

ANNUAL REPORT

2017

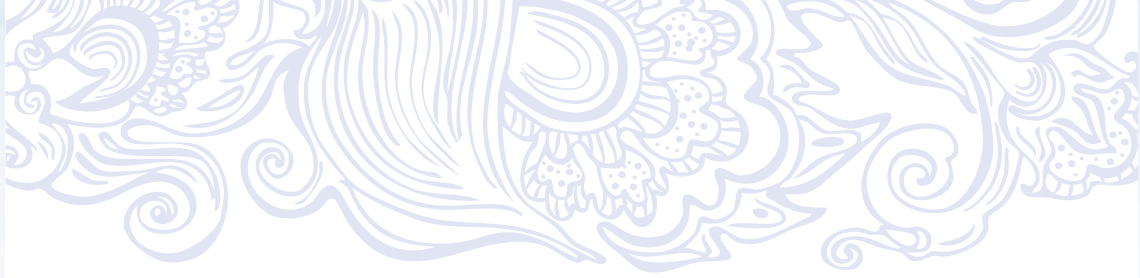


***The National Silk
& Rayon Mills Ltd.***

Manufacturer & Exporter of Quality Textile Products

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Mission Statement

We Shall provide unparalleled service and best value to our customers through dedicated, responsive and cost effective supply chain.

We are to provide quality products by strict adherence to international standards and best practices through collaboration with leading global companies in markets we serve.

We shall strive to maximize our shareholders value through sustained profitable growth.

We shall enhance existing employee productivity, hire, retain and develop best talent and provide them a competitive environment to excel and grow.

We will aggressively focus on increasing our market penetration by exploring new channels.

We shall continue to set new trends through innovative marketing and manufacturing.



Company Information

Board of Directors

Sh. Faisal Tauheed	(Executive Director)
Sh. Kashif Tauheed	-do-
Mrs. Samira Faisal	Non Executive Director
Mrs. Tahira Kashif	-do-
Mrs. Sadia Kamran	-do-
Mrs. Amna Kamran	Non Executive Director/Chairman
Mr. Shehzad Ehsan	Independent Director

Board Audit Committee

Mr. Shehzad Ehsan	(Chairman)
Mrs. Amna Kamran	
Mrs. Sadia Kamran	

Board Human Resource and Remuneration Committee

Mrs. Sadia Kamran	(Chairman)
Mrs. Amna Kamran	
Mr. Shehzad Ehsan	

Management Team

Sh. Faisal Tauheed Puri	(Chief Executive)
Muhammad Islam Haider	(Chief Financial Officer)
Imran Zafar	(Company Secretary)
Qaiser Ali Faheem	(Internal Auditor)

Auditors

Amin Mudassar and Company
Chartered Accountants

Bankers

National Bank of Pakistan
The Bank of Punjab
Bank Alfalah Limited
Habib Metropolitan Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
MCB Limited
Meezan Bank Limited

Registered Office

4th Floor, I.E.P. Building,
97-B/D-1, Gulberg III, Lahore.

Factory

Dhuddiwala, Jaranwala Road, Faisalabad.

Share Registrar

Orient Software & Management Services (Pvt) Ltd;
35-Z, Ameer Plaza, Opposite Mujahid Hospital,
Commercial Centre, Madina Town, Faisalabad.

Legal Advisor

Sahibzada Muhammad Arif
Advocate High Court,
Chamber No.52, District Courts,
Faisalabad.

Notice of 67th Annual General Meeting

Notice is hereby given that the Sixty seventh Annual General Meeting of the Shareholders of The National Silk & Rayon Mills Limited will be held at Johar Event Complex, 20-21 E, Maulana Shaukat Ali Road, Near Jinnah Hospital, Lahore on 28th day of October 2017 at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2017 together with the Directors' and Auditors' Report thereon.
2. To consider and approve payment of final cash dividend @7.5% i.e. Re.0.75 per share as recommended by the Board of Directors.
3. To appoint auditors for the year ending June 30, 2018 and fix their remuneration. The present auditors M/s Amin Mudassar & Co., Chartered Accountants, retire and offer themselves for re-appointment.
4. To consider and approve increase in remuneration of the Chief Executive Sh. Faisal Tauheed from Rs.400,000/- to Rs.500,000/- and Director Sh. Kashif Tauheed from Rs.400,000/- to Rs.500,000/- per month w.e.f. 01-11-2017.

By order of the Board

Place: Lahore
Dated: October 07, 2017

(IMRAN ZAFAR)
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 21, 2017 to October 28, 2017 (both days inclusive). Transfers received in order at Share Registrar Office by the close of business October 20, 2017, will be treated in time for the entitlement to attend the meeting.
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her.
3. The financial statements for the year ended June 30, 2017 shall be uploaded on Company's website on or before October 07, 2017.
4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
5. Members are requested to submit declaration for zakat on the required format and to advise change in address, if any.
6. Members are requested to send copies of their computerized National Identity Cards to the company's independent Share Registrar M/s. Orient Software & Management Services (Pvt) Limited, 35-Z, Ameer Plaza, Opp: Mujahid Hospital, Madina Town, Faisalabad.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No.1, of 2000 dated 26th January 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulation, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the meeting.
- b. In case of Corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, address and CNIC number shall be mentioned on the form
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with the proxy form to the company.

Consent for Video Conference Facility:

Pursuant to SECP Circular No.10 of 2014 dated May 21, 2014, if company receives consent from members holding aggregate 10% or more shareholding residing in geographical location to participate in the meeting through video conference at least 10 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

In order to vote through e-voting and avail video conference facility, please fill the requisite form and submit to Company within time frame mentioned in form.

Chairmans' Review Report

The National Silk and Rayon Mills Limited is the country's leading Processing and Embroidery Cloth unit. The Company is the pioneer in the introduction of best Cloth processing and Embroidery.

The Board of Directors of The National Silk and Rayon Mills Limited has a membership with a blend of entrepreneurial skills and experience required to ensure the oversight and strategic counsel and direction required for steering the Company forward towards its vision and strategic plans. The overall performance of the Board and its committees was active and also effective with the Directors aiming to maintain and strengthen the high level of corporate governance, continuously improving the corporate transparency, facilitating the development of the Company and endeavoring to enhance corporate value.

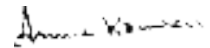
The board expects that the execution of these plans at both the technical and commercial level, supported by investments in improving capability and capacity will help creating sustainable shareholder value going forward.

The efforts of Board and its committees & the efforts of the professional, resilient and committed team of the company are acknowledged for their valuable assistance in providing the required stewardship to the Company.

During the year, we had a change of Independent Director with the resignation of Mr. Yasir Munir and the appointment of Mr. Shehzad Ehsan as a new Independent Director of the Company. I would like to thank Mr. Yasir Munir for all his efforts during the last five years and Welcome Mr. Shehzad Ehsan to the Company.

At the end, I would like to thank our shareholders, my fellow directors and stakeholders for all their support & again acknowledge with gratitude the sustained and ongoing dedication of the Company's management and staff in a very challenging operating conditions.

October 07, 2017



Amna Kamran
Chairman

Directors' Report

The Directors of your Company are pleased to present the 67th Annual Report of the Company along with audited financial statements and auditors' report thereon for the year ended 30th June 2017.

Business / Company Performance Overview:

The local Textile Processing and Embroidery cloth manufacturers, including your Company has been facing intense competition in the market. Your Company has successfully maintained the growth momentum. During the year the Company has achieved a growth of 15.76% with sales volume. The gross profits have also improved, thereby generating a profit Rs.33.857 million in comparison to Rs.32.803 million of previous year.

Operating Results:	2017	2016
-----R u p e e s-----		
Sales	821,570,202	709,705,001
Profit before taxation	33,857,415	32,803,364
Taxation	17,484,719	(1,796,186)
Profit after taxation	16,372,696	34,599,550
Earning per share	1.05	2.22

Dividend:

The Board of Director's have recommended 7.5% dividend for the year ended June 30, 2017.

Debt Obligation:

By the grace of Almighty Allah, despite so many challenges, the Company contains to meet its financial commitments and debt obligation on time.

Contribution to National Exchequer:

Being a responsible citizen, your company made a contribution of Rs. 24.100 million to national exchequer in form of income tax, sales tax, custom duties and excise as compared to Rs.36.181 million during the last financial year.

Human Resources:

We strongly believe that success comes when employees are engaged and aligned with the Company's vision, and when they feel valued and heard. The Company continues to make people its focal point by providing the most supportive and conducive environment to all employees and by promoting a culture of high performance, learning, trust and openness to deliver its brand promise of cultivating growth.

The company continues to maintain cordial relations with all its employees. Negotiations on a new wage settlement with labor union were concluded satisfactorily and their wages were increased.

Future Outlook and Challenges:

It is widely acknowledged that Pakistan has immense economic potential. The balancing and modernization of plant and machinery being carried out together with new market development will set a strong of your Company to be able to prosper and steer ahead in future years. Competition in Pakistan has been very aggressive and is expected to intensify its spending in Textile industry.

We are confident about the future prospects of your Company as the demand of cloth processing has been resilient and is expected to increase further in the years to come. We are also working internally to become more efficient by becoming more cost effective, focusing on energy conservation and expenditure reduction techniques.

Corporate and Social Responsibility:

Your Company being a responsible corporate citizen always conscious to discharge its obligations towards the people who work for it day and night, people around its work place and to the society as a whole.

Auditors of the company:

The present auditors M/s. Amin Mudassar and Company Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Audit Committee of the Board has also recommended their re-appointment as Auditors of the company for the year ending June 30, 2018.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The directors of your company are aware of their responsibilities under the Code of Corporate Governance incorporated in the Listing Rules of the Stock Exchanges in the country under instructions from the Securities & Exchange Commission of Pakistan. We are taking all the necessary steps to ensure Good Corporate Governance as required by the Code. As a part of the compliance of the Code, we confirm the following.

- These financial statement, prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- The company has maintained proper books of account.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented. The system is being continuously monitored by internal audit and through other such monitoring procedure. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring in improvement in the system.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of the corporate governance, as listed in the listing regulations.
- Key operating and financial data for the last six years in summarized form is annexed.
- Information about taxes and levies is given in the notes to the financial statements.
- The company has ceased the unfunded Gratuity Scheme and introduced defined contribution plan i.e. "Provident Fund" for all its permanent employees from July 01, 2016. Equal monthly contribution are made both by the Company and employees at the rate of 8.33% of the gross salary.
- There have been no material changes and commitments affecting the financial position which have occurred between the end of financial year and the date of annual report.
- There are no outstanding statutory payments due on account of taxes, levies and charges except as those disclosed in these financial statements.

