

ALLAWASAYA

TEXTILE & FINISHING MILLS LIMITED



62nd Annual Report

for the year ended June 30, 2019



62nd Annual Report
of
Allawasaya Textile & Finishing Mills Limited
for the year ended June 30, 2019



CONTENTS

• VISION & MISSION STATEMENT	3
• COMPANY PROFILE	4
• NOTICE OF ANNUAL GENERAL MEETING	5
• CHAIRPERSON'S REVIEW REPORT U/S 192 OF COMPANIES ACT, 2017	6
• DIRECTORS' REPORT (ENGLISH)	7
• SIX YEARS KEY OPERATING AND FINANCIAL DATA	13
• STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE	14
• INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE	16
• INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	17
• STATEMENT OF FINANCIAL POSITION	21
• STATEMENT OF PROFIT OR LOSS	22
• STATEMENT OF COMPREHENSIVE INCOME	23
• STATEMENT OF CHANGES IN EQUITY	24
• STATEMENT OF CASH FLOWS	25
• NOTES TO THE FINANCIAL STATEMENTS	26
• PATTERN OF SHAREHOLDING	52
• PATTERN OF SHAREHOLDING (ADDITIONAL INFORMATION)	53
• CDC PAKISTAN LIMITED PATTERN OF SHAREHOLDING	54
• DIRECTORS' REPORT (URDU)	59
• NOTICE OF ANNUAL GENERAL MEETING (URDU)	60
• FORM OF PROXY (URDU)	61
• FORM OF PROXY (ENGLISH)	62



VISION STATEMENT

The vision of Allawasaya Textile and Finishing Mills Limited is to contribute positively to the Socio-Economic growth of Pakistan through business and industrial pursuits endeavoring to achieve excellence in all spheres of such activity with effective and efficient management.

MISSION STATEMENT

Allawasaya Textile and Finishing Mills Limited becomes a truly professional organization, achieve higher quality standards, utilize maximum capacity, capture expansion opportunities and becomes a least cost operator amongst its competitors.

We will strive to continue as a successful Company, make profit and thus create value for our shareholders, customers, suppliers and employees.

QUALITY AND ENVIRONMENTAL POLICY

Our aim is to achieve the leadership of textile and spinning industry through quality products according to customer satisfaction. We thrive to achieve the above through the following measures:

- 1) Acquisition of quality raw material.
- 2) Manufacturing of high quality yarn as per customer satisfaction.
- 3) Continuous training and guidance to employees regarding quality and environment.
- 4) Continuous improvement, close watch and control in production process and environment.
- 5) Follow up of the system, regarding international quality and environmental laws.
- 6) Control of pollution discharge from industrial process.



COMPANY PROFILE

BOARD OF DIRECTORS

1. Mrs. Nusrat Jamil - Chairperson
2. Mian Tanvir Ahmad Sheikh - Chief Executive Officer
3. Mian Muhammad Jamil
4. Mian Tauqir Ahmed Sheikh
5. Mian Anis Ahmad Sheikh
6. Mian Muhammad Bilal Ahmad Sheikh
7. Mr. Mohammad Alamgir Jamil Khan
8. Mr. Muhammad Umar Farooq Sheikh
9. Mr. Javed Musarrat
10. Mr. Abdul Rehman Qureshi
11. Mr. Imran Hussain

AUDIT COMMITTEE

- Mr. Javed Musarrat - Chairman
Mrs. Nusrat Jamil - Member
Mian Anis Ahmad Sheikh - Member

HUMAN RESOURCE & REMUNERATION COMMITTEE (HR&R)

- Mr. Abdul Rehman Qureshi - Chairman
Mian Anis Ahmad Sheikh - Member
Mr. Mohammad Alamgir Jamil Khan - Member

CHIEF FINANCIAL OFFICER

Sohail Nadeem

COMPANY SECRETARY

Muhammad Ismail

HEAD OF INTERNAL AUDIT

Ch. Javed Akhtar

AUDITORS

Deloitte Yousuf Adil Chartered Accountants, Multan

LEGAL ADVISOR

Malik Masroor Haider Usman– Advocate
Room No. 217- 218, Metro Plaza, Multan Cantt.

BANKERS

M/s Habib Bank Limited
M/s Bank AL Habib Limited
M/s Habib Metropolitan Bank Limited
M/s United Bank Limited

REGISTERED OFFICE

Allawasaya Square,
Mumtazabad Industrial Area,
Vehari Road, Multan, Pakistan
Ph: (061)4233624-26
Fax: (061)6525202
E-Mail: atm@allawasaya.com

SHARES REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Limited
H.M. House, 7-Bank Square, Lahore, Pakistan
Ph: (042)37235081-82
Fax: (042)37358817
E-Mail: shares@hmaconsultants.com



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 62nd Annual General Meeting of the Company will be held on Monday October 28, 2019 at 03:30 p.m. at its registered office, Allawasaya Square, Mumtazabad Industrial Area, Vehari Road, Multan to transact the following business:

1. To confirm the minutes of the 61st Annual General Meeting of the Company held on October 27, 2018.
2. To receive, consider and adopt the annual audited financial statements of the Company together with the Directors', Auditors' Reports and Chairperson's Review thereon for the year ended June 30, 2019.
3. To appoint auditors and to fix their remuneration for the financial year ending June 30, 2020 who will hold office till conclusion of the next Annual General Meeting. The Board, on the recommendation of the Audit Committee, has proposed the appointment of M/s Deloitte Yousuf Adil Chartered Accountants, Multan as external auditors. The retiring auditors being eligible, have consented and offered themselves for re-appointment.
4. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD

Sd/-
(MUHAMMAD ISMAIL)
COMPANY SECRETARY

Multan, October 07, 2019

NOTES:

1. The Shares Transfer Books of the Company will remain closed from 22-10-2019 to 28-10-2019 (both days inclusive) transfers received in order at the office of the Company's Shares Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore by the close of business on October 21, 2019 will be treated in time.
2. A member entitled to attend and vote at the meeting, may appoint any other member as a proxy to attend, speak and vote on behalf of him/her. **A proxy must be a member.** Proxy Forms duly stamped with Rs.5/- revenue stamp, signed and witnessed by one person, in order to be valid must be received at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
3. Any individual beneficial owners of CDC, entitled to attend and vote at the meeting must bring his/her CNIC or passport to prove his/her identity and the proxy shall produce his/ her original CNIC or passport. In case of corporate members, the Boards' resolution or power of attorney with specimen signatures of the nominee shall require to be produced at the time of meeting.
4. For the convenience of Members, a Standard Request Form with appropriate details has been uploaded on the Company's website <www.allawasaya.com>. Those Members who opt to receive the hard copies of the annual audited financial statements instead of sending the same through CD/DVD/USB at their registered addresses may apply to the Company Secretary at his postal or email address secretary@allawasaya.com.
5. **Members are requested to submit an attested photocopy of their valid Computerized National Identity Cards (CNICs) as per SECP's direction, if not provided earlier and also communicate to the Company immediately of any change in their addresses.**
6. Members can also avail Video Conference facility in (name of cities where facility can be provided keeping in view geographical dispersal of members). In this regard please fill the following form and submit to the registered address of the Company within ten (10) days before holding of annual general meeting.

I/ We, _____ of _____, being a member of

ALLAWASAYA TEXTILE AND FINISHING MILLS LIMITED, holder of _____ Ordinary Shares

as per Register Folio No./ CDC A/C No. _____ hereby opt for Video Conference Facility at _____

Signature of member

If the Company receives consent from members holding an aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through Video Conference at least 10 days prior to the date of meeting, the Company will arrange Video Conference facility in that city subject to availability of such facility in that city.



**CHAIRPERSON'S REVIEW REPORT U/S 192 OF THE COMPANIES ACT, 2017 ON
OVERALL BOARD PERFORMANCE AND BOARD'S ROLE IN ACHIEVING THE
COMPANY'S OBJECTIVES FOR YEAR ENDED JUNE 30, 2019**

Annual Evaluation of the Board of Directors of the Company, M/s Allawasaya Textile and Finishing Mills Limited, is carried out in accordance with the requirements of the Code of Corporate Governance to ensure that its performance and effectiveness is as per the expectations to achieve the goals and objectives of the Company. For the financial year ended June 30, 2019, it is assessed as Satisfactory. There was no violation of the code of conduct.

The Board meetings and Committee meetings were always well attended. The members of the Board of Directors of the Company were sent agendas and supporting material well in time prior to the board and its committee meetings. All the Directors made important contribution and made their best efforts for the achievements of the desired results during the year. The expertise of the Independent and non-executive Directors were also a great help in the decision making process. The operations of the Company's Units were strategically planned and all the resources were optimally utilized. The performance results were found satisfactory.

All the employees of the Company were met with equitable treatment who also contributed to the Company business through their effective and efficient working.

Sd/-
MRS. NUSRAT JAMIL
CHAIRPERSON

Multan, October 7, 2019

DIRECTORS' REPORT

In the name of Allah the Most Beneficent and the Merciful

Dear Shareholders,

On behalf of the Board of Directors of the Company, it is my privilege to present before you the 62nd Annual Report on the affairs of your Company along with the Audited Accounts for the financial year ended June 30, 2019.

PERFORMANCE:

During the year under report, the BMR process of Unit No.I was undertaken successfully. Total 13,624 Spindles were replaced and 8,120 Spindles were added with all allied back-process, air conditioning equipment and winding machines. The total number of Spindles of both Units now stand increased to 38,712 as compared to 30,592 Spindles previously. Major reconstruction work of the Mills building was also undertaken as was required in this respect. Alhamdollilah, subsequent to the balance sheet date all the machinery installed is operational since August 2019. With the replacement/ addition of machinery, the working of the mills has improved and the viability is getting better.

Since the Unit No.I remained closed from October 2018 to June 2019 due to major BMR, only Unit No.II was operational. The working and performance of Unit No.II, though remained satisfactory, due to closure of Unit No.I, its entire fixed cost incurred during the nine months October 2018 to June 2019 was also absorbed by it which was substantial, hence the Company suffered a net loss of (Rs.15,919,798/-) during the year compared to Net Profit of Rs.17,633,101/- last year.

OPERATIONS:

The Mills produced Polyester-Cotton blended yarn throughout the year. The total production of yarn during the year under review at 20's count basis was 10,350,145.27 Kgs (actual production 6,454,183.68 Kgs) as compared to 13,102,051.53 Kgs (actual production 8,207,710.56 Kgs) last year. The total sales for the year amounted to Rs.2,090,559,370/- (6,573,026.88 Kgs) as compared to Rs.2,168,465,319/- (8,284,641.12 Kgs) last year. The gross profit for the year was Rs.98,699,813/- as compared to Rs.124,872,086/- last year. The Net Loss after providing for Tax amounted to (Rs.15,919,798/-) as compared to the Net Profit of Rs.17,633,101/- last year.

The financial results for the year ended June 30, 2019 along with the comparative figures of the last year are summarized under the respective heads of Accounts below:

ACCOUNTS:

	For the year ended June 30, 2019 Rupees	For the year ended June 30, 2018 Rupees
Sales- net	2,090,559,370	2,168,465,319
Cost of goods sold	(1,991,859,557)	(2,043,593,233)
Gross Profit	98,699,813	124,872,086
Distribution and marketing expenses	(11,459,112)	(14,817,005)
Administrative expenses	(59,991,958)	(50,239,918)
Other Operating expenses	-	(2,684,132)
Finance Cost	(36,554,031)	(21,114,699)
(Loss)/ Profit before Taxation	(9,305,288)	36,016,332
Provision for Taxation	(6,614,510)	(18,383,231)
(Loss)/ Profit for the year	(15,919,798)	17,633,101
(Loss)/ Earning per share- basic and diluted	(19.90)	22.04

REVALUATION OF FIXED ASSETS

Previous, valuation of the fixed assets of the Company was carried out as on June 30, 2016, fresh revaluation has been carried out by the independent valuer M/s MYK Associates (Pvt.) Limited, Karachi as on June 30, 2019 on the basis of market value to reflect the current fair value of the assets of the Company. The net effect after deletion/addition in assets has been debited/ credited to “Surplus on Revaluation of Property, Plant and Equipment”.

FUTURE OUTLOOK

The Textile Industry continuously operates in a challenging environment. The international market conditions, change in domestic laws, volatility in cotton prices, unpredictable prices of fuel and power, higher markup rates, custom duty structure, increased manpower cost and implementation of sales tax on zero-rated sector are amongst the major challenges.

The Directors of the Company are very much optimistic for future growth, however, the above issues must be addressed, so that textile sector can perform efficiently. Special package announced by the government for Textile Industry must be implemented in true spirit, gradual change in dollar rates rather than its sudden devaluation of Pak rupee, sales tax rates imposed on textile sector must be zero or at reduced rate, mechanism for reimbursement of refunds on account of Income Tax and Sales Tax be settled through immediate payments rather than future bonds to overcome the liquidity crunch.



