	6,408	5,025
2017	1,169,294	616,401	552,893
2016	1,161,010	634,276	526,374

16. INVESTMENT PROPERTIES

	2017	2016
	(RUPEES IN THOUSAND)	
Opening net book value transferred from property, plant and equipment	76,155	-
Fair value gain at the time of transfer from property, plant and equipment to investment properties	25,686	-
	101,841	-
Fair value gain transferred to profit and loss account on remeasurement of investment properties at the year end (Note 31)	4,138	-
	105,979	-

16.1 The Company has transferred some of its freehold land and buildings thereon, given on lease to Messrs Masood Textile Mills Limited, to investment properties from property, plant and equipment using fair value model. The fair value of investment properties comprising freehold land and buildings thereon has been determined on 02 January 2017 and 30 June 2017 by Messrs Mughal Associates, an independent valuer. No expenses directly related to investment properties were incurred during the year.

17. LONG TERM INVESTMENTS

Held-to-maturity

	2017	2016
Izafa certificates (Note 17.1)	825	825
Term deposit receipt (Note 17.2)	5,500	5,500
	6,325	6,325
Interest / profit accrued (Note 17.3)	1,117	824
	7,442	7,149
Less: Current portion shown under current assets	1,541	-
	5,901	7,149

17.1 These certificates were issued by Habib Metropolitan Bank Limited on 16 April 2012 with the maturity period of six years. Rate of interest is 16.67 (2016: 16.67) percent per annum. This investment is under lien against bank guarantee issued by the Bank to Sui Northern Gas Pipelines Limited.

17.2 This represents deposit made with National Bank of Pakistan on 18 August 2015 having maturity period of 36 months. Rate of profit is 7.10 (2016: 7.10) percent per annum.

		2017	2016
		(RUPEES IN THOUSAND)	
17.3	**Interest / profit accrued**		
	Balance as on 01 July	824	1,563
	Interest / profit accrued during the year (Note 32)	528	486
	Profit received during the year	(235)	(1,225)
	Balance as on 30 June	1,117	824
18.	**LONG TERM DEPOSITS AND PREPAYMENTS**		
	Long term deposits	3,739	3,721
	Long term prepayments	276	343
		4,015	4,064
	Less: Current portion shown under current assets (Note 23)	215	213
		3,800	3,851
19.	**STORES, SPARE PARTS AND LOOSE TOOLS**		
	Stores	10,215	11,214
	Spare parts	26,234	26,256
	Loose tools	156	151
		36,605	37,621
20.	**STOCK IN TRADE**		
	Raw materials (Note 20.1)	104,089	158,504
	Work-in-process	2,906	1,645
	Finished goods	39,224	122,561
		146,219	282,710

20.1 Raw materials include stock in transit of Rupees 7.242 million (2016: Rupees Nil).

20.2 Stock in trade of Rupees 4.286 million (2016: Rupees 0.399 million) is being carried at net realizable value.

21. TRADE DEBTS

	2017	2016
Considered good:		
Unsecured:		
- Others (Note 21.1)	51,617	89,749

21.1 As at 30 June 2017, trade debts due parties of Rupees 31.651 million (2016: Rupees 66.169 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:

	2017	2016
Upto 1 month	1,735	15,015
1 to 6 months	3,346	7,738
More than 6 months	26,570	43,416
	31,651	66,169

	2017	2016
	(RUPEES IN THOUSAND)	

22. LOANS AND ADVANCES

	2017	2016
Considered good:		
Employees - interest free:		
Against salary		
Executive	90	-
Other employees	634	148
	724	148
Against expenses		
Other employees	62	40
	786	188
Advances to suppliers / service providers	3,948	2,187
Letters of credit	91	-
Income tax	58,809	47,196
	63,634	49,571

23. SHORT TERM DEPOSITS AND PREPAYMENTS

	2017	2016
Deposits	2,173	2,173
Prepayments	43	52
Current portion of long term deposits and prepayments (Note 18)	215	213
	2,431	2,438

24. OTHER RECEIVABLES

	2017	2016
Considered good:		
Export rebate and claims	1,161	1,618
Sales tax and special excise duty refundable	19,510	31,484
Miscellaneous	1,834	280
	22,505	33,382

