



*of Companies*

**31<sup>st</sup> Annual Report 2018**

**UMER GROUP OF COMPANIES**

**BLESSED TEXTILES LIMITED.**

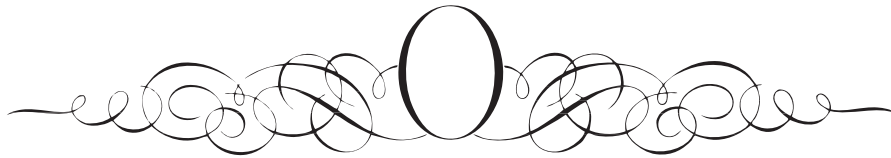


# BLESSED TEXTILES LIMITED

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## Vision

*A Leader Company maintaining  
an excellent Level of ethical and  
Professional standards*



## Mission Statement

*To become a top quality  
Manufacturer of textile products  
In the International  
&  
Local markets*

## CORPORATE INFORMATION

Board of Directors	Mr. Mohammad Amin Mr. Khurrum Salim Mr. Bilal Sharif Mr. Adil Shakeel Mr. Mohammad Salim Mr. Mohammad Sharif Mr. Mohammad Shaheen Mr. Hamza Shakeel Mr. Iqbal Mehboob	Chief Executive / Director Non Executive Director Non Executive Director Executive Director Non Executive Director / Chairman Non Executive Director Executive Director Non Executive Director Independent Director
Company Secretary	Mr Ghulam Mohiuddin, ACMA	
Chief Financial Officer	Mr. Abdul Basit Janjua, ACA	
Audit Committee	Mr. Iqbal Mehboob Mr. Khurrum Salim Mr. Bilal Sharif	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Iqbal Mehboob Mr. Khurrum Salim Mr. Adil Shakeel	Chairman Member Member
Auditors	M/s Rehman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants 72-A, Faisal Town Lahore	
Legal Advisor	Mr. Shahid Pervaiz Jami	
Bankers	Bank Al Habib Limited Dubai Islamic Bank MCB Bank Limited Meezan Bank Limited Samba Bank Limited Bank Alfalah Limited United Bank Limited	
Share Registrar	Hameed Majeed Associated (Private) Limited 5th Floor Karachi Chamber, Karachi	
Registered Office	Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, Pakistan Tel : 021 35115177 - 80 ; Fax: 021 -35063002-3 Email: <a href="mailto:khioff@umergroup.com">khioff@umergroup.com</a> Website: <a href="http://www.umergroup.com">http://www.umergroup.com</a>	
Liason / Correspondence office	9th Floor, City Towers, 6-K, Main Boulevard Gulberg - II, Lahore, Pakistan Tel : 042 111 130 130 ; Fax: 042 -35770015 Email: <a href="mailto:lhroff@umergroup.com">lhroff@umergroup.com</a> Website: <a href="http://www.umergroup.com">http://www.umergroup.com</a>	
Mills At:	Spinning and weaving units are situated at Feroz Watwan, Sheikhpura, Punjab. Tel: 0496 731724	



# BLESSED TEXTILES LIMITED

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 31st Annual General Meeting of the members of **Blessed Textiles Limited** will be held on Thursday 25th October 2018 at 4:30 PM., at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

### Ordinary Business

1. To confirm the minutes of the last Annual General Meeting held on 27th October 2017.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2018 together with the Auditors' and Directors' Report thereon.
3. To approve the cash dividend @ 230.00% (i.e. PKR 23.00 per share) for the year ended 30th June, 2018, as recommended by the Board of Directors.
4. To appoint the auditors for the next term i.e. year 2018-2019 and fix their remuneration. The retiring auditors M/S Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, being eligible, offer themselves for reappointment.
5. To transact any other business with the permission of the chairman.

(By the order of the Board)

Karachi:

Date: September 27<sup>th</sup>, 2018

Ghulam Mohiuddin  
Company Secretary

### Notes:

1. The Shares Transfer Books of the Company will remain closed from 17th October 2018 to 25th October, 2018 (both days inclusive). Transfers received in order at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 15th October 2018 will be treated in time for the purpose of entitlement of dividend in respect of the period ended 30th June, 2018.
2. Members are requested to attend in person along with Computerized National Identity Card ("CNIC") or appoint some other member as proxy and send their proxy duly witnessed so as to reach the registered office of the company not later than 48 hours before the time of holding the meeting.
3. Pursuant to section 132(2) of Companies Act, 2017 the company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the company reside, provided that the Company receives their demand to participate in annual general meeting through video-link at least seven (07) days prior to the date of meeting.

In this regard, it is requested to fill the following Form and submit at the registered address of the Company at least 10 days before holding of the Annual General Meeting:

"I/We, \_\_\_\_\_ being a member of Bhanero Textile Mills Limited, holder of \_\_\_\_\_ Ordinary Shares vide folio \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_."

4. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport, Account and participant's I.D. numbers, to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose. The account/ sub account holders of CDC will further have to follow the guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan.
5. Section 242 of Companies Act 2017 which states that, "Any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders". In compliance of section 242 SECP issued a circular CLD/CCD/PR(11)/2017 No.18/2017 dated 1-Aug-17 requiring listed companies to obtain electronic dividend mandate from the Shareholders and in this regard a notice had already been sent to all the shareholders.

## NOTICE OF THE ANNUAL GENERAL MEETING

Further, Securities and Exchange Commission of Pakistan (SECP) vide notification No. SRO 1145(1)/2017 dated November 6, 2017 in terms of provision of section 242 of the Companies Act, 2017 issued regulations for distribution of dividends by the listed companies requiring entitled shareholders to provide valid information pertaining to designated bank account including name of bank, title of account, address of bank branch and international bank account number.

In this regard we request all registered shareholders to provide the bank details in order to credit their cash dividends directly to their bank account, if declared. Also provide us verification of bank detail with your concern bank and submit to in case of book-entry securities in CDS, to CDS participants and in case of physical securities to the Company's Share Registrar.

6. In compliance of section 244 of Companies Act 2017 and SECP circular No. CLD/CCD/PR(11)/2017 Direction No.16 of 2017 dated 7-July -2017 regarding dividends, shares or modaraba certificates remains unclaimed or unpaid for a period of three years from the date it is due or payable shall be vested with Federal Government after complying the requirements of Companies Act 2017.

In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares, dividend or modarba certificates as on June 30, 2018 have been uploaded on our website: [www.umergroup.com](http://www.umergroup.com).

In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office with regard to any unclaimed dividend, shares or modarba certificates.

7. Members are requested to immediately inform of any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.
8. Pursuant to Notification vide SRO 787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. [www.umergroup.com](http://www.umergroup.com). Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 2MB file in size. Further, it is the responsibility of the member to timely update the Share Registrar of any change in the registered e-mail address.
9. Pursuant to the provisions of the Finance Act 2018 effective July 1, 2018, the rates of deduction of income tax from dividend payments under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:
- a. For filer of income tax return 15%
  - b. For non-filers of income tax return 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.

Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to Hameed Majeed Associates (Private) Limited, by the first day of Book Closure.

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing.

In the event of non-receipt of the information by 23rd October 2018, each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

10. E-Voting, members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

## CHAIRMAN'S REVIEW REPORT

As required under section 192(4) of Companies Act 2017 attached herewith a review report by the chairman on overall performance and effectiveness of the board of Blessed Textiles Limited (Board) in achieving its objectives.

The company has an effective governance framework which ensures success of the company and during the year under review the board has played an effective and active role in achieving its goals. The board has opted to carry out the evaluation process internally under the regulation 10(V) of Code of Corporate Governance 2017.

The Board has performed and discharge its duties as per provisions of Companies Act 2017, regulations under revised Code of Corporate Governance 2017 (CCG 2017), guidelines issued by Securities and Exchange Commission of Pakistan (SECP) and complying the requirements of listed companies as required by Pakistan Stock Exchange (PSX).


The Board has well-established and effective structures, policies and processes in place that will ensure the Company's sustainability. The Board is quite determined in mitigating all types of risk by incorporating proper risk management policies on both financial and operation risk arenas. The review depicts proper risk identification polices are in place to safeguard the organizations resources, repute interests of shareholders.

The Board has an effective mechanism is in place for communication with stakeholders and company secretary is designated and instructed to promptly resolve all the queries of shareholders. An effective website which also fulfilling in the regulatory compliance is a comprehensive medium to disseminate the information to the shareholders on issues related to notice of annual general meetings, date elections, financial results and distribution of dividends etc.

The Board of Blessed Textiles Limited is composed of Directors with the relevant skills and competencies, and of an appropriate mix in terms of relevant experience. As required under law the Board has constituted an audit committee and the human resource and remuneration committee to foresee financial reporting system and establishment of appropriate human resources policies respectively. Both committees comprised of three members each who actively participates in committee proceedings whereas an Independent Directors chair's both the committees.

The board of nine directors comprises of three executive, five non-executive and one independent director as required under law in force. The directors are completely equipped with the technical knowledge required for effective running of the board and committees to the board. Of the nine directors on board three are exempted on the basis of their educational credentials and experience on being on board of listed companies whereas remaining directors acquired the certification under Directors Training program from PICG & ICAP.

Karachi:  
Date: September 27<sup>th</sup>, 2018

  
**Mohammad Salim**  
Chairman

## Directors' Report

### Dear Members

The Directors of your Company are pleased to present herewith the audit report on financial statement of the Company for the year ended 30th June 2018.

### Financial Representation

	Year ended 2018 Rupees	Year ended 2017 Rupees
Sales	10,257,434,039	8,064,238,429
Cost of goods sold	9,185,919,277	7,268,794,921
Gross profit	<b>1,071,514,762</b>	<b>795,443,508</b>
Other operating income / (expenses)	3,830,127	35,742,158
	<b>1,075,344,889</b>	<b>831,185,666</b>
Selling & Distribution cost	227,393,453	150,627,722
Administrative expenses	121,714,680	112,640,636
Other operating expenses	35,512,372	24,366,361
Finance cost	186,788,164	166,058,495
	<b>571,408,669</b>	<b>453,693,214</b>
Profit before tax	<b>503,936,220</b>	<b>377,492,452</b>
Provision for taxation		
Current year	133,637,362	7,929,134
Prior year	-	-
Deferred	1,823,664	123,766,818
	135,461,026	131,695,952
Profit after tax	<b>368,475,194</b>	<b>245,796,500</b>
Earnings per share - basic and diluted	<b>57.29</b>	<b>38.21</b>

The revenue has increased from PKR 8,064.238 million to PKR 10,257.434 million showing the growth of 27.20% in revenue during the current year due to controls over cost of sales components, exchange gain and rebate on export sales.

Similarly, the gross profit to sales in current year is 10.45% as compared to previous year where it stood at i.e 9.86%.

The company earned net profit of PKR 368.475 million during the year ended 2018 as compared to year 2017 whereas profit stood at PKR 245.797 million.

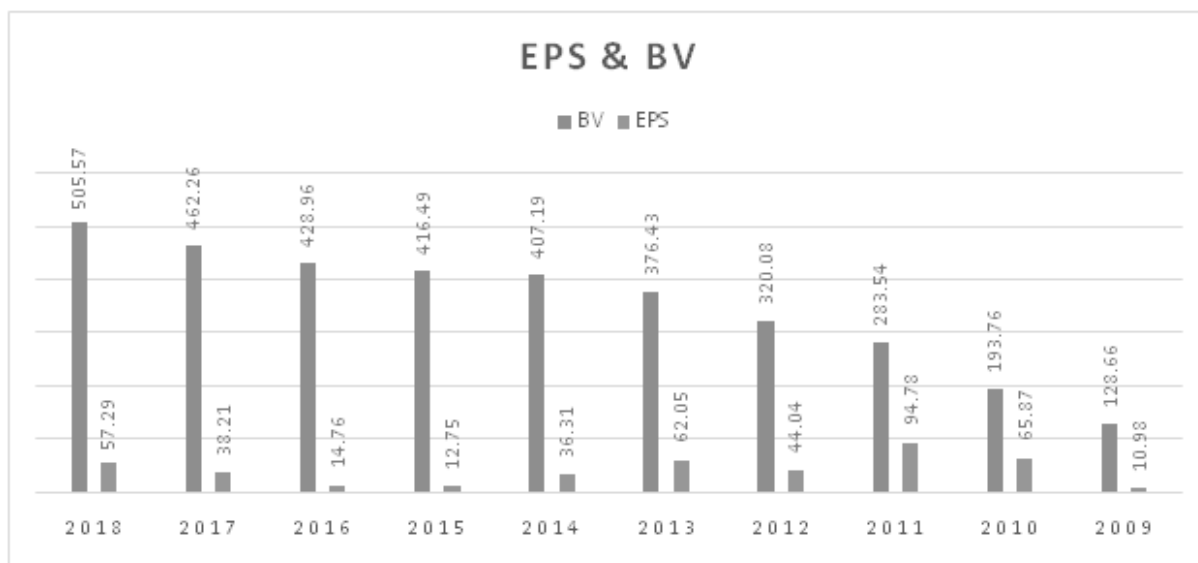
### Dividend and General Reserves Appropriation

In the preceding year 2017 the dividend at 153.00% i.e PKR 15.30 has been paid by the company whereas for the current year the board of directors are pleased to recommend a final cash dividend of 230.00% i.e PKR 23.00 per share in line with the recommendation of audit committee for the approval of shareholders in forthcoming annual general meeting scheduled on October 25, 2018.

Moreover, the directors proposed to transfer an amount of PKR 200.000 million to the general reserve to meet any unforeseen contingencies in future.