To meet these challenges, the Company plans to adopt dynamic policies for increase in production quantitatively as well as qualitatively through continuous BMR Process combined with full scale automation. The Marketing Strategies are also being well planned to achieve more returns for the Company adding value to shareholders worth. As a whole the future of the Company looks promising and encouraging. The Company is well placed to achieve further success and build shareholders value in the years ahead.

DIVIDEND

Due to the net loss suffered by the Company for the year as explained in earlier paras and the huge expense incurred on BMR, your Directors do not propose payment of any Dividend this year.

ISO 9001:2015 QMS AND ISO 14001:2015 EMS CERTIFICATION

Your Directors are pleased to report that your Company is quite successfully maintaining its ISO 9001:2015 Certification for Quality Management System and the ISO 14001:2015 Certification for Environmental Management System.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

Your Directors are pleased to report that the Company is complying with the requirements of the Code of Corporate Governance as introduced by the Securities and Exchange Commission of Pakistan. The various statements, as required by the code, are given below:

PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements, prepared by the Company, fairly present its state of affairs, the results of operations, cash flows, and changes in equity;

BOOKS OF ACCOUNTS:

The Company has maintained proper books of accounts;

ACCOUNTING POLICIES:

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

COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS (IAS):

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;



INTERNAL CONTROL SYSTEM:

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

ON GOING CONCERN:

The Company's financial position is sound enough to ensure its continuity as an on going concern;

NO OUTSTANDING STATUTORY DUES:

There are no outstanding statutory dues on account of taxes, levies and charges except of normal and routine nature;

FINANCIAL HIGHLIGHTS:

Key operating and financial data of the last six years is given in Annex 1.

BOARD MEETINGS:

During the year ended June 30, 2019 four (4) meetings of the Board of Directors were held. Attendance of each Director is given below:

<u>Director's Name</u>	<u>Meeting Attended</u>
Mian Muhammad Jamil	4
Mian Tanvir Ahmad Sheikh	4
Mrs. Nusrat Jamil	4
Mian Tauqir Ahmed Sheikh	4
Mian Anis Ahmad Sheikh	2
Mian Muhammad Bilal Ahmad Sheikh	2
Mr. Mohammad Alamgir Jamil Khan	4
Mr. Muhammad Umar Farooq Sheikh	4
Mr. Javed Musarrat	4
Mr. Abdul Rehman Qureshi	1
Mr. Imran Hussain	3

The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

<u>Members Name</u>	<u>Attendance</u>
Mr. Javed Musarrat	4
Mrs. Nusrat Jamil	4
Mian Anis Ahmad Sheikh	4

The HR & R Committee held one (1) meeting during the year. Attendance by each member was as follows:

<u>Members Name</u>	<u>Attendance</u>
Mr. Abdul Rehman Qureshi	1
Mian Anis Ahmad Sheikh	1
Mr. Mohammad Alamgir Jamil Khan	1

COMPOSITION OF BOARD

The Board consists of 10 male and 1 female directors with following composition:

Independent Directors	3
Other Non-executive Directors	5
Executive Directors	3
Total number of Directors	11

AUDITORS

Your Company's Auditors M/s Deloitte Yousuf Adil Chartered Accountants, Multan retire and being eligible offer themselves for re-appointment for the next year.

PATTERN OF SHAREHOLDING

A statement showing pattern of shareholdings of the Company and additional information as at June 30, 2019 is annexed to this report.

RELATIONS WITH LABOUR AND STAFF

Your Directors are happy to report that relations with labour and staff of the Company remained cordial throughout the year.



ACKNOWLEDGEMENT

Your Directors acknowledge the best cooperation as usual enjoyed by your Company from M/s Habib Bank Limited, M/s Bank AL Habib Limited, M/s Habib Metropolitan Bank Limited and M/s United Bank Limited and wish to record their appreciation for the same and hope the Bankers will continue their support to the Company in future as well.

The dedicated hard work of all employees of the Company is also acknowledged.

On behalf of the Board of Directors

Sd/-
MRS. NUSRAT JAMIL
CHAIRPERSON

Multan, October 7, 2019

**SIX YEARS KEY OPERATING AND FINANCIAL DATA**

Year Ended June 30,	2019	2018	2017	2016	2015	2014
BALANCE SHEET						
Authorized Capital	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Issued, Subscribed & Paid up Capital	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Surplus on Revaluation of Property, Plant & Equipment	844,244,390	555,466,212	564,143,421	575,634,520	457,304,932	471,395,262
Tax holiday reserve	2,668,746	2,668,746	2,668,746	2,668,746	2,668,746	2,668,746
General reserve	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Un-appropriated Profits	153,951,755	181,999,407	152,641,179	178,237,663	204,822,116	216,023,031
Total Equity	1,088,864,891	828,134,365	807,453,346	844,540,929	752,795,794	778,087,039
Long Term Loans	173,250,000	-	-	-	-	-
Deferred Liabilities	149,248,031	95,745,379	106,550,429	119,794,403	110,163,021	131,437,931
Current Liabilities	673,952,127	435,701,497	351,378,451	383,227,754	274,999,671	199,186,565
Total Liabilities	996,450,158	531,446,876	457,928,880	503,022,157	385,162,692	330,624,496
Total Equity & Liabilities	2,085,315,049	1,359,581,241	1,265,382,226	1,347,563,086	1,137,958,486	1,108,711,535
Fixed Assets	1,432,570,929	851,124,734	882,766,913	890,476,175	756,874,934	793,848,822
Long Term Deposits	2,379,997	2,379,997	2,379,997	2,379,997	2,379,997	2,223,997
Current Assets	650,364,123	506,076,510	380,235,316	454,706,914	378,703,555	312,638,716
Total Assets	2,085,315,049	1,359,581,241	1,265,382,226	1,347,563,086	1,137,958,486	1,108,711,535
PROFIT & LOSS ACCOUNT						
Turnover	2,090,559,370	2,168,465,319	1,966,036,666	1,673,156,869	1,759,164,451	2,167,183,350
Gross Profit	98,699,813	124,872,086	49,054,839	50,541,703	13,657,493	141,258,633
Profit / (Loss) before Taxation	(9,305,288)	36,016,332	(32,116,626)	(35,643,655)	(56,745,009)	38,734,562
Profit / (Loss) after Taxation	(15,919,798)	17,633,101	(40,346,211)	(37,799,098)	(19,582,864)	36,934,904
DISTRIBUTION						
Cash Dividend %	-	37.50	-	-	-	102.50
RATIOS						
Break up value Per share (Rs.)	1361.08	1,035.17	1,009.32	1,055.68	940.99	972.61
Earning / (Loss) per Share (Rs)	(19.90)	22.04	(50.43)	(47.25)	(24.48)	46.17
Current Ratio	0.97:1	1.16:1	1.08:1	1.19:1	1.38:1	1.57:1
Debt/ equity ratio	15:85	00:100	00:100	00:100	00:100	01:99
CAPACITY & PRODUCTION						
No. of spindles installed	37,752	30,592	30,592	30,592	30,592	30,592
No. of spindles worked	35,352	30,592	30,592	30,592	30,592	30,592
Capacity of Yarn at 20's Count (K gs)	10,505,451	13,164,469	13,213,585	12,864,160	12,111,985	12,314,067
Actual Production of Yarn at 20's Count (K gs)	10,350,145	13,102,052	12,882,613	12,679,268	11,896,628	12,056,349



Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017
Name of company ALLAWASAYA TEXTILE AND FINISHING MILLS LIMITED
Year ending JUNE 30, 2019

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

1. The total number of directors are 11 as per the following:

- a. Male: 10
- b. Female: 1

2. The composition of board is as follows:

a) Independent Directors

- | | | |
|----|--------------------------|----------------------|
| 1. | Mr. Javed Musarrat | Independent Director |
| 2. | Mr. Abdul Rehman Qureshi | Independent Director |
| 3. | Mr. Imran Hussain | Independent Director |

b) Other Non-executive Directors

- | | | |
|----|----------------------------------|--------------------------------------|
| 1. | Mrs. Nusrat Jamil | Non-Executive Director (Chairperson) |
| 2. | Mian Tauqir Ahmed Sheikh | Non-Executive Director |
| 3. | Mian Anis Ahmad Sheikh | Non-Executive Director |
| 4. | Mian Muhammad Bilal Ahmad Sheikh | Non-Executive Director |
| 5. | Mr. Muhammad Umar Farooq Sheikh | Non-Executive Director |

c) Executive Directors

- | | | |
|----|---------------------------------|-----------------------------|
| 1. | Mian Tanvir Ahmad Sheikh | Executive Director (CEO/MD) |
| 2. | Mian Muhammad Jamil | Executive Director |
| 3. | Mr. Mohammad Alamgir Jamil Khan | Executive Director |

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

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

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

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairperson and, in her absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

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

9. The Board has arranged Directors' Training program for the following:

- 1. Mr. Mohammad Alamgir Jamil Khan- In year 2013
- 2. Mr. Muhammad Umar Farooq Sheikh- In Year 2016
- 3. Mr. Javed Musarrat- In year 2016
- 4. Mr. Abdul Rehman Qureshi-got exemption from the DTP Certification from SECP in Year 2019



10. There was no change with respect to appointment of CFO, Company Secretary and Head of Internal Audit during the year.

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

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

a) Audit Committee:

1. Mr. Javed Musarrat- Independent Director- Chairman
2. Mrs. Nusrat Jamil- Non-Executive Director- Member
3. Mian Anis Ahmad Sheikh- Non-Executive Director- Member

b) HR and Remuneration Committee:

1. Mr. Abdul Rehman Qureshi- Independent Director- Chairman
2. Mian Anis Ahmad Sheikh- Non-Executive Director- Member
3. Mr. Mohammad Alamgir Jamil Khan- Executive Director- Member

c) Nomination Committee (not applicable)

d) Risk Management Committee (not applicable)

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

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:

a) Audit Committee	4 quarterly meetings
b) HR and Remuneration Committee	1 annually meeting
c) Nomination Committee	(not applicable)
d) Risk Management Committee	(not applicable)

15. The board has set up an effective internal audit function headed by the Head of Internal Audit. The staff is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company and is involved in the internal audit function on a full time basis.

16. 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 and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP

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

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

On the behalf of the Board of Directors

Sd/-
MRS. NUSRAT JAMIL
CHAIRPERSON

Multan, October 7, 2019



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ALLAWASAYA TEXTILE & FINISHING MILLS LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2017 (the Regulations) prepared by the Board of Directors of **Allawasaya Textile & Finishing Mills Limited** for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulation.

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

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

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

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

DELOITTE YOUSUF ADIL
Chartered Accountants

Engagement Partner:
Rana Muhammad Usman Khan

Multan, October 7, 2019



INDEPENDENT AUDITOR'S REPORT

To the members of Allawasaya Textile & Finishing Mills Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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



Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
1. Revenue Recognition	
<p>The Company's sales comprise of revenue from the sale of yarn this has been disclosed in note 23 to the financial statements.</p> <p>Revenue from the sale is recognized, when control related to the sale of goods is transferred and the performance obligation is satisfied i.e. on dispatch of goods (note 5.4.15).</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of control to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.</p>	<p>Our audit procedures to address the Key Audit Matter included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design and implementation and operating effectiveness of controls around recognition of revenue; • Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; • Checked on sample basis whether the recorded sales transactions are based on transfer of goods to the customer, satisfying the performance obligation and were recorded in the appropriate accounting period. • Reviewing the adequacy of disclosure as required under applicable financial reporting framework.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and the Board of Directors for the Financial Statements

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

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Rana M. Usman Khan.

DELOITTE YOUSUF ADIL
Chartered Accountants

Engagement Partner:
Rana Muhammad Usman Khan

Multan, October 7, 2019



*STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019*

	<i>Note</i>	<i>2019 Rupees</i>	<i>2018 Rupees</i>
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,432,570,929	851,124,734
Long term deposits		2,379,997	2,379,997
		1,434,950,926	853,504,731
Current assets			
Stores and spares	7	26,190,301	20,167,808
Stock in trade	8	292,168,103	262,522,072
Trade debts	9	215,316,937	126,745,756
Loans and advances	10	59,504,034	42,827,997
Trade deposit and prepayments	11	1,098,779	929,033
Tax refunds due from government	12	37,044,286	26,850,372
Cash and bank balances	13	19,041,683	26,033,472
		650,364,123	506,076,510
Total assets		2,085,315,049	1,359,581,241
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	14	8,000,000	8,000,000
Surplus on revaluation of property, plant and equipment	15	844,244,390	555,466,212
Tax holiday reserve		2,668,746	2,668,746
General reserve		80,000,000	80,000,000
Unappropriated profits		153,951,755	181,999,407
		1,088,864,891	828,134,365
Non-current liabilities			
Long Term Loan	16	173,250,000	-
Deferred tax	17	149,248,031	95,745,379
		322,498,031	95,745,379
Current liabilities			
Trade and other payables	18	292,353,386	140,144,792
Accrued markup	19	18,939,753	5,335,874
Short term borrowings	20	326,347,623	262,477,868
Current portion of long term loan		21,750,000	-
Unclaimed dividend		664,983	637,147
Provision for taxation	21	13,896,382	27,105,816
		673,952,127	435,701,497
Contingencies and commitments	22		
TOTAL EQUITY AND LIABILITIES		2,085,315,049	1,359,581,241

The annexed notes from 1 to 40 form an integral part of these financial statements.