Board of Director's Meetings:

The Board convened 9 times during the year and attendance of the respective Directors was as under:

Directors	No. of meetings attended
Sh. Faisal Tauheed	9
Sh. Kashif Tauheed	9
Mrs. Samira Faisal	9
Mrs. Tahira Kashif	9
Sh. Yasir Munir	5
Mr. Shehzad Ehsan	4
Mrs. Amna Kamran	7
Mrs. Sadia Kamran	6

Leave of absence was granted to the Directors who could not attend the Board meetings.

Board Audit Committee

An audit committee of the Board has been in existence since the enforcement of the Code of Corporate Governance. The audit committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the listing regulations and code of corporate governance.

The committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It has the power to call for information from management and to consult directly with the external auditors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meeting by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board. The audit committee comprises of two non-executive directors and one independent director who is also a Chairman.

During the year four (4) meetings of the audit committee were held. The attendance of each member is given hereunder:

Names	No. of meetings attended
Sh. Yasir Munir	2
Mr. Shehzad Ehsan	2
Mrs. Amna Kamran	4
Mrs. Sadia Kamran	4

Leave of absence was granted to the Directors who could not attend the Board meetings.

Human Resource and Remuneration Committee:

In compliance with the requirements of code of corporate governance, the Board of Directors has established this committee comprising three members (including Chairman) two of whom are non executive directors and one is independent director. Detailed terms of reference of the Committee were duly communicated to the members by the Board.

Financial Statements

As required under the listing regulations of stock exchanges the Chief Executive Officer and Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the board of directors and the board, after consideration and approval, authorize the signing of financial statements for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company. Amin Mudassar and Company, Chartered Accountants. Auditors have issued clean audit report on financial statements for the year ended 30th June 2017 and clean review report on Statement of Code of Corporate Governance and their reports are attached with the financial statements. No material changes in contingencies and commitments, effecting the financial position of your company, have occurred between the end of the financial year to which this balance sheet relates and the date of the directors' report.

Related Party transaction and Transfer Pricing

It is the policy of the company to ensure that all transactions entered with related parties must be at arm's length. The company has fully complied with the best practices of the transfer pricing as contained in the listing regulation of stock exchanges in Pakistan.

Directors' Training Programs:

Two directors of the Company Sh. Faisal Tauheed and Sh. Kashif Tauheed has acquired the certification under Director Training Program from Institute of Chartered Accountants of Pakistan. Three directors of the Company Mr. Shehzad Ehsan, Mrs. Samira Faisal and Mrs. Tahira Kashif has joined the training course on October 06, 2017 and will complete training on October 14, 2017 and will acquire the certificate under the Director Training Program from Institute of Cost and Management Accountants of Pakistan.

Pattern of Shareholding:

The pattern of shareholding in the prescribed form is annexed which also includes the information required under Code of Corporate Governance.

Trading by Directors etc:

No share traded by directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouse and minor children during the year.

Appreciation

We would like to thank all of our staff members for the way they have responded to challenges of the year. Their hard work and commitment is greatly appreciated and is reflected in these results.

We are also thankful for the encouragement and support which we received from our suppliers, shareholders, bankers and financial institutions.



Sh. Faisal Tauheed Puri
Chief Executive

On behalf of the Board



Sh. Kashif Tauheed
Director

LAHORE: October 07, 2017

Statement of Compliance

with the Code of Corporate Governance [See clause (xl)]

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.35 of Listing Regulations of the Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category		Names
Independent Director	1.	Mr. Shehzad Ehsan
Executive Director	2.	Sh. Faisal Tauheed
-do-	3.	Sh. Kashif Tauheed
Non - Executive Director	4.	Mrs. Samira Faisal
-do-	5.	Mrs. Tahira Kashif
-do-	6.	Mrs. Amna Kamran (Chairman)
-do-	7.	Mrs. Sadia Kamran

The independent directors meet the criteria of independence under clause I (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 NBFIs.
4. During the year Mr. Yasir Munir independent director resigned and Mr. Shehzad Ehsan elected as independent director.
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 CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board arranged orientation course for its directors as and when needed to apprise them of their duties and responsibilities. Two directors undertook the Directors training programme and obtained the certificate of Participation by Institute of Chartered Accountants of Pakistan. Three directors of the Company Mr. Shehzad Ehsan, Mrs. Samira Faisal and Mrs. Tahira Kashif has joined the training course on October 06, 2017 and will complete training on October 14, 2017 and will acquire the certificate under the Director Training Program from Institute of Cost and Management Accountants of Pakistan.

10. No new appointments of CFO, Company Secretary and Head of Internal Audit, were made during the year. The board has, however, ratified their appointments including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises three (3) members, all whom are non-executive directors including its Chairman.
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 a Human Resources and Remuneration Committee. It comprises three members, of whom two are non-executive directors and one is an independent director. The Chairman of the Committee is a non-executive director.
18. The board has set up an effective internal audit function which was duly reviewed and ratified by the Audit Committee and approved by the Board of Directors of the Company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through Pakistan stock exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

Lahore:
October 07, 2017

On behalf of the Board



Sh. Faisal Tauheed Puri
Chief Executive Officer

Review Report

to the Members on Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (“the Code”) prepared by the Board of Directors of **THE NATIONAL SILK & RAYON MILLS LIMITED** (“the Company”) for the year ended June 30, 2017 to comply with the requirements of Rule 5.19 of the Rule Book of the Pakistan Stock Exchange 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's personnel and review 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 arms' 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 June 30, 2017.



CHARTERED ACCOUNTANTS
MUHAMMAD AMIN

Lahore:
October 07, 2017

Auditors' Report

to the Members

We have audited the annexed balance sheet of **The National Silk & Rayon Mills Limited** ("the Company") as at **June 30, 2017** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the 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 accounts 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 accounts 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 June 30, 2017 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

EMPHASIS OF MATTER:

We draw attention to note. 39 of the financial statements which describes reasons that the company had paid contribution of provident fund after stipulated time as required by Section 218 of the Companies Act, 2017. Our opinion is not modified in respect of this matter.



CHARTERED ACCOUNTANTS
AUDIT ENGAGEMENT PARTNER:
MUHAMMAD AMIN

Lahore:
October 07, 2017

Balance Sheet

AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees	ASSETS	Note	2017 Rupees	2016 Rupees
EQUITY AND LIABILITIES							
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS			
Authorised share capital	3	204,000,000	204,000,000	Property, plant and equipment	15	715,761,337	716,605,631
Issued, subscribed and paid-up share capital	4	155,531,740	155,531,740	Long term deposits	16	20,851,231	20,851,231
Unappropriated profit		89,555,907	73,183,211			736,612,568	737,456,862
		245,087,647	228,714,951				
SURPLUS ON REVALUATION OF FIXED ASSETS	5	481,279,091	481,279,091				
DEFERRED INCOME	6	-	3,476,264				
NON CURRENT LIABILITIES							
Liabilities against assets subject to finance lease	7	-	-				
Deferred liabilities	8	18,829,828	23,951,078				
		18,829,828	23,951,078				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables	9	159,416,072	143,952,048	Stores, spares and loose tools	17	1,356,436	2,125,846
Accrued interest and markup	10	717,925	664,168	Stock in trade	18	29,593,932	49,432,837
Short term borrowings	11	94,229,917	94,931,357	Trade debts	19	50,600,795	59,793,382
Current portion of lease liabilities	12	-	20,742,660	Loans and advances	20	33,291,514	34,056,023
Provision for taxation	13	-	-	Trade deposits, short term prepayments and current account balances with statutory authorities	21	16,232,240	20,377,262
				Accrued interest	22	6,579	6,914
				Due from Government	22	126,888,151	79,351,220
				Cash and bank balances	23	4,978,265	15,111,271
		254,363,914	260,290,233			262,947,912	260,254,755
CONTINGENCIES AND COMMITMENTS	14	-	-				
		999,560,480	997,711,617				

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

CHIEF FINANCIAL OFFICER



Profit and Loss Account

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
Sales- net	24	821,570,202	709,705,001
Cost of sales	25	754,317,880	646,254,808
Gross profit		67,252,322	63,450,193
Distribution cost	26	916,033	295,056
Administrative expenses	27	30,691,179	28,575,160
Other operating expenses	28	2,615,942	1,852,023
		34,223,154	30,722,239
		33,029,168	32,727,954
Other income	29	5,283,232	6,179,059
		38,312,400	38,907,013
Finance cost	30	4,454,985	6,103,649
Profit before taxation		33,857,415	32,803,364
Taxation	31	17,484,719	(1,796,186)
Profit after taxation		16,372,696	34,599,550
Earning per share- Basic and Diluted	32	-----R u p e e s----- 1.05	2.22

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees	2016 Rupees
Profit after taxation	16,372,696	34,599,550
Items that will not be reclassified to profit or loss		
Gain on staff retirement benefit obligation - net of deferred tax	-	22,580
Items that will be reclassified to profit or loss		
Other comprehensive income-net of taxation	-	22,580
Total comprehensive income for the year-net of tax	16,372,696	34,622,130

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Cash Flow Statement

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	A	46,150,246	64,752,916
Taxes paid		(14,398,676)	(10,498,728)
Finance cost paid		(4,401,228)	(6,347,835)
Gratuity paid		(3,260,505)	(1,223,358)
Net cash flows from operating activities		<u>24,089,837</u>	<u>46,682,995</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(23,292,328)	(47,558,178)
Long term deposits		-	(13,259,990)
Profit on bank deposits		13,584	2,108
Sale proceeds of fixed assets		500,000	1,548,000
Net cash flows from investing activities		<u>(22,778,744)</u>	<u>(59,268,060)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings from directors		(9,360,000)	41,338,652
Repayment of lease finance liabilities		(10,742,660)	(10,048,147)
Net cash flows from financing activities		<u>(20,102,660)</u>	<u>31,290,505</u>
Net (Decrease)/increase in cash and cash equivalents		(18,791,566)	18,705,440
Cash and Cash Equivalents at the Beginning of the Year		(13,116,434)	(31,821,874)
Cash and Cash Equivalents at the End of the Year	B	<u>(31,908,000)</u>	<u>(13,116,434)</u>

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes to the Cash Flow Statement