### Earnings per Share and Break-up Value of Share

The earning per share for the year ended 30th June, 2018 is PKR 57.29 as compared to the year 30th June, 2017 where it stood at 38.21. Similarly, the breakup value per share for the year ended 30th June, 2018 is PKR 505.57 as compared to the year 30th June, 2017 where it was stood at PKR 426.26.



## Cash Flow Management

Management strategy is designed to monitor and utilize the components of working capital in the utmost financially efficient manner to assure that company maintains sufficient cash flow to meet its short-term obligations that simultaneously generates the maximum benefit to the shareholders of the company.

The company has invested PKR 90.852 million towards capital expenditure and PKR 221.742 million on account of repayment of long term finances during the year ended June 2018 whereas PKR 97.790 has been paid as dividends to the shareholders.

## Financing Structure

A company's manages its capital structure with the combination of equity and debt in way that will maximize the value to the shareholders.

The long term debt during the year ended 30th June, 2018 is at 1,543.020 million as compared to the corresponding period where it stood 1,817.591 million.

The gearing ratio is at 1.54 during the period ended 30th June, 2018 whereas it stood at 1.10 during the corresponding period.

## Expansion Plans and BMR

The board has approved approximate 369.50 million for BMR during the year for import of cards, ring frames, auto coner, compressor and engines for modernization of plant and machinery in order to cope up with the technological advancement around the globe.

## Credit Rating

The final rating of A-/A-1 (Single A Minus / A-One) has been assigned to the company by the rating company Messer's JCR-VIS. The outlook on the assigned rating is "Stable".

## Financial Statements

As required under Companies Act, 2017 listing regulations of stock exchanges the Chief Executive Officer and Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the board of directors and after consideration and approval, authorize the signing of financial statements for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company, Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants and the auditors have issued clean audit report on the financial statements for the year ended 30th June 2018 and clean review report on Statement of Code of Corporate Governance. These reports are attached with the financial statements.



## Accounting Standards

The accounting policies of the Company fully reflect the requirements of the Companies Act, 2017 and such approved International Accounting Standards and International Financial Reporting Standards as have been notified under this Act as well as through directives issued by the Securities and Exchange Commission of Pakistan.

## Cotton Analysis

Though rains are beneficial for the quality crops but the recent heavy downpours in country, discontinued picking operation, pushing up rates of lint. The stagnant water in the field may hurt cotton crop if farmers and growers not take care of these negative developments, further rainy weather viruses can also damage the quality of cotton.

The cotton prices in Sindh were initially traded around 8,200 were rose to 9,500 and now gone down to 8,200 per maund whereas for Punjab depending on quality it ranges between 9100 - 9300 came down to 8,300 per maund. It seems that prices will ease further ahead of high arrivals in upcoming days.

Going forward it's presumed that prices in the local markets will observe stable trend, which was an encouraging sign for local farmers to grow more crop for maximizing their profit.

Besides, it is recommended that government should not impose import duty on imported raw cotton to make the availability of raw material as per of industry requirement which is around 15.00 million bales.

## Economic Overview of Textile Sector in Pakistan

The nation is hopeful of positive changes after Election 2018 as the dust is settling down and now businessmen hopes to progress by building an economically powerful Pakistan but a lot depends on the economic managers to devise comprehensive and sustainable policies for future.

It is no secret that the textile industry in Pakistan has already face multiple challenges when it comes to production and export. Rising costs of doing business particular energy tariffs have hampered competitiveness compared to regional peers such as Vietnam, India Bangladesh and China.

On the contrary, the rupee depreciation helped the textile exports to grow by 14.15% in terms of local currency to PKR 1,488 billion during fiscal year 2017-18 as compared with PKR 1,303 billion in the preceding fiscal year, according to Pakistan Bureau of Statistics. The Pak Rupee depreciated massively by 18% during July 2017 to September 2018 from PKR 105 to PKR 124 per dollar approximately.

However, in dollar term the exports registered 8.67% growth to \$13.53 billion during the last fiscal year as compared with \$12.45 billion in the preceding fiscal year which is mainly due to Prime Minister relief package under which certain tax concessions and rebates have been allowed to boost exports.

## Impediments to Textile Sector

Agriculture experts stressed on the need for rationalizing the cropping pattern in the country in order to mitigate the prevailing adverse impact of climate change on the local agriculture sector. They also stressed for introducing the high resistance low water consuming and early maturing seed varieties of wheat, cotton, sugarcane and maize for conserving precious natural resources particularly the drastically reducing water resources for agriculture and human consumption.

The overall agriculture sector was badly impacted by recent heat waves and prolonging weather pattern was affecting the major cash crops like wheat, pulses and cotton production which is acting as the back bone of national exchequer of country. Consequently, the production was reduced and due to water shortage, the season's another major cash crop of cotton had witnessed sharp decrease in Sindh and Punjab and it's anticipated that Sindh would face about 45 percent water shortage and Punjab would face 42 percent during current season, resultant to this situation cotton sowing had witnessed 16 percent decrease across the crop sowing areas.

## Compliance with Code of Corporate Governance

The Statement of Compliance with the Code of Corporate Governance is annexed.

## Statement on Corporate and Financial Reporting Framework

The Directors of your company are aware of their responsibilities under Companies Act 2017, Code of Corporate Governance regulations, listing rules of the Pakistan Stock Exchange Limited and directives issued by Securities & Exchange Commission of Pakistan. As a part of the compliance to the regulators we confirm the following:

- These financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control was sound in design and has been effectively implemented and monitored.
- There were no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- We have prepared and circulated a Code of Conduct and business strategy among directors and employees.
- The Board of Directors has adopted a vision and mission statement and a statement of overall corporate strategy.
- All the directors have attended its general meeting unless preclude due to reasonable reason.
- All the directors are assigned with their responsibilities, roles, remuneration, powers and obligation at the commencement of their terms in accordance with Code of Corporate Governance, Companies Act and Article of Association.
- All the directors of the Company are accredited / exempted under Directors Training Program (DTP) as required by the Code of Corporate Governance regulation.
- There's a formal policy duly approved by the board on director's remuneration, anti-money laundering and risk management.
- As required by the Code of Corporate Governance, we have included the following information in this report:
  - o Statement of pattern of shareholding has been given separately.
  - o Statement of shares held by associated undertakings and related persons.
  - o Statement of the Board meetings held during the year and attendance by each director has been given separately.
- Key operating and financial statistics for last six years. Information about taxes and levies had been adequately disclosed in the annexed audited financial statements.
- The company strictly follow the guidelines issued by SECP on prohibition of insider trading for listed companies and no trading in the Company's shares was carried by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children except as disclosed in pattern of shareholding.

## Pattern of Shareholding

The pattern of shareholding and additional information regarding pattern of shareholding is attached separately.

## Related Party

There is a robust policy in place for all related party transactions (RPT) in pursuant to SRO 768(1)2018 notification the guidelines issued by Securities and Exchange Commission of Pakistan have been duly incorporated in the policy with regard to transactions and maintenance of records.

## Board Evaluation

The company has opted to conduct evaluation process of the board internally in compliance of the regulation 10(3)(v) of code of corporate governance 2017 for assessing the board performance, members of the board and its committee members.

A comprehensive review has been carried out entailing statutory documents, the minutes of board and committee meetings, policies currently in place and other ancillary documents, questionnaires, interactions with the board and committees members.

## Board Composition

As required under regulation 36 of CCG 2017 the board of nine directors is comprised as follows;

Sr No	Category	Gender	Total
(i)	Independent Director	Male	1
(ii)	Executive Directors	Male	3
(ii)	Non- Executive Directors	Male	5

## Board and Audit Committee Meetings

- Following are the number of meeting held and attended by board of directors, audit committee and human resource & remuneration committee during 2017-18 :

Name of Directors	Committees					
	Board of Directors		Audit		Human Resource and Remuneration	
	Meetings held	Attended	Meetings held	Attended	Meetings held	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Mohammad Sharif	4	4	-	-	-	-
Mr. Mohammad Shaheen	4	4	-	-	-	-
Mr. Khurram Salim	4	4	6	6	2	2
Mr. Bilal Sharif	4	4	6	6	-	-
Mr. Mohammad Amin	4	4	-	-	-	-
Mr. Adil Shakeel	4	4	-	-	2	2
Mr. Hamza Shakeel	4	4	-	-	-	-
Mr. Iqbal Mehboob	4	4	6	6	2	2

## Audit Committee

The audit committee comprises of three members of which chairman is an independent director whereas all the other are non-executive directors and discharge its responsibilities under terms of reference assigned by the board of directors.

Besides meeting every quarter for the approval financial results, the committee also meets once a year with external auditors without the CFO and once with the internal auditor without the presence of the CFO and external auditor as required under code of corporate governance regulation.

The audit committee constituted to provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations. The committee reviews the results of the audit with management and external auditors, including matters required to be communicated by the committee as required by the code of corporate governance.

The audit committee has established robust internal audit system to monitor and review the adequacy and implementation of internal control at each level. The meetings of audit committee were held at regular intervals in compliance of the requirements of Code of Corporate Governance. Interim and annual financial statements were reviewed by the audit committee before the approval of board of directors.

## Human Resource and Remuneration Committee

The human resource and remuneration committee (HRRC) is comprised of three members of which majority are non-executive directors whereas chairman is an independent director. The committee has established sound and effective employees' development programme that ensures that all federal and provincial laws and regulations that affect employment must be fully complied.

HRRC evaluates performance against set of goals and objectives assigned to the senior executive officers and chief executive officer. The committee operates under terms of reference assigned by the Board of directors which includes recommendation of remuneration for directors and senior personnel, evaluation process of the board and committee members.

## Corporate Social Responsibility Policy

The company through CSR policy, engages itself in several programs at different forum like philanthropic contribution for the benefit of the society and the community as a whole. This eventually creates a stronger bond between employee and corporation which boost up the morale of employees and they feel more connected with the world around them.

## Health, Safety and Environment Policy

The company is fully determined for the health and safety measures that aims to ensure that all work activates are done safely. It has made every possible effort to remove or reduce the risks to the health, safety of all workers, contractors and visitors, and anyone else who may be affected by business operations. Moreover, adherence to environmental management standards assures minimizing the environmental impacts of production processes and improving the efficiency of processes.

Human Resource focused on improving the efficacy and enhancing the quality of our work force in the Company. The Company has employed experienced and qualified human resources to meet the challenges ahead. Company also plans to strengthen its team, use employee performance evaluation methods to further strengthen organization structure and effectiveness.

**Director's Remuneration**

The feature of executive director's remuneration policy is prepared and recommended by human resource and remuneration committee (HRRC) to the board subject to the provisions of the Companies Act 2017, Companies' Article of Association and Code of Corporate Governance Regulations.

The remuneration of the executive directors is determined by considering the market competitiveness which is identical in akin companies, whilst also considering level of competencies, experience, scope of the board assignments and yearly meetings. The executive directors entitled for the fixed monthly remuneration recommended by HRRC which is approved in the board meeting, followed by the approval of members in General Meeting.

No fee or remuneration shall be payable either to non-executive or independent directors.

**Auditors**

The present auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants shall retire on the conclusion of the annual general meeting scheduled on October 25, 2018. Being eligible, they have offered themselves for re-appointment. The audit committee has suggested the appointment of aforesaid M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, as external auditor for the year ended 30th June 2019. The external auditors, M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and the firm and all its partner are in compliance with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan. The Board of Directors also recommended the appointment of M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, as external auditor for the year ended 30th June 2019.


**Material Changes and Commitments**

No material changes and commitments affecting the financial position of the Company have occurred between the end of financial year of the Company to which the balance sheet relates and the date of report of directors' report.

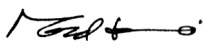
**Acknowledgement**

I am highly indebted to Board of Directors, valued shareholders, customers, bankers, suppliers and other stakeholders for their support, trust and confidence. I also appreciate to all employees for their loyalty dedication and hard work which enabled the Company to achieve its objectives.

**For and on behalf of the Board of Directors**



**Mohammad Amin**  
Chief Executive



**Mohammad Salim**  
Director

**Karachi**

**Date: September 27<sup>th</sup>, 2018**

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2018

The statement is being presented to comply with the requirement of regulation 40 contained in Code of Corporate Governance, 2017 for the purpose of establishing a framework of good corporate governance, whereby a company quoted at Pakistan Stock Exchange Limited is managed in compliance with best practices of corporate governance.

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

1. The total number of directors are 09 as per the following:

- a. Male : 09
- b. Female : Nil

2. The composition of board is as follows:

Category	Name
Independent Director	Mr. Iqbal Mehboob
Executive Directors	Mr. Mohammad Amin Mr. Mohammad Shaheen Mr. Adil Shakeel
Non- Executive Directors	Mr. Mohammad Salim Mr. Mohammad Sharif Mr. Khurram Salim Mr. Bilal Sharif Mr. Hamza Shakeel

- 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 Chairman and, in his 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. All the directors on the Board are accredited / exempted from directors training programs.
- 10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- 11. CFO and CEO duly endorsed the financial statements before approval of the board.
- 12. The board has formed committees comprising of members given below:

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2018

### Audit Committee

Mr. Iqbal Mehboob	Chairman - Independent Director
Mr. Bilal Sharif	Member-Non- Executive Director
Mr. Khurrum Salim	Member - Non- Executive Director


### Human Resource & Remuneration Committee

Mr. Iqbal Mehboob	Chairman - Independent Director
Mr. Khurrum Salim	Member - Non- Executive Director
Mr. Adil Shakeel	Member - Executive Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the audit and human resource committees were as per following:
  - a) Audit Committee - Quarterly
  - b) HR and Remuneration Committee - Half Yearly
15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review 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.