Sd/-
Mian Tanvir Ahmad Sheikh
Chief Executive Officer

Sd/-
Mian Muhammad Alamgir Jamil Khan
Director

Sd/-
Sohail Nadeem
Chief Financial Officer



**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019**

	<i>Note</i>	<i>2019 Rupees</i>	<i>2018 Rupees</i>
Sales - net	23	2,090,559,370	2,168,465,319
Cost of goods sold	24	(1,991,859,557)	(2,043,593,233)
Gross profit		<u>98,699,813</u>	<u>124,872,086</u>
Distribution and marketing expenses	25	(11,459,112)	(14,817,005)
Administrative expenses	26	(59,991,958)	(50,239,918)
Other Operating expenses	27	-	(2,684,132)
Finance cost	28	(36,554,031)	(21,114,699)
		<u>(108,005,101)</u>	<u>(88,855,754)</u>
(Loss)/ Profit before taxation		(9,305,288)	36,016,332
Provision for taxation	29	(6,614,510)	(18,383,231)
(Loss) / profit for the year		<u>(15,919,798)</u>	<u>17,633,101</u>
(Loss) / earning per share - basic and diluted	31	<u>(19.90)</u>	<u>22.04</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

Sd/-
Mian Tanvir Ahmad Sheikh
Chief Executive Officer

Sd/-
Mian Muhammad Alamgir Jamil Khan
Director

Sd/-
Sohail Nadeem
Chief Financial Officer



*STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019*

	<i>2019 Rupees</i>	<i>2018 Rupees</i>
(Loss) / profit for the year	(15,919,798)	17,633,101
<i>Items that will not be reclassified to profit and loss:</i>		
Transfer from deferred tax due to change rate on opening revaluation surplus	-	3,047,918
Transfer from deferred tax liability on account of disposal	(26,962,470)	-
Surplus on revaluation of property, plant and equipment	423,276,806	-
Deferred tax impact on revaluation	(60,784,524)	-
	362,492,282	-
	335,529,812	3,047,918
Total comprehensive income for the year	319,610,014	20,681,019

The annexed notes from 1 to 40 form an integral part of these financial statements.

Sd/-
Mian Tanvir Ahmad Sheikh
Chief Executive Officer

Sd/-
Mian Muhammad Alamgir Jamil Khan
Director

Sd/-
Sohail Nadeem
Chief Financial Officer



STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

Share Capital	Reserves				Total	
	Capital		Revenue			
	Surplus on revaluation of property, plant and equipment	Tax holiday reserve	General reserve	Accumulated profit/Loss		
<i>Rupees</i>						
Balance at July 01, 2017	8,000,000	564,143,421	2,668,746	80,000,000	152,641,179	807,453,346
Loss for the year	-	-	-	-	17,633,101	17,633,101
Other comprehensive income for the year	-	3,047,918	-	-	-	3,047,918
Total comprehensive loss for the year	-	3,047,918	-	-	17,633,101	20,681,019
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	(11,725,127)	-	-	11,725,127	-
Balance at June 30, 2018	8,000,000	555,466,212	2,668,746	80,000,000	181,999,407	828,134,365
Profit for the year	-	-	-	-	(15,919,798)	(15,919,798)
Other comprehensive income for the year	-	362,492,282	-	-	(26,962,470)	335,529,812
Total comprehensive income for the year	-	362,492,282	-	-	(42,882,268)	319,610,014
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax (note-15)	-	(7,702,540)	-	-	7,702,540	-
Transfer from surplus on revaluation of property, plant and equipment on account of disposal - net of deferred tax (note-15)	-	(66,011,565)	-	-	10,132,077	(55,879,488)
Transactions with owners						
Dividend for the year ended June 30, 2018 @ Rs. 3.75/share	-	-	-	-	(3,000,000)	(3,000,000)
Balance at June 30, 2019	8,000,000	844,244,390	2,668,746	80,000,000	153,951,755	1,088,864,891

The annexed notes from 1 to 40 form an integral part of these financial statements.

Sd/-
Mian Tanvir Ahmad Sheikh
Chief Executive Officer

Sd/-
Mian Muhammad Alamgir Jamil Khan
Director

Sd/-
Sohail Nadeem
Chief Financial Officer



STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		(9,305,288)	36,016,332
Adjustments for:			
Depreciation on property, plant and equipment	6	29,341,917	31,642,179
Gain on disposal of property, plant and equipment	6.4	-	-
Provision for staff retirement benefits - gratuity		15,452,878	9,008,940
Finance cost		36,554,031	21,114,699
Operating cash flows before movement in working capital		72,043,538	97,782,150
(Increase) / decrease in current assets			
Stores, spares and loose tools		(6,022,493)	10,498
Stock in trade		(29,646,031)	(101,501,061)
Trade debts		(88,571,181)	16,072,273
Loans and advances (excluding advance income tax)		(1,264,194)	4,771,382
Trade deposits and prepayments		(169,746)	(282,357)
Tax refunds due from government		(10,193,914)	(4,541,188)
Increase in current liabilities			
Trade and other payables		146,270,556	19,884,770
		10,402,997	(65,585,683)
Net cash generated from operations		82,446,535	32,196,467
Income taxes paid		(42,517,659)	(32,867,579)
Staff retirement benefits - gratuity paid		(9,514,840)	(3,196,150)
Finance cost paid		(22,950,152)	(19,758,559)
Net cash generated from / (used in) operating activities		7,463,884	(23,625,821)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment	6	(293,878,264)	-
Proceeds on disposal of property, plant and equipment	6.4	23,525,000	-
Net cash (used in) investing activities		(270,353,264)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(2,972,164)	(161,747)
Proceeds from long term financing	16	195,000,000	-
Net cash generated / (used in) financing activities		192,027,836	(161,747)
Net (decrease) in cash and cash equivalents (A+B+C)		(70,861,544)	(23,787,568)
Cash and cash equivalents at beginning of the year		(236,444,396)	(212,656,828)
Cash and cash equivalents at end of the year	30	(307,305,940)	(236,444,396)

The annexed notes from 1 to 40 form an integral part of these financial statements.

Sd/-
Mian Tanvir Ahmad Sheikh
Chief Executive Officer

Sd/-
Mian Muhammad Alamgir Jamil Khan
Director

Sd/-
Sohail Nadeem
Chief Financial Officer

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

1. THE COMPANY AND ITS OPERATIONS

1.1 Allawasaya Textile & Finishing Mills Limited (the Company) was incorporated in Pakistan on December 03, 1958 as a private limited company. It was converted into a public limited company in 1965 under the Companies, Act 1913 (now Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange (PSX) in Pakistan. It is principally engaged in the manufacturing and sale of yarn. The Registered Office and mill of the Company is situated at Allahwasaya Square, Mumtazabad Industrial Area, Vehari Road, Multan in the province of Punjab.

2. STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2019

The following accounting standards, amendments and interpretations are effective for the year ended June 30, 2019. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards or Interpretations with no significant impact	Effective from accounting period beginning on or after:
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.	January 01, 2018
IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	January 01, 2018
IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 01, 2018
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property.	January 01, 2018
'IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018

Certain annual improvements have also been made to a number of IFRSs.

3.2 The following new standards become applicable for the year ended June 30, 2019 which have required changes to the Company's accounting policies:

	Effective from accounting period beginning on or after:
'IFRS 9 'Financial Instruments' - This standard supersedes IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 01, 2018

The impact of adoption of this new standard is disclosed in note 4.1.

IFRS 15 'Revenue' - This standard supersedes IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.

January 01, 2018

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

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

	<i>Effective from accounting period beginning on or after:</i>
Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	July 01, 2020
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases' upon its effective date.	January 01, 2019.
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020.
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2019
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019.
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except as highlighted in previous paragraphs, may have no material impact on the financial statements of the Company in the period of initial application. The management of the Company is still in process of assessing the potential impact of application of IFRS 16 to the Company's financial statements.

3.4 Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

4. ADOPTION OF NEW ACCOUNTING STANDARDS

The following changes in standards have taken place effective from July 01, 2018:

4.1 Impact of IFRS 9 - Financial Instruments

IFRS 9 replaces certain provisions of IAS 39 - "Financial Instruments: Recognition and Measurement" that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. Under IFRS 9, the financial instruments, excluding derivatives, are accounted for at amortised cost, fair value through other comprehensive income or fair value through profit or loss depending on the nature of the relevant contractual cash flows and the business model in which these are held.

The adoption of IFRS 9 from July 01, 2018 has resulted in changes in relevant accounting policies and adjustment to the trade debts amount recognised in the financial statements. IFRS 9 requires implementation of a new impairment model based on expected credit losses (ECL), resulting in transition adjustment summarised below. In accordance with the transition provisions of IFRS 9, the Company has followed modified retrospective transitional method, taking into consideration the exemption allowing it not to restate comparative information of prior periods.

Financial Assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Long term deposits	Loans and Receivables	At amortized cost	2,379,997	2,379,997
Trade debts	Loans and Receivables	At amortized cost	126,745,756	126,745,756
Cash and bank balances	Loans and Receivables	At amortized cost	26,033,472	26,033,472
Trade Deposits	Loans and Receivables	At amortized cost	5,000	5,000
Loans and advances	Loans and Receivables	At amortized cost	650,424	650,424

4.2 Impact of IFRS-15 - Revenue from Contracts with Customers

IFRS 15 replaced IAS 18 - Revenue, IAS 11 - Construction contracts, IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenue - Barter Transactions Involving Advertising Services. IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers and focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations in a contract are satisfied. The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results. However, the adoption of IFRS 15 does not have any impact on the reported revenue of the Company for the year ended June 30, 2019 and June 30, 2018.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of preparation

These financial statements have been prepared under the historical cost convention modified by:

- revaluation of certain property, plant and equipment; and
- certain financial instrument at fair value.

5.2 Functional and presentation currency

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

5.3 Critical judgments and accounting estimates in applying the accounting policies

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

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

Significant areas requiring the use of management estimates in these financial statements relate to the following:

- useful life of depreciable assets.
- Allowance for expected credit loss.
- provision for tax and deferred tax.
- revaluation of assets.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in the next year.

5.4 The principal accounting policies adopted are set out as below.

5.4.1 Property, plant and equipment

Property, plant and equipment except freehold land, building on freehold land, plant and machinery, electric installation and power house and capital work in progress are stated at cost less accumulated depreciation and impairment, if any.

Freehold land, building on freehold land, plant and machinery, electric installation and power house are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the balance sheet date. Increases in the carrying amounts arising on revaluation of land, buildings and plant and machinery are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decrease that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit. Depreciation is charged to income applying reducing balance method to write-off the cost over the 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 property, plant and equipment. Rates of depreciation are stated in note 3. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal respectively.

Gains / losses on disposal of operating assets, if any, are recognized in profit and loss account, as and when assets are derecognized.

Normal repairs and maintenance are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and assets replaced, if any, other than those kept as stand-by, are retired.

Capital work-in-progress

Capital work-in-progress (CWIP) is stated at cost less any recognized impairment loss. All expenditures connected to the specific assets incurred during installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are available for use.

5.4.2 Stores and spares

These are valued at cost. The cost is determined on moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon upto the reporting date.

5.4.3 Stock in trade

These are determined at lower of cost and net realisable value. Cost is determined as;

<i>Particulars</i>	<i>Mode of valuation</i>
Raw material	
- At mills	At weighted average cost.
- In transit	Cost accumulated to the balance sheet date.
Work in process	Average manufacturing cost.
Finished goods	Average manufacturing cost.
Waste	Net realizable value.

Cost in relation to work in process and finished goods represents the annual average cost which consists of prime cost and appropriate manufacturing overheads. Cost of raw materials consumed is accounted for by applying the annual average cost of both imported and local purchases.

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

5.4.4 Trade debts and other receivables

Trade debts and other receivables are initially recognized at fair value, which is usually the original invoiced amount and subsequently carried at amortized cost using the effective interest method less allowance for expected credit loss.

5.4.5 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amount of cash and are subject to insignificant risk of change in value, and short-term running finance. Running finances under mark-up arrangements are shown with short term borrowings in current liabilities on the balance sheet.

5.4.6 Trade and other payables

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

5.4.7 Taxation

Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits, assumptions and rebates available, if any or on turnover at the specified rates or Alternate Corporate Tax Act as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessments framed / finalized during the year.