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
A - CASH GENERATED FROM OPERATIONS			
Profit before taxation		33,857,415	32,803,364
Adjustment of non cash and other items:			
Provision for gratuity		3,427,917	2,421,680
Depreciation		23,771,954	22,366,589
Profit on disposal of fixed assets		(135,332)	(754,001)
Profit on bank deposit		(13,249)	-
Deferred income recognised		(3,476,264)	(3,792,288)
Finance cost		4,454,985	6,103,649
		28,030,011	26,345,629
Cash flows before working capital changes		61,887,426	59,148,993
EFFECT ON CASH FLOWS OF WORKING CAPITAL CHANGES			
(Increase)/Decrease in current assets			
Stores, spares and loose tools		769,410	(1,822,023)
Stocks in trade		19,838,905	(22,654,116)
Trade debts		9,192,587	(24,544,710)
Loan and advances		764,509	(3,502,735)
Trade deposit and short term prepayments		(173,904)	10,757,255
Due from Government		(47,536,931)	(15,305,405)
Increase/(Decrease) in current liabilities			
Trade and other payables		1,408,244	62,675,657
		(15,737,180)	5,603,923
		46,150,246	64,752,916
B - CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	4,978,265	15,111,271
Short term borrowings	11	(36,886,265)	(28,227,705)
		(31,908,000)	(13,116,434)

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2017

	SHARE CAPITAL	UN- APPROPRIATED PROFIT	TOTAL
	----- R u p e e s -----		
Balance as at July 01, 2015	155,531,740	38,561,081	194,092,821
Profit for the year	-	34,599,550	34,599,550
Other comprehensive income	-	22,580	22,580
Total comprehensive profit	-	34,622,130	34,622,130
Balance as at June 30, 2016	155,531,740	73,183,211	228,714,951
Profit for the year	-	16,372,696	16,372,696
Other comprehensive income	-	-	-
Total comprehensive profit	-	16,372,696	16,372,696
Balance as at June 30, 2017	155,531,740	89,555,907	245,087,647

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2017

1 STATUS AND NATURE OF BUSINESS

The Company is a Public Limited Company, incorporated in Pakistan on June 27, 1950 under the repealed Companies Act, 1913. The Company is quoted on Pakistan Stock Exchange. The registered office of the Company is situated at 4th Floor, I.E.P. Building, 97-B/D-1, Gulberg III, Lahore. The factory is located at Dhuddiwala, Jaranwala Road, Faisalabad in the province of Punjab. The principal activity of the company is dyeing, bleaching, finishing and embroidery of fabric.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its circular no. 17 dated July 20, 2017, these financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.2 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except as stated hereafter in the relevant accounting policies. Further accrual basis of accounting is followed in the preparation of these financial statements except for cash flow information.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires 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. In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

- a) Staff retirement benefits;
- b) Taxation; and
- c) Useful life of depreciable assets and provision for impairment there against.

2.5 CHANGES IN ACCOUNTING STANDARDS AND INTERPRETATIONS

2.5.1 Amendments to published standards that are effective in current year but not relevant to the Company

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

2.5.2 Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company

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

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. 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 an impact on Company's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Amendments to IFRS 2 - 'Share-based Payment' clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) 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.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.
- Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:
 - Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 - 'Non-current Assets Held for Sale and Discontinued Operations'. The amendments are not likely to have an impact on Company's financial statements.
 - Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statement.

In addition, the Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 17 of 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 applicable for financial year beginning on 1 July 2017 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 - Property, plant and equipment. Accordingly, surplus on revaluation of fixed assets will be part of equity.

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.6.1 Share capital

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

2.6.2 Assets Subject to Finance Lease

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligation of lease are accounted for as liabilities. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of financial cost on the remaining balance of principal liability for each period.

Depreciation is charged at the rates stated in (note 15) applying reducing balance method to write-off the cost of the asset over its estimated remaining useful life.

Financial charges and depreciation on leased assets are charged to income currently.

2.6.3 Taxation

Current

Company's export sales fall under presumptive tax regime under Section 154 of the Income Tax Ordinance, 2001. Charge for current taxation other than export is based on taxable income at the current rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

Deferred

The company accounts for deferred taxation using the liability method on all timing differences which are considered reversible in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred tax is calculated at the rates expected to apply to the period when the related temporary differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

2.6.4 Staff Retirement Benefits

The Company operated an unfunded Gratuity Scheme covering all the employees of the Company with qualifying service period of six months. Provision had been made annually on the basis of actuarial valuation. The most recent actuarial valuation was carried out as at June 30, 2016 using the Projected Unit Credit Method. Actuarial gains and losses were recognized in accordance with the recommendations of the actuary. The actuarial assumption were discount rate 9.00 per annum and expected rate of increase in eligible employees' salary 8.00 % per annum.

The Company has ceased the unfunded Gratuity Scheme and introduced defined contribution plan i.e. "Provident Fund" for all its permanent employees effective from July 01, 2016. Equal monthly contribution are made both by the Company and employees at the rate of 8.33 % of the gross salary.

2.6.5 Foreign Currency Translations

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses on translation are included in income currently.

2.6.6 Trade and Other Payables

Liabilities for trade creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

2.6.7 Dividends

Dividend distribution to company's shareholders is recognized as a liability in the period in which dividend is approved by the Company's shareholders.

2.6.8 Contingencies and Commitments

Capital commitments and contingencies, unless those are actual liabilities, are not incorporated in the financial statements.

2.6.9 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event; it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

2.6.10 Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation except freehold land and capital work-in-progress. Freehold land is stated at revalued amount and capital work-in-progress is stated at cost consisting of expenditure incurred in respect of fixed assets in the course of their construction and installation. Cost of certain plant and machinery consists of historical cost and exchange fluctuations on foreign currency loans utilized for acquisition thereof. Borrowing costs pertaining to erection / construction period are capitalized as part of the historical cost.

Depreciation is charged to income applying reducing balance method to write-off the cost, capitalized exchange fluctuations and borrowing costs over estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of fixed assets. Rates of depreciation are stated in (note 15).

Depreciation on additions is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

The company assesses at each balance sheet date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income currently. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

Gains/losses on disposal of fixed assets are taken to Profit and Loss Account.

Minor repairs and maintenance are charged to income, as and when incurred. Major renewals and replacements are capitalized and the assets so replaced, if any, other than those kept as stand by, are retired.

2.6.11 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each balance sheet date.

2.6.12 Capital Work in Progress

Capital work in progress is stated at cost less any identified impairment loss.

2.6.13 Long Term Deposits and Loans

These are stated at cost.

2.6.14 Inventories

Inventories except for stock in transit are stated at lower of cost or net realizable value.

2.6.15 Stores, Spares and Loose Tools

Useable stores and spares are valued principally at moving average cost, while items considered obsolete are carried at nil value. In transit stores and spares are valued at cost comprising invoice value plus other charges paid thereon.

2.6.16 Stocks in Trade

Cost of raw material is based on weighted average cost.

Cost in relation to work-in-process and finished goods represents the annual average manufacturing cost which consists of prime cost and appropriate production overheads.

Net realizable value signifies the selling price in the ordinary course of business less cost necessary to be incurred to effect such sales.

2.6.17 Trade debts and other receivables

Trade debts originated by the company are recognized and carried at original invoice amount less any allowance for any uncollectible amounts. Known bad debts, if any, are written-off and provision is made against debts considered doubtful.

2.6.18 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in cash flow statement comprise of cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term running finances under mark up arrangements.

2.6.19 Financial Instruments

Recognition and Measurements

All financial assets and liabilities are recognized at cost when the company becomes a party to the contractual provisions of the instrument. Any gain or loss on subsequent re-measurement to fair value of financial assets and financial liability is taken to profit and loss account on occurrence.

Off-setting of Financial Assets and Financial Liabilities

A financial asset and financial liability is offset against each other and the net amount is reported in the balance sheet if the company has a legally enforceable right to set off the recognized amount and intends either to settle on net basis or realize the assets and settle the liability simultaneously.

2.6.20 Impairment

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

2.6.21 Transactions with related parties

All transactions with related parties are carried out by the company using the methods prescribed under the repealed Companies Ordinance, 1984.

2.6.22 Revenue Recognition:

- Processing charges are recorded when goods are delivered to customers and invoices raised.
- Export sales are booked on shipment basis.
- Other sales are recorded when significant risks and rewards of ownership of the goods have passed to the customers which coincides with dispatch of goods to customers.
- Interest income is recognized on time proportion basis using effective interest rates.
- Other revenues are recorded, as and when due, on accrual basis.

2.6.23 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to income in the period of incurrence.

2.6.24 Basic and diluted earnings per share

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

3 AUTHORIZED SHARE CAPITAL

20,000,000 (2016: 20,000,000) A - Class Ordinary shares
of Rs. 10/- each.
400,000 (2016: 400,000) B - Class Ordinary shares
of Rs. 10/- each.

Note	2017 Rupees	2016 Rupees
	200,000,000	200,000,000
	4,000,000	4,000,000
	<u>204,000,000</u>	<u>204,000,000</u>

4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	Note	2017 Rupees	2016 Rupees
Issued for Cash			
15,051,267 (2016: 15,051,267) A - Class Ordinary Shares of Rs. 10/- each.		150,512,670	150,512,670
320,100 (2016: 320,100) B - Class Ordinary Shares of Rs. 10/- each.		3,201,000	3,201,000
		<u>153,713,670</u>	<u>153,713,670</u>
Issued as Bonus Shares			
181,807 (2016: 181,807) Ordinary Shares of Rs. 10/- each		1,818,070	1,818,070
		<u>155,531,740</u>	<u>155,531,740</u>
5 SURPLUS ON REVALUATION OF FIXED ASSETS			
Balance as at July 01,		481,279,091	176,329,091
Add: Surplus arose on revaluation of fixed assets		-	304,950,000
		<u>481,279,091</u>	<u>481,279,091</u>

The Company had revalued its freehold Land during the year 2000. The revaluation exercise was carried-out by M/s Iqbal Malik and company, Surveyors-Assessors Consultants, Multan resulting in surplus of Rs.49,379,091 over book value. This has been credited to surplus on revaluation of fixed assets. The surplus on revaluation is not available for appropriation under the requirement of Section 235 of the repealed Companies Ordinance, 1984, except and to the extent actually realized on disposal of the assets which are revalued. Thereafter, the company again revalued its freehold Land on June 27, 2012 and June 28, 2016. The revaluation exercises had been carried out by an independent valuer M/s Material & Design Services (Pvt) Limited, Faisalabad based on market value resulting in surplus of Rs.126,950,000 and Rs. 304,950,000 respectively. The amount had been credited to surplus of revaluation of fixed assets to comply with the requirement of Section 235 of the repealed Companies Ordinance, 1984.