For and on behalf of the Board of Directors

Karachi  
Date: September 27<sup>th</sup>, 2018

  
MOHAMMAD SALIM  
Chairman



**RAHMAN SARFARAZ RAHIM**  
**IQBAL RAFIQ**  
Chartered Accountants

72-A, Faisal Town, Lahore

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## **Auditors' Report to the Members**

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 [the Regulations] prepared by the Board of Directors of **BLESSED TEXTILES LIMITED** for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulation.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

**Date: September 27<sup>th</sup>, 2018**  
**Place: Lahore**

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants



## Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of BLESSED TEXTILES LIMITED ['the Company'], which comprise the statement of financial position as at June 30, 2018, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matters

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

Key audit matter(s)	How our audit addressed the key audit matter
<p><b>1 Preparation of financial statements under Companies Act, 2017</b></p> <p>As disclosed in note 3 to the annexed financial statements, the Companies Act, 2017 ['the Act'] became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>In the case of the Company, a summary of key additional disclosures and changes to the existing disclosures have been stated in note 3 to the annexed financial statements.</p> <p>The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from transition to the new reporting requirements under the Act.</p>	<p>We assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements.</p> <p>We also evaluated the sources of information used by the management for the preparation of these disclosures and the internal consistency of such disclosures with other elements of the financial statements.</p>



## Report on the Audit of the Financial Statements

### Key audit matter(s)

#### 2 Inventory valuation

Stock in trade amounts to Rs 3,893 million as at the reporting date. The valuation of stock in trade at cost has different components, which includes judgment in relation to the allocation of labour and overheads which are incurred in bringing the stock to its present location and condition. Judgment has also been applied by management in determining the Net Realizable Value ["NRV"] of stock in trade.

The estimates and judgments applied by management are influenced by the amount of direct costs incurred historically, expectations of repeat orders to utilize the stock in trade, sales contracts in hand and historically realized sales prices.

The significance of the balance coupled with the judgment involved has resulted in the valuation of stock in trade being identified as a key audit matter

The disclosures in relation to stock in trade are included in note 18.

### How our audit addressed the key audit matter

To address the valuation of stock in trade, we assessed historical costs recorded in the valuation of stock in trade; testing on a sample basis with purchase invoices. We tested the reasonability of assumptions applied by the management in allocating direct labour and direct overhead costs to stock in trade.

We also assessed management's determination of the net realizable value of stock in trade by performing tests on the sales prices secured by the Company for similar or comparable items of stock in trade.

### Information other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of directors 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 the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these financial statements.



**RAHMAN SARFARAZ RAHIM  
IQBAL RAFIQ**  
Chartered Accountants

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F: +92 42 35160433

### **Report on the Audit of the Financial Statements**

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

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

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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 ZUBAIR IRFAN MALIK.

**Lahore:**  
Date: 27th September 2018

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants


## Statement of Financial Position as at June 30, 2018

EQUITY AND LIABILITIES	Note	2018 Rupees	2017 Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
6,500,000 (2017: 6,500,000) ordinary shares of Rs. 10 each		<b>65,000,000</b>	65,000,000
Issued, subscribed and paid-up capital	7	<b>64,320,000</b>	64,320,000
General reserve	8	<b>3,000,000,000</b>	2,800,000,000
Accumulated profit		<b>187,484,648</b>	108,958,561
<b>TOTAL EQUITY</b>		<b>3,251,804,648</b>	2,973,278,561
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - <i>secured</i>	9	<b>1,543,019,632</b>	1,817,590,905
Deferred liabilities	10	<b>529,948,362</b>	444,531,359
		<b>2,072,967,994</b>	2,262,122,264
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	<b>487,985,016</b>	347,609,278
Unclaimed dividend		<b>3,877,973</b>	3,258,589
Accrued interest/markup/profit		<b>38,781,113</b>	30,863,256
Short term borrowings - <i>secured</i>	13	<b>3,146,462,335</b>	1,242,800,994
Current portion of non-current liabilities	12	<b>303,439,273</b>	221,741,940
		<b>3,980,545,710</b>	1,846,274,057
<b>TOTAL LIABILITIES</b>		<b>6,053,513,704</b>	4,108,396,321
<b>CONTINGENCIES AND COMMITMENTS</b>	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,305,318,352</b>	7,081,674,882

The annexed notes from 1 to 49 form an integral part of these financial statements.

Karachi

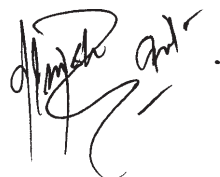
Date: September 27<sup>th</sup>, 2018

  
Mohammad Amin  
Chief Executive

## Statement of Financial Position as at June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	15	3,595,552,344	3,897,890,705
Long term deposits - <i>unsecured, considered good</i>	16	14,144,095	14,154,095
		<b>3,609,696,439</b>	<b>3,912,044,800</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	17	71,765,436	72,384,810
Stock in trade	18	3,893,102,492	1,821,519,639
Trade debts	19	926,183,117	523,159,134
Advances, deposits, prepayments and other receivables	20	150,108,121	91,496,284
Sales tax refundable		180,087,987	264,688,706
Current taxation	21	334,546,794	360,939,015
Bank balances	22	139,827,966	35,442,494
		<b>5,695,621,913</b>	<b>3,169,630,082</b>
<b>TOTAL ASSETS</b>		<b>9,305,318,352</b>	<b>7,081,674,882</b>

The annexed notes from 1 to 49 form an integral part of these financial statements.



**Abdul Basit Janjua**  
Chief Financial Officer




**Mohammad Salim**  
Director

## Statement of Profit or Loss for the year ended June 30, 2018

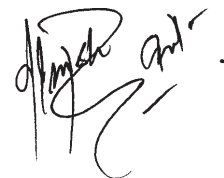
	Note	2018 Rupees	2017 Rupees
<b>Sales - net</b>	23	<b>10,257,434,039</b>	8,064,238,429
Cost of sales	24	<b>9,185,919,277</b>	7,268,794,921
<b>Gross profit</b>		<b>1,071,514,762</b>	795,443,508
Selling and distribution expenses	25	<b>227,393,453</b>	150,627,722
Administrative and general expenses	26	<b>121,714,680</b>	112,640,636
		<b>349,108,133</b>	263,268,358
		<b>722,406,629</b>	532,175,150
Other income	27	<b>3,830,127</b>	35,742,158
<b>Operating profit</b>		<b>726,236,756</b>	567,917,308
Finance cost	28	<b>186,788,164</b>	166,058,495
Other charges	29	<b>35,512,372</b>	24,366,361
		<b>222,300,536</b>	190,424,856
<b>Profit before taxation</b>		<b>503,936,220</b>	377,492,452
Provision for taxation			
Current taxation	30	<b>133,637,362</b>	7,929,134
Deferred taxation	31	<b>1,823,664</b>	123,766,818
		<b>135,461,026</b>	131,695,952
<b>Profit after taxation</b>		<b>368,475,194</b>	245,796,500
<b>Earnings per share - basic and diluted</b>	32	<b>57.29</b>	38.21

The annexed notes from 1 to 49 form an integral part of these financial statements.

  
**Mohammad Amin**  
 Chief Executive

  
**Mohammad Salim**  
 Director

Karachi  
 Date: September 27<sup>th</sup>, 2018


  
**Abdul Basit Janjua**  
 Chief Financial Officer

## Statement of other Comprehensive Income for the year ended June 30, 2018

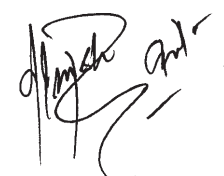
	Note	2018 Rupees	2017 Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit obligation	10.1.4	10,261,427	709,843
Taxation relating to remeasurements of defined benefit obligation	10.4.1	(1,800,970)	(118,455)
<b>Other comprehensive income</b>		<b>8,460,457</b>	<b>591,388</b>
<b>Profit after taxation</b>		<b>368,475,194</b>	<b>245,796,500</b>
<b>Total comprehensive income</b>		<b>376,935,651</b>	<b>246,387,888</b>

The annexed notes from 1 to 49 form an integral part of these financial statements.

  
**Mohammad Amin**  
 Chief Executive

  
**Mohammad Salim**  
 Director

Karachi  
 Date: September 27<sup>th</sup>, 2018


  
**Abdul Basit Janjua**  
 Chief Financial Officer

## Statement of Changes in Equity for the year ended June 30, 2018

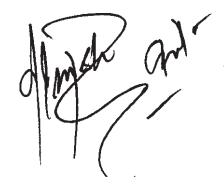
	Issued subscribed and paid-up capital	Revenue Reserves		Total equity
		General reserve	Accumulated profit	
	Rupees	Rupees	Rupees	Rupees
<b>Balance as at July 01, 2016</b>	64,320,000	2,600,000,000	94,730,673	2,759,050,673
<b>Comprehensive income</b>				
Profit after taxation	-	-	245,796,500	245,796,500
Other comprehensive income	-	-	591,388	591,388
<b>Total comprehensive income</b>	-	-	246,387,888	246,387,888
<b>Transaction with owners</b>				
Final dividend @ 50% i.e. Rs. 5 per ordinary share	-	-	(32,160,000)	(32,160,000)
Profit transferred to general reserve	-	200,000,000	(200,000,000)	-
	-	200,000,000	(232,160,000)	(32,160,000)
<b>Balance as at June 30, 2017</b>	64,320,000	2,800,000,000	108,958,561	2,973,278,561
<b>Balance as at July 01, 2017</b>	<b>64,320,000</b>	<b>2,800,000,000</b>	<b>108,958,561</b>	<b>2,973,278,561</b>
<b>Comprehensive income</b>				
Profit after taxation	-	-	368,475,194	368,475,194
Other comprehensive income	-	-	8,460,457	8,460,457
<b>Total comprehensive income</b>	-	-	376,935,651	376,935,651
<b>Transaction with owners</b>				
Final dividend @ 153% i.e. Rs. 15.30 per ordinary share	-	-	(98,409,564)	(98,409,564)
Profit transferred to general reserve	-	200,000,000	(200,000,000)	-
<b>Balance as at June 30, 2018</b>	<b>64,320,000</b>	<b>3,000,000,000</b>	<b>187,484,648</b>	<b>3,251,804,648</b>

The annexed notes from 1 to 49 form an integral part of these financial statements.

  
Mohammad Amin  
Chief Executive

  
Mohammad Salim  
Director

Karachi  
Date: September 27<sup>th</sup>, 2018


  
Abdul Basit Janjua  
Chief Financial Officer

## Statement of Cash Flows for the year ended June 30, 2018


	Note	June 30, 2018 Rupees	June 30, 2017 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash (used in)/generated from operations	33	(1,133,924,678)	490,948,531
Payments for:			
Employees retirement benefits		(26,768,075)	(31,958,361)
Interest/markup/profit		(156,982,075)	(145,737,880)
Income tax		(107,245,141)	(96,867,760)
<b>Net cash (used in)/generated from operating activities</b>		<b>(1,424,919,969)</b>	<b>216,384,530</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(90,851,780)	(804,893,823)
Proceeds from disposal of property, plant and equipment		7,150,000	92,267,695
Long term deposit refunded		10,000	-
<b>Net cash used in investing activities</b>		<b>(83,691,780)</b>	<b>(712,626,128)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term finances obtained		28,868,000	663,016,786
Repayment of long term finances		(221,741,940)	(254,009,620)
Net increase in short term borrowings		1,903,661,341	89,089,040
Dividend paid		(97,790,180)	(31,657,138)
<b>Net cash generated from financing activities</b>		<b>1,612,997,221</b>	<b>466,439,068</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>104,385,472</b>	<b>(29,802,530)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>35,442,494</b>	<b>65,245,024</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	34	<b>139,827,966</b>	<b>35,442,494</b>

The annexed notes from 1 to 49 form an integral part of these financial statements.

  
**Mohammad Amin**  
 Chief Executive

  
**Mohammad Salim**  
 Director

Karachi  
 Date: September 27<sup>th</sup>, 2018

  
**Abdul Basit Janjua**  
 Chief Financial Officer



## Notes to and forming part of financial statements for the year ended June 30, 2018

### 1 REPORTING ENTITY

Blessed Textiles Limited [‘the Company’] was incorporated in Pakistan as a Public Limited Company under the repealed Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The Company is primarily engaged in the manufacture and sale of yarn and woven fabric, however, it is also engaged in the generation of electricity for self consumption. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at 18 KM, Feroze Wattoan, Sheikhpura Road, District Sheikhpura in the Province of Punjab.

### 2 BASIS OF PREPARATION

#### 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:

- International Financial Reporting Standards [‘IFRS’] issued by the International Accounting Standards Board [‘IASB’] as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards [‘IFAS’] issued by Institute of Chartered Accountants of Pakistan 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 and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for employees retirement benefits liabilities measured at present value and certain financial instruments measured at fair value/amortized cost. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

#### 2.3 Judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. There are no estimation uncertainties as at the reporting date. Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

##### 2.3.1 Depreciation method, rates and useful lives of operating fixed assets (see note 5.1.1)

The Company reassesses useful lives, depreciation method and rates for each item of operating fixed assets annually by considering expected pattern of economic benefits that the Company expects to derive from that item.

##### 2.3.2 Recoverable amount and impairment (see note 5.21)

The management of the Company reviews carrying amounts of its assets for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

##### 2.3.3 Obligation under defined benefit plan (see note 5.4.2)

The Company’s obligation under the defined benefit plan is based on assumptions of future outcomes, the principal ones being in respect of increases in remuneration, remaining working lives of employees and discount rates to be used to determine present value of defined benefit obligation. These assumptions are determined periodically by independent actuaries.

##### 2.3.4 Taxation (see note 5.16)

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provision for current tax. Provision for deferred tax is estimated after taking into account historical and expected future turnover and profit trends and their taxability under the current tax law.