25. CASH AND BANK BALANCES

	2017	2016
With banks:		
On current accounts	11,814	2,124
On PLS saving accounts	-	10
	11,814	2,134
Cash in hand	3,915	3,448
	15,729	5,582

26. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale under IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' are summarized hereunder:

26.1 Non-current assets classified as held for sale

	2017	2016
Property, plant and equipment - Weaving segment (Note 26.1.1)	-	78,521

Certain items of property, plant and equipment related to Weaving segment has been presented as held for sale following the approval of the Board of Directors and shareholders of the Company in Annual General Meeting held on 31 October 2014 regarding the disposal of certain items of plant and machinery of Weaving segment of the Company. Some of the non current assets held for sale were disposed of in previous years. Remaining all items of the non-current assets held for sale were disposed of during the year against sale consideration of Rupees 73.395 million.

26.1.1 Book value of assets transferred from property, plant and equipment:

	2017	2016
Plant and machinery	78,521	102,294
Less: Book value of assets disposed of during the year	78,521	23,773
Carrying value of non-current assets held for sale as at 30 June	-	78,521

		2017	2016
		(RUPEES IN THOUSAND)	
26.2	**Analysis of results of discontinued operation**		
	OTHER INCOME	-	24,026
	ADMINISTRATIVE EXPENSES	-	(1,797)
	OTHER EXPENSES	(5,126)	(2,116)
	(LOSS) / PROFIT BEFORE TAXATION FROM DISCONTINUED OPERATION	(5,126)	20,113
	TAXATION	-	(356)
	(LOSS) / PROFIT AFTER TAXATION FROM DISCONTINUED OPERATION	(5,126)	19,757
26.3	**Analysis of the cash flows of discontinued operation**		
	Operating cash flows	-	(4,269)
	Investing cash flows	73,395	47,041
		73,395	42,772
27.	**REVENUE**		
	Sales	1,081,837	1,492,593
	Waste	21,095	14,810
		1,102,932	1,507,403
	Less: Sales tax	-	41,136
		1,102,932	1,466,267
28.	**COST OF SALES**		
	Raw materials consumed (Note 28.1)	641,650	1,147,987
	Cost of raw materials sold	36,507	-
	Loading and unloading charges	2,802	4,315
	Salaries, wages and other benefits	115,852	131,463
	Staff retirement benefit	6,320	4,857
	Stores, spare parts and loose tools consumed	45,714	32,268
	Packing materials consumed	17,186	26,778
	Repair and maintenance	525	638
	Fuel and power	152,759	167,379
	Insurance	1,673	2,441
	Other factory overheads	2,097	1,166
	Depreciation (Note 15.1.1)	37,340	35,535
		1,060,425	1,554,827
	Work-in-process		
	Opening stock	1,645	8,245
	Closing stock	(2,906)	(1,645)
		(1,261)	6,600
	Cost of goods manufactured	1,059,164	1,561,427
	Finished goods		
	Opening stock	122,561	64,320
	Closing stock	(39,224)	(122,561)
		83,337	(58,241)
	Cost of sales - purchased for resale	18,903	2,964
		1,161,404	1,506,150
28.1	**Raw materials consumed**		
	Opening stock	165,746	175,948
	Add: Purchased during the year	579,993	1,130,543
		745,739	1,306,491
	Less: Closing stock	104,089	158,504
		641,650	1,147,987

		2017	2016
		(RUPEES IN THOUSAND)	

29. DISTRIBUTION COST

	2017	2016
Salaries and other benefits	1,000	-
Staff retirement benefit	76	-
Outward freight and handling	455	256
Commission to selling agents	4,259	7,086
	5,790	7,342

30. ADMINISTRATIVE EXPENSES

	2017	2016
Salaries and other benefits	16,452	20,512
Directors' remuneration	512	2,754
Staff retirement benefit	1,242	2,354
Rent, rates and taxes	1,472	2,343
Insurance	2,423	1,213
Travelling and conveyance	1,474	1,865
Vehicles' running	4,196	5,137
Entertainment	1,337	2,738
Auditors' remuneration (Note 30.1)	575	600
Advertisement	51	133
Postage and telephone	1,377	1,807
Utilities	2,589	9
Printing and stationery	290	334
Repair and maintenance	299	407
Fee and subscription	1,346	2,566
Legal and professional	303	42
Miscellaneous	931	4,395
Depreciation (Note 15.1.1)	4,558	5,587
	41,427	54,796