Deferred

Deferred tax is provided for using balance sheet liability method for all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used. In this regard, the effect on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of Institute of Chartered Accountants of Pakistan.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

5.4.8 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

5.4.9 Impairment

Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that assets 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 amount and the resulting impairment loss is recognized in profit or loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised recoverable amount but limited to the extent of carrying amount that would have been determined had no impairment loss been recognized in prior periods. Reversal of impairment loss is recognized as income.

Financial assets

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or at FVTPL, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognises lifetime ECL for trade receivables. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative, quantitative, reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Definition of default:

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Write-off policy

The Company writes off financial assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognised in profit or loss.

5.4.10 Financial Instruments:

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or at fair value, depending on the classification of the financial assets.

Classification of financial assets***a) Debt instruments measured at amortised cost***

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

As at reporting date, the Company carries cash and cash equivalents and trade receivables at amortized cost.

b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments that meet specified conditions and are measured subsequently at fair value through other comprehensive income (FVTOCI).

As at reporting date, the Company does not hold any debt instrument classified as at FVTOCI.

c) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

As at reporting date, the Company does not hold any equity instrument classified as at FVTOCI.

d) Financial assets measured subsequently at fair value through profit or loss (FVTPL)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

As at reporting date, the Company carries investments in shares classified as at FVTPL.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

5.4.11 Financial liabilities

Subsequent measurement of financial liabilities

Financial liabilities that are not

- contingent consideration of an acquirer in a business combination,
- held-for-trading, or
- designated as at FVTPL,

are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

5.4.12 Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5.4.13 Off setting of financial assets and financial liabilities

A financial asset and a financial liability is off set and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

5.4.14 Foreign currency translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing on the date of transactions. All non-monetary items are translated into Pak Rupees

Gains and losses on retranslation and settlement are included in profit or loss for the period.

5.4.15 Revenue recognition

The Company is in the business of sale of goods. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer and the performance obligation is satisfied under the contract at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

- Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.
- Export rebate is recognized on accrual basis at the time of making the export sales.

5.4.16 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit and loss account in the period in which they are incurred.

5.4.17 Provisions

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

5.4.18 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

5.4.19 Staff retirement benefits***Defined benefit plan***

The Company operates an unfunded gratuity scheme for all its eligible employees who have completed the minimum qualifying period of service i.e. one year of service. Employees successfully completing one year of service are paid with the outstanding amount which is calculated at latest drawn gross salary for the year. Charge for the year represents the amount becoming due in the year (whether paid or un-paid).

5.4.20 Earnings Per Share

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



6. PROPERTY, PLANT AND EQUIPMENT
Year ended June 30, 2019

	Note	2019 Rupees	2018 Rupees
Operating assets	6.1	1,432,570,929	851,124,734
		<u>1,432,570,929</u>	<u>851,124,734</u>

6.1 Operating assets

Particulars	Cost / Revaluation			Accumulated Depreciation			Book value	Revaluation	Revalued amount	Rate
	At July 01, 2018	Additions / (Disposals) during the year	Revaluation adjustment	At June 30, 2019	At July 01, 2018	For the year	At June 30, 2019	At June 30, 2019	At June 30, 2019	
	Rupees									
Land- Freehold	356,125,000	-	-	356,125,000	-	-	356,125,000	213,675,000	569,800,000	-
Building on freehold land	106,715,000	45,533,063	-	152,248,063	11,219,327	4,964,505	16,183,832	136,064,231	23,049,769	159,114,000
Plant and machinery	342,904,857	244,712,201	-	465,167,058	76,536,995	13,007,722	73,461,675	391,705,383	195,223,105	586,928,488
		(29,475,965)	(92,974,035)			(16,083,042)				
Power house										
- Building on freehold land	8,353,620	-	-	8,353,620	814,478	376,957	1,191,435	7,162,185	-	-
- Generators	106,003,492	-	-	106,003,492	16,417,329	4,479,308	20,896,637	85,106,855	-	-
- Electric installation	11,825,040	-	-	11,825,040	3,281,478	1,281,534	4,563,012	7,262,028	-	-
	126,182,152	-	-	126,182,152	20,513,285	6,137,799	26,651,084	99,531,068	(8,671,068)	90,860,000
Tube well	1,270,006	-	-	1,270,006	304,259	96,575	400,834	869,172	-	869,172
Electric installation	10,379,000	3,600,000	-	13,979,000	2,880,173	1,479,199	4,359,372	9,619,628	-	9,619,628
Workshop equipments	160,909	-	-	160,909	158,106	280	158,386	2,523	-	2,523
Tools & equipments	151,401	-	-	151,401	146,890	451	147,341	4,060	-	4,060
Laboratory equipments	3,832,266	-	-	3,832,266	3,149,361	68,290	3,217,651	614,615	-	614,615
Weighing scales	768,508	33,000	-	801,508	663,367	11,339	674,706	126,802	-	126,802
Arms & ammunition	264,057	-	-	264,057	164,184	9,987	174,171	89,886	-	89,886
Office equipments	2,968,021	-	-	2,968,021	2,384,047	87,596	2,471,643	496,378	-	496,378
Furniture & fixture	1,227,218	-	-	1,227,218	961,864	26,535	988,399	238,819	-	238,819
Vehicles	38,431,219	-	-	38,431,219	21,173,022	3,451,639	24,624,661	13,806,558	-	13,806,558
TOTAL	991,379,614	293,878,264	(92,974,035)	1,162,807,878	140,254,880	29,341,917	153,513,755	1,009,294,123	423,276,806	1,432,570,929
		(29,475,965)				(16,083,042)				

6.2 The forced sale value of the revalued property, plant and machinery has been assessed at Rs. 985 million.



6.3 For Comparative year

Particulars	Cost / Revaluation			Accumulated Depreciation			Book value	Revaluation adjustment	Revalued amount	Rate
	At July 01, 2017	Additions (Disposals) during the year	Revaluation adjustment	At June 30, 2018	At July 01, 2017	For the year	At June 30, 2018		At June 30, 2018	
Rupees										
Owned										%
Land- Freehold	356,125,000	-	-	356,125,000	-	-	-	356,125,000	-	356,125,000
Building on freehold land	106,715,000	-	-	106,715,000	6,193,239	5,026,088	11,219,327	95,495,673	-	95,495,673
Plant and machinery	342,904,857	-	-	342,904,857	62,517,634	14,019,361	76,536,995	266,367,862	-	266,367,862
Power house										
	8,353,620	-	-	8,353,620	417,681	396,797	814,478	7,539,142	-	7,539,142
- Generators	106,003,492	-	-	106,003,492	11,702,268	4,715,061	16,417,329	89,586,163	-	89,586,163
- Electric installation	11,825,040	-	-	11,825,040	1,773,790	1,507,688	3,281,478	8,543,562	-	8,543,562
	126,182,152	-	-	126,182,152	13,893,739	6,619,546	20,513,285	105,668,867	-	105,668,867
Tube well	1,270,006	-	-	1,270,006	196,954	107,305	304,259	965,747	-	965,747
Electric installation	10,379,000	-	-	10,379,000	1,556,850	1,323,323	2,880,173	7,498,827	-	7,498,827
Workshop equipments	160,909	-	-	160,909	157,795	311	158,106	2,803	-	2,803
Tools & equipments	151,401	-	-	151,401	146,389	501	146,890	4,511	-	4,511
Laboratory equipments	3,832,266	-	-	3,832,266	3,073,483	75,878	3,149,361	682,905	-	682,905
Weighing scales	768,508	-	-	768,508	651,685	11,682	663,367	105,141	-	105,141
Arms & ammunition	264,057	-	-	264,057	153,087	11,097	164,184	99,873	-	99,873
Office equipments	2,968,021	-	-	2,968,021	2,280,993	103,054	2,384,047	583,974	-	583,974
Furniture & fixture	1,227,218	-	-	1,227,218	932,380	29,484	961,864	265,354	-	265,354
Vehicles	38,431,219	-	-	38,431,219	16,858,473	4,314,549	21,173,022	17,258,197	-	17,258,197
TOTAL	991,379,614	-	-	991,379,614	108,612,701	31,642,179	140,254,880	851,124,734	-	851,124,734

6.3.1 Depreciation for the year has been allocated as under;

Note	2019 Rupees	2018 Rupees
Cost of goods sold	24 25,766,160	27,183,995
Administrative expenses	26 3,575,757	4,458,184
	29,341,917	31,642,179

6.4 Disposal of operating assets

Particular	Cost	Book value	Sale proceed	Gain/ (loss)	Mode of disposal	Particulars of buyer
2019						
Plant and Machinery	29,475,965	13,392,923	23,525,000	10,132,077	Negotiation	Malik Manzoor Kabaria
2018						
	-	-	-	-		

- 6.5 The Company had revalued its Free-hold Land, Building on Free-hold Land, Plant & Machinery, Electric Installation and Power house on June 30, 2019. The revaluation was carried out by M.Y.K Associates (Private) Limited which is an independent valuer not connected to the company on the basis of market value. The revaluation surplus had been credited to 'Surplus on revaluation of property, plant and equipment'. Had there been no revaluation the related figures of property, plant and equipment would have been as follows:

	<i>Carrying amount</i>	
	2019	2018
	<i>Rupees</i>	<i>Rupees</i>
Land- Freehold	5,335,834	5,335,834
Building on Free-hold Land	50,071,913	4,977,444
Plant & Machinery	316,192,719	106,179,755
Electric installation	5,149,381	1,875,743
<i>Power house</i>		
Building on freehold land	2,836,725	2,986,026
Generators	64,032,668	67,402,808
Electric Installations	2,832,134	3,331,922
	<u>376,749,847</u>	<u>192,089,532</u>
7. STORES AND SPARES		
Stores	23,801,111	18,742,560
Spares	2,389,190	1,425,248
	<u>26,190,301</u>	<u>20,167,808</u>

- 7.1 The Company does not hold any stores, spares and loose tools for specific capitalization.

	2019	2018
	<i>Rupees</i>	<i>Rupees</i>
8. STOCK IN TRADE		
Raw materials		
- Cotton	234,516,523	147,373,711
- Polyester	25,136,433	56,778,384
	<u>259,652,956</u>	<u>204,152,095</u>
Work in process	14,000,222	11,799,401
Finished goods		
-Yarn	18,224,523	44,963,066
-Waste	290,402	1,607,510
	<u>18,514,925</u>	<u>46,570,576</u>
	<u>292,168,103</u>	<u>262,522,072</u>

9. TRADE DEBTS

Local - unsecured

Considered good	215,482,443	126,911,262
Loss allowance	(165,506)	(165,506)
	<u>215,316,937</u>	<u>126,745,756</u>

- 9.1 Trade receivables are non-interest bearing and are generally on 60 to 90 days terms.
- 9.2 The Company provides for doubtful debts on the basis of past due balances. Balances considered bad and irrecoverable are written off when identified.
- 9.3 Trade receivables consist of a large number of diversified customers. Ongoing credit evaluation is performed on the financial condition of account receivable and, where appropriate, provision is made.
- 9.4 The fair value of trade receivables approximate their carrying amounts.



- 9.5 At year end, trade receivables of Rs.210.86 million (2018: Rs. 123.50 million) were neither past due nor impaired.
- 9.6 As at year end, trade receivables of Rs. 4.62 million (2018: Rs. 3.24 million) were past due but not considered impaired for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The aging of past due receivables is as follows:

	2019 <i>Rupees</i>	2018 <i>Rupees</i>
Over 6 months	<u>4,622,457</u>	<u>3,244,591</u>
	4,622,457	3,244,591
10. LOANS AND ADVANCES		
<i>Considered good</i>		
Advances to employees	597,312	650,424
Advance to suppliers	2,419,537	1,102,231
Advance income tax	56,487,185	41,075,342
	<u>59,504,034</u>	<u>42,827,997</u>
	59,504,034	42,827,997
11. TRADE DEPOSITS AND PREPAYMENTS		
Margin deposit	5,000	5,000
Prepayments	1,093,779	924,033
	<u>1,098,779</u>	<u>929,033</u>
	1,098,779	929,033
12. TAX REFUNDS DUE FROM GOVERNMENT		
Sales tax refundable	37,044,286	22,859,003
Income tax refundable	-	3,991,369
	<u>37,044,286</u>	<u>26,850,372</u>
	37,044,286	26,850,372
13. CASH AND BANK BALANCES		
Cash in hand	709,243	468,123
Cash at banks in current accounts	18,332,440	25,565,349
	<u>19,041,683</u>	<u>26,033,472</u>
	19,041,683	26,033,472
14. SHARE CAPITAL		

2019 <i>Number of shares</i>	2018 <i>Number of shares</i>		2019 <i>Rupees</i>	2018 <i>Rupees</i>
<i>Authorised</i>				
<u>1,000,000</u>	<u>1,000,000</u>	Ordinary share of Rs. 10 each.	<u>10,000,000</u>	<u>10,000,000</u>
<i>Issued, subscribed and paid up</i>				
Ordinary shares of Rs. 10 each				
499,900	499,900	issued for cash	4,999,000	4,999,000
300,100	300,100	as bonus shares	3,001,000	3,001,000
<u>800,000</u>	<u>800,000</u>		<u>8,000,000</u>	<u>8,000,000</u>
800,000	800,000		8,000,000	8,000,000