## Notes to and forming part of financial statements for the year ended June 30, 2018

### 2.3.5 Provisions (see note 5.11)

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

### 2.3.6 Net realizable values of stock in trade (see note 5.3)

The company estimates net realizable values of its stock in trade as the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### 2.4 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency.

### 2.5 Date of authorization for issue

These financial statements were authorized for issue on September 27, 2018 by the Board of Directors of the Company.

## 3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised standards, interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 - Income Taxes)

IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets have been amended to clarify the following aspects:

- Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

### Disclosure initiative (Amendments to IAS 7 - Statement of Cash Flows)

IAS 7 - Statement of Cash Flows have been amended to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

### Annual Improvements to IFRS Standards 2014–2016 Cycle (IFRS 12 - Disclosure of Interests in Other Entities)

IFRS 12 - Disclosure of Interests in Other Entities have been amended to clarify the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations

### Companies Act, 2017

The Companies Act 2017 ['the Act'] was enacted on May 30, 2017. The Act has brought certain changes with regard to the preparation and presentation of these financial statements. These changes, amongst others, included change in nomenclature of primary statements. Further, the disclosure requirements contained in the fourth schedule of the Act have been revised, resulting in elimination of duplicative disclosure with the IFRS disclosure requirements and incorporation of additional/amended disclosures including, but not limited to, particulars of immovable assets of the Company (see note 15.1.4), management assessment of sufficiency of tax provision in the financial statements (see note 30), change in threshold for identification of executives (see note 41), additional disclosure requirements for related parties (see note 35), disclosure of export sales for each jurisdiction in respect of outstanding trade debts (see note 19.3), disclosure of significant events and transactions affecting the financial position and performance of the Company (see note 6), disclosure relating to number of employees (see note 46) etc.

## Notes to and forming part of financial statements for the year ended June 30, 2018

### 4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments (2014)	July 01, 2018
IFRS 15 – Revenue from Contracts with Customers (2014)	July 01, 2018
IFRS 16 – Leases (2016)	January 01, 2019
IFRS 17 – Insurance contracts (2017)	January 01, 2021
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Clarifications to IFRS 15 - Revenue from Contracts with Customers	January 01, 2018
IFRIC 22 - Foreign Currency Transactions and Advances Consideration	January 01, 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 - Share-based Payment)	January 01, 2018
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4 - Insurance Contracts)	July 01, 2018
Transfers of Investment Property (Amendments to IAS 40 - Investment Property)	January 01, 2018
Annual Improvements to IFRS 2014–2016 Cycle	January 01, 2018
Prepayment Features with Negative Compensation (Amendments to IFRS 9 - Financial Instruments)	January 01, 2019
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28 - Investments in Associates and Joint Ventures)	January 01, 2019
Annual Improvements to IFRS Standards 2015 – 2017 Cycle	January 01, 2019
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19 - Employee	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Other than aforementioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the SECP..	
IFRS 1- First time adoption of International Financial Reporting Standards	
IFRS 14-Regulatory deferral accounts	

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that, except as stated below, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the Company's financial statements other than in presentation/disclosures.

#### IFRS 9 – Financial Instruments: Classification and Measurement (2014)

IFRS 9 replaces IAS 39 - Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- **Classification and measurement:** Financial assets are classified by reference to the business model within which they are held and their cash flow characteristics. The standard introduces a 'fair value through comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to measurement of entity's own credit risk.

## Notes to and forming part of financial statements for the year ended June 30, 2018

- **Impairment:** IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit loss to have occurred before a credit loss is recognized.
- **Hedge accounting:** IFRS 9 introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposure.
- **Derecognition:** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Adoption of this IFRS 9 may result in material adjustment to carrying amounts of financial assets and liabilities. However, the financial impact of the same cannot be estimated with reasonable certainty at this stage.

### 5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 5.1 Property, plant and equipment

##### 5.1.1 Operating fixed assets

Operating fixed assets are accounted for under the cost model and measured at cost less accumulated depreciation and accumulated impairment losses with the exception of freehold land, which is stated at cost less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

Major renewals and improvements to operating fixed assets are recognized in the carrying amount if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of operating fixed assets are recognized in profit or loss as incurred.

The Company recognizes depreciation in profit or loss by applying reducing balance method over the useful life of each operating fixed asset using rates specified in note 15.1 to the financial statements. Depreciation on additions to operating fixed assets is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

An operating fixed asset is de-recognized when permanently retired from use. Any gain or loss on disposal of operating fixed assets is recognized in profit or loss.

##### 5.1.2 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the cost of material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of operating fixed assets. These costs are transferred to operating fixed assets as and when related items become available for intended use.

#### 5.2 Stores, spares and loose tools

These are generally held for internal use and are valued at cost. Cost is determined on the basis of weighted average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. For items which are considered obsolete, the carrying amount is written down to nil. Spare parts held exclusively for capitalization are classified as property, plant and equipment.

#### 5.3 Stock in trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

Raw material	Weighted average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Stock in transit	Invoice price plus related cost incurred up to the reporting date

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and an appropriate proportion of manufacturing overheads.

## Notes to and forming part of financial statements for the year ended June 30, 2018

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

### 5.4 Employee benefits

#### 5.4.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

#### 5.4.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of remeasurements which are recognized in other comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation. The details of the scheme are referred to in note 10.1 to the financial statements.

### 5.5 Financial instruments

#### 5.5.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

#### 5.5.2 Classification

The Company classifies its financial instruments into following classes depending on the purpose for which the financial assets and liabilities are acquired or incurred. The Company determines the classification of its financial assets and liabilities on initial recognition.

##### (a) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Assets in this category are presented as current assets except for maturities greater than twelve months from the reporting date, where these are presented as non-current assets.

##### (b) Financial liabilities at amortized cost

Non-derivative financial liabilities that are not financial liabilities at fair value through profit or loss are classified as financial liabilities at amortized cost. Financial liabilities in this category are presented as current liabilities except for maturities greater than twelve months from the reporting date where these are presented as non-current liabilities.

#### 5.5.3 Measurement

The particular measurement methods adopted are disclosed in the individual policy statements associated with each instrument

#### 5.5.4 De-recognition

Financial assets are de-recognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are de-recognized if the Company's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on de-recognition of financial assets and financial liabilities is recognized in profit or loss

#### 5.5.5 Off-setting

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### 5.6 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

## Notes to and forming part of financial statements for the year ended June 30, 2018

### 5.7 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

### 5.8 Finance leases

Leases in terms of which the Company assumes substantially all risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are classified as 'operating fixed assets'. On initial recognition, these are measured at cost, being an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, these are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation, subsequent expenditure, de-recognition, and gains and losses on de-recognition are accounted for in accordance with the respective policies for operating fixed assets. Liabilities against assets subject to finance lease and deposits against finance lease are classified as 'financial liabilities at amortized cost' and 'loans and receivables' respectively, however, since they fall outside the scope of measurement requirements of IAS 39 'Financial Instruments - Recognition and Measurement', these are measured in accordance with the requirements of IAS 17 'Leases'. On initial recognition, these are measured at cost, being their fair value at the date of commencement of lease, less attributable transaction costs. Subsequent to initial recognition, minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Deposits against finance leases, subsequent to initial recognition are carried at cost.

### 5.9 Operating leases

Leases that do not transfer substantially all risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in profit or loss on a straight line basis over the lease term.

### 5.10 Trade and other payables

#### 5.10.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

#### 5.10.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

### 5.11 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

### 5.12 Trade and other receivables

#### 5.12.1 Financial assets

These are classified as 'loans and receivables'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

#### 5.12.2 Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

### 5.13 Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of returns allowances, trade discounts and rebates, and represents amounts received or receivable for goods and services provided and other income earned in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and the associated costs incurred or to be incurred can be measured reliably.

Revenue from different sources is recognized as follows:



**Notes to and forming part of financial statements  
for the year ended June 30, 2018**

Revenue from sale of goods is recognized when risks and rewards incidental to the ownership of goods are transferred to the buyer. Transfer of risks and rewards vary depending on the individual terms of the contract of sale. Transfer usually occurs on dispatch of goods to customers.

Export rebate is recognized at the same time when revenue from export sales is recognized.

Interest income is recognized using effective interest method.

**5.14 Comprehensive income**

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards as applicable in Pakistan, and is presented in 'statement of comprehensive income'.

**5.15 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are 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 asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

**5.16 Income tax**

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

**5.16.1 Current taxation**

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

**5.16.2 Deferred taxation**

Deferred tax is accounted for using the 'balance sheet approach' providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by The Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**5.17 Government grants**

Government grants that compensate the Company for expenses or losses already incurred are recognized in profit or loss in the period in which these are received and are deducted in reporting the relevant expenses or losses.

**5.18 Earnings per share ['EPS']**

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

**5.19 Cash and cash equivalents**

Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand and cash at banks.

## Notes to and forming part of financial statements for the year ended June 30, 2018

### 5.20 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

### 5.21 Impairment

#### 5.21.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

#### 5.21.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

### 5.22 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and it sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as complete sale within one year from the date of classification. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell. The amount of write-down to fair value less costs to sell, if any, is recognized in profit or loss as impairment loss.

### 5.23 Dividend distribution to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

## 6 SIGNIFICANT EVENTS AND TRANSACTIONS

The following significant events and transactions have affected the Company's financial position and performance during the year.



## Notes to and forming part of financial statements for the year ended June 30, 2018

- During the year, Company's total sales has increased by 27% mainly due to increase in local sales. That increase is attributed to Balancing, Modernization and Replacement conducted by Company in previous year through enhancement of capacity by addition of 9,600 spindles and change in marketing strategy of the Company through focus on local market.

	<b>Note</b>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
<b>7 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>			
6,432,000 (2017: 6,432,000) ordinary shares of Rs. 10 each issued for cash		<b>64,320,000</b>	64,320,000

## 8 GENERAL RESERVE

General reserve is primarily being maintained to have adequate resources for future requirements and business operations.

## 9 LONG TERM FINANCES - SECURED

These represent long term finances utilized under interest/mark-up/profit arrangements from banking companies

	<b>Note</b>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
Term Finances ('TF')			
TF - I	9.1	<b>425,082,796</b>	600,979,132
TF - II	9.2	<b>6,806,954</b>	9,623,618
TF - III	9.3	<b>10,783,615</b>	13,864,647
TF - IV	9.4	<b>15,197,614</b>	19,539,790
TF - V	9.5	<b>8,566,704</b>	11,681,872
TF - VI	9.6	<b>5,775,000</b>	7,875,000
TF - VII	9.7	<b>15,353,000</b>	19,193,000
TF - VIII	9.8	<b>10,257,200</b>	12,821,600
TF - IX	9.9	<b>12,863,800</b>	16,079,400
TF - X	9.10	<b>6,382,200</b>	6,382,200
TF - XI	9.11	<b>3,919,000</b>	3,919,000
TF - XII	9.12	<b>5,284,630</b>	5,284,630
TF - XIII	9.13	<b>9,072,000</b>	9,072,000
		<b>535,344,513</b>	736,315,889
Long Term Finances for Export Oriented Projects ('LTFEOP')			
LTFEOP - I	9.14	<b>212,007,062</b>	218,846,000
LTFEOP - II	9.15	<b>219,636,937</b>	226,722,000
LTFEOP - III	9.16	<b>212,243,437</b>	219,090,000
LTFF - IV	9.17	<b>16,141,500</b>	16,141,500
LTFF - V	9.18	<b>9,586,916</b>	9,586,916
LTFF - VI	9.19	<b>24,330,900</b>	24,330,900
LTFF - VII	9.20	<b>40,340,000</b>	40,340,000
LTFF - VIII	9.21	<b>10,422,000</b>	10,422,000
LTFF - IX	9.22	<b>5,269,920</b>	5,269,920
LTFF - X	9.23	<b>3,275,400</b>	3,275,400
LTFF - XI	9.24	<b>28,578,900</b>	28,578,900
LTFF - XII	9.25	<b>215,926,500</b>	215,926,500
LTFF - XIII	9.26	<b>103,335,000</b>	103,335,000
LTFF - XIV	9.27	<b>170,082,920</b>	170,082,920
LTFF - XV	9.28	<b>11,069,000</b>	11,069,000
LTFF - XVI	9.29	<b>14,159,000</b>	-
LTFF - XVII	9.30	<b>14,709,000</b>	-
		<b>1,311,114,392</b>	1,303,016,956
		<b>1,846,458,905</b>	2,039,332,845
Current maturity presented under current liabilities	12	<b>(303,439,273)</b>	(221,741,940)
		<b>1,543,019,632</b>	1,817,590,905

## Notes to and forming part of financial statements for the year ended June 30, 2018

- 9.1 The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at three months KIBOR plus 0.45% per annum (2017: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal monthly instalments with the first instalment due in December 2014.
- 9.2 The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at three months KIBOR plus 0.45% per annum (2017: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal monthly instalments with the first instalment due in December 2014.
- 9.3 The finance has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries profit at three months KIBOR plus 0.65% per annum (2017: three months KIBOR plus 0.65% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly instalments with the first instalment due in January 2016.
- 9.4 The finance has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries profit at three months KIBOR plus 0.65% per annum (2017: three months KIBOR plus 0.65% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly instalments with the first instalment due in January 2016.
- 9.5 The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at three months KIBOR plus 0.45% per annum (2017: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly instalments with the first instalment due in June 2015.
- 9.6 The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at three months KIBOR plus 0.45% per annum (2017: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly instalments with the first instalment due in June 2015.
- 9.7 The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at three months KIBOR plus 0.45% per annum (2017: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly instalments with the first instalment due in September 2016.
- 9.8 The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at three months KIBOR plus 0.45% per annum (2017: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly instalments with the first instalment due in September 2016.
- 9.9 The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at three months KIBOR plus 0.45% per annum (2017: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly instalments with the first instalment due in September 2016.
- 9.10 The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carried interest/markup at three months KIBOR plus 0.45% per annum (2017: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in March 2019.
- 9.11 The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carried interest/markup at three months KIBOR plus 0.45% per annum (2017: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in February 2019.
- 9.12 The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carried interest/markup at three months KIBOR plus 0.45% per annum (2017: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in April 2019.