6 DEFERRED INCOME	Note	2017 Rupees	2016 Rupees
Balance as at July 01,		3,476,264	7,268,552
Less: Income recognised during the year	6.1	3,476,264	3,792,288
		<u>-</u>	<u>3,476,264</u>
6.1 Refer to note 7.			
7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Present value of minimum lease payments		-	20,742,660
Less: Current portion shown under current liabilities		-	(20,742,660)
		<u>-</u>	<u>-</u>

During the year June 30, 2014, the company had entered into a sale & lease-back agreement with Orix Leasing Pakistan Limited to finance 6 embroidery machines. Against the total cost of machines of Rs.40.00 million, the Company had given security deposit amounting Rs.10 million and Orix Leasing had financed the remaining cost of Rs.30.00 million. The amount financed by Orix Leasing Pakistan Limited was repayable in 36 monthly installments commenced from June, 2014 and carried mark-up at the rate of 6-months KIBOR + 600 basis points per annum. Effective mark-up rate charged by Orix Leasing Pakistan Limited, during the current year was 16.18% per annum. The facility was secured against personal guarantees of the directors and registration of the leased machinery in Orix Leasing Pakistan Limited's name. The company has exercised bargain purchase option at the end of the lease period.

Gain arisen on sale & lease-back of these machines amounting Rs.11.377 million had been recognised as deferred income and was amortized over the lease term.

The amount of lease payments and the period in which these payments became due are as follows:

	Minimum lease payments	Future finance cost	Present value of minimum lease payments	
			2017	2016
			R u p e e s	
Not later than one year	-	-	-	20,742,660
Later than one year but not later than five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,742,660</u>

8 DEFERRED LIABILITIES

	Note	2017 Rupees	2016 Rupees			
Provision for staff gratuity	8.1	-	13,888,367			
Deferred taxation	8.5	18,829,828	10,062,711			
		<u>18,829,828</u>	<u>23,951,078</u>			
8.1 Staff Gratuity - Defined benefits plan						
The amount recognized in the balance sheet on this account as per IAS 19 is:						
Present value of defined benefit obligation		-	13,888,367			
Movement in present value of defined benefit obligation:						
Present value of defined benefit obligations as on July 01,		13,888,367	12,722,769			
Charge to profit and loss account		-	2,421,680			
Benefits paid during the year		-	(1,223,358)			
Recognised in other comprehensive income		-	(32,724)			
Transferred to current liabilities	9	(13,888,367)	-			
Present value of defined benefit obligations as on June 30,		-	13,888,367			
Charge to profit and loss account for the year is as follows:						
Service cost		-	1,240,849			
Interest cost		-	1,180,831			
		-	2,421,680			
Recognised in other comprehensive income for the year is as follows:						
Actuarial gain on remeasurement - Gross		-	(32,724)			
Related deferred tax		-	10,144			
		-	(22,580)			
8.2 Principal Actuarial Assumptions						
Discount Rate		N/A	9.00% per annum			
Expected rate of eligible salary increase in future years		N/A	8.00% per annum			
Expected mortality rate		N/A	SLIC (2001-05)			
8.3 Comparison for five years:						
As at June 30,		2017	2016	2015	2014	2013
Present value of defined benefit obligation		-	13,888,367	12,722,769	11,287,492	8,918,239
8.4						
During the year, the management has decided to cease the gratuity and has introduced provident fund since July 01, 2016. Accordingly gratuity payable to employees has been transferred to current liability.						
8.5 Deferred Taxation	Note	2017 Rupees	2016 Rupees			
This is composed of the following:						
Deferred tax liability on taxable temporary differences arising in respect of:						
Accelerated tax depreciation		21,520,653	12,633,342			
Excess of accounting book value of leased assets over liabilities		-	1,734,763			
		21,520,653	14,368,104			
Deferred tax asset on deductible temporary differences arising in respect of:						
Deferred debits arising in respect of staff gratuity		(2,690,825)	(4,305,394)			
		(2,690,825)	(4,305,394)			
		18,829,828	10,062,711			
Balance as at July 01,		10,062,711	19,692,369			
Add: Charge / (Reversal) during the year to:						
Profit and loss account		8,767,117	(9,639,802)			
Other comprehensive income		-	10,144			
		8,767,117	(9,629,658)			
		18,829,828	10,062,711			

	Note	2017 Rupees	2016 Rupees
9 TRADE AND OTHER PAYABLES			
Sundry creditors		59,090,923	51,118,452
Accrued expenses		12,346,456	13,965,901
Advance from customers		29,596,268	23,641,267
Unclaimed dividend		508,826	508,826
Letter of credit payable		41,133,674	51,248,873
Income tax withheld		259,022	266,789
Sales tax withheld		225,264	1,469,171
Staff provident fund		410,482	-
Staff gratuity payable	9.1	14,055,779	-
Workers' (Profit) Participation Fund	9.2	1,789,378	1,732,769
		159,416,072	143,952,048
9.1 Staff gratuity payable			
Balance as at July 01,		13,888,367	-
Charge to profit and loss account for the year			
Prior service cost		3,427,917	-
		17,316,284	-
Less: Payments during the Year		(3,260,505)	-
		14,055,779	-
9.2 Workers' (Profit) Participation Fund			
Balance as at July 01,		1,732,769	1,502,246
Interest charged for year		155,949	146,478
		1,888,718	1,648,724
Less: Payments during the Year		1,888,718	1,648,724
		-	-
Allocation for the year		1,789,378	1,732,769
		1,789,378	1,732,769
10 ACCRUED INTEREST AND MARK UP			
Mark up on short term finances- Secured		717,925	664,168
		717,925	664,168
11 SHORT TERM BORROWINGS			
From banking companies:			
Cash finance	11.1	29,956,758	25,781,924
Running finance	11.2	6,929,507	2,445,781
		36,886,265	28,227,705
From related parties:			
Directors - unsecured and interest free	11.4	57,343,652	66,703,652
		94,229,917	94,931,357

11.1 This facility has been obtained from National Bank of Pakistan with sanctioned limit of Rs.30.00 million (2016: Rs.30.00 million) for working capital. This is secured against hypothecation charge over Company's present and future current assets, mortgage / charge over fixed assets and personal guarantees of all directors. This carries markup @ 3 months KIBOR(Ask) rate+3.25% per annum (2016: @ 3 months KIBOR(Ask) rate+3.25% per annum) payable on quarterly basis.

11.2 This facility has been obtained from The Bank of Punjab with sanctioned limit of Rs.8.00 million (2016: Rs.8.00 million) for working capital. This is secured against hypothecation charge over Company's present and future current assets, mortgage charge over fixed assets and personal properties of two directors and personal guarantees of all directors. This carries markup @ 3 month KIBOR + 3.25% per annum (2015:@ 3 month KIBOR + 3.25% per annum) payable on quarterly basis.

11.3 The facilities for opening letters of credit and export bills negotiation as at June 30, 2017 amounted to Rs.130 million (2016: Rs.130.00 million) of which the amount under utilized at year end was Rs.35.56 million (2016: over utilized Rs.67.830 million).

	2017 Rupees	2016 Rupees
11.4 FROM RELATED PARTIES:		
Directors / Chief Executive- unsecured and interest free		
Balance as at July 01,	66,703,652	25,365,000
Add: Received during the year	22,755,000	41,338,652
	<u>89,458,652</u>	<u>66,703,652</u>
Less: Repaid during the year	32,115,000	-
	<u>57,343,652</u>	<u>66,703,652</u>
12 CURRENT PORTION OF LEASE LIABILITIES		
Payable within next twelve months	-	20,742,660
	<u>-</u>	<u>20,742,660</u>
13 PROVISION FOR TAXATION		
Balance as at 1st July,	-	-
Less: Adjusted during the year	-	-
	<u>-</u>	<u>-</u>
Add: Provision for the taxation-current	8,237,418	7,158,841
	<u>8,237,418</u>	<u>7,158,841</u>
Less: Tax deducted at source / advance tax	(8,237,418)	(7,158,841)
	<u>-</u>	<u>-</u>

13.1 Income tax assessments of the company have been finalized up to the Tax Year 2015 on the basis of income tax return filed.

13.2 Provision for the current year represents tax on income chargeable under final tax regime u/s 169 and under minimum tax on turnover due under section 113 of the Income Tax Ordinance, 2001. The company has not accounted for Rs. 22.627 million (2016: Rs. 18.620 million) deductible amount of tax paid under this Section, as referred to note no. 8.5, which is certain to recoverable / adjustable against the normal tax in future.

13.3 No numeric tax rate reconciliation is presented in these financial statements as the company is either liable to pay tax under final tax regime u/s 169 or minimum tax u/s 113 of Income Tax Ordinance 2001.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 Counter guarantees by the bank in respect of guarantees issued in the normal course of business for sum of Rs.6.550 million (2016: Rs. 6.550 million).

14.1.2 The Sui Northern Gas Pipelines Limited (SNGPL) had raised a demand amounting Rs.39.805 million (2016: Rs.39.805 million) . Which has been contested by the Company as unsubstantiated and unjustified. The Company had deposited Rs.28.178 million with SNGPL under protest as referred to note No.20 to the financial statements. SNGPL had constituted a Review Committee to examine and resolve the matter and bring the facts on record. The aforesaid Committee had decided the case against the Company. The Company had filed appeal to Oil & Gas Regulatory Authority (OGRA). The Joint Executive Director (OGRA) has decided the case in favor of the Company. However, SNGPL has filed appeal to OGRA for review against the decision of Joint Executive Director (OGRA). OGRA has decided the case against the company. The company had filed writ petition against the decision of the OGRA. The Honorable Court had set aside the decision of OGRA. Thereafter, SNGPL had filed appeal with OGRA. OGRA has decided the appeal filed by SNGPL in favour of the Company. The company has filed writ petition before Hon'able Islamabad High Court for implementation of decision of OGRA regarding recovery of aforesaid amount deposited under protest.

14.1.3 During the previous year , the Commissioner Inland Revenue issued notice U/S 122(1)(5A) of the Income Tax Ordinance 2001 in respect of tax years 2010 and 2011. The Commissioner Inland Revenue finalized assessment and made additions under Section 18(1) (d) of the Income Tax Ordinance amounting Rs 11.55 million and Rs 12.25 million in respect of tax year 2010 and 2011 respectively (no tax liability arose due to availability of brought forward taxable losses). The company had filed appeal with Commissioner Inland Revenue (Appeals) against the aforesaid order. During the year, Commissioner (Appeals) has decided case in favour of the company.

14.2 Commitments

14.2.1 Commitments in respect of letters of credit for capital expenditures were amounting Rs.Nil (2016: Rs.11.936 million)

14.2.2 Commitments in respect of letters of credit other than for capital expenditures were amounting Rs.33.683 million (2016: Rs. 17.392 million).