- 14.1 There were no movements in issued, subscribed and paid up capital during the reporting year.
- 14.2 The Company has only one class of ordinary shares which carry no right to fixed income.
- 14.3 Shareholders are entitled to cast vote proportionate to the paid up value of shares carrying voting rights. All shares rank equally with regard to the Company's residual assets

	<i>Note</i>	2019 <i>Rupees</i>	2018 <i>Rupees</i>
15. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Opening balance		639,066,697	655,580,960
Addition during the year		423,276,806	-
Transferred to unappropriated profit on account of			
Incremental depreciation - net of deferred tax disposal - net of deferred tax		(7,702,540)	(11,725,127)
Related deferred tax liability due to incremental depreciation		(66,011,565)	-
Related deferred tax liability due to disposal		(3,146,108)	(4,789,136)
		(26,962,470)	-
		(103,822,682)	(16,514,263)
Closing balance		958,520,821	639,066,697
Related deferred tax liability			
Opening balance		(83,600,485)	(91,437,539)
Addition during the year		(60,784,524)	-
Transferred to unappropriated profit on account of			
- deferred tax on incremental depreciation		3,146,108	4,789,136
- deferred tax on disposal		26,962,470	-
- deferred tax due to rate change		-	3,047,918
		30,108,578	7,837,054
Closing balance		(114,276,431)	(83,600,485)
		844,244,390	555,466,212
16. LONG TERM LOAN			
Secured			
Term Finance	16.1.	195,000,000	-
Current Portion		(21,750,000)	-
		173,250,000	-

16.1 This finance has been obtained from Bank Al-Habib Limited for BMR. The loan is repayable in 20 equal quarterly installments commencing from October 10, 2019 with 1 year grace period. It carries markup at 6 months KIBOR plus 1.5%. The finance is secured against first mortgage charge over present and future fixed assets excluding assets under specific charge amounting to Rs. 790.5 million.

17. DEFERRED TAX

	Deferred tax recognised in			
	Opening balance	Profit and loss account	OCI	Closing balance
Movement for the year ended June 30, 2019				
Deferred tax liabilities on taxable temporary differences arising in respect of:				
- property, plant and equipment	33,997,135	24,500,740	-	58,497,875
- Surplus on revaluation of assets	83,600,485	(30,108,578)	60,784,524	114,276,431
				-
Deferred tax assets on deductible temporary differences arising in respect of:				
- doubtful debts	(47,997)	47,997	-	-
- staff gratuity	(3,055,600)	(1,722,031)	-	(4,777,631)
- unabsorbed tax losses	(18,748,644)	-	-	(18,748,644)
	95,745,379	(7,281,872)	60,784,524	149,248,031

	Deferred tax recognised in			Closing balance
	Opening balance	Profit and loss account	OCI	
Movement for the year ended June 30, 2018				
Deferred tax liabilities on taxable temporary differences arising in respect of:				
- property, plant and equipment	35,392,861	(1,395,726)	-	33,997,135
- Surplus on revaluation of assets	91,437,539	(4,789,136)	(3,047,918)	83,600,485
Deferred tax assets on deductible temporary differences arising in respect of:				
- doubtful debts	(49,652)	1,655	-	(47,997)
- staff gratuity	(1,417,128)	(1,638,472)	-	(3,055,600)
- unabsorbed tax losses	(18,813,191)	64,547	-	(18,748,644)
	<u>106,550,429</u>	<u>(7,757,132)</u>	<u>(3,047,918)</u>	<u>95,745,379</u>

17.1 The Company has not recognized deferred tax asset against difference of minimum tax chargeable u/s 113 and tax payable under Part I, Division II of the First Schedule of Income Tax Ordinance, 2001. The Company does not expect that there will be sufficient taxable profit in foreseeable future against which difference of minimum tax and normal tax liability will be adjusted.

18. TRADE AND OTHER PAYABLES	Note	2019 Rupees	2018 Rupees
Creditors		173,727,527	19,122,013
Accrued liabilities		87,001,438	91,491,232
Workers' Profit Participation Fund		1,984,563	1,945,023
Advance payments		5,334,745	4,870,153
Tax deducted at source		2,225,197	1,204,008
Workers' welfare fund	18.1	5,604,471	6,355,555
Gratuity payable		16,474,588	10,536,550
Bonus payable		-	4,315,225
Other payables		857	305,033
		<u>292,353,386</u>	<u>140,144,792</u>

18.1 The Supreme Court of Pakistan through its order dated November 10, 2016 decided that the changes to the WWF Ordinance, 1971 made through Finance Acts, 2006 & 2008 were ultra vires to the constitution of Pakistan. However, the taxation authorities have proceeded to file a review petition there against in the Supreme Court of Pakistan. Due to this review petition and other legal uncertainties, the Company continues to carry the payable in this respect.

19. ACCRUED MARKUP	Note	2019 Rupees	2018 Rupees
Short term borrowings		13,879,583	5,335,874
Long term borrowings		5,060,170	-
		<u>18,939,753</u>	<u>5,335,874</u>

20. SHORT TERM BORROWINGS

Secured

Cash Finance	20.1	177,411,820	132,341,358
Running finance	20.2	148,935,803	130,136,510
		<u>326,347,623</u>	<u>262,477,868</u>

20.1 These facilities have been obtained from Banks for working capital requirements, and are secured against pledge of cotton bales, MM fiber, and yarn in lock and key under bank's muccaddum.

Cash finance facilities carry mark up at the rates ranging from 6.5% to 12.79% per annum (2018: 7.01% to 7.61% per annum).

20.2 These running finance facilities have been obtained from Banks for working capital requirements, and are secured against cotton bales, personal guarantee of directors, joint pari passu charge over current assets of the company and pledge of stocks.

Running finance facilities carry mark up at the rates ranging from 6.47% to 13.04% per annum (2018: 7.10% to 7.92% per annum).

20.3 Short term borrowing facilities available from commercial banks under mark up arrangements aggregate to Rs. 700 Million (2018: Rs. 660 Million) of which facilities remained un-utilized at the year end amounted to Rs. 326 million (2018: 398 million). Facilities available for opening letters of credit and guarantee aggregate to Rs. 300 million (2018: Rs. 130 million) of which facilities remained un-utilized at the year end amounted to Rs. 27.01 million (2018: Rs. 102.9 million).

	<i>Note</i>	2019	2018
21. PROVISION FOR TAXATION		<i>Rupees</i>	<i>Rupees</i>
Provision made during the year			
- Current	29	13,896,382	27,105,816

22. CONTINGENCIES AND COMMITMENTS

Contingencies

22.1 The Company has filed a writ petition against water and sanitation agency (WASA) Multan regarding special notice dated December 22, 2004 in which the authority has demanded a sum of Rs. 4.1 million of the arrears of water effluent discharge. The Company is of opinion that it is a spinning mill and has not undertaken a job of weaving and finishing so there is no effluent discharge of water from the unit. The Lahore High Court through order no. C.M.No.2 of 2004 had ordered that impugned notice shall remain suspended till final order.

22.2 Commitments

Guarantees issued by Commercial Banks on behalf of the Company outstanding as at June 30, 2019 were for Rs. 27.10 million (2018: Rs. 27.10 million).



23. SALES - Net	Note	2019 Rupees	2018 Rupees
Local			
- Yarn		2,078,193,547	2,155,877,998
- Ployester		-	1,712,200
- Waste		12,365,823	10,875,121
		2,090,559,370	2,168,465,319
		2019	2018
	Note	Rupees	Rupees
24. COST OF GOODS SOLD			
Raw materials consumed	24.1	1,459,281,777	1,458,893,624
Salaries, wages and benefits	24.2	186,217,075	208,383,322
Stores and spares consumed		36,392,029	36,308,766
Packing materials consumed		22,711,886	27,560,537
Fuel and power		228,863,004	267,637,165
Repairs and maintenance		1,600,503	1,068,146
Insurance		5,172,293	4,479,552
Depreciation	6.3.1	25,766,160	27,183,995
		1,966,004,727	2,031,515,107
<i>Adjustment of work in process</i>			
Opening stock		11,799,401	10,260,893
Closing stock		(14,000,222)	(11,799,401)
		(2,200,821)	(1,538,508)
Cost of goods manufactured		1,963,803,906	2,029,976,599
<i>Finished goods</i>			
Opening stock		46,570,576	60,187,210
Closing stock	24.3	(18,514,925)	(46,570,576)
		28,055,651	13,616,634
<i>Cost of goods sold</i>		1,991,859,557	2,043,593,233
24.1 Raw materials consumed			
Opening stock		204,152,095	90,572,908
Purchases (including direct expenses) - Net		1,513,706,904	1,571,082,369
		1,717,858,999	1,661,655,277
Closing stock		(259,652,956)	(204,152,095)
		1,458,206,043	1,457,503,182
Cotton cess		1,075,734	1,390,442
		1,459,281,777	1,458,893,624
24.2 Salaries, wages and benefits include Rs. 14.48 million (2018: Rs. 8.39 million) in respect of gratuity.			
24.3 It includes waste stock amounting to Rs. 0.29 million (2018: Rs. 1.60 million).			
25. DISTRIBUTION AND MARKETING EXPENSES			
	Note	2019 Rupees	2018 Rupees
Salary of sale staff		3,475,196	3,886,300
Commission on sale of yarn		7,983,916	10,930,705
		11,459,112	14,817,005

	<i>Note</i>	<i>2019</i> <i>Rupees</i>	<i>2018</i> <i>Rupees</i>
26. ADMINISTRATIVE EXPENSES			
Directors' remuneration		17,160,000	12,885,806
Salaries and benefits	26.1	13,918,549	11,758,319
Vehicles running and maintenance		8,044,870	6,374,770
Travelling and conveyance	26.2	9,613,447	6,247,375
Printing and stationery		793,561	651,834
Communication		1,494,360	1,656,393
Rent, rates and taxes		354,805	473,959
Repairs and maintenance		191,468	26,084
Fee and subscription		496,038	813,132
Advertisement		121,625	152,725
Entertainment		628,335	678,636
Insurance		939,256	1,000,937
Depreciation	6.3.1	3,575,757	4,458,184
Auditors' remuneration	26.3	1,510,000	1,013,705
Legal and professional		962,055	1,453,742
Others		187,832	594,317
		<u>59,991,958</u>	<u>50,239,918</u>
26.1	Salaries and benefits include Rs. 1 million (2018: Rs. 0.61 million) in respect of gratuity.		
26.2	This includes directors' travelling amounting to Rs. 9.23 million (2018: Rs. 6.13 million).		
26.3 AUDITORS' REMUNERATION		<i>2019</i> <i>Rupees</i>	<i>2018</i> <i>Rupees</i>
- Statutory audit fee		850,000	500,000
- Half yearly review		200,000	200,000
- Review report on compliance with CCG		100,000	50,000
- Certificate for CDC and free float shares		200,000	100,000
- Out of pocket expenses		160,000	163,705
		<u>1,510,000</u>	<u>1,013,705</u>
27. OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund		-	1,945,023
Workers' Welfare Fund		-	739,109
		<u>-</u>	<u>2,684,132</u>
28. FINANCE COST			
Mark up on short term borrowings		35,364,172	20,059,643
Bank and other charges		899,747	784,671
Bank guarantee commission		250,572	270,385
Interest on Workers' (Profit) participation fund		39,540	-
		<u>36,554,031</u>	<u>21,114,699</u>
29. PROVISION FOR TAXATION			
Current			
- for the year		13,896,382	27,105,816
- prior year		-	(965,453)
Deferred tax	17	(7,281,872)	(7,757,132)
		<u>6,614,510</u>	<u>18,383,231</u>

	<i>Note</i>	<i>2019</i> <i>Rupees</i>	<i>2018</i> <i>Rupees</i>
29.1 Relationship between tax expense and accounting profit			
		<i>2019</i>	<i>2018</i>
Applicable tax rate		29%	30%
Profit / (loss) before tax		(9,305,288)	36,016,332
Tax on accounting profit before tax		(2,698,534)	10,804,900
Income chargeable to tax at lower rate		16,594,916	16,300,916
Effect due to inadmissible expenses		(20,061,551)	(6,653,883)
Effects due to tax credits		12,235,610	-
Reversal of prior year adjustment		-	(965,453)
Effect of change in deferred tax rate		-	(503,763)
Due to effect of carry forward losses		-	(562,559)
Others		544,069	(36,927)
Current year provision		<u>6,614,510</u>	<u>18,383,231</u>
29.2 The Company has filed Income Tax Return up to tax year 2018 which is deemed assessed as per Income Tax Ordinance, 2001.			
		<i>2019</i> Rupees	<i>2018</i> Rupees
30. CASH AND CASH EQUIVALENTS			
Cash and bank balances		19,041,683	26,033,472
Short term running finance		(326,347,623)	(262,477,868)
		<u>(307,305,940)</u>	<u>(236,444,396)</u>
31. EARNINGS PER SHARE			
(Loss) / profit for the year	<i>Rupees</i>	<u>(15,919,798)</u>	<u>17,633,101</u>
Weighted average number of ordinary shares	<i>Number</i>	<u>800,000</u>	<u>800,000</u>
(Loss) / earning per share - basic and diluted	<i>Rupees</i>	<u>(19.90)</u>	<u>22.04</u>
31.1 There is no dilutive effect on the basic profit / (loss) per share of the Company.			