**Notes to and forming part of financial statements  
for the year ended June 30, 2018**

- 9.13** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carried interest/markup at three months KIBOR plus 0.45% per annum (2017: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in September 2019.
- 9.14** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in May 2018.
- 9.15** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in May 2018.
- 9.16** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in June 2018.
- 9.17** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in February 2019.
- 9.18** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in April 2019.
- 9.19** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in August 2019.
- 9.20** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in August 2019.
- 9.21** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in February 2019.
- 9.22** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in March 2019.
- 9.23** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in April 2019.
- 9.24** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in April 2019.

## Notes to and forming part of financial statements for the year ended June 30, 2018

- 9.25** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in April 2019.
- 9.26** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in May 2019.
- 9.27** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in June 2019.
- 9.28** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum (2017: 2.4% per annum), payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in July 2019.
- 9.29** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in November 2019.
- 9.30** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/markup at 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly instalments with the first instalment due in December 2019.
- 9.31** For mortgages and charges on assets as security for liabilities, refer to note 40 to the financial statements.

	Note	2018 Rupees	2017 Rupees
<b>10 DEFERRED LIABILITIES</b>			
These include the following:			
Employees retirement benefits	10.1	126,056,944	108,130,060
Long term payables - <i>Excise and Taxation</i>	10.2	73,370,210	53,271,066
Long term payables - <i>Gas Infrastructure Development Cess</i>	10.3	113,450,311	69,683,970
Deferred taxation	10.4	217,070,897	213,446,263
		<u>529,948,362</u>	<u>444,531,359</u>

### 10.1 Employees retirement benefits

The Company operates an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. The scheme is administered by the management of the Company under the supervision and directions of the Board of Directors of the Company.

The amount recognized in statement of financial position represents present value of defined benefit obligation.

## Notes to and forming part of financial statements for the year ended June 30, 2018

	<i>Note</i>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
<b>10.1.1 Movement in present value of defined benefit obligation</b>			
As at beginning of the year		<b>108,130,060</b>	91,759,993
Charged to profit or loss during the year	10.1.2	<b>54,956,386</b>	49,038,271
Benefits paid during the year		<b>(26,768,075)</b>	(31,958,361)
Remeasurements recognized in other comprehensive income	10.1.4	<b>(10,261,427)</b>	(709,843)
As at end of the year		<b>126,056,944</b>	108,130,060
<b>10.1.2 Charge to profit or loss</b>			
Current service cost		<b>46,192,379</b>	42,217,998
Interest cost		<b>8,764,007</b>	6,820,273
		<b>54,956,386</b>	49,038,271
<b>10.1.3 The charge to profit or loss has been allocated as follows</b>			
Cost of sales	24.2	<b>49,410,435</b>	32,120,293
Administrative and general expenses	26.1	<b>5,545,951</b>	16,917,978
		<b>54,956,386</b>	49,038,271
<b>10.1.4 Remeasurements recognized in other comprehensive income</b>			
Actuarial (gain)/loss arising from changes in:			
Demographic assumptions		-	19,896,009
Financial assumptions		-	(1,377,462)
Experience adjustments		<b>(10,261,427)</b>	(19,228,390)
		<b>(10,261,427)</b>	(709,843)

### 10.1.5 Principal actuarial assumptions

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries. The principal assumptions used in determining present value of defined benefit obligation are:

	<b>2018</b>	<b>2017</b>
Discount rate		
Short term	<b>9.25%</b>	9.25%
Long term	<b>10.00%</b>	8.00%
Expected rates of increase in salary	<b>10.00%</b>	9.25%
Withdrawal rate	<b>Moderate</b>	Moderate

### 10.1.6 Average duration of the defined benefit plan

The average duration of the defined benefit obligation is 12.69 years.

### 10.1.7 Expected charge to profit or loss for the next financial year

The expected charge to profit or loss for the year ending June 30, 2019 amounts to Rs. 60.451 million.

### 10.1.8 Sensitivity analysis

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

## Notes to and forming part of financial statements for the year ended June 30, 2018

	2018		2017	
	Change in actuarial assumption	Defined benefit obligation Rupees	Change in actuarial assumption	Defined benefit obligation Rupees
Discount rate	+1%	111,652,360	+1%	95,524,742
	-1%	143,618,255	-1%	123,543,556
Expected rate of increase in salary	+1%	144,094,103	+1%	123,914,732
	-1%	111,024,511	-1%	95,019,548

A change in expected withdrawal rates is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

### 10.1.9 Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

**Interest risk:** The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on Pakistan Investment Bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease the defined benefit liability.

**Longevity risk:** The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

**Salary risk:** The present value of defined benefit obligation is calculated by reference to future salaries of employees. An increase in salary of employees will increase the defined benefit obligation.

### 10.2 Long Term Payables - Excise and Taxation

This represents Sindh Infrastructure Cess levied by Excise and Taxation Officer ['ETO'] Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan and Punjab Infrastructure Tax levied by ETO Government of Punjab on movement of imported goods entering the Punjab Province from outside Pakistan. The Company has obtained stay on the recovery of these levies by respective ETOs. During the pendency of final judgement on this, the Honorable Courts granting stay have directed the petitioners to pay 50% of liability for levies to ETOs and to arrange bank guarantees for the remaining amount in favour of ETOs. The liability represents 50% of levies against which guarantees have been arranged in favour of ETO (see note 14.1.1).

### 10.3 Long Term Payables - Gas Infrastructure Development Cess

This represents Gas Infrastructure Development Cess ['GIDC'] levied by Sui Northern Gas Pipelines Limited ['SNGPL'] The Company and others have filed a suit before the Lahore High Court ['LHC'] challenging the levy. The LHC has granted the stay in favour of the Company and directed the SNGPL to avoid collection of GIDC. The liability represents amount of GIDC payable against which the Company has obtained stay order.



## Notes to and forming part of financial statements for the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>10.4 Deferred taxation</b>			
Deferred tax liability on taxable temporary differences	10.4.1	244,494,606	236,775,544
Deferred tax asset on deductible temporary differences	10.4.1	(27,423,709)	(23,329,281)
		<b>217,070,897</b>	<b>213,446,263</b>

### 10.4.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2018			
	As at July 01 2017 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at June 30 2018 Rupees
<b>Deferred tax liabilities</b>				
Operating fixed assets	236,775,544	7,719,062	-	244,494,606
	236,775,544	7,719,062	-	244,494,606
<b>Deferred tax assets</b>				
Employees retirement benefits	(18,044,264)	(5,882,553)	1,800,970	(22,125,847)
Accumulated impairment	(5,285,017)	(12,845)	-	(5,297,862)
Unused tax losses and credits	-	-	-	-
	(23,329,281)	(5,895,398)	1,800,970	(27,423,709)
	<b>213,446,263</b>	<b>1,823,664</b>	<b>1,800,970</b>	<b>217,070,897</b>
	2017			
	As at July 01 2016 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at June 30 2017 Rupees
<b>Deferred tax liabilities</b>				
Operating fixed assets	189,195,392	47,580,152	-	236,775,544
	189,195,392	47,580,152	-	236,775,544
<b>Deferred tax assets</b>				
Employees retirement benefits	(14,135,823)	(4,026,896)	118,455	(18,044,264)
Accumulated impairment	(4,902,002)	(383,015)	-	(5,285,017)
Unused tax losses and credits	(80,596,577)	80,596,577	-	-
	(99,634,402)	76,186,666	118,455	(23,329,281)
	<b>89,560,990</b>	<b>123,766,818</b>	<b>118,455</b>	<b>213,446,263</b>

**10.4.2** Revenue from export sales of the Company is subject to taxation under the final tax regime, while the remaining portion of revenue attracts assessment under normal provisions of the Income Tax Ordinance, 2001 [“Ordinance”]. Deferred tax is provided for only that portion of timing differences that represent income taxable under normal provisions of the Ordinance. These differences are calculated at that proportion of total timing differences that the local sales, other than the indirect exports taxable under section 154(3) of the Ordinance, bear to the total sales revenue based on historical and future trends. Deferred tax has been calculated at 30% of the timing differences so determined based on tax rates notified by the Government of Pakistan for future tax years.

## 11 TRADE AND OTHER PAYABLES

Trade creditors - <i>Unsecured</i>		225,895,934	199,316,254
Accrued liabilities		203,440,186	111,577,080
Advances from customers - <i>Unsecured</i>		11,683,046	6,561,814
Workers' Profit Participation Fund	11.1	27,111,848	20,154,971
Workers' Welfare Fund	11.2	16,456,456	8,555,932
Unclaimed dividend		3,397,546	1,443,227
Other payables - <i>Unsecured</i>		<b>487,985,016</b>	<b>347,609,278</b>

## Notes to and forming part of financial statements for the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>11.1 Workers' Profit Participation Fund</b>			
As at beginning of the year		20,154,971	7,010,437
Interest on funds utilized by the Company	11.1.1	2,288,367	590,604
Charged to profit or loss for the year	29	27,111,848	20,154,971
Paid during the year		(22,443,338)	(7,601,041)
As at end of the year		27,111,848	20,154,971
<b>11.1.1 Interest is charged at 114.75% (2017: 37.5%) per annum.</b>			
<b>11.2 Workers' Welfare Fund</b>			
As at beginning of the year		8,555,932	4,994,542
Charged to profit or loss for the year	29	7,900,524	3,561,390
As at end of the year		16,456,456	8,555,932
<b>12 CURRENT MATURITY OF NON-CURRENT LIABILITIES</b>			
Long term finances - Secured	9	303,439,273	221,741,940
		303,439,273	221,741,940
<b>13 SHORT TERM BORROWINGS - SECURED</b>			
These represent short term finances utilized under interest/mark-up/pro-fit arrangements from banking companies			
Running finances	13.1	1,222,386,261	530,100,994
Term loans	13.1	1,924,076,074	712,700,000
		3,146,462,335	1,242,800,994

**13.1** These facilities has been obtained from various banking companies for working capital requirements and are secured by charge over all present and future current assets of the Company and demand promissory notes.

Interest/markup/profit on money market loans is payable along with principal on maturity and that on running finances is payable quarterly. These finances carry markup/markup/profit at rates ranging from one to six months KIBOR plus 0.1% to 1.25% per annum (2017: one to three months KIBOR plus 0.1% to 1.25% per annum).

The aggregate available short term funded facilities amounts to Rs. 5,115 million (2017: Rs. 4,615 million) out of which Rs. 1968 million (2017: Rs. 3,372 million) remained unavailed as at the reporting date.

**13.2** For mortgages and charges on assets as security for liabilities, refer to note 40 to the financial statements.

## 14 CONTINGENCIES AND COMMITMENTS

### 14.1 Contingencies

**14.1.1** Guarantees issued by banks on behalf of the Company as at the reporting date amount to Rs. 212.537 (2017: Rs. 115.265 million), however the Company has already recognized related liability amounting to Rs. 73.37 million (2017: Rs. 53.27 million). See note 10.2.

**14.1.2** Bills discounted/negotiated as at the reporting date amount to Rs. 613.268 million (2017: Rs. 988.406 million).

**14.1.3** The Company has issued post dated cheques collectively amounting to Rs. 223.913 million (2017: Rs. 220.758 million) in favour of Sales Tax Department in lieu of levies under various statutory notifications and these are likely to be released after fulfilment of the terms of related notifications.