15 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	OWNED											LEASED				CAPITAL WORK IN PROGRESS			GRAND TOTAL	
	Cost	Land-Freehold		Building on Free hold Land		Plant and Machinery	Pipeline and Electric Fitting	Office Equipment	Furniture and Fixture	Vehicles	TOTAL	Plant and Machinery	Vehicles	TOTAL	Building	Plant and Machinery	Pipeline and Electric Fitting	TOTAL		
		Revaluation Surplus	Sub Total	Factory	Residential															Sub Total
R u p e e s																				
Cost / Revaluation																				
Balance as at 01 July, 2015	176,329,091	176,550,000	22,848,864	104,888	23,053,752	276,608,940	11,241,930	1,991,914	753,590	18,466,053	508,666,179	40,200,000	-	40,200,000	8,449,348	-	9,564,987	18,014,335	566,880,514	
Additions	304,950,000	304,950,000	-	-	-	35,062,366	-	-	-	4,263,664	344,276,030	-	-	-	8,232,148	-	-	-	8,232,148	352,508,178
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	(1,973,968)	(1,973,968)	-	-	-	-	-	-	-	-	(1,973,968)
Balance as at 30 June 2016	481,279,091	481,500,000	22,848,864	104,888	23,053,752	311,671,306	11,241,930	1,991,914	753,590	20,755,749	850,968,241	40,200,000	-	40,200,000	16,681,496	-	9,564,987	26,246,483	917,414,724	
Balance as at 01 July, 2016	481,279,091	481,500,000	22,848,864	104,888	23,053,752	311,671,306	11,241,930	1,991,914	753,590	20,755,749	850,968,241	40,200,000	-	40,200,000	16,681,496	-	9,564,987	26,246,483	917,414,724	
Additions	-	-	-	-	-	20,991,666	-	1,518,375	-	893,230	22,503,271	-	-	-	789,057	-	-	-	789,057	23,292,328
Transfers	-	-	-	-	-	40,200,000	-	-	-	-	40,200,000	-	-	-	-	-	-	-	-	23,292,328
Disposals	-	-	-	-	-	-	-	-	-	(707,330)	(707,330)	-	-	-	-	-	-	-	-	(707,330)
Balance as at 30 June 2017	481,279,091	481,500,000	22,848,864	104,888	23,053,752	371,962,972	11,241,930	3,510,289	753,590	20,941,649	912,964,182	-	-	-	17,470,553	-	9,564,987	27,035,540	959,999,722	
Depreciation																				
Balance as at 01 July, 2015	-	-	15,944,389	98,031	1,604,240	144,415,176	7,521,715	1,535,465	682,953	4,783,745	174,999,474	4,625,000	-	4,625,000	-	-	-	-	179,022,473	
Charge for the year	-	-	700,448	343	700,791	14,413,056	372,022	43,845	7,064	3,272,111	18,808,888	3,557,700	-	3,557,700	-	-	-	-	22,346,589	
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
On disposals/transfers	-	-	-	-	-	-	-	-	-	(1,179,969)	(1,179,969)	-	-	-	-	-	-	-	(1,179,969)	
Balance as at 30 June 2016	-	-	16,644,837	98,374	1,674,211	158,828,332	7,893,737	1,597,310	690,017	6,875,887	192,628,393	8,180,700	-	8,180,700	-	-	-	-	200,809,093	
Balance as at 01 July, 2016	-	-	16,644,837	98,374	1,674,211	158,828,332	7,893,737	1,597,310	690,017	6,875,887	192,628,393	8,180,700	-	8,180,700	-	-	-	-	200,809,093	
Charge for the year	-	-	630,403	326	630,729	16,590,383	334,819	165,991	6,357	2,891,745	20,570,024	3,201,950	-	3,201,950	-	-	-	-	23,771,954	
Transfers	-	-	-	-	-	11,382,630	-	-	-	-	11,382,630	-	-	(11,382,630)	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	(342,662)	(342,662)	-	-	-	-	-	-	-	(342,662)	
Balance as at 30 June	-	-	17,275,240	98,700	17,373,940	186,751,245	8,228,556	1,763,301	696,374	9,424,970	224,238,385	-	-	-	-	-	-	-	224,238,385	
Carrying amount	220,999	481,279,091	481,500,000	5,673,624	6,188	5,679,812	3,013,374	1,746,988	57,216	11,516,679	688,725,797	-	-	-	17,470,553	-	9,564,987	27,035,540	715,761,337	
Carrying amount-2016	220,999	481,279,091	481,500,000	6,304,027	6,514	6,310,541	3,348,193	394,604	63,373	13,879,862	658,339,848	32,019,300	-	32,019,300	16,681,496	-	9,564,987	26,246,483	716,005,631	
Rates of Depreciation (p-a)	10%	5%	10%	10%	10%	10%	10%	10%	10%	20%	10%	10%	10%	10%	10%	10%	10%	20%	20%	

15.1 The depreciation charged for the year has been allocated as follows:

	2017 Rupees	2016 Rupees	Note
Cost of sales	21,394,759	20,129,930	25
Administrative expenses	23,771,954	22,366,659	27
	23,771,954	22,366,589	

	Note	2017 Rupees	2016 Rupees
16 LONG TERM DEPOSITS			
Security deposits		20,851,231	20,851,231
		<u>20,851,231</u>	<u>20,851,231</u>
17 STORES, SPARES AND LOOSE TOOLS			
Stores		378,091	186,650
Spares		978,345	1,939,196
		<u>1,356,436</u>	<u>2,125,846</u>
18 STOCK IN TRADE			
Raw material		26,964,629	42,346,081
Packing material		789,303	781,124
Work in process - Cost of processing done on third party orders		1,030,860	2,919,882
Finished goods - Cost of processing done on third party orders		809,140	3,385,750
		<u>29,593,932</u>	<u>49,432,837</u>
18.1	These stocks are hypothecated with banks as security against short term finances as indicated in note no.11.		
19 TRADE DEBTS			
Local - Unsecured and considered good by the management		50,600,795	59,793,382
		<u>50,600,795</u>	<u>59,793,382</u>
20 LOANS AND ADVANCES			
Advances to: (Unsecured but considered good)			
Suppliers of goods		4,613,755	5,681,798
Employees		499,780	196,246
Others	20.1	28,177,979	28,177,979
		<u>33,291,514</u>	<u>34,056,023</u>
20.1	Referred to note no.14.1.2 to the financial statements.		
21 TRADE DEPOSITS , SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCES WITH STATUTORY AUTHORITIES			
Security deposits		-	50,000
Deposits against finance lease		-	10,000,000
Short term prepayments		513,730	524,652
Immature letters of credit- secured	21.1	1,984,606	1,749,780
Tax deducted at source		13,733,904	8,052,830
		<u>16,232,240</u>	<u>20,377,262</u>
21.1	These comprise of opening charges, bank charges and partial payments of cost of documents.		
22 DUE FROM GOVERNMENT			
Sales tax refundable		126,888,151	79,351,220
		<u>126,888,151</u>	<u>79,351,220</u>
23 CASH AND BANK BALANCES			
Cash in hand		130,157	146,030
Cash with banks in:			
Current accounts		4,543,108	14,660,241
Deposit accounts	23.1	305,000	305,000
		<u>4,848,108</u>	<u>14,965,241</u>
		<u>4,978,265</u>	<u>15,111,271</u>
23.1	These are Term Deposit Receipts (TDR) held under lien by National Bank of Pakistan as margin against guarantees issued to Sui Northern Gas Pipe Lines Limited and carry mark up @ 4.34% per annum (2016: @ 4.71% per annum).		
24 SALES -net			
Gross:			
Exports		5,633,954	5,290,470
Processing receipts		814,451,627	722,784,293
Others		2,136,295	9,968,090
		<u>816,587,922</u>	<u>732,752,383</u>
Less: sales tax		(651,674)	(28,337,852)
		<u>815,936,248</u>	<u>704,414,531</u>
		<u>821,570,202</u>	<u>709,705,001</u>

25 COST OF SALES	Note	2017 Rupees	2016 Rupees
Raw material consumed	25.1	327,081,715	300,671,323
Salaries, wages and benefits	25.2	65,406,269	61,215,678
Fuel and power		307,289,479	236,024,587
Packing material consumed		10,651,329	9,165,510
Stores and spares consumed		13,282,373	15,448,057
Oil and greases consumed		2,323,338	5,470,276
Repair and maintenance		2,422,986	1,553,731
Depreciation	15.1	21,394,759	20,129,930
Work in process		749,852,248	649,679,092
Opening stock		2,919,882	1,364,143
Closing stock		(1,030,860)	(2,919,882)
		1,889,022	(1,555,739)
Finished goods		751,741,270	648,123,353
Opening stock		3,385,750	1,517,205
Closing stock		(809,140)	(3,385,750)
		2,576,610	(1,868,545)
		754,317,880	646,254,808
25.1 Raw Material Consumed			
Balance as at July 01,		42,346,081	23,759,394
Purchases during the Year		311,700,263	319,258,009
Available for Consumption		354,046,344	343,017,403
Less: Balance as at June 30,		26,964,629	42,346,081
		327,081,715	300,671,323

25.2 Salaries, wages and benefits include Rs. 2,620,776 and Rs.1,298,903 (2016: Rs. 2,047,530 and Rs.Nil) in respect of staff gratuity and provident fund respectively.

26 DISTRIBUTION COSTS	Note	2017 Rupees	2016 Rupees
Salaries and benefits		183,284	177,010
Advertisement and sales promotion expenses		622,130	20,250
Ocean charges		34,336	41,936
Clearing and forwarding charges		76,283	55,860
		916,033	295,056
27 ADMINISTRATIVE EXPENSES			
Directors' remuneration		8,600,000	7,200,000
Staff salaries and benefits	27.1	7,823,906	6,232,796
Rent, rates and taxes		329,689	359,483
Traveling and conveyance		526,064	1,069,375
Electricity		840,383	779,992
Water and sewerage expense		2,654,260	2,439,199
Communication expenses		1,015,172	846,330
Printing and stationery		842,945	674,198
Repair and maintenance		1,066,492	991,637
Vehicle running and maintenance		1,240,928	1,234,513
Fees and subscriptions		695,536	555,994
Legal and professional charges		199,750	246,000
Auditors' remuneration	27.2	613,500	555,000
Newspapers and periodicals		11,134	12,247
Entertainment		693,939	635,030
Insurance		1,072,718	992,899
Zakat deducted at source		7,625	7,625
Depreciation	15.1	2,377,195	2,236,659
Miscellaneous	27.3	79,943	1,506,183
		30,691,179	28,575,160

27.1 Staff salaries and benefits includes Rs. 807,141 and Rs.435,465 (2016: Rs. 374,150 and Rs.Nil) in respect of staff gratuity and provident fund respectively.