32. **FINANCIAL RISK MANAGEMENT**

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company’s exposure to each of the above risks, the Company’s objectives, policies and processes for measuring and managing risk, and the Company’s management of capital. Further quantitative disclosures are included throughout these financial statements.

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

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company’s policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks.

The Company’s Audit Committee oversees how management monitors compliance with the Company’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

32.2 **Credit risk and concentration of credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. Out of the total financial assets of Rs. 237.34 million (2018: Rs. 155.81 million), the financial assets which are subject to credit risk amounted to Rs. 236.63 million (2018: Rs. 155.34 million). The Company manages credit risk in trade debts by assigning credit limits to its customers and thereby does not have significant exposure to any individual customer.

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

Financial assets

	<i>2019</i>	<i>2018</i>
	<i>Rupees</i>	<i>Rupees</i>
Long term Deposits	2,379,997	2,379,997
Trade debts	215,316,937	126,745,756
Loans and advances	597,312	650,424
Trade deposit	5,000	5,000
Bank balances	18,332,440	25,565,349
	<u>236,631,686</u>	<u>155,346,526</u>

32.2.1 Credit risk related to receivables

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company’s exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Trade debts consist of a large number of diversified customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, provision is made. The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

32.2.2 Credit risk related to bank balances

In respect of bank balances, credit risk on bank balances is limited as they are placed with local banks having good credit ratings assigned by credit rating agencies.

	<i>Rating</i>		<i>Rating agency</i>
	<i>Short term</i>	<i>Long term</i>	
Allied Bank Limited	A1+	AAA	PACRA
Askari Bank Limited	A1+	AA+	PACRA
Bank Al Habib Limited	A1+	AA+	PACRA
Habib Bank Limited	A1+	AAA	JCR-VIS
Habib Metropolitan Bank Limited	A1+	AA+	PACRA
National Bank of Pakistan	A1+	AAA	PACRA
MCB Bank Limited	A1+	AAA	PACRA
Standard Chartered Bank Limited	A1+	AAA	PACRA
Bank Al-Falah Limited	A1+	AA+	PACRA
Bank Islami Pakistan Limited	A1	A+	PACRA
Soneri Bank Limited	A1+	AA-	PACRA

32.3 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company’s short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. Note 32.3.2 below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

32.3.1 Liquidity and interest risk table

The following tables detail the Company’s remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	<i>Weighted Average effective rate</i>	<i>Upto 1 year</i>	<i>1 - 5 years</i>	<i>Total</i>
June 30, 2019				
Financial liabilities				
Interest bearing				
Long term loans		21,750,000	173,250,000	195,000,000
Short term borrowings	6.47% to 13.04%	326,347,623	-	326,347,623
Non interest bearing				
Accrued markup		18,939,753	-	18,939,753
Trade and other payables		266,999,276	-	266,999,276
		612,286,652	-	612,286,652
June 30, 2018				
Financial liabilities				
Interest bearing				
Short term borrowings	7.01 to 7.92%	262,477,868	-	262,477,868
Non interest bearing				
Accrued markup		5,335,874	-	5,335,874
Trade and other payables		118,110,980	-	118,110,980
		385,924,722	-	385,924,722

32.3.2 Financing facilities

Secured bank loan facilities with various maturity dates through to February 2020 and which may be extended by mutual agreement:

	<i>2019 Rupees</i>	<i>2018 Rupees</i>
- amount used	326,347,623	262,477,868
- amount un-used	588,652,377	397,522,132

32.4 Market risk management

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 income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

32.4.1 Interest rate risk management

Interest / markup rate risk arises from the possibility that changes in interest / markup rates will affect the value of financial instruments. The Company has significant amount of interest based financial assets and financial liabilities which are largely based on variable interest / markup rates, therefore the Company has to manage the related finance cost which exposes it to the risk of 3 months and 6 months KIBOR. Since the impact on interest rate exposure is significant to the Company, management is considering the alternative

32.4.2 Interest rate sensitivity

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended June 30, 2019 would increase / decrease by Rs.3.26 million (2018: Rs. Rs.2.62 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

The Company does not recognized any fixed rate financial assets and liabilities at fair value through profit and loss therefore, a change in interest rate would not affect profit or loss.

32.4.3 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and balances held in foreign currency. However, the Company is not exposed to foreign currency risk on assets and liabilities as it does not have foreign debtors or creditors.

32.4.4 Equity price risk management

The Company is not exposed to equity price risks arising from equity investments as the Company has no such investment held for trading purpose.

32.5 Determination of fair values

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate

32.6 Fair value estimation

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and asset classified under the hierarchy as follows.

- **Level 1**; Quoted prices (unadjusted) in active market for identical assets or liabilities.

liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices). The Company has no items to report in this level.

- **Level 3**: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

32.6.1 Fair value of non-financial asset measured at fair value

Fair value of property, plant and equipment

The company's Land-Freehold, Building on Free-hold Land, Plant & Machinery, Electric Installation and Power house at revalued amount, being fair value at the date of revaluation, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurement of the company's Free-hold Land, Plant & Machinery, Electric Installation and Power house as at June 30, 2019 were performed by M.Y.K Associates (Private) Limited (valuer), independent valuer not related to the company. The valuer is listed on panel of Pakistan Banks Association and they have proper qualification and experience in the fair value measurement of property, plant and equipment.

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
As at June 30, 2019				
Land- Freehold	-	569,800,000	-	569,800,000
Building on freehold land	-	159,114,000	-	159,114,000
Plant & machinery	-	586,928,488	-	586,928,488
Power house		90,860,000		90,860,000
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
As at June 30, 2018				
Land- Freehold	-	356,125,000	-	356,125,000
Building on freehold land	-	95,495,673	-	95,495,673
Plant & machinery	-	266,367,862	-	266,367,862
Power house		112,288,413		112,288,413

There were no transfer between levels of fair value hierarchy during the year.

32.7 Financial instruments by category

The Company finances its operation through equity, borrowings and management of working capital with a view to maintaining an approximate mix between various sources of finance to minimize risk. Taken as a whole, the Company's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments.

The accounting policies for financial instruments have been applied for line items as below:

<i>June 30, 2019</i>	<i>Financial Assets at amortized cost</i>	<i>Total June 30, 2019</i>
	<i>-----Rupees-----</i>	
<i>Assets as per statement of financial position</i>		
Long term deposits	2,379,997	2,379,997
Trade debts	215,316,937	215,316,937
Loans and advances	597,312	597,312
Trade deposit	5,000	5,000
Cash and bank balances	19,041,683	19,041,683
	237,340,929	237,340,929
	<i>Financial Liabilities measured at amortized cost</i>	<i>Total June 30, 2019</i>
	<i>Rupees Rupees</i>	
<i>Liabilities as per statement of financial position</i>		
Long term loan	195,000,000	195,000,000
Short term borrowings	326,347,623	326,347,623
Trade and other payables	266,971,440	266,971,440
Interest and mark-up accrued on loans	18,939,753	18,939,753
	807,258,816	807,258,816
<i>June 30, 2018</i>	<i>Financial Assets at amortized cost</i>	<i>Total June 30, 2018</i>
	<i>-----Rupees-----</i>	
<i>Assets as per statement of financial position</i>		
Long term deposits	2,379,997	2,379,997
Trade debts	126,745,756	126,745,756
Loans and advances	650,424	650,424
Trade deposit	5,000	5,000
Cash and bank balances	26,033,472	26,033,472
	155,814,649	155,814,649
	<i>Financial Liabilities measured at amortized cost</i>	<i>Total June 30, 2018</i>
	<i>Rupees Rupees</i>	
<i>Liabilities as per statement of financial position</i>		
Long term loan	-	-
Short term borrowings	262,477,868	262,477,868
Trade and other payables	118,110,980	118,110,980
Interest and mark-up accrued on loans	5,335,874	5,335,874
	385,924,722	385,924,722

33. CAPITAL MANAGEMENT DISCLOSURE

The Company's objectives, policies and processes for managing capital are as follows:

- The Company is not subject to any externally imposed capital requirements.
- The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
- Consistently with others in the industry, the company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the balance sheet) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e., share capital and unappropriated profit).
- The debt-to-adjusted capital ratios at June 30, 2019 and June 30, 2018 were as follows:

	<i>2019</i> <i>Rupees</i>	<i>2018</i> <i>Rupees</i>
Total debt	326,347,623	262,477,868
Less: Cash and cash equivalents	(19,041,683)	(26,033,472)
Net debt	307,305,940	236,444,396
Total equity	1,088,864,891	828,134,365
Adjusted capital	1,396,170,831	1,064,578,761
Debt-to-adjusted capital ratio	22.01%	22.21%

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

<i>Particulars</i>	<i>Managerial remuneration</i>		<i>Utilities</i>	
	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
	----- Rupees -----			
Chief Executive	6,000,000	4,359,677	2,021,689	1,427,194
Directors	10,800,000	8,066,129	1,217,983	539,743
Executive	3,660,000	1,600,000	-	-
	20,460,000	14,025,806	3,239,672	1,966,937

34.1

<i>Particular</i>	<i>No of persons</i>	
	<i>2019</i>	<i>2018</i>
Chief Executive	1	1
Directors	2	2
Executive	2	1

34.2 During the year, meeting fee of Rs. 360,000 was paid to the directors. (2018: Rs. 460,000)

34.3 The Chief Executive and directors are also provided with the Company owned and maintained cars and telephones at their residences.

35. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. There are no related party transactions except for the remuneration of directors and key management personnel as disclosed in note 35.



36. PLANT CAPACITY AND ACTUAL PRODUCTION		2019	2018
Number of spindles installed		37,352	30,592
Number of spindles worked		35,352	30,592
Number of shifts worked		732	1,060
Capacity of yarn at 20's count			
on the basis of utilization	<i>Kgs</i>	10,505,451	13,164,469
Actual production of yarn at 20's count	<i>Kgs</i>	10,350,145	13,102,052

It is difficult to describe precisely the production capacity in spinning mills since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed, twist and raw materials used, etc. It also varies according to the pattern of production adopted in a particular year.

The spinning unit-1 at Vehari Road has remained closed during the months from October 2018 to March 2019 due to BMR.

37. NUMBER OF EMPLOYEES		2019	2018
		<i>Number</i>	
Total no. of employees as at year end		952	815
Average number of employees during the year		791	796

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Long term loan	Short term borrowings	Total
At June 30,2018	-	262,477,868	262,477,868
Cash inflows	195,000,000	3,205,216,420	3,400,216,420
Cash outflows	-	3,141,346,665	3,141,346,665
At June 30,2019	195,000,000	326,347,623	521,347,623

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue by the Board of Directors of the Company in its meeting held on October 7, 2019

40. GENERAL

Figures in the financial statements have been rounded-off to the nearest rupee except stated otherwise.