## Notes to and forming part of financial statements for the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>14.2 Commitments</b>			
<b>14.2.1</b> Commitments under irrevocable letters of credit for:			
- purchase of stores, spares and loose tools		43,783,091	2,079,514
- purchase of raw material		1,678,378,680	12,649,155
		<u>1,722,161,771</u>	<u>14,728,669</u>
<b>14.2.2</b> Commitments for capital expenditure		<u>15,044,611</u>	<u>109,362,790</u>
<b>15 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	15.1	3,592,585,178	3,868,751,586
Capital work in progress	15.2	2,967,166	29,139,119
		<u>3,595,552,344</u>	<u>3,897,890,705</u>

### 15.1 Operating fixed assets

	2018										
	COST					DEPRECIATION					Net book value
	As at July 01, 2017 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at June 30, 2018 Rupees	Rate %	As at July 01, 2017 Rupees	For the year Rupees	Adjustment Rupees	As at June 30, 2018 Rupees	as at June 30, 2018 Rupees
Freehold land	87,092,738	2,601,500	-	-	89,694,238	-	-	-	-	-	89,694,238
Buildings on freehold land											
Factory buildings	476,762,229	-	-	17,866,926	494,629,155	10	392,993,366	43,179,326	-	436,172,692	58,456,463
Non-factory buildings	461,465,102	-	-	28,383,490	489,848,592	5	41,987,428	4,205,644	-	46,193,072	443,655,520
	938,227,331	-	-	46,250,416	984,477,747		434,980,794	47,384,970	-	482,365,764	502,111,983
Plant and machinery	5,029,810,463	-	(20,064,037)	47,065,682	5,056,812,108	10	1,906,725,799	319,961,516	(16,104,802)	2,210,582,513	2,846,229,595
Equipment and other assets	93,054,402	10,734,409	-	-	103,788,811	25-35	86,260,262	4,667,220	-	90,927,482	12,861,329
Electric installations	142,216,435	-	-	430,000	142,646,435	10	35,377,335	6,081,647	-	41,458,982	101,187,453
Office equipment - head office	4,919,754	1,254,876	-	-	6,174,630	10	3,960,018	95,965	-	4,055,983	2,118,647
Office equipment - factory	2,773,815	-	-	-	2,773,815	10	2,037,177	252,503	-	2,289,680	484,135
Furniture and fixtures - head office	199,098	-	-	-	199,098	10	163,872	3,523	-	167,395	31,703
Furniture and fixtures - factory	6,971,397	300,000	-	-	7,271,397	10	5,267,062	177,933	-	5,444,995	1,826,402
Vehicles	81,331,410	8,386,850	(10,964,958)	-	78,753,302	20	43,072,938	8,039,333	(8,398,662)	42,713,609	36,039,693
	<u>6,386,596,843</u>	<u>23,277,635</u>	<u>(31,028,995)</u>	<u>93,746,098</u>	<u>6,472,591,581</u>		<u>2,517,845,257</u>	<u>386,664,610</u>	<u>(24,503,464)</u>	<u>2,880,006,403</u>	<u>3,592,585,178</u>
	2017										
	COST					DEPRECIATION					Net book value
	As at July 01, 2016 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at June 30, 2017 Rupees	Rate %	As at July 01, 2016 Rupees	For the year Rupees	Adjustment Rupees	As at June 30, 2017 Rupees	as at June 30, 2017 Rupees
Freehold land	87,092,738	-	-	-	87,092,738	-	-	-	-	-	87,092,738
Buildings on freehold land											
Factory buildings	439,222,373	-	-	37,539,856	476,762,229	10	349,983,448	43,009,918	-	392,993,366	83,768,863
Non-factory buildings	461,465,102	-	-	-	461,465,102	5	37,683,081	4,304,347	-	41,987,428	419,477,674
	900,687,475	-	-	37,539,856	938,227,331		387,666,529	47,314,265	-	434,980,794	503,246,537
Plant and machinery	4,542,335,861	-	(215,244,231)	702,718,833	5,029,810,463	10	1,764,759,220	299,006,809	(157,040,230)	1,906,725,799	3,123,084,664
Equipment and other assets	89,604,897	3,449,505	-	-	93,054,402	25-35	84,369,705	1,890,557	-	86,260,262	6,794,140
Electric installations	120,200,042	-	-	22,016,393	142,216,435	10	31,080,703	4,296,632	-	35,377,335	106,839,100
Office equipment - head office	4,919,754	-	-	-	4,919,754	10	3,853,382	106,636	-	3,960,018	959,736
Office equipment - factory	2,773,815	-	-	-	2,773,815	10	1,925,973	111,204	-	2,037,177	736,638
Furniture and fixtures - head office	199,098	-	-	-	199,098	10	159,958	3,914	-	163,872	35,226
Furniture and fixtures - factory	6,971,397	-	-	-	6,971,397	10	5,077,692	189,370	-	5,267,062	1,704,335
Vehicles	74,233,436	11,342,512	(4,244,538)	-	81,331,410	20	38,758,529	8,006,130	(3,691,721)	43,072,938	38,258,472
	<u>5,829,018,513</u>	<u>14,792,017</u>	<u>(219,488,769)</u>	<u>762,275,082</u>	<u>6,386,596,843</u>		<u>2,317,651,691</u>	<u>360,925,517</u>	<u>(160,731,951)</u>	<u>2,517,845,257</u>	<u>3,868,751,586</u>

## Notes to and forming part of financial statements for the year ended June 30, 2018

### 15.1.1 Disposal of property, plant and equipment

	2018					Mode of disposal	Particulars of buyer
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain on disposal Rupees		
<b>Plant and machinery</b>							
Drawing RSB-51	1,603,501	1,375,462	228,039	300,000	71,961	Negotiation	AbdulHafeez HouseNo.583StreetNo.5Sarfaraz Colony,Faisalabad
Looms	18,460,536	14,729,340	3,731,196	3,750,000	18,804	Negotiation	BismillahIndustries ChakNo.228/R.BBongi MukkanaMadinaTownFaisalabad
	20,064,037	16,104,802	3,959,235	4,050,000	90,765		
<b>Vehicles</b>							
Suzuki Cultus	560,950	535,174	25,776	150,000	124,224	Negotiation	AmirAli HouseNo.14-A-S-79,MaqboolRoadIchra, Lahore
Suzuki Cultus	1,051,490	529,390	522,100	400,000	(122,100)	Negotiation	MasoodAkhtar ChakNo.43,DakKhanaTehsilPattoki, DistrictKasur
Toyota Hilux	918,818	868,305	50,513	150,000	99,487	Negotiation	AbdulRaziq BairoonYakkaKoot,MohallahSheikh Ameerabad, Peshawar
Toyota Hilux	884,940	824,127	60,813	150,000	89,187	Negotiation	GhulamMuhammad Bhatian Wala, Dheremia Post Office Khas Tehsil, District Sargodha
Honda Civic	2,000,210	1,576,803	423,407	500,000	76,593	Negotiation	BilalRiaz PindiManya,P.O.Khas,ShakkarGarh, DistrictNarowal
Honda Civic	2,166,000	1,395,867	770,133	850,000	79,867	Negotiation	NadeemAkhtarBhutta HouseNo.104,MohallahMain Road, Samnabad,Lahore
Honda Civic	2,000,210	1,568,501	431,709	500,000	68,291	Negotiation	MoinAmjad Mandiala Dak Khana Khas, Chak No.20 RB, Mandiala Tehsil Safdarabad, DistrictSheikhupura
Toyota Corolla	1,382,340	1,100,495	281,845	400,000	118,155	Negotiation	Mrs.MussaratGul Mandiala Dak Khana Khas, Chak No. 20 RB, Mandiala Tehsil Safdarabad, DistrictSheikhupura
	10,964,958	8,398,662	2,566,296	3,100,000	533,704		
	31,028,995	24,503,464	6,525,531	7,150,000	624,469		
	2017					Mode of disposal	Particulars of buyer
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain on disposal Rupees		
<b>Plant and machinery</b>							
Air Jet Shutless Looms 31 Sets	99,267,098	75,165,038	24,102,060	46,084,538	21,982,478	Negotiation	MOM Tex (Private) Limited, Bangladesh
Air Jet Shutless Looms 10 Sets	33,531,783	25,391,341	8,140,442	14,865,980	6,725,538	Negotiation	MOM Tex (Private) Limited, Bangladesh
Air Jet Shutless Looms 09 Sets	28,818,549	21,821,955	6,996,594	13,706,537	6,709,943	Negotiation	Nannu Textile Limited, Bangladesh
Air Jet Shutless Looms 07 Sets	21,537,292	16,308,389	5,228,903	10,660,640	5,431,737	Negotiation	Nannu Textile Limited, Bangladesh
Power generation gas engine	32,089,509	18,353,507	13,736,002	6,000,000	(7,736,002)	Negotiation	Orient Energy Systems (Private) Limited
	215,244,231	157,040,230	58,204,001	91,317,695	33,113,694		
<b>Vehicles</b>							
Toyota corolla	1,443,630	1,096,728	346,902	500,000	153,098	Negotiation	Asad Abbas
Suzuki Cultus	605,403	583,525	21,878	100,000	78,122	Negotiation	Amir Munir (Employee)
Toyota corolla	1,193,705	1,128,627	65,078	150,000	84,922	Negotiation	Tazeen Zawar
Toyota corolla	1,001,800	882,841	118,959	200,000	81,041	Negotiation	Ch. Ameer Alam Narowal
	4,244,538	3,691,721	552,817	950,000	397,183		
	219,488,769	160,731,951	58,756,818	92,267,695	33,510,877		

15.1.2 Transfers represent transfers from capital work in progress on related assets becoming available for use.

## Notes to and forming part of financial statements for the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
15.1.3 The depreciation charge for the year has been allocated as follows:			
Cost of sales	24	378,095,353	352,508,263
Administrative and selling expenses	26	8,569,257	8,417,254
		<u>386,664,610</u>	<u>360,925,517</u>

15.1.4 Free hold land of the Company is located at Ferozewattoan, Sheikhpura with a total area of 739 Kanal, 6 Marla (2017: 730 Kanal, 19 Marla).

## 15.2 Capital work in progress

	2018			
	As at July 01, 2017 Rupees	Additions Rupees	Transfers Rupees	As at June 30, 2018 Rupees
Buildings on freehold land	29,126,292	19,229,609	(46,250,416)	2,105,485
Plant and machinery	12,827	47,914,536	(47,065,682)	861,681
Electric Installations	-	430,000	(430,000)	-
	<u>29,139,119</u>	<u>67,574,145</u>	<u>(93,746,098)</u>	<u>2,967,166</u>

	2017			
	As at July 01, 2016 Rupees	Additions Rupees	Transfers Rupees	As at June 30, 2017 Rupees
Buildings on freehold land	-	66,666,148	(37,539,856)	29,126,292
Plant and machinery	1,312,395	701,419,265	(702,718,833)	12,827
Electric Installations	-	22,016,393	(22,016,393)	-
	<u>1,312,395</u>	<u>790,101,806</u>	<u>(762,275,082)</u>	<u>29,139,119</u>

## 16 LONG TERM DEPOSITS

These have been deposited with various utility companies and regulatory authorities. These are classified as 'loans and receivables' under IAS 39 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

	Note	2018 Rupees	2017 Rupees
17 STORES, SPARES AND LOOSE TOOLS			
Stores, spares and loose tools		<u>71,765,436</u>	<u>72,384,810</u>

17.1 It is impracticable to distinguish stores, spares and loose tools, each from the other.

17.2 There are no spare parts exclusively held for capitalization as at the reporting date.

## 18 STOCK IN TRADE

Raw material		3,368,819,505	1,317,562,405
Work in process		109,149,164	93,614,949
Finished goods	18.1	415,133,823	410,342,285
		<u>3,893,102,492</u>	<u>1,821,519,639</u>

18.1 Stock of finished goods include stock of waste valued at Rs. 1,414,266 (2017: Rs. 3,740,203). The entire stock of waste is valued at net realizable value.

18.2 Entire stock in trade, with the exception of stock of waste, is carried at cost being lower than net realisable value.

## Notes to and forming part of financial statements for the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>19 TRADE DEBTS</b>			
Local - <i>unsecured</i>			
considered good		480,423,208	336,683,422
considered doubtful		30,185,752	30,735,752
		510,608,960	367,419,174
Foreign - <i>secured</i>	19.1	445,759,909	186,475,712
		956,368,869	553,894,886
Accumulated impairment	19.2	(30,185,752)	(30,735,752)
		926,183,117	523,159,134

**19.1** These are secured through letters of credit

**19.2** Movement in accumulated impairment is as follows:

As at beginning of the year		30,735,752	30,735,752
Reversed during the year on recovery	27	(550,000)	-
As at end of the year		30,185,752	30,735,752

**19.3** Amount of export sales made in each foreign jurisdiction in respect of trade debts outstanding as at the reporting date is as follows:

	Trade debt		Export sales	
	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
Africa	2,288,430	-	2,288,430	-
America	8,201,088	-	101,685,018	-
Asia	362,593,512	177,348,807	1,195,411,774	774,678,302
Europe	72,676,879	9,126,905	422,231,820	112,316,449
	445,759,909	186,475,712	1,721,617,043	886,994,751

	Note	2018 Rupees	2017 Rupees
<b>20 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Advances to suppliers - <i>unsecured, considered good</i>		39,545,259	19,209,044
Advances to employees - <i>unsecured, considered good</i>	20.1	9,184,188	12,133,985
Prepayments		2,096,397	648,185
Security deposits	20.2	70,031,650	54,074,816
Letters of credit		-	186,711
Other receivables - <i>unsecured</i>	20.2	29,250,627	5,243,543
		150,108,121	91,496,284

**20.1** These represent advances to employees against future salaries and post employment benefits in accordance with the Company policy. No advances have been given to any of the directors of the Company.

**20.2** These include Rs. 70,026,650 (2017: Rs. 54,069,816) deposited with a banking company against bank guarantees and carry return at rates ranging from 4.5% to 6% (2017: 4.5% to 6%) per annum.