27.2 Auditors' remuneration

The audit fee and remuneration for other services included in the financial statements is as follows:

Amin, Mudassar & Co.	2017 Rupees	2016 Rupees
Statutory audit	525,000	480,000
Half yearly review	73,500	60,000
Out of pocket expenses	15,000	15,000
	613,500	555,000

27.3 This includes Rs.50,000 (2016: Rs.310,000) donation paid during the year. No director or his/her spouse had any interest in the donee.

	Note	2017 Rupees	2016 Rupees
28 OTHER OPERATING EXPENSES			
Workers' (Profit) Participation Fund		1,789,378	1,732,769
Workers' welfare fund		140,760	119,254
Exchange loss		685,804	-
		2,615,942	1,852,023
29 OTHER INCOME			
Income from financial assets:			
Profit on bank deposits		13,249	14,371
Income from non-financial assets:			
Sale of scrap		1,658,387	1,533,050
Profit on disposal of fixed assets		135,332	754,001
Deferred income recognised	6	3,476,264	3,792,288
Exchange gain		-	85,349
		5,283,232	6,179,059
30 FINANCE COST			
Markup on:			
Lease finance		888,521	2,640,412
Short term borrowings		2,934,878	2,949,183
Interest on Workers' (Profit) Participation Fund		155,949	146,478
Profit on provident fund		131,899	-
Bank charges and commission		343,738	367,576
		4,454,985	6,103,649
31 TAXATION			
Income tax			
- Current	13	8,237,418	7,158,841
- Prior		480,184	684,775
		8,717,602	7,843,616
Deferred	8.5	8,767,117	(9,639,802)
		17,484,719	(1,796,186)
32 EARNING PER SHARE- BASIC AND DILUTED			
Profit for the year-Rupees		16,372,696	34,599,550
Weighted average number of ordinary shares outstanding during the year-Numbers		15,553,174	15,553,174
Earning per share -Rupees		1.05	2.22
33 TRANSACTIONS WITH RELATED PARTIES			

Transactions with related parties have been disclosed in the relevant notes to the financial statements.

34 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to the chief executive, working directors and executive of the company is as follows:

	CHIEF EXECUTIVE		DIRECTOR		EXECUTIVE	
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
Basic salary	3,935,933	3,295,200	3,935,933	3,295,200	665,000	520,000
Re-imbursable expenses	364,067	304,800	364,067	304,800	-	-
	4,300,000	3,600,000	4,300,000	3,600,000	665,000	520,000
No. of persons	1	1	1	1	1	1

Executives are defined as employees with basic salary exceeding Rs. 500,000.

The Chief Executive and Directors are also provided with free use of company maintained cars and residential telephones.

35 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Financial assets

Loans and receivables

	2017 Rupees	2016 Rupees
Long term deposits	20,851,231	20,851,231
Trade debts	50,600,795	59,793,382
Security deposits	-	50,000
Accrued interest	6,579	6,914
Due from Government	126,888,151	79,351,220
Cash and bank balances	4,978,265	15,111,271
	203,325,021	175,164,018

Financial liabilities

Financial liabilities at amortized cost

Liabilities against assets subject to finance lease	-	20,742,660
Trade and other payables	129,819,804	120,310,781
Accrued interest and markup	717,925	664,168
Short term borrowings	94,229,917	94,931,357
	224,767,646	236,648,966

36 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk). Financial risk management is carried out under risk policies established and approved by the Board of Directors. The management administers all aspects of risk management involving currency and interest rate risk, and cash management, in accordance with the risk policy.

The company's exposure to financial risks, the way these risks affect revenues, expenses, assets, liabilities and forecast transactions of the company and the manner in which each of these risks are managed is as follows:

36.1 Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from tradedepts, advances and deposits, interest accrued, other receivables and margin on letter of guarantee. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2017 Rupees	2016 Rupees
Long term deposits	20,851,231	20,851,231
Trade debts	50,600,795	59,793,382
Loans and advances	33,291,514	34,056,023
Interest accrued	6,579	6,914
Bank balances	4,848,108	14,965,241
	109,598,227	129,672,791

Geographically there is no concentration of credit risk.

Credit Quality of Financial Assets

Foreign trade debts are secured against confirmed letter of credit. The company has placed funds in financial institutions keeping in view credit ratings. The company assesses the credit quality of the counter parties as satisfactory. The company does not hold any collateral as security against any of its financial assets except foreign debtors, if any.

The aging of trade debts at the reporting date was:

	Gross 2017	Gross 2016
Upto 1 month	47,208,926	53,737,605
1 to 6 months	3,384,563	6,055,777
More than 6 months	7,306	-
	50,600,795	59,793,382

Cash at banks	Rating		Rating Agency	2017	2016
	Short Term	Long Term		-----Rupees-----	
Habib Bank Limited	A-1+	AAA	JCR-VIS	35,520	1,691,355
National Bank Limited	A1+	AAA	PACRA	378,092	508,882
Mcb Bank Limited	A1+	AAA	PACRA	15,292	1,711,651
Bank Al Habib Limited	A1+	AA+	PACRA	81,203	510,838
Askari Bank Limited	A1+	AA+	PACRA	2,544	509,992
The Bank Of Punjab	A1+	AA	PACRA	7,547	134,696
Bank Islami Pakistan Limited	A1	A+	PACRA	6,763	6,763
Bank Alflah Limited	A1+	AA+	PACRA	2,479,079	1,661,312
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	660,872	146,717
Meezan Bank Limited	A-1+	AA	JCR-VIS	758,507	6,517,784
Allied Bank Limited	A1+	AA+	PACRA	399,169	207,410
Summit Bank Limited	A-1	A-	JCR-VIS	23,520	1,357,842
				4,848,108	14,965,241

Credit Risk Management

In respect of trade receivables, the company does not have significant concentration of credit risk with a single customer. Formal policies and procedures of credit management and administration of receivables are established and executed. In monitoring customer credit risk, the ageing profile of total receivables balances and individually significant balances, along with collection activities are reported to the Board of Directors on a monthly basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis of confirmed letters of credit. These actions are also reported to the Board on a monthly basis.

36.2 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

2017				
Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year	
Liabilities against assets subject to finance lease	R	u	p	e e s
	-	-	-	-
Trade and other payables	159,416,072	159,416,072	159,416,072	-
Mark up accrued	717,925	717,925	717,925	-
Short term borrowings	94,229,917	94,229,917	94,229,917	-
	<u>254,363,913</u>	<u>254,363,913</u>	<u>254,363,913</u>	<u>-</u>
2016				
Carrying Amount	Contractual Cash Flows	Maturity upto one year	Maturity after one year	
Liabilities against assets subject to finance lease	R	u	p	e e s
	20,742,660	22,519,700	10,742,660	10,000,000
Trade and other payables	143,952,048	143,952,048	143,952,048	-
Mark up accrued	664,168	664,168	664,168	-
Short term borrowings	94,931,357	94,931,357	94,931,357	-
	<u>260,290,233</u>	<u>262,067,273</u>	<u>250,290,233</u>	<u>10,000,000</u>

Liquidity Risk Management

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the company ensures that it has sufficient cash on demand to meet expected operational cash flows, including serving of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. Further, the company has the support of its sponsors in respect of any liquidity shortfalls.

36.3 Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the company's net profit or the fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

36.3.1 Currency Risk

The company is exposed to currency risk in respect of export sales, imports and resulting balances that are denominated in a currency other than functional currency. The company's exposure to currency risk as at the reporting date is as follows:

	2017		2016	
	Rupees	U.S. \$	Rupees	U.S. \$
Advance from customers	846,807	8,065	349,762	3,347
Letter of credit payable	41,121,314	391,632	51,248,873	490,420
	<u>41,968,121</u>	<u>399,696</u>	<u>51,598,635</u>	<u>493,767</u>

The following significant exchange rates have been applied:

	Reporting date rate	
	2017	2016
U.S. Dollar to Rupee	<u>105.0</u>	<u>104.5</u>

Sensitivity analysis

At June 30, 2017, if Rupee had strengthened / weakened by 10% against U.S. Dollar with all other variables held constant, profit before taxation for the year would have been higher / (lower) by the amount shown below mainly as a result of foreign exchange gain / (loss) on translation of denominated financial liabilities and financial assets.

Effect on profit before taxation for the year:

	2017		2016	
	---- R	u p	e e	s ----
U.S. Dollar to Rupee	<u>4,196,812</u>			<u>34,976</u>

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

Foreign Currency Risk Management

Foreign currency risk arises mainly due to fluctuation in foreign exchange rates. The company also has transactional currency exposure. Such exposure arises from sales and purchases of certain materials by the company in currencies other than rupees. In appropriate cases, the management takes out forward contacts to mitigate risk where it is necessary.

36.3.2 Interest Rate Risk

The company is exposed to interest rate risk in respect of its variable rate instruments. A 100 basis points increase in variable interest rates would have decreased profit by Rs.365,813 (2016: decreased profit by Rs.486,654). A 100 basis points decrease in variable interest rate would have had an equal but opposite impact on profit. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

The effective interest / mark-up rates in respect of financial instruments are mentioned in respective notes to the financial statements.

36.3.3 Price Risk

The company is not exposed to any price risk as it does not hold any significant investments exposed to price risk.

36.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically repriced.

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Currently there are no financial assets or financial liabilities which are measured at their fair value in the balance sheet.

36.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing majority of its operations through long-term and short-term financing in addition to its equity. The Company has a gearing ratio of 28% (2016: 34%) as of the balance sheet date.

37 NON ADJUSTING EVENT AFTER REPORTING DATE

The Board of the Directors of the Company in their meeting held on October 07, 2017 have proposed a final cash dividend amounting Rs. 11.665 million {Rs.0.75 Per share (2016: Rs.Nil)} for the year ended June 30, 2017. The financial statements for the year ended June 30, 2017 do not include the effect of proposed dividend which will be accounted for subsequent to the year ended.

38 PLANT CAPACITY AND ACTUAL PRODUCTION

Cloth Processing

Rated capacity (meters)

Actual processing (meters)

Percentage

Embroidery Processing

Rated capacity (meters)

Actual processing (meters)

Percentage of utilization of rated capacity

No. of working days

	2017	2016
Rated capacity (meters)	57,600,000	57,600,000
Actual processing (meters)	34,176,404	28,310,248
Percentage	59.33%	49.15%
Rated capacity (meters)	7,095,600	7,095,600
Actual processing (meters)	4,589,658	5,956,018
Percentage of utilization of rated capacity	64.68%	83.94%
No. of working days	313	313

Under utilization of available capacity is due to different mélange of cloth and stitches per meter of embroidery cloth available for processing and unsustained supply of electricity and sui gas.