30.1 Auditors' remuneration:

	2017	2016
Audit fee	500	500
Half yearly review and other certification	75	100
	575	600

31. OTHER EXPENSES

	2017	2016
Net exchange loss	149	-
Other receivables written off	457	-
	606	-

32. OTHER INCOME

	2017	2016
Income from financial assets		
Interest / profit on long term investments (Note 17.3)	528	486
Income from non-financial assets		
Gain on sale of property, plant and equipment	2,726	224
Credit balances written back	27,276	1,706
Scrap sales	43	-
Rental income	4,670	-
Fair value gain on remeasurement of investment properties (Note 16)	4,138	-
	38,853	1,930
	39,381	2,416

	2017	2016
	(RUPEES IN THOUSAND)	

33. FINANCE COST

	2017	2016
Mark-up on:		
Long term financing	475	1,292
Short term borrowings	25,622	27,839
Fair value adjustment of loans from sponsor directors / shareholders (Note 7.2)	34,376	10,402
Bank charges and commission	1,609	2,040
	62,082	41,573

34. TAXATION

	2017	2016
Charge for the year:		
Current (Note 34.1)	3,670	-
Prior year adjustment	-	(8,321)
Deferred	42,546	(30,972)
	46,216	(39,293)

34.1 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 2017. The Company has accumulated tax losses of Rupees 310.302 million including unabsorbed depreciation as at 30 June 2017 (2016: Rupees 259.716 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.

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

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

		2017	2016
Continuing operations			
Loss for the year after taxation	(Rupees in thousand)	(175,212)	(101,885)
Weighted average number of ordinary shares	(Numbers)	9 660 000	9 660 000
Loss per share	(Rupees)	(18.14)	(10.55)
Discontinued operation			
(Loss) / profit for the year after taxation	(Rupees in thousand)	(5,126)	19,757
Weighted average number of ordinary shares	(Numbers)	9 660 000	9 660 000
(Loss) / earnings per share	(Rupees)	(0.53)	2.05

		2017	2016
		(RUPEES IN THOUSAND)	
36.	**CASH GENERATED FROM OPERATIONS**		
	Loss before taxation	(134,122)	(121,065)
	Adjustments for non-cash charges and other items:		
	Depreciation	41,898	41,122
	Gain on sale of property, plant and equipment	(2,726)	(224)
	Loss / (gain) on sale of non-current assets held for sale	5,126	(23,268)
	Provision for staff retirement gratuity	7,638	7,211
	Fair value gain on remeasurement of investment properties	(4,138)	-
	Other receivables written off	457	-
	Credit balances written back	(27,276)	(1,706)
	Interest / profit on long term investments	(528)	(486)
	Net exchange loss	149	-
	Finance cost	62,082	41,573
	Working capital changes (Note 36.1)	196,803	73,438
		145,363	16,595
36.1	**Working capital changes**		
	Decrease / (increase) in current assets		
	Stores, spare parts and loose tools	1,016	951
	Stock in trade	136,491	(34,197)
	Trade debts	38,132	79,161
	Loans and advances	(2,450)	1,190
	Short term deposits and prepayments	7	87
	Other receivables	10,420	(1,923)
		183,616	45,269
	Decrease in trade and other payables	13,187	28,169
		196,803	73,438

37. 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 Executives of the Company is as follows:

	Chief Executive Officer		Directors		Executives	
	2017	2016	2017	2016	2017	2016
	(RUPEES IN THOUSAND)					
Managerial remuneration	200	1,200	141	636	4,149	6,666
Allowances						
House rent	90	540	64	286	1,866	3,000
Utilities	10	60	7	32	205	309
Staff retirement gratuity paid	-	-	-	-	200	-
	300	1,800	212	954	6,420	9,975
Number of persons	1	1	1	1	4	7

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

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

37.3 No meeting fee was paid to any director during the year (2016: Rupees Nil). Moreover no remuneration was paid to non-executive directors of the Company.

38. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated company / 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:

	2017	2016
	(RUPEES IN THOUSAND)	
Associated company / undertaking		
Purchase of goods	2,156	3,188
Sale of goods	-	572
Other related parties		
Loans obtained from directors - net	51,886	40,014

39. NUMBER OF EMPLOYEES

	2017	2016
	(NUMBER OF PERSONS)	
Number of employees as on 30 June	494	733
Average number of employees during the year	450	705

40. PLANT CAPACITY AND ACTUAL PRODUCTION

		2017	2016
100% plant capacity converted to 20s count based on 3 shifts per day for 1 095 shifts (2016: 1 098 shifts)	(Kgs.)	7 169 700	6 566 717
Actual production converted to 20s count based on 3 shifts per day for 1 020 shifts (2016: 1 098 shifts)	(Kgs.)	4 837 195	6 137 387

40.1 REASON FOR LOW PRODUCTION

Under utilization of available capacity is due to installation period of compact spinning system during the year.

41. FINANCIAL RISK MANAGEMENT

41.1 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 is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2017	2016
Trade debts - USD	181,662	269,440
Trade and other payables - USD	(497,952)	(8,081)
Net exposure - USD	(316,290)	261,359

Following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	104.50	104.27
Reporting date rate	105.00	104.50

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on loss after taxation for the year would have been Rupees 1.661 million higher / lower (2016: Rupees 1.366 million lower / higher) mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

(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 long term financing, short term borrowings and long 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 balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:

	2017	2016
	(RUPEES IN THOUSAND)	
Fixed rate instruments:		
Financial assets		
Long term investments	6,325	6,325
Floating rate instruments:		
Financial assets		
Bank balances-saving accounts	-	10
Financial liabilities		
Long term financing	-	12,664
Short term borrowings	298,458	435,285

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 balance sheet 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, loss after taxation for the year would have been Rupees 2.985 million (2016: Rupees 4.479 million) higher / lower mainly as a result of higher / lower interest expense on floating rate financial instruments. This analysis is prepared assuming the amount of financial instruments outstanding at balance sheet 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:

Investments	7,442	7,149
Loans and advances	724	148
Deposits	5,912	5,894
Trade debts	51,617	89,749
Other receivables	1,834	280
Bank balances	11,814	2,134
	79,343	105,354

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			2017	2016
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	81	5
Allied Bank Limited	A1+	AA+	PACRA	1	91
Askari Bank Limited	A1+	AA+	PACRA	15	4
Bank Alfalah Limited	A1+	AA+	PACRA	86	152
Faysal Bank Limited	A1+	AA	PACRA	59	34
Habib Bank Limited	A1+	AAA	JCR-VIS	76	31
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	11,221	44
MCB Bank Limited	A1+	AAA	PACRA	112	159
Soneri Bank Limited	A1+	AA -	PACRA	20	14
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	-	20
Al-Baraka Bank (Pakistan) Limited	A-1	A+	JCR-VIS	20	693
Bank Al-Habib Limited	A1+	AA+	PACRA	4	7
United Bank Limited	A-1+	AAA	JCR-VIS	109	3
The Bank of Punjab	A1+	AA	PACRA	-	1
JS Bank Limited	A1+	AA -	PACRA	10	301
Meezan Bank Limited	A-1+	AA	JCR-VIS	-	575
				11,814	2,134

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 21.

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 2017, the Company had Rupees 336.172 million (2016: Rupees 179.715 million) available borrowing limits from financial institutions and Rupees 15.729 million (2016: Rupees 5.582 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:

Contractual maturities of financial liabilities as at 30 June 2017:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
	(RUPEES IN THOUSAND)					
Non-derivative financial liabilities:						
Trade and other payables	119,960	119,960	119,960	-	-	-
Accrued mark-up	6,052	6,052	6,052	-	-	-
Short term borrowings	325,811	325,811	325,811	-	-	-
	451,823	451,823	451,823	-	-	-

Contractual maturities of financial liabilities as at 30 June 2016:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Non-derivative financial liabilities:						
Long term financing	178,288	214,709	545	2,097	112,067	100,000
Trade and other payables	123,610	123,610	123,610	-	-	-
Accrued mark-up	9,586	9,586	9,586	-	-	-
Short term borrowings	570,752	588,099	588,099	-	-	-
	882,236	936,004	721,840	2,097	112,067	100,000

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 13 to these financial statements.