## Notes to and forming part of financial statements for the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>19.2 Particulars of other receivables</b>			
Considered good		29,250,627	5,243,543
Considered doubtful		99,583	99,583
		29,350,210	5,343,126
Accumulated impairment		(99,583)	(99,583)
		<u>29,250,627</u>	<u>5,243,543</u>
<b>21 CURRENT TAXATION</b>			
Advance income tax/income tax refundable		476,113,290	368,868,149
Provision for taxation	30	(141,566,496)	(7,929,134)
		<u>334,546,794</u>	<u>360,939,015</u>
<b>22 BANK BALANCES</b>			
Cash at banks			
local currency		139,177,549	34,301,901
foreign currency		650,417	1,140,593
		<u>139,827,966</u>	<u>35,442,494</u>
<b>23 SALES - NET</b>			
		<b>2018</b>	
		<b>Local</b>	<b>Export</b>
		<b>Rupees</b>	<b>Rupees</b>
Yarn		3,877,187,359	3,455,536,841
Fabric		2,285,110,437	327,732,553
Cotton and polyester		172,721,930	-
Waste and other		89,772,222	-
		6,424,791,948	3,783,269,394
Duty drawback on export		-	49,794,756
Sales tax		(422,059)	-
		<u>6,424,369,889</u>	<u>3,833,064,150</u>
			<u>10,257,434,039</u>
		<b>2017</b>	
		<b>Local</b>	<b>Export</b>
		<b>Rupees</b>	<b>Rupees</b>
Yarn		2,594,114,761	2,770,069,313
Fabric		2,136,121,056	332,801,282
Cotton and polyester		161,315,165	-
Waste and other		68,438,296	-
		4,959,989,278	3,102,870,595
Duty drawback on export		-	1,541,962
Sales tax		(163,406)	-
		<u>4,959,825,872</u>	<u>3,104,412,557</u>
			<u>8,064,238,429</u>

## Notes to and forming part of financial statements for the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>24 COST OF SALES</b>			
Raw material consumed	24.1	6,753,923,305	5,266,527,588
Stores, spares and loose tools consumed		233,814,708	206,652,270
Salaries, wages and benefits	24.2	614,807,904	536,276,131
Fee and subscription		258,945	174,792
Fuel and power		979,631,752	815,179,106
Insurance		15,749,565	19,520,639
Vehicle running and maintenance		8,756,953	7,518,524
Rent, rates and taxes		469,971	451,036
Repair and maintenance		8,187,710	4,658,903
Communication		824,396	657,432
Traveling, conveyance and entertainment		1,617,466	973,307
Depreciation	15.1.3	378,095,353	352,508,263
Others		2,050,288	2,590,543
Manufacturing cost		8,998,188,316	7,213,688,534
Work in process			
As at beginning of the year		93,614,949	98,794,202
As at end of the year		(109,149,164)	(93,614,949)
		(15,534,215)	5,179,253
Cost of goods manufactured		8,982,654,101	7,218,867,787
Finished goods			
As at beginning of the year		410,342,285	281,885,074
Purchased during the year		42,576,810	12,352,103
Loss due to theft		(5,859,629)	(71,621)
As at end of the year		(415,133,823)	(410,342,285)
		31,925,643	(116,176,729)
Cost of cotton sold	24.3	171,339,533	166,103,863
		9,185,919,277	7,268,794,921
<b>24.1 Raw material consumed</b>			
As at beginning of the year		1,317,562,405	1,211,885,677
Purchased during the year		8,985,311,473	5,534,703,969
Sold during the year		(180,131,068)	(162,499,653)
As at end of the year		(3,368,819,505)	(1,317,562,405)
		6,753,923,305	5,266,527,588
<b>24.2</b> These include charge in respect of employees retirement benefits amounting to Rs. 49,410,435 (2017: Rs. 32,120,293).			
<b>24.3 Cost of cotton sold</b>			
Cost of purchase		169,188,756	158,372,550
Salaries, wages and benefits		432,000	706,367
Loading and unloading		11,389	16,767
Insurance		362,174	1,451,399
Finance cost		1,345,214	5,556,780
		171,339,533	166,103,863
<b>25 SELLING AND DISTRIBUTION EXPENSES</b>			
<b>Export</b>			
Ocean freight and forwarding		78,693,589	68,029,791
Export development surcharge		9,171,630	6,857,471
Commission		94,029,563	42,395,110
Others		1,101,365	860,496
		182,996,147	118,142,868

## Notes to and forming part of financial statements for the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>Local</b>			
Inland transportation		3,178,034	1,723,385
Commission		40,926,317	30,712,796
Others		292,955	48,673
		<b>44,397,306</b>	<b>32,484,854</b>
		<b>227,393,453</b>	<b>150,627,722</b>
<b>26 ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Directors' remuneration		23,400,000	20,400,000
Salaries and benefits	26.1	60,959,535	55,810,280
Traveling, conveyance and entertainment		5,462,209	5,768,664
Printing and stationery		2,052,134	942,587
Communication		1,225,747	1,412,524
Vehicles running and maintenance		4,777,503	3,387,572
Legal and professional charges		1,012,500	1,296,470
Auditors' remuneration	26.2	1,448,500	1,388,500
Fee and subscription		2,722,554	2,029,437
Repair and maintenance		304,750	24,460
Depreciation	15.1.3	8,569,257	8,417,254
Rent, rates and utilities		7,578,099	9,224,106
Oracle license and support fee		856,216	104,018
Others		1,345,676	2,434,764
		<b>121,714,680</b>	<b>112,640,636</b>
<b>26.1</b>	These include charge in respect of employees retirement benefits amounting to Rs. 5,545,951 (2017: Rs. 16,917,978).		
<b>26.2 Auditor's remuneration</b>			
Annual statutory audit		1,260,000	1,200,000
Limited scope review		128,500	128,500
Review report under Code of Corporate Governance		50,000	50,000
Out of pocket expenses		10,000	10,000
		<b>1,448,500</b>	<b>1,388,500</b>
<b>27 OTHER INCOME</b>			
<b>Gain on financial instruments</b>			
Reversal of impairment on trade debts on recovery	19.2	550,000	-
Foreign exchange gain		123,603	-
Return on bank deposits	20.2	2,532,055	2,231,281
<b>Other income</b>		<b>3,205,658</b>	<b>2,231,281</b>
Gain on disposal of property, plant and equipment	15.1.1	624,469	33,510,877
		<b>3,830,127</b>	<b>35,742,158</b>
<b>28 FINANCE COST</b>			
Interest / mark-up on borrowings:			
long term finances		74,703,343	75,902,947
short term borrowings		90,196,589	73,539,831
		<b>164,899,932</b>	<b>149,442,778</b>
Interest on workers' profit participation fund	11.1	2,288,367	590,604
Bank charges and commission	28.2	19,599,865	16,025,113
		<b>186,788,164</b>	<b>166,058,495</b>



## Notes to and forming part of financial statements for the year ended June 30, 2018

**28.1** Interest/markup/profit amounting to Rs. 181,512 (2017: Rs. 3,270,531) was capitalized during the year as part of cost of property, plant and equipment.

**28.2** These include letters of credit discounting charges amounting to Rs. 16,137,695 (2017: Rs. 14,109,997).

	<i>Note</i>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
<b>29 OTHER CHARGES</b>			
Workers' Profit Participation Fund	11.1	<b>27,111,848</b>	20,154,971
Workers' Welfare Fund	11.2	<b>7,900,524</b>	3,561,390
Donations	29.1	<b>500,000</b>	650,000
		<b>35,512,372</b>	<b>24,366,361</b>

**29.1** None of the directors or their spouses had any interest in the donees.

## 30 CURRENT TAXATION

Current year	30.1	<b>141,566,496</b>	7,929,134
Prior year		<b>(7,929,134)</b>	-
		<b>133,637,362</b>	<b>7,929,134</b>

**30.1** Provision for current tax has been made in accordance with section 18 and section 154 (2017: section 113 and section 169) of the Income Tax Ordinance, 2001 [the Ordinance]. According to management, the provision for current taxation made in the financial statements is sufficient to discharge tax liability. A comparison of last three years of provision for current taxation with tax assessed is presented below:

	<b>2017 Rupees</b>	<b>2016 Rupees</b>	<b>2015 Rupees</b>
Provision for current taxation as per financial statements	7,929,134	(202,204)	1,523,173
Assessment under the Income Tax Ordinance	-	-	1,499,832

## 30.2 Reconciliation between average effective tax rate and applicable tax rate

	<i>Unit</i>	<b>2018</b>
Profit before taxation	<b>Rupees</b>	<b>503,936,220</b>
Provision for taxation	<b>Rupees</b>	<b>135,461,026</b>
Average effective tax rate	<b>%</b>	<b>26.88</b>
Tax effects of:		
Adjustments for prior years	<b>%</b>	<b>1.57</b>
Income chargeable to tax at different rates	<b>%</b>	<b>1.00</b>
Deferred taxation	<b>%</b>	<b>(0.36)</b>
Tax credit	<b>%</b>	<b>0.86</b>
Applicable tax rate	<b>%</b>	<b>29.95</b>

There is no relationship between provision for taxation and accounting profit for the year ended June 30, 2017. Therefore no reconciliation has been presented for year ended June 30, 2017

**30.3** Assessments upto assessment year 2002-2003 have been finalized under the relevant provisions of the Repealed Income Tax Ordinance, 1979.

**30.4** Assessments upto tax year 2017 have been finalized under relevant provisions of Income Tax Ordinance, 2001.

**30.5** The Government of Pakistan vide Finance Act 2017 notified a reduced tax rate of 30% for tax year 2018 as compared to 31% applicable to previous year for Companies.



## Notes to and forming part of financial statements for the year ended June 30, 2018

### 31 DEFERRED TAXATION

Attributable to origination and reversal of temporary differences  
Attributable to changes in tax rates

Note	2018 Rupees	2017 Rupees
	8,938,539	126,655,882
	(7,114,875)	(2,889,064)
	<b>1,823,664</b>	<b>123,766,818</b>

### 32 EARNINGS PER SHARE - BASIC AND DILUTED

Profit attributable to ordinary shareholders  
Weighted average number of ordinary shares outstanding during the year  
Earnings per share

Unit	2018	2017
Rupees	<b>368,475,194</b>	245,796,500
No. of shares	<b>6,432,000</b>	6,432,000
Rupees	<b>57.29</b>	38.21

There is no diluting effect on the basic earnings per share of the Company.

### 33 CASH GENERATED FROM OPERATIONS

#### Profit before taxation

503,936,220 377,492,452

#### Adjustments for non-cash and other items

Interest/markup on borrowings  
Gain on disposal of property, plant and equipment  
Provision for employees retirement benefits  
Depreciation

164,899,932	149,442,778
(624,469)	(33,510,877)
54,956,386	49,038,271
<b>386,664,610</b>	<b>360,925,517</b>
<b>605,896,459</b>	<b>525,895,689</b>
<b>1,109,832,679</b>	<b>903,388,141</b>

#### Changes in working capital

Stores, spares and loose tools  
Stock in trade  
Trade debts  
Advances, deposits, prepayments and other receivables  
Sales tax refundable  
Trade and other payables  
Long term payables - Excise and Taxation  
Long term payables - Gas Infrastructure Development Cess

619,374	(7,471,408)
(2,071,582,853)	(228,954,686)
(403,023,983)	(220,694,346)
(58,611,837)	13,005,386
<b>84,600,719</b>	<b>(72,837,182)</b>
<b>140,375,738</b>	<b>89,782,879</b>
<b>20,099,144</b>	<b>14,729,747</b>
<b>43,766,341</b>	<b>-</b>
<b>(2,243,757,357)</b>	<b>(412,439,610)</b>

#### Cash generated from/(used in) operations

(1,133,924,678) 490,948,531

### 34 CASH AND CASH EQUIVALENTS

Bank balances

22	<b>139,827,966</b>	35,442,494
	<b>139,827,966</b>	<b>35,442,494</b>

### 35 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. The details of Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature of relationship	Basis of relationship	Percentage of shareholding
Faisal Spinning Mills Limited	Associated company	Common directorship	18.49%
Bhanero Textiles Mills Limited	Associated company	Common directorship	NA
Bhanero Energy Limited	Associated company	Common directorship	NA
Admiral (Private) Limited	Associated company	Common directorship	NA
Mohammad Amin	Key management personnel	Chief executive officer	4.39%
Adil Shakeel	Key management personnel	Director	6.91%
Mohammad Shaheen	Key management personnel	Director	1.07%

Transactions with key management personnel are limited to payment of short term employee benefits only. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an orderly transaction between market participants at the date of transaction.

There are no balances with related parties as at the reporting date. Names, basis of relationship, details of transactions with associated undertakings & related parties is as follows:

## Notes to and forming part of financial statements for the year ended June 30, 2018

		2018 Rupees	2017 Rupees
<b>35.1 Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
Associated companies	Sale of yarn	937,798,495	792,425,223
	Sale of fabric	-	25,905
	Sale of cotton	148,806,516	155,663,379
	Purchase of cotton	142,455,718	16,141,910
	Purchase of yarn	276,459,700	221,360,949
	Purchase of fabric	24,960,505	-
	Purchase of machinery	409,500	-
	Purchase of electricity	644,403,256	637,411,840
	Services received	309,000	324,000
Key management personnel	Short term employee benefits	23,400,000	20,400,000

## 36 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	Note	2018 Rupees	2017 Rupees
<b>36.1 Financial assets</b>			
<b>Loans and receivables</b>			
Long term deposits	16	14,144,095	14,154,095
Trade debts	19	926,183,117	523,159,134
Advances to employees	20	9,184,188	12,133,985
Security deposits	20	70,031,650	54,074,816
Bank balances	22	139,827,966	35,442,494
		<b>1,159,371,016</b>	<b>638,964,524</b>
<b>36.2 Financial liabilities</b>			
<b>Financial liabilities at amortized cost</b>			
Long term finances	9	1,846,458,905	2,039,332,845
Short term borrowings	13	3,146,462,335	1,242,800,994
Accrued interest/markup		38,781,113	30,863,256
Trade creditors	11	225,895,934	199,316,254
Accrued liabilities	11	203,440,186	111,577,080
Unclaimed dividend	11	3,877,973	3,258,589
		<b>5,464,916,446</b>	<b>3,627,149,018</b>

## 37 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

### 37.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

#### 37.1.1 Maximum exposure to credit risk

Credit risk principally arises from the Company's loans and receivables. The maximum exposure to credit risk as at the reporting date is as follows:

## Notes to and forming part of financial statements for the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
<b>Loans and receivables</b>			
Long term deposits	16	14,144,095	14,154,095
Trade debts	19	956,368,869	553,894,886
Security deposits	20	70,031,650	54,074,816
Bank balances	22	139,827,966	35,442,494
		<b>1,180,372,580</b>	<b>657,566,291</b>

### 37.1.2 Concentration of credit risk

The Company's maximum exposure to credit risk, as at the reporting date, by type of counterparty is as follows:

	2018 Rupees	2017 Rupees
Customers	956,368,869	553,894,886
Utility companies and regulatory authorities	14,149,095	14,154,095
Banking companies and financial institutions	209,854,616	89,517,310
	<b>1,180,372,580</b>	<b>657,566,291</b>

### 37.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

#### (a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to 'security deposits' and 'bank balances'. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company.