Sd/-
Mian Tanvir Ahmad Sheikh
Chief Executive Officer

Sd/-
Mian Muhammad Alamgir Jamil Khan
Director

Sd/-
Sohail Nadeem
Chief Financial Officer



**PATTERN OF SHAREHOLDING OF THE SHAREHOLDERS
OF THE COMPANY AS ON JUNE 30, 2019**

Number of Shareholders	Shareholding From	To	Total Shares held	Percentage of Total Capital
113	1	100	5,501	0.69
21	101	500	5,117	0.64
6	501	1,000	5,200	0.65
9	1,001	5,000	27,111	3.39
8	5,001	10,000	70,526	8.82
1	10,001	15,000	10,064	1.26
7	15,001	20,000	126,360	15.80
3	20,001	25,000	63,644	7.96
4	25,001	30,000	111,756	13.97
2	30,001	35,000	64,316	8.04
1	35,001	40,000	35,560	4.45
2	40,001	45,000	88,006	11.00
0	45,001	50,000	0	0.00
3	50,001	70,000	186,839	23.35
180			800,000	100.00

Serial Number	Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage
1	Individuals	174	799,745	99.97
2	Joint Stock Companies	2	150	0.02
3	Investment Companies	2	100	0.01
4	Others	2	5	0.00
TOTAL		180	800,000	100

**PATTERN OF SHAREHOLDING
AS ON JUNE 30, 2019**

ADDITIONAL INFORMATION

Shareholders' Category	Number of Shareholders	Number of Shares Held
Associated Companies, Undertakings and Related Parties		Nil
Central Depository Company of Pakistan Limited	38	2,751
NIT and ICP		
Investment Corporation of Pakistan	2	100
DIRECTORS		
Mian Muhammad Jamil	1	61,000
Mrs. Nusrat Jamil	1	65,376
Mian Tanvir Ahmad Sheikh	1	20,070
Mian Tauqir Ahmed Sheikh	1	34,166
Mian Anis Ahmad Sheikh	1	35,560
Mian Muhammad Bilal Ahmad Sheikh	1	44,156
Mr. Mohammad Alamgir Jamil Khan	1	60,463
Mr. Muhammad Umar Farooq Sheikh	1	43,850
Mr. Javed Musarrat	1	2,500
Mr. Abdul Rehman Qureshi	1	2,500
Mr. Imran Hussain	1	2,500
CHIEF EXECUTIVE OFFICERS		
Mian Tanvir Ahmad Sheikh	1	20,070
Directors'/C.E.O's Spouses & Minor Children	6	85,623
Executives		Nil
Public Sector Companies and Corporations		Nil
Shareholders holding 5% or more voting interest		
Mian Muhammad Jamil	1	61,000
Mrs. Nusrat Jamil	1	65,376
Mr. Mohammad Alamgir Jamil Khan	1	60,463
Mian Muhammad Bilal Ahmad Sheikh	1	44,156
Mr. Muhammad Umar Farooq Sheikh	1	43,850
General Public	94	10,517



**CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
PATTERN OF SHAREHOLDING
AS ON JUNE 30, 2019**

Number of Shareholders	Shareholding		Total Shares held
	From	To	
32	1	100	734
5	101	500	1,067
1	501	1,000	950
-----			-----
<u>38</u>			<u>2,751</u>

Categories of Shareholders	Number	Shares Held	Percentage
Individuals	34	2,596	94.37
Joint Stock Companies	2	150	5.45
Others	2	5	0.18
	<u>38</u>	<u>2,751</u>	<u>100.00</u>

www.jamapunji.pk



**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

بورڈ کی ترکیب

کمپنی کے بورڈ آف ڈائریکٹرز دس (10) مرد حضرات اور ایک (1) خاتون پر مشتمل ہے۔ جن کی تفصیل درج ذیل ہے۔

3	خود مختار ڈائریکٹرز
5	دیگر غیر انتظامی ڈائریکٹرز
3	انتظامی ڈائریکٹرز
11	ڈائریکٹرز کی کل تعداد

آؤٹریز: ڈی لائیٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس، ملتان ریٹائر ہو گئے ہیں اور انہوں نے اپنی فرم کو دوبارہ تعیناتی کے لیے پیش کیا ہے۔

حصص داری کا اسلوب: کمپنی کا 30 جون 2019ء کا حصص داری کا اسلوب لف کر دیا گیا ہے۔

سٹاف اور لمبر کے ساتھ تعلقات: آپ کے ڈائریکٹران اس بات کی اطلاع دیتے ہوئے خوشی محسوس کرتے ہیں کہ پورے سال لمبر اور سٹاف کے درمیان خوش گوار تعلقات استوار رہے۔

اکٹائیٹ (سراحت)

آپ کے ڈائریکٹران میسرز حبیب بینک لمیٹڈ، میسرز بینک الحیب لمیٹڈ، میسرز حبیب میٹروپولیٹن بینک لمیٹڈ اور میسرز یونا ٹینڈ بینک لمیٹڈ کے تعاون کو سراہتے ہیں اور اس امید و خواہش کا اظہار کرتے ہیں کہ تمام بینک مستقبل میں بھی اس تعاون کو جاری رکھیں گے۔

آپ کے ڈائریکٹران کمپنی کے تمام ملازمین کی انتھک محنت کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز

دستخط

مسز نصرت جمیل۔ چیئر پرسن

ملتان - 07 اکتوبر 2019ء

بین الاقوامی اکاؤنٹنگ معیار کے ساتھ مطابقت:

مالیاتی نتائج تیار میں پاکستان میں رائج بین الاقوامی اکاؤنٹنگ معیار کو لاگو کیا جاتا ہے۔

اندرونی نگرانی کا نظام:

کمپنی کا اندرونی نگرانی کا نظام اچھا بنایا گیا ہے اور اسے مؤثر طور پر لاگو جانچا جاتا ہے۔

ہمیشہ جاری رہنے والا کاروبار:

کمپنی کی مالی حالت نہ صرف اچھی ہے بلکہ اس بات کو یقینی بناتی ہے کہ اس کا کاروبار پُر و ان چڑھتا رہے گا۔

کوئی پرانے بتایا جات نہیں ہیں:

عمومی اور روزمرہ بتایا جات کے علاوہ ٹیکس، محصول اور وصولیوں کی مد میں کوئی پرانے بتایا جات نہیں ہیں۔

تفصیل پائی لائٹس:

ساتھ چھ سالوں کا بنیادی پیداواری اور مالیاتی موازنہ ایک میں دیا گیا ہے۔

بورڈ کے اجلاس:

سال ختمہ 30 جون 2019ء کے دوران بورڈ آف ڈائریکٹرز کے پانچ (4) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری نیچے دی گئی ہے۔

تعداد حاضری اجلاس

4

4

4

4

2

2

4

4

4

1

3

ڈائریکٹر کا نام

میاں محمد جمیل

میاں تنویر احمد شیخ

مسز نصرت جمیل

میاں تنویر احمد شیخ

میاں انیس احمد شیخ

میاں محمد بلال احمد شیخ

مسٹر محمد عالمگیر جمیل خان

مسٹر محمد عرفان قاسم شیخ

مسٹر جاوید مسرت

مسٹر عبدالرحمن قریشی

مسٹر عمران حسین

سال ختمہ 30 جون 2019ء کے دوران آڈٹ کمیٹی کی چار (4) اجلاس منعقد ہوئے ہر ایک ممبر کی حاضری درج ذیل ہے:

حاضری

4

4

4

ممبر کا نام

مسٹر جاوید مسرت

مسز نصرت جمیل

میاں انیس احمد

ایچ آر اینڈ آر کمیٹی کی سال کے دوران ایک (1) اجلاس منعقد ہوا۔ ہر ایک ممبر کی حاضری درج ذیل ہے۔

حاضری

1

1

1

ممبر کا نام

مسٹر عبدالرحمن قریشی

میاں انیس احمد شیخ

مسٹر محمد عالمگیر جمیل خان

مستقل اثاثوں کی قیمتوں کا ازسرنو تعین:

آخری دفع مستقل اثاثوں کی قیمتوں کا تعین 30 جون 2016ء میں کیا گیا تھا اور حاضری اثاثوں کی قیمتوں کا تعین مارکیٹ ریٹ کی بنیاد پر دوبارہ 30 جون 2019ء کو پھر ازسرنو تعین کیا گیا، کراچی سے کروایا گیا ہے جو کہ کمپنی کے اثاثوں کی موجودہ مناسب قیمت کو ظاہر کرتی ہیں۔ اثاثوں کی منہائی اور اضافے کے مجموعی اثر کو ”سرپلس آن ری ویلیوشن آف پراپرٹی پلانٹ اینڈ ایکویپمنٹ“ کے ہیڈ میں ضم کیا گیا ہے۔

مستقبل کے رجحانات:

ٹیکسٹائل انڈسٹری روزانہ نئے چیلنج کے ساتھ کام کر رہی ہے۔ بین الاقوامی مارکیٹ کے حالات، ملکی قوانین کی تبدیلی، کپاس کے نرخوں میں اتار چڑھاؤ، ایندھن و توانائی کی غیر متوقع قیمتیں، مارک اپ کی بڑھتی ہوئی شرح، کسٹم ڈیوٹی کا ڈھانچہ، افرادی قوت کی بڑھتی ہوئی لاگت اور سٹیلنگس کا نفاذ، بنیادی چیلنجز ہیں۔

کمپنی کے ڈائریکٹران مستقبل میں ترقی کے لیے پرامید ہیں۔ تاہم درج بالا بیان کردہ مسائل کا حل ضروری ہے تاکہ ٹیکسٹائل شعبہ موثر طریقے سے کام کر سکے۔ حکومت کی طرف سے اعلان کردہ ٹیکسٹائل شعبہ کے ٹیکس کو صحیح معنوں میں لاگو کیا جائے، ڈالر کی شرح میں پاکستانی روپیہ کی قدر میں اچانک کمی کی بجائے بتدریج تہدیلی کو ممکن بنانا، ٹیکسٹائل شعبہ پر لاگو کیا گیا سٹیلنگس کی شرح صرف یا اس کو کم سے کم سطح پر لایا جائے، اٹم ٹیکس اور سٹیلنگس کے رجسٹرڈ ڈی او ایچ کے ذریعہ جو چر بائڈز کی بجائے فوری نقد ادائیگی کے ذریعے کی جائے تاکہ اس شعبے میں پیسے کے بحران پر قابو پایا جاسکے۔

ان چیلنجز کا مقابلہ کرنے کے لیے کمپنی ایسی پالیسیاں مرتب کر رہی ہے کہ جن سے نہ صرف پیداوار میں بلکہ کوالٹی کے لحاظ سے بھی اضافہ ممکن ہو اور یہ سب کچھ مسلسل بنی ایم آر (توازن، جدت و ترمیم) بمع مکمل انویشن سے ہی ممکن ہے۔ مارکیٹ کی حکمت عملی کے بارے میں ایسی منصوبہ بندی وضع کی گئی ہے کہ کمپنی کو زیادہ سے زیادہ فائدہ ہو اور اس کے حصص داران کی حیثیت میں اضافہ ممکن ہو۔ مجموعی طور پر کمپنی کا مستقبل اچھا اور حوصلہ افزا ہے۔ کمپنی مزید کامیابیاں سینے کے لیے کام کر رہی ہے اور حصص داران کی قدر میں آئندہ سالوں میں بھی اضافہ کرتی رہے گی۔

ڈیویڈنڈ:

کمپنی کے موجودہ مالیاتی خسارے اور بنی ایم آر (توازن، جدت و ترمیم) پر اٹھنے والے خرچ کو مد نظر رکھتے ہوئے، آپ کے ڈائریکٹران اس سال ڈیویڈنڈ کی ادائیگی تجویز نہیں کرتے۔

آئی ایس او 9001:2015 کیو ایم ایس سند اور آئی ایس او 14001:2015 ای ایم ایس سند

آپ کے ڈائریکٹران اس بات کا اظہار کرتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی نے کامیابی کے ساتھ آئی ایس او 9001:2015 کو ای ایم ایس سند اور آئی ایس او 14001:2015 ماحولیاتی منجمنت سسٹم کی اسناد کو جاری رکھا ہوا ہے۔

کوڈ آف کارپوریٹ گورننس کی بیرونی

آپ کے ڈائریکٹران یہ رپورٹ کر کے خوشی کا اظہار کرتے ہیں کہ کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی متعارف کردہ کوڈ آف کارپوریٹ گورننس کی بیرونی کر رہی ہے۔ کوڈ آف کارپوریٹ گورننس کے مطابق اہم بیانات درج ذیل ہیں۔

مالیاتی نتائج کی پیشکش:

کمپنی کے تیار کردہ مالیاتی نتائج واضح طور پر کمپنی کے معاملات، پیداوار کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو ظاہر کرتے ہیں۔

اکاؤنٹس کی عتب:

کمپنی نے صحیح اکاؤنٹس کی عتب مرتب کی ہوئی ہیں۔

اکاؤنٹنگ پالیسیاں:

مالیاتی نتائج کی تیاری میں اکاؤنٹنگ پالیسیوں کو تسلسل سے لاگو کیا جاتا ہے۔

ڈائریکٹران کی رپورٹ

شروع کرتا ہوں اللہ کے نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔

محترم حصص داران!