39 PROVIDENT FUND RELATED DISCLOSURE-RELATED PARTY

The following information are based on latest un-audited financial statements of the Fund:

	Unaudited	
	2017 --- R u p e e s ---	2016
Size of the fund-Total assets	3,600,634	-
Cost of investment made	3,190,152	-
Percentage of investment made	89%	N/A
Fair value of investment	3,190,152	-

39.1 The breakup of fair value of investment is:

	2017		2016	
	Rupees	%	Rupees	%
Musharaka Saving Account	3,190,152	100%	-	-

39.2 The investments out of provident fund have been made in accordance with the provisions of the Section 227/218 of the Companies Ordinance, 1984/Act, 2017 and the rules formulated for this purpose.

39.3 The company was in the process of registration of provident fund trust. Thereafter, the trust has opened its bank account. The Company has transferred contribution to trust as soon as the bank account opened. However, the Company has paid markup on unpaid balance @ 10% that could not be paid within the stipulated time as required by Section 227 of the Companies Ordinance, 1984.

39.4 During the year, the Company has made contribution amounting Rs.1,866,267 to the provident fund trust, a related party which includes Rs.55,398 in respect of executive, related party and Rs.131,899 in respect of profit on unpaid balance.

40 OPERATING SEGMENT

40.1 These financial statements have been prepared on the basis of a single reportable segment.

40.2 All non-current assets of the company as at June 30, 2017 are located in Pakistan.

41 NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2017 (-----N u m b e r-----)	2016
Average number of employees during the year	344	323
Number of employees as at June 30,	353	337

42 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorized for issue on October 07, 2017 by the board of directors of the company .

43 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison, however, there were no material reclassifications/rearrangements during the year.

44 GENERAL

Figures have been rounded off to the nearest rupee unless otherwise stated.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Pattern of Shareholding

as at June 30, 2017

Number of shareholder			From	To	Shares held		
					Physical	CDC	Total
Physical	CDC	Total					
217	144	361	1	100	9,524	2,502	12,026
102	40	142	101	500	26,056	13,495	39,551
28	23	51	501	1,000	20,495	20,928	41,423
19	16	35	1,001	5,000	37,812	35,120	72,932
1	2	3	5,001	10,000	9,680	16,100	25,780
1		1	10,001	15,000	10,900		10,900
-	2	2	25,001	35,000		53,100	53,100
2	1	3	40,001	45,000	82,204	41,000	123,204
2		2	100,001	110,000	211,698		211,698
1		1	200,001	210,000	205,427		205,427
3		3	300,001	350,000	1,036,200		1,036,200
1		1	2,000,001	2,100,000	2,061,639		2,061,639
1		1	2,300,001	2,400,000	2,304,588		2,304,588
1		1	3,500,001	4,000,000	3,979,144		3,979,144
1		1	5,000,001	5,500,000	5,375,562		5,375,562
380	228	608			15,370,929	182,245	15,553,174

Categories of Shareholders	Number	Number of Shareholders	Percentage share held
1. Directors, Chief Executives, their spouse and minor children			
i Sh. Faisal Tauheed Puri	1	5,375,562	34.56
ii Sh. Kashif Tauheed Puri	1	4,020,644	25.85
iii Sh. Tauheed Ellahi Puri	1	107,500	0.69
iv Mst. Shahida Tauheed	1	115,098	0.74
v Mst. Saima Shahid	1	350,000	2.25
vi Mst. Amna Kamran	1	350,000	2.25
vii Mst. Sadia Kamran	1	205,427	1.32
viii Mst. Samira Faisal	1	2,304,588	14.82
ix Mst. Tahira Kashif	1	2,061,639	13.26
xi Sh. Mustafa Tauheed	1	40,776	0.26
xii Sh. Mahad Kashif	1	41,428	0.27
Total	11	14,972,662	96
2. Executives	-	-	-
3. Associated Companies, Undertaking & Related Parties	-	-	-
4. Investment Corporation of Pakistan	1	900	0.01
5. Mutual Funds	-	-	-
6. Banks, NBFC's, DFI's, Takaful, Pension Funds	-	-	-
8. Insurance Companies	1	20	0.00
9. Joint Stock Companies, Corporate Bodies, Trust etc.	5	46,366	0.30
10. General Public	586	469,635	3.02
11. Others	4	63,591	0.41
GRAND TOTAL	608	15,553,174	100

Shareholders more than 5% shareholding

i Sh. Faisal Tauheed Puri	1	5,375,562	34.56
ii Sh. Kashif Tauheed Puri	1	4,020,644	25.85
iii Mrs. Samira Faisal	1	2,304,588	14.82
iv Mrs. Tahira Kashif	1	2,061,639	13.26

Summary of Last Six Years Financial Results

Description	2017	2016	2015	2014	2013	2012
Trading Results						
Turnover	821,570,202	709,705,001	671,950,183	588,619,243	522,512,061	502,965,825
Gross Profit	67,252,322	63,450,193	59,396,192	49,380,110	39,790,051	31,584,767
Operating Profit	38,312,400	38,907,013	37,638,441	26,343,892	20,524,794	14,073,103
Profit before taxation	33,857,415	32,803,364	28,542,683	21,632,410	15,585,123	9,197,648
Profit after taxation	16,372,696	34,599,550	13,024,443	8,980,538	7,831,660	4,167,990
Balance Sheet						
Shareholders equity	155,531,740	155,531,740	155,531,740	155,531,740	11,109,410	11,109,410
Unappropriated profit	89,555,907	73,183,211	38,561,081	25,021,743	18,969,456	11,137,796
Tangible fixed assets	715,761,337	716,605,630	387,258,041	355,486,469	330,811,041	324,912,958
Significant Ratios:						
Gross Profit %	8.19	8.94	8.84	8.39	7.62	6.28
Current Ratio	1.03	0.99	1.10	1.34	1.39	1.06
Earning per share	1.05	2.22	0.84	3.88	7.05	3.75

بورڈ آف کمیٹی

کوڈ آف کارپوریٹ گورننس کے نفاذ کے دن سے ہی آڈٹ کمیٹی برائے بورڈ قائم ہے۔ آڈٹ کے کام کی شرائط کو بورڈ کی جانب سے لسٹنگ قواعد اور کوڈ آف گورننس میں مذکور ہدایات کے مطابق طے کیا جا چکا ہے۔ اس کمیٹی کا اجلاس ہر سہ ماہی میں کم از کم ایک مرتبہ منعقد کیا جاتا ہے۔ اور کمیٹی بورڈ کو اپنی ذمہ داریوں کو نبھانے، بنیادی طور پر حصص داران کو مالیاتی اور غیر مالیاتی معلومات فراہم کرنے کے سلسلے میں نظر ثانی کرنے، اندرونی سسٹم کو کنٹرول کرنے اور رسک مینجمنٹ اور آڈٹ کے طریقہ کار پر نظر رکھنے جیسے امور میں معاونت کرتی ہے۔ اس کمیٹی کو اختیارات حاصل ہیں کہ یہ انتظامیہ سے معلومات حاصل کرے اور ضرورت پرنے پر بیرونی آڈیٹروں سے بھی مشورہ کر سکے۔ مدعو کئے جانے پر چیف فنانشل آفیسر بورڈ آڈٹ کمیٹی اجلاسوں میں باقاعدہ شرکت کرتا ہے اور ان اجلاسوں میں محاسبی سے، متعلق امور پر بریفنگ بھی دیتا ہے۔ ہر اجلاس کے بعد کمیٹی کا چیئر مین بورڈ کے سامنے رپورٹ پیش کرتا ہے۔ آڈٹ کمیٹی دو غیر انتظامی ڈائریکٹروں اور ایک آزاد ڈائریکٹر پر مشتمل ہے، آزاد ڈائریکٹر بطور چیئر مین بھی خدمات سرانجام دیتے ہیں۔

دوران سال آڈٹ کمیٹی کے چار (4) منعقد کئے گئے۔ ان اجلاسوں میں ممبران کی حاضری درج ذیل ہے:

ڈائریکٹرز	اجلاس میں حاضری
شیخ یاسر منیر	2
شہزاد احسان	2
مسز آمنہ کامران	4
مسز سعدیہ کامران	4

آڈٹ کمیٹی کے اجلاسوں میں شرکت نہ کرنے والے ممبران کی رخصت منظور کر لی گئی تھی۔

انسانی وسائل و ادائیگیوں سے متعلق کمیٹی

کوڈ آف کارپوریٹ گورننس کے ضوابط کی پاسداری کرتے ہوئے بورڈ کی جانب سے کمیٹی ہذا کو تشکیل دیا گیا ہے جو کہ تین ممبران پر مشتمل ہے جن میں سے دو ممبران غیر انتظامی ڈائریکٹر ہیں جن میں سے ایک چیئر مین ہے جبکہ تیسرا ممبر ایک آزاد ڈائریکٹر ہے۔ کمیٹی کے ممبران کو ان کے کام کی شرائط سے بذریعہ بورڈ باقاعدہ آگاہ کیا جا چکا ہے۔

ڈائریکٹروں کی لئے تربیتی پروگرام

شیخ فیصل توحید اور شیخ کاشف توحید ڈائریکٹرز نے ٹریننگ ICAP سے پروگرام مکمل کر لیا ہے۔ تین ڈائریکٹر مسز شہزاد احسان، مسز سمیرا فیصل، اور مسز طاہرہ کاشف نے 16 اکتوبر سے ٹریننگ کلاسز کا آغاز کیا ہے جو کہ 14 اکتوبر تک رہے گا۔ اور ان تینوں کو ٹریننگ سرٹیفکیٹ ICMA سے نوازا جائیگا۔

ترتیب حصص داری

دستاویزات برائے ترتیب حصص داری بمطابق 30 جون 2017 مطلوبہ زیرتحت کمپنیز آرڈیننس 1984 اور کوڈ آف کارپوریٹ گورننس رپورٹ ہدایت کی جارہی ہے۔ ڈائریکٹروں، سی ای او، سی ایف او، کمپنی سیکرٹری، اندرونی آڈٹ کے سربراہ اور ان کے ازدواج یا نابالغ بچوں کی جانب سے دوران سال کمپنی کے حصص کی کوئی خرید و فروخت نہیں کی گئی ہے۔

اظہار تشکر

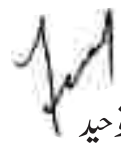
ہم تمام حصص داران، صارفین، سپلائروں اور ملازمین کی جانب سے بھرپور حمایت کو تسلیم کرتے ہیں اور تہ دل سے ان کے مشکور ہیں۔