41.2 Financial instruments by categories

	Held-to-maturity	Loans and receivables	Total	Held-to-maturity	Loans and receivables	Total
		2017			2016	
	(RUPEES IN THOUSAND)					
Financial assets						
Investments	7,442	-	7,442	7,149	-	7,149
Loans and advances	-	724	724	-	148	148
Deposits	-	5,912	5,912	-	5,894	5,894
Trade debts	-	51,617	51,617	-	89,749	89,749
Other receivables	-	1,834	1,834	-	280	280
Cash and bank balances	-	15,729	15,729	-	2,134	2,134
	7,442	75,816	83,258	7,149	98,205	105,354

	At amortized cost 2017	2016
	(RUPEES IN THOUSAND)	
Financial liabilities		
Long term financing	-	178,288
Accrued mark-up	6,052	9,586
Short term borrowings	325,811	570,752
Trade and other payables	119,960	123,610
	451,823	882,236

41.3 Offsetting financial assets and financial liabilities

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

41.4 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 13. Equity represents 'total equity' as shown in the balance sheet including directors' loans. Total capital employed includes 'total equity' plus 'borrowings' as shown below:

		2017	2016
Borrowings	Rupees in thousand	325,811	688,540
Total equity	Rupees in thousand	465,306	333,341
Total capital employed	Rupees in thousand	791,117	1,021,881
Gearing ratio	Percentage	41.18	67.38

The decrease in the gearing ratio resulted primarily due to obtaining / transfer of directors' loans.

42. 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, and trading and available for sale 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.

43. 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.

At 30 June 2017	Level 1	Level 2	Level 3	Total
	RUPEES IN THOUSAND			
Freehold land	-	88,165	-	88,165
Buildings on freehold land	-	162,427	-	162,427
Plant and machinery	-	495,809	-	495,809
Electric installations / appliances	-	15,254	-	15,254
Generators	-	48,319	-	48,319
Laboratory equipment	-	8,075	-	8,075
Investment properties	-	105,979	-	105,979
Total non-financial assets	-	924,028	-	924,028

At 30 June 2016	Level 1	Level 2	Level 3	Total
	RUPEES IN THOUSAND			
Freehold land	-	100,761	-	100,761
Buildings on freehold land	-	231,618	-	231,618
Plant and machinery	-	452,373	-	452,373
Electric installations / appliances	-	15,950	-	15,950
Generators	-	50,000	-	50,000
Laboratory equipment	-	8,500	-	8,500
Non-current assets held for sale	-	78,521	-	78,521
Total non-financial assets	-	937,723	-	937,723

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 valuation. The management determines property's value within a range of reasonable fair value estimates. The best evidence of fair value of 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 building. 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. As at 30 June 2017, the fair value of the investment properties has been determined by Messrs Mughal Associates. The valuation of the 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 30 June 2016.

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.

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 09, 2017 by the Board of Directors of the Company.

45. CORRESPONDING FIGURES

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

46. 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 ORDINANCE 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING

1. Incorporation Number: 0009217

2. Name of the Company: ISHAQ TEXTILE MILLS LIMITED

3. Pattern of holding of the shares held by the shareholders as at: 30-06-2017

4. No. of Shareholders	-----Shareholding----- From	To	Total Shares Held
743	1	100	22,550
252	101	500	58,858
46	501	1,000	41,150
82	1,001	5,000	217,556
16	5,001	10,000	120,461
8	10,001	15,000	108,848
6	15,001	20,000	104,619
6	20,001	25,000	140,000
1	40,001	45,000	40,587
2	55,001	60,000	117,000
2	85,001	90,000	179,000
1	95,001	100,000	100,000
1	430,001	435,000	431,946
1	550,001	555,000	554,768
1	740,001	745,000	742,697
1	860,001	865,000	860,170
1	885,001	890,000	890,000
2	890,001	895,000	1,786,100
1	1,475,001	1,480,000	1,475,611
1	1,665,001	1,670,000	1,668,079
1,174			**9,660,000**