یہ میرے لیے اعزاز کی بات ہے کہ میں کمپنی کی 62 ویں سالانہ رپورٹ بشمول آڈٹ شدہ حسابات و نتائج برائے مالیاتی سال تختہ 30 جون 2019ء پیش کر رہا ہوں۔

کارکردگی:

مالیاتی سال تختہ 30 جون 2019ء کے دوران ملز کے یونٹ نمبر 1 کی بی ایم آر (توازن، جدت و ترمیم) کا سیانی سے مکمل کی گئی۔ کل 13,624 سپنڈلز تبدیل کیے گئے جبکہ 8,120 سپنڈلز بیع تمام متعلقہ بیک پروسیس، ارنکنڈ شنگ آلات اور وائٹنگ مشینوں کا مزید اضافہ کیا گیا۔ دونوں یونٹس کے سپنڈلز کی تعداد 38,712 ہو گئی ہے جو کہ پہلے 30,592 سپنڈلز تھی۔ ملز کی متعلقہ عمارت کی بھی از سر نو تعمیر کی گئی جو کہ اس مقصد کے لیے ضروری تھی۔ الحمد للہ بعد از تینٹس شیٹ تاریخ اگست 2019ء سے مکمل یونٹ نمبر 1 اور تمام اضافی مشینیں پروڈکشن میں آ گئی ہیں۔ مشینری کی تبدیلی اور اضافے کی وجہ سے ملز کی کارکردگی بہتر ہو گئی ہے۔

چونکہ یونٹ نمبر 1 اکتوبر 2018ء سے جون 2019ء تک بند رہا تھا اور صرف یونٹ نمبر 2 کام کر رہا تھا۔ اگرچہ یونٹ نمبر 2 کی کارکردگی تسلی بخش رہی، یونٹ نمبر 1 کی بندش کی وجہ سے ان نوٹوں کے دوران تمام فیکسڈ کاسٹ (مقررہ قیمت) یونٹ نمبر 2 نے برداشت کی۔ لہذا کمپنی کو مالیاتی سال تختہ 30 جون 2019ء کے دوران مبلغ -/15,919,798 روپے کا حتمی خسارہ کا سامنا ہوا جبکہ پچھلے سال مبلغ -/17,633,101 روپے کا حتمی منافع تھا۔

آپریشنز:

دوران سال ملز کی پیداوار پولیسٹر کائون یارن رہی۔ پیش کردہ مالیاتی سال کے دوران دھانگے کی کل پیداوار تین سنگل کاؤنٹ کی بنیاد پر 10,350,145.27 کلوگرام (حقیقی پیداوار 6,454,183.68 کلوگرام) جو کہ پچھلے سال میں 13,102,051.53 کلوگرام (حقیقی پیداوار 8,207,710.56 کلوگرام) تھی۔ موجودہ مالیاتی سال آمدنی (سیلز) کے کل محصولات مبلغ -/2,090,559,370 روپے (6,573,026.88 کلوگرام) ہیں جو کہ پچھلے سال مبلغ -/2,168,465,319 روپے (8,284,641.12 کلوگرام) تھے۔ کمپنی کا ابتدائی منافع مبلغ -/98,699,813 روپے تھا جو کہ پچھلے سال مبلغ -/124,872,086 روپے تھا۔ کل خسارہ بعد از ٹیکس مبلغ -/15,919,798 روپے ہے جب کہ پچھلے سال کل منافع بعد از ٹیکس مبلغ -/17,633,101 روپے تھا۔

موجودہ مالیاتی سال تختہ 30 جون 2019ء اور پچھلے مالیاتی سال کے تناسب مالیاتی نتائج اکاؤنٹنگ ہیڈز کی ترتیب کے ساتھ ذیل میں دیے گئے ہیں۔

اکاؤنٹس:

سال تختہ 30 جون 2018ء	سال تختہ 30 جون 2019ء	
روپے	روپے	
2,168,465,319	2,090,559,370	آمدنی (سلیور سیٹ)
(2,043,593,233)	(1,991,859,557)	لاگت فروخت کردہ اشیاء
124,872,086	98,699,813	ابتدائی منافع
(14,817,005)	(11,459,112)	زیل و مارکیٹنگ اخراجات
(50,239,918)	(59,991,958)	انتظامی اخراجات
(2,684,132)	-	دیگر آپریٹنگ اخراجات
(21,114,699)	(36,554,031)	فنانس لاگت
36,016,332	(9,305,288)	(خسارہ) منافع قبل از ٹیکس
(18,383,231)	(6,614,510)	ٹیکس کی فراہمی
17,633,101	(15,919,798)	سالانہ (خسارہ) منافع
22.04	(19.90)	(خسارہ) آمدنی فی حصص۔ بنیادی وڈائی لینڈ

اطلاع سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ اللہ وسایہ ٹیکسٹائل اینڈ فینشنگ ملز لمیٹڈ کا 62 واں سالانہ اجلاس عام بروز جمعہ 28 اکتوبر 2019ء کو وقت 03:30 بجے سپر کیمپنی کے رجسٹرڈ آفس اللہ وسایہ سکوائر ممتاز آڈیٹوریم میں منعقد ہوگا۔
ملتان میں مندرجہ ذیل امور کی انجام دہی کیلئے مستعد رہو گے۔

1۔ 27 اکتوبر 2018ء کو کمپنی کے مستعدہ 61 ویں سالانہ اجلاس عام کی کارروائی کی توثیق۔

2۔ سالانہ 30 جون 2019ء کے آڈٹ شدہ حسابات، ڈائریکٹروں اور چیئرمین کے جائزہ کی رپورٹوں پر غور و خوض اور منظوری۔

3۔ 30 جون 2020ء کو ختم ہونے والے مالیاتی سال کیلئے کمپنی کے آڈٹ کا تقریر جو کہ آئندہ اجلاس عام کے انعقاد تک آڈٹ کی ذمہ داری سنبھالیں گے اور ان کے مشاہرے کا تعین کیا جائے گا۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمپنی کی سفارش پر 30 جون 2020ء کو ختم ہونے والے مالیاتی سال کیلئے میسرز ڈی لائیٹ یوسف عادل چارڈ ڈاکا و بھٹیش ملتان کا نام بطور ریونیو آڈیٹر تجویز کیا ہے۔ میسرز ڈی لائیٹ یوسف عادل چارڈ ڈاکا و بھٹیش ریٹائر ہو رہے ہیں اور انہوں نے دوبارہ تعیناتی کیلئے اپنی خدمات پیش کی ہیں۔

4۔ چیئرمین کی اجازت سے دیگر امور پر کارروائی۔

محکمہ بورڈ آف ڈائریکٹرز

محمد اسحاق۔ کمپنی سیکرٹری

ملتان..... مورخہ 17 اکتوبر 2019ء

نوٹ:-

(i) کمپنی کی حصص کی منتقلی کی صورت میں 22 اکتوبر 2019ء تا 28 اکتوبر 2019ء (شامل دونوں دن) بند رہیں گی۔ حصص کی منتقلیاں جو کہ مورخہ 21 اکتوبر 2019ء کو کارروائی دن کے اختتام سے قبل کمپنی کے رجسٹرار محترم میسرز حمید مجید ایسوی انٹرنیشنل (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7 بنگلہ سکوائر، لاہور میں پہنچ جائیں گی، قبل از وقت شمار ہوں گی۔

(ii) اجلاس ہذا میں شرکت اور ووٹ دینے کا استحقاق رکھنے والا ممبر اپنی جگہ پر ووٹ دینے اور شرکت کرنے کیلئے کسی دوسرے ممبر کا پناہ پاس مقرر کر سکتا ہے۔ پاس کی کاغذی صورت لازمی ہے۔ پاس کی کے موثر ہونے کیلئے ضروری ہے کہ پاس کی فارم پر 51 روپے کا رسیدی ٹکٹ چسپاں ہو، علاوہ ازیں پاس کی فارم پر ممبر اور ایک گواہ کے دستخط ہوں جو کہ اجلاس کے آغاز سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں پہنچ جائیں۔

(iii) سی ڈی سی حصص داران اجلاس میں شرکت اور ووٹ دینے کا استحقاق رکھتے ہوں ان کے لیے ضروری ہے کہ اپنی شناخت کیلئے کمپنی فراہم کردہ شناختی کارڈ یا پاسپورٹ سہرا لائیں اور پاس کی کی صورت میں کمپنی فراہم کردہ شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل لفٹ کریں۔ کارپوریٹ ممبرز کے نمائندگان معمول کی ضروری دستاویزات اپنے ہمراہ لائیں۔

(iv) ممبران کی آسانی کیلئے معیاری درخواست فارم (Standard Request Form) کمپنی کی ویب سائٹ (www.allwasaya.com) پر دے دیا گیا ہے۔ جو ممبران سالانہ آڈٹ شدہ مالیاتی نتائج کی وصولی بذریعہ سی ڈی سی کارڈ یا پاس کی کی بجائے ہارڈ کاپی وصول کرنا چاہتے ہیں وہ اپنی درخواست کمپنی سیکرٹری کے ذمہ دار کے پاس یا ای میل ایڈریس secretary@allwasaya.com کے ذریعے بھیج سکتے ہیں۔

(v) ممبران سے اتنا سہ ہے کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (S.E.C.P) کے حکم کے مطابق اپنے کمپیوٹرائزڈ توہمی شناختی کارڈ کی غیر منسوخ شدہ مصدقہ کاپی جمع کر لیں، اگر ایسی ٹکٹیں جمع کر لیں اور اگرچہ میں کوئی تبدیلی ہو تو کمپنی کو فوراً مطلع کریں۔

(vi) ممبران ووٹوں کا انفرانس کی سہولت حاصل کر سکتے ہیں جن شہروں میں ممبران کا جغرافیائی پھیلاؤ زیادہ ہے۔ اس مقصد کیلئے سالانہ اجلاس عام کے انعقاد سے دس (10) دن قبل ذیل میں دی گئی نشانی کمپنی کے رجسٹرڈ پتے پر پہنچانی چاہیے۔

ممبران میں سے..... کارکی رہائشی..... ممبر میسرز اللہ وسایہ ٹیکسٹائل اینڈ فینشنگ ملز لمیٹڈ، حاصل عام حصص..... بمطابق رجسٹرڈ فونیکٹوریسی ڈی سی اکاؤنٹ نمبر..... ووٹوں کا انفرانس کی سہولت کا انتخاب کرتا کرتی ہوں جو کہ..... شہر میں ہو۔

ممبر کے دستخط.....

اگر کمپنی نے مجموعی دس (10) فیصد یا اس سے زائد ممبران کی نشاندہی وصول پائی جو کہ کمپنی کے سالانہ اجلاس عام سے دس دن قبل کمپنی کو وصول ہوں تو پھر کمپنی اس شہر میں ووٹوں کا انفرانس کی سہولت فراہم کرے گی بشرطیکہ اس شہر میں یہ سہولت موجود ہو۔

پراکسی فارم

میں (نام و فونو نمبر) _____ رہائشی _____
 بحیثیت ممبر اللہ وسایا ٹیکسٹائل اینڈ فٹنگ ملز لمیٹڈ اور حامل عام حصص برطانیہ (نام و فونو نمبر) _____
 کو بطور اپنے رمیرے ایما پر مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ کمپنی کے سالانہ اجلاس عام / غیر معمولی اجلاس عام میں
 جو بتاریخ _____ کو منعقد ہو رہا ہے، اس میں اور یا اس کے ملتوی شدہ اجلاس میں شرکت کرے / حق رائے دہی
 استعمال کرے بالکل اسی طرح جیسے میں خود اس جگہ موجود ہوتا ہوتا ہوتی۔

دستخط بتاریخ _____ 2019ء

پانچ روپے کارسیدی ٹکٹ چسپاں کریں۔

کوآڈ:

نام:

پتہ:

شخصی کارڈ نمبر:

دستخط:

اہم نوٹ: پُرشدہ پراکسی فارم اجلاس کے آغاز سے ۳۸ گھنٹے قبل کمپنی کے رجسٹرڈ آفس واقع اللہ وسایا اسکوائر، ممتاز آباد، ڈائمنڈ سٹریٹ ایریہ، دہاڑی روڈ، ملتان میں پیشگی جانے چاہیے۔



FORM OF PROXY

I, _____ FOLIO NO. _____

of _____

being a member of ALLAWASAYA TEXTILE AND FINISHING MILLS LIMITED, hereby

appoint _____ FOLIO NO. _____

of _____

as my proxy in my absence to attend and vote for me and on my behalf at the (Ordinary or / and Extraordinary as the case may be) General Meeting of the Company to be held on the _____ day of _____ 20_____ and at any adjournment thereof.

As witness my hand this

day of _____ 2019

Signed by the said

In presence of

Witness:

Name: _____

Address: _____

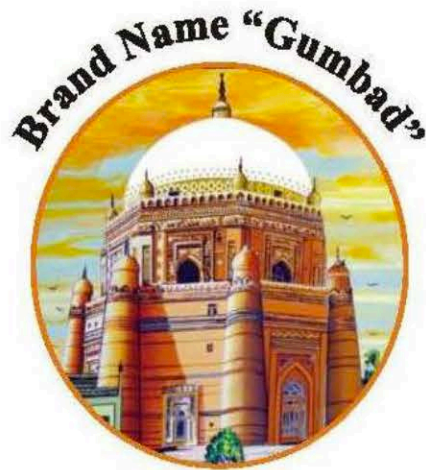
CNIC NO: _____

Signature: _____



IMPORTANT

This form of proxy, duly completed, must be deposited at the Company's Registered office at Allawasaya Square, Mumtazabad Industrial Area, Vehari Road, Multan not less than 48 hours before the time for holding the meeting.



www.allawasaya.com

ALLAWASAYA TEXTILE & FINISHING MILLS LIMITED

Allawasaya Square, Mumtazabad Industrial Area,
Vehari Road, Multan, Pakistan.

Phone: (061) 4233624-26

Fax: (061) 6525202

Website: www.allawasaya.com

E-mail: atm@allawasaya.com