منجانب بورڈ



شیخ کاشف توحید

ڈائریکٹر



شیخ فیصل توحید

چیف ایگزیکٹو

اکتوبر 2017، 07

کارپوریٹ اور مالیاتی رپورٹ کا دائرہ کار

بورڈ ممبران انتہائی مسرت کے ساتھ اس بات کا اعلان کرتے ہیں کہ آپ کی کمپنی کی انتظامیہ بہتر سے بہتر کارپوریٹ گورننس کی خواہاں ہے اور اس ضمن میں بہترین روایات پر عمل پیرا رہنے کیلئے کوشاں ہیں۔

کوڈ آف کارپوریٹ گورننس کی پاسدار کے سلسلے میں ڈائریکٹرز کی انتہائی مسرت کے ساتھ اس بات کا اعلان کرتے ہیں کہ:

- 1- کمپنی کی جانب سے تیار کردہ مالیاتی دستاویزات صحیح انداز سے کمپنی کے معاملات، کاروباری نتائج، نقد رقوم کی ترسیل اور سرمایہ پڑنی حصص میں کی نمائندگی کرتی ہیں۔
- 2- کمپنی کی جانب سے تمام کھاتوں کو باقاعدہ محفوظ کیا جاتا ہے۔
- 3- مالیاتی دستاویزات کی تیاری میں مستقبل بنیادوں پر اکاؤنٹنگ کی مناسب پالیسیوں پر عمل کیا جا رہا ہے اور تمام محاسبی تخمینے قرین قیاس ہیں۔
- 4- پاکستان میں مستعمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی مکمل پاسداری کرتے ہوئے مالیاتی دستاویزات تیار کی گئی ہیں۔
- 5- کمپنی کے اندرونی کنٹرول سسٹم کو جامع اور مؤثر انداز سے نافذ کیا گیا ہے۔ اور اسکی مستقل بنیادوں پر نگرانی اور اصلاح کی جاتی ہے۔ اندرونی کنٹرول کے نظام کو مزید مضبوط اور مؤثر بنانے کی غرض سے اسکی مستقل مانیٹرنگ کی جاتی رہے گی۔

6- اس سلسلے میں کسی بھی قسم کے شک کی کوئی گنجائش موجود نہیں ہے کہ کمپنی اپنی کاروباری سرگرمیوں کو پیشگی کی بنیاد پر آئندہ بھی جاری رکھے گی۔

7- کمپنی کے کاروبار اور مالیاتی افعال سے متعلق گزشتہ چھ برسوں کی اہم ترین معلومات کو رپورٹ ہذا میں پیش کیا گیا ہے۔

8- کارپوریٹ گورننس کی بہترین روایات جن کی تفصیلات لسٹنگ قواعد میں درج ذیل ہیں سے کسی بھی قسم کو قابل ذکر و گردانی نہیں کی گئی۔

9- کمپنی 30 جون 2016 تک اپنے تمام ملازمین کیلئے گریجویٹ سکیم نافذ تھی یکم جولائی 2016 سے کمپنی نے اپنے ورکروں کو پراویڈنٹ فنڈ کا آغاز کر دیا ہے۔

ماہانہ کنٹری بیوشن دونوں مالکان اور ملازمین فنڈ میں ڈالتے ہیں۔ کمپنی کا کنٹری بیوشن اس کے نفع نقصان کا وٹ کو چارج کر دیا جاتا ہے۔

10- کمپنی کے ذمے ٹیکسوں، ڈیویڈنڈ، لیویز اور دیگر واجبات میں ان واجبات کے علاوہ اور کوئی واجبات نہیں ہیں جنہیں مالیاتی دستاویزات میں بیان کی جا چکا ہے۔

بورڈ آف آڈیٹرز کے اجلاس

بورڈ کی جانب سے دوران سال نو اجلاس منعقد کئے گئے، ان اجلاسوں میں متعلقہ ڈائریکٹروں کی حاضری ذیل میں پیش کی جا رہی ہے:

ڈائریکٹرز	اجلاس میں حاضری
شیخ فیصل توحید	9
شیخ کاشف توحید	9
مسز سمیرا فیصل	9
مسز طاہرہ کاشف	9
شیخ یاسر منیر	5
شہزاد احسان	4
مسز آمنہ کامران	7
مسز سعیدہ کامران	6

اجلاسوں میں شریعت نہ کرنے والے ڈائریکٹروں کی رخصت منظور کر دی گئی تھی۔

ڈائریکٹرز کی جائزہ رپورٹ

ہم انتہائی مسرت کے ساتھ آپ کی کمپنی کی 67 ویں سالانہ رپورٹ بمعہ آڈٹ شدہ مالیاتی دستاویزات اور آڈیٹروں کی رپورٹ بابت 30 جون 2017 آپ کی خدمت میں پیش کر رہے ہیں۔

صنعتی و کاروباری جائزہ

مقامی ٹیکسٹائل اور پروسیسنگ اور ایمبرائیڈری صنعت بمعہ آپ کی کمپنی سخت مسابقتی حالات سے دوچار ہے آپ کی کمپنی نے کامیابی سے معیار کو برقرار رکھا ہے۔ سال کے دوران سیل میں %15.76 فیصد اضافہ کرنے میں کامیاب ہوئی ہے۔ گراس پرافٹ بھی بہتر ہوا ہے۔ جو کہ 32.803 ملین سے بڑھ کر 33.857 ملین ہو گیا ہے۔

مالیاتی کارکردگی کا خلاصہ۔

کمپنی کی مالیاتی کارکردگی برائے مالی سال 30 جون 2017 بمقابلہ گزشتہ سال کی اہم جھلکیاں درج ذیل ہیں

2016	2017	
----- روپے -----		
709,705,001	821,570,202	کاروباری سیل
32,803,364	33,857,415	منافع قبل از ٹیکس
(1,796,186)	17,484,719	ٹیکسیشن
34,599,550	16,372,696	منافع بعد از ٹیکس
2.22	1.05	منافع فی حصص

تقسیم منافع

ڈائریکٹروں کی جانب سے یہ سفارش کی گئی ہے کہ برائے مالی سال 30 جون 2017 کو %7.50 (فی شیئر) ڈیویڈنڈ ادا کیا جائے گا۔

مستقبل اور چیلنجز

اس بات کو ایک مسلمہ حقیقت کے طور پر تسلیم کیا جاتا ہے۔ کہ پاکستان ایک زبردست معاشی قوت کا حامل ہے۔ وطن عزیز میں تعمیرات کی صنعت میں جاری ترقی اور نشوونما کی پیش نظر آپ کی کمپنی اس بات کی امید کرتی ہے کہ اعلیٰ معیار کی مصنوعات اور نئی نئی ورائٹی کے ذریعے ہم اپنی آمدن میں اضافہ کر سکتے ہیں۔ مارکیٹ کے نئے تقاضوں کے عین مطابق پلانٹ اور مشینری میں ہیلتھ اور جدت پیدا کرنے کے بعد آپ کی کمپنی اس قابل ہو جائے گی مستقبل میں ترقی کی راہ پر گامزن ہونے کے ساتھ ساتھ آنے والے وقتوں میں اپنی صحیح سمت کا تعین بھی کر سکے۔

ہمیں پورا یقین ہے کہ کمپنی کا مستقبل روشن ہے اور متوقع ہے کہ کپڑے کی پروسیسنگ اور ایمبرائیڈری کی ڈیمانڈ میں اضافہ ہوگا ہم اپنی لاگت کو مزید کنٹرول کرنے کی کوشش کر رہے ہیں۔ تاکہ مستقبل میں ہمیں زیادہ سے زیادہ منافع کمائیں۔

کارپوریٹ معاشرتی ذمہ داری

آپ کی کمپنی ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے کمپنی کیلئے دن رات خدمات سرانجام دینے والے ملازمین، کمپنی کے ارد گرد آباد لوگوں اور مجموعی طور پر پورے معاشرے کے ضمن میں خود پر عائد ہونے والی معاشرتی ذمہ داریوں سے بخوبی آگاہ ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز امین مدثر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائرڈ ہونے جارہے ہیں۔ اور اپنی اہلیت کی بنیاد پر انہوں نے ایک مرتبہ پھر تعیناتی کیلئے کمپنی کو اپنی خدمات پیش کی ہیں۔ کمپنی کے بورڈ کی آڈٹ کمیٹی کی جانب سے بھی ان کی بطور قانونی آڈیٹرز برائے کمپنی برائے مالی سال 30 جون 2018 کی تعیناتی کیلئے سفارش کی گئی ہے اور بورڈ کی جانب سے بھی آڈٹ کمیٹی کی سفارش کی توثیق کر دی گئی ہے۔

نمائندگی کا فارم (پراکسی فارم)

میں رہم

کے

دی نیشنل سلک اینڈ ریان ملز لمیٹڈ کے رکن اور عام شیئر کے حامل کی حیثیت کے

(شیئرز کی تعداد)

رجسٹر کا فولیو نمبر

اور ریسی ڈی سی فولیو کا آئی ڈی نمبر

اور ذیلی اکاؤنٹ نمبر، اور ڈیلی اکاؤنٹ نمبر کے

یا کے

کو کمپنی کے 67 واں سالانہ عام اجلاس جو ہفتہ، 28 اکتوبر کو دوپہر 2 بجے جو ہر ایونٹ کمپلیکس، E-20-21، مولانا شوکت علی روڈ، نزد جناح ہسپتال، لاہور میں منعقد ہوگا، میں میرے/ہمارے لئے اور میری/ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں/کرتے ہیں۔

گواہ: 2

گواہ: 1

دستخط

نام

پتہ

سی این آئی سی نمبر

نوٹ: پراکسی فارم/نمائندگی فارم کو موثر ہونے کے لیے سالانہ اجلاس سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے۔ اور اس پر دستخط، ریویونیوٹ اور شہادت ہونا ضروری ہے۔

FORM OF PROXY

Folio No.

I/WE _____

Of _____

Being a member of The National Silk & Rayon Mills Limited hereby appoint

_____ (Name)

Of _____

(Another member of the) failing him

_____ (Name)

Of _____

(Another member of the Company) to attend, act and vote for me and on my/our behalf at the 67th Annual General Meeting of the Company to be held on Saturday, 28th day of October 2017 at 2.00 p.m. Johar Event Complex, 20-21-E, Maulana Shaukat Ali Road, Near Jinnah Hospital, Lahore and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2017

Signature on
Revenue Stamp
of Correct Value

(Signature should agree with the specimen
Signature registered with the Company)

Date: _____

NOTE:

Proxy form must be signed across a correct value Revenue Stamp and it should be deposited in the Registered Office of the company not later than 48 hours before time of holding the meeting.

ANNUAL REPORT

2017



The National Silk & Rayon Mills Ltd.

Manufacturer & Exporter of Quality Textile Products

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