5. Categories of shareholders	**Share held**	**Percentage**
5.1 Directors, Chief Executive Officers, and their spouse and minor childern	6,405,240	66.3068
5.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000
5.3 NIT and ICP	17,649	0.1827
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	310	0.0032
5.5 Insurance Companies	0	0.0000
5.6 Modarabas and Mutual Funds	438,546	4.5398
5.7 Share holders holding 10% or more	4,530,655	46.9012
5.8 General Public		
a. Local	2,711,814	28.0726
b. Foreign	172	0.0018
5.9 Others (to be specified)		
1- Joint Stock Companies	32,733	0.3389
2- Investment Companies	200	0.0021
3- Pension Funds	40,587	0.4202
4- Others	12,749	0.1320

6. Signature of Chief Executive/Secretary	Shahzad		
7. Name of Signatory	Tahir Shahzad		
8. Designation	Company Secretary		
9. NIC Number	33100-6689054-9		
10 Date	30	06	2017

Catagories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2017

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	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	431,946	4.4715
2	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	960,170	9.9396
3	MRS. NAZMA AMER	1,297,465	13.4313
4	MRS. HAJRA RAZA	3,550	0.0367
5	MR. ANNS AMER	1,475,611	15.2755
6	KHAWAJA AMER KHURSHID	1,757,579	18.1944
7	MS. YUSRA AMER	890,000	9.2133
8	MR. ABDUL RAUF	3,456	0.0358
Executives:		-	0.0000
Public Sector Companies & Corporations:		-	0.0000
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		40,997	0.4244

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

S. No.	Name	Holding	% AGE
1	MRS. NAZMA AMER	1,297,465	13.4313
2	MR. AIZAD AMER	960,170	9.9396
3	MR. ANNS AMER	1,475,611	15.2755
4	KHAWAJA AMER KHURSHID	1,757,579	18.1944
5	MS. YUSRA AMER	890,000	9.2133
6	MR. MOEEZ AHMED	893,550	9.2500
7	MR. MUSTAQEEM ALI	892,550	9.2396

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	MRS. ZAREEN AKHTAR	607,456	-
2	MRS. HAJRA RAZA	890,000	-
3	MR. ANNS AMER	-	605,000
4	KHAWAJA AMER KHURSHID	-	891,027
	KHAWAJA AMER KHURSHID (CDC)	-	10,500
5	MS. YUSRA AMER	-	890,000
6	MR. ABDUL RAUF	605,000	607,456

PROXY FORM

I/We____of
_______________________________________being member(s) of **ISHAQ 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 36th Annual General Meeting of the Company to be held on October 31, 2017 at 11:00 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 ________________2017
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 ــــــــــــ از ــــــــــــ بحثیت **اسحاق ٹیکسٹائل ملز لمیٹڈ** کے ممبر اور عام حصص یافتہ مطابق شیئر

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

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

سی این آئی نمبر یا پاسپورٹ نمبر ــــــــــــ جو کمپنی کے ممبر بھی ہیں، کو کمپنی کے منگل 31 اکتوبر 2017ء کو دن 11 بجے منعقد ہونیوالے چھتسواں سالانہ اجلاس میں اپنی جانب سے شرکت اور رائے دہی کیلئے اپنا پروکسی مقرر کرتا ہوں۔

دستخط مورخہ 2017ء

گواہی: 1: دستخط ــــــــــــ

نام ــــــــــــ

پتہ ــــــــــــ

سی این آئی سی یا پاسپورٹ نمبر ــــــــــــ

2: دستخط ــــــــــــ

نام ــــــــــــ

پتہ ــــــــــــ

سی این آئی سی یا پاسپورٹ نمبر ــــــــــــ

5 روپے کا
محصول ٹکٹ

دستخط ــــــــــــ

(کمپنی کے پاس دستخط کے نمونے کے مطابق ہوں)

سی این آئی سی/ پاسپورٹ نمبر ــــــــــــ

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 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 کرسکتا ہے تاہم کارپوریشن کسی بھی غیر ممبر کو اپنا پروکسی مقرر کرسکتی ہے۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز/ کارپوریشن اینٹٹی

مزید براں مندرجہ ذیل شرائط پر عمل کرنا ہوگا۔

(i) پروکسی فارم پر دو افراد کی گواہی ہونی چاہئے 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 اینٹٹی 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۔