#### (b) Counterparties without external credit ratings

These include customers which are counter parties to 'trade debts' and utility companies and regulatory authorities which are counter parties to 'long term deposits'. Credit risk in respect of long term deposits is considered to be insignificant as non-performance by these parties is not expected. The Company is exposed to credit risk in respect of trade debts. The analysis of ages of trade debts as at the reporting date is as follows:

	2018		2017	
	Gross carrying amount Rupees	Accumulated Impairment Rupees	Gross carrying amount Rupees	Accumulated Impairment Rupees
Neither past due nor impaired	605,159,197	-	186,475,712	-
Past due by 0 to 6 months	320,455,701	-	321,204,513	-
Past due by 6 months to 1 year	-	-	15,415,689	-
Past due by more than 1 year	30,753,971	30,185,752	30,798,972	30,735,752
	<b>956,368,869</b>	<b>30,185,752</b>	<b>553,894,886</b>	<b>30,735,752</b>

The Company's one (2017: one) significant customer accounts for Rs. 88.99 million (2017: Rs. 82.37 million) of trade debts as at the reporting date, apart from which, exposure to any single customer does not exceed 10% (2017: 10%) of trade debts. These significant customers have long standing business relationships with the Company and have a good payment record and accordingly non-performance by these customers is not expected. Further, trade debts amounting to Rs. 445.760 million (2017: Rs. 186.475 million) secured through letters of credit and thus do not carry any significant credit risk. The Company believes that impairment recognized in respect of trade debts past due is adequate and no further allowance is necessary based on historical default rates.

### 37.1.4 Collateral held

The Company does not hold any collateral to secure its financial assets with the exception of trade debts, which are partially secured through confirmed letters of credit.

## Notes to and forming part of financial statements for the year ended June 30, 2018

### 37.1.5 Credit risk management

As mentioned in note 37.1.3 to the financial statements, the Company's financial assets do not carry significant credit risk, with the exception of trade debts, which are exposed to losses arising from any non-performance by customers. In respect of trade debts, the Company manages credit risk by limiting significant exposure to any single customer. Formal policies and procedures of credit management and administration of receivables are established and executed. In monitoring customer credit risk, the ageing profile of total receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

### 37.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

#### 37.2.1 Exposure to liquidity risk

The followings is the analysis of contractual maturities of financial liabilities, including estimated interest/markup/profit payments.

	2018				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	1,846,458,905	2,043,003,466	460,257,612	1,096,150,525	486,595,329
Short term borrowings	3,146,462,335	3,182,931,568	3,182,931,568	-	-
Accrued interest/mark-up	38,781,113	38,781,113	38,781,113	-	-
Trade creditors	225,895,934	225,895,934	225,895,934	-	-
Accrued liabilities	203,440,186	203,440,186	203,440,186	-	-
Unclaimed dividend	3,877,973	3,877,973	3,877,973	-	-
	<b>5,464,916,446</b>	<b>5,697,930,240</b>	<b>4,115,184,386</b>	<b>1,096,150,525</b>	<b>486,595,329</b>
	2017				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	2,039,332,845	1,850,445,233	307,932,826	1,216,220,256	326,292,151
Short term borrowings	1,242,800,994	1,246,639,358	1,246,639,358	-	-
Accrued interest/mark-up	30,863,256	30,863,256	30,863,256	-	-
Trade creditors	199,316,254	199,316,254	199,316,254	-	-
Accrued liabilities	111,577,080	111,577,080	111,577,080	-	-
Unclaimed dividend	3,258,589	3,258,589	3,258,589	-	-
	<b>3,627,149,018</b>	<b>3,442,099,770</b>	<b>1,899,587,363</b>	<b>1,216,220,256</b>	<b>326,292,151</b>

#### 37.2.2 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. The Company also maintains various lines of credit with banking companies.

### 37.3 Market risk

#### 37.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency.

##### (a) Exposure to currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

## Notes to and forming part of financial statements for the year ended June 30, 2018

	2018				
	CHF Rupees	JPY Rupees	Euro Rupees	USD Rupees	Total Rupees
<b>Financial assets</b>					
Trade debts	-	-	-	445,759,909	445,759,909
Bank balances	-	-	-	650,417	650,417
	-	-	-	446,410,326	446,410,326
<b>Financial liabilities</b>	-	-	-	-	-
<b>Net balance sheet exposure</b>	-	-	-	446,410,326	446,410,326
Foreign currency commitments	-	(10,070,800)	(4,208,855)	(1,722,926,727)	(1,737,206,382)
<b>Net exposure</b>	-	(10,070,800)	(4,208,855)	(1,276,516,401)	(1,290,796,056)
	2017				
	CHF Rupees	JPY Rupees	Euro Rupees	USD Rupees	Total Rupees
<b>Financial assets</b>					
Trade debts	-	-	-	186,475,712	186,475,712
Bank balances	-	-	-	1,140,593	1,140,593
	-	-	-	187,616,305	187,616,305
<b>Financial liabilities</b>	-	-	-	-	-
<b>Net balance sheet exposure</b>	-	-	-	187,616,305	187,616,305
Foreign currency commitments	(14,267,500)	(15,243,310)	(3,798,423)	(61,782,226)	(95,091,459)
<b>Net exposure</b>	(14,267,500)	(15,243,310)	(3,798,423)	125,834,079	92,524,846

### (b) Exchange rates applied as at the reporting date

The following spot exchange rates were applied as at the reporting date.

	2018		2017	
	Assets Rupees	Liabilities Rupees	Assets Rupees	Liabilities Rupees
CHF	-	122.32	-	109.75
JPY	-	1.10	-	0.94
Euro	-	141.57	-	120.14
USD	121.40	121.60	104.80	105.00

### (c) Sensitivity analysis

A ten percent appreciation in Pak Rupee against the US \$ would have decreased profit for the year by Rs. 44.641 million (2017: Rs. 18.761 million). A ten percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

### (d) Currency risk management

The Company manages its exposure to currency risk through continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities/payments to assets/receipts and using source inputs in foreign currency.

### 37.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

### (a) Interest/markup/profit bearing financial instruments

The effective interest/markup/profit rates for interest/markup/profit bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest/markup/profit bearing financial instruments as at the reporting date are as follows:

## Notes to and forming part of financial statements for the year ended June 30, 2018

	2018 Rupees	2017 Rupees
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	1,311,114,392	1,303,016,956
<b>Variable rate instruments</b>		
Financial assets	70,031,650	54,074,816
Financial liabilities	3,681,806,848	1,979,116,883

**(b) Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

**(c) Cash flow sensitivity analysis for variable rate instruments**

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year by Rs. 36.12 million (2017: Rs. 19.25 million). A decrease of 100 basis points would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

**(d) Interest rate risk management**

The Company manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.

**37.3.3 Price risk**

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is not exposed to price risk since the fair values of the Company's financial instruments are not based on market prices.

## 38 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders. The Company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances including current maturity. Total capital employed includes total equity as shown in the statement of financial position plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

	Unit	2018	2017
Total debt	Rupees	1,846,458,905	2,039,332,845
Total equity	Rupees	3,251,804,648	2,973,278,561
		<b>5,098,263,553</b>	<b>5,012,611,406</b>
Gearing		<b>36.22%</b>	<b>40.68%</b>

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finance.

## 39 FAIR VALUE MEASUREMENTS

**39.1 Financial Instruments**

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all the financial instruments to approximate their fair values.

**39.2 Assets and liabilities other than financial instruments.**

None of the assets and liabilities other than financial instruments are measured at fair value.



## Notes to and forming part of financial statements for the year ended June 30, 2018

### 40 RESTRICTION ON TITLE, AND ASSETS MORTGAGED/PLEDGED AS SECURITY

	2018 Rupees	2017 Rupees
<b>Mortgages and charges</b>		
Charge over current assets	6,289,666,667	6,157,000,000
Charge over fixed assets	3,478,000,000	3,478,000,000

### 41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

	2018		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	7,800,000	15,600,000	18,412,073
Allowances and perquisites	-	-	2,402,895
Post employment benefits	-	-	10,828,750
	<u>7,800,000</u>	<u>15,600,000</u>	<u>31,643,718</u>
Number of persons	<u>1</u>	<u>2</u>	<u>9</u>

	2017		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	6,800,000	13,600,000	25,835,469
Allowances and perquisites	-	-	19,092,632
Post employment benefits	-	-	3,744,008
	<u>6,800,000</u>	<u>13,600,000</u>	<u>48,672,109</u>
Number of persons	<u>1</u>	<u>2</u>	<u>36</u>

### 42 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on September 27, 2018 has proposed dividend on ordinary shares at Rs. 23.00 per ordinary share of Rs. 10 each. The proposed dividend is subject to approval of the Company's shareholders in the forthcoming annual general meeting and has not been included as a liability in the financial statements.

### 43 SEGMENT INFORMATION

#### 43.1 Products and services from which reportable segments derive their revenues

Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The Company's reportable segments are therefore as follows:

Segment	Product
Spinning	Yarn
Weaving	Fabric

Information regarding Company's reportable segments is presented below.

## Notes to and forming part of financial statements for the year ended June 30, 2018

### 43.2 Information about reportable segments

	2018		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	7,621,909,996	2,635,524,043	10,257,434,039
Intersegment revenues	193,152,393	-	193,152,393
Depreciation	284,390,643	102,273,967	386,664,610
Segment results	666,250,058	59,986,698	726,236,756
Segment assets	7,294,516,948	1,662,110,515	8,956,627,463
Segment liabilities	501,257,156	256,037,021	757,294,177
Interest income	2,519,350	12,705	2,532,055
Additions to non-current assets	78,132,456	12,719,324	90,851,780
Disposals of property, plant and equipment	2,246,459	4,279,072	6,525,531

	2017		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	5,585,301,315	2,478,937,114	8,064,238,429
Intersegment revenues	65,777,843	-	65,777,843
Depreciation	263,036,001	97,889,516	360,925,517
Segment results	398,484,829	169,432,479	567,917,308
Segment assets	4,954,154,963	1,752,426,809	6,706,581,772
Segment liabilities	344,448,076	205,535,395	549,983,471
Interest income	2,231,281	-	2,231,281
Additions to non-current assets	676,775,556	128,118,267	804,893,823
Disposals of property, plant and equipment	13,822,958	44,933,860	58,756,818

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment results represent operating profit earned by the segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

### 43.3 Reconciliations of reportable segment information

#### 43.3.1 Segment revenues

	2018		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	7,815,062,389	2,635,524,043	10,450,586,432
Inter-segment revenues	(193,152,393)	-	(193,152,393)
Total for the Company	<u>7,621,909,996</u>	<u>2,635,524,043</u>	<u>10,257,434,039</u>

	2017		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	5,585,301,315	2,478,937,114	8,130,016,272
Inter-segment revenues	-	-	(65,777,843)
Total for the Company	<u>5,585,301,315</u>	<u>2,478,937,114</u>	<u>8,064,238,429</u>



## Notes to and forming part of financial statements for the year ended June 30, 2018

### 43.3.2 Segment assets

	2018		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	7,294,516,948	1,662,110,515	8,956,627,463
Unallocated assets			
Long term deposits			14,144,095
Advance income tax/income tax refundable			334,546,794
Total for the Company	<u>7,294,516,948</u>	<u>1,752,426,809</u>	<u>9,305,318,352</u>
	2017		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	4,895,040,551	1,752,426,809	6,706,581,772
Unallocated assets			
Long term deposits			14,154,095
Advance income tax/income tax refundable			360,939,015
Total for the Company	<u>4,895,040,551</u>	<u>1,752,426,809</u>	<u>7,081,674,882</u>

### 43.3.3 Segment liabilities

	2018		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	501,257,156	256,037,021	757,294,177
Un-allocated liabilities			
Long term finances			1,846,458,905
Deferred taxation			217,070,897
Short term borrowings			3,146,462,335
Accrued interest/mark-up			38,781,113
Workers' Profit Participation Fund			27,111,848
Workers' Welfare Fund			16,456,456
Unclaimed dividend			3,877,973
Total for the Company			<u>6,053,513,704</u>
	2017		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	290,038,750	205,535,395	549,983,471
Un-allocated liabilities			
Long term finances			2,039,332,845
Deferred taxation			213,446,263
Short term borrowings			1,242,800,994
Accrued interest/mark-up			30,863,256
Workers' Profit Participation Fund			20,154,971
Workers' Welfare Fund			8,555,932
Unclaimed dividend			3,258,589
Total for the Company			<u>4,108,396,321</u>

### 43.4 Geographical information

The Company's operations are not distributed geographically.

### 43.5 Information about significant customers

There is no single significant external customer to whom sales in excess of 10% of the Company's total sales were made during the year.

## Notes to and forming part of financial statements for the year ended June 30, 2018

### 44 SHARES IN THE COMPANY HELD BY ASSOCIATED COMPANIES

Faisal Spinning Mills Limited, an associated company, holds 1,189,160 (2017: 1,189,160) ordinary shares of Rs. 10 each in the Company.

### 45 PLANT CAPACITY AND ACTUAL PRODUCTION

<i>Spinning</i>	<i>Unit</i>	<b>2018</b>	<b>2017</b>
Number of spindles installed	No.	<b>68,640</b>	68,640
Plant capacity on the basis of utilization converted into 20s count	Kgs'000	<b>23,405</b>	23,405
Actual production converted into 20s count	Kgs'000	<b>25,240</b>	21,911
<i>Weaving</i>			
Number of looms installed	No.	<b>140</b>	140
Plant capacity on the basis of utilization converted into 50 picks	Mtrs'000	<b>20,352</b>	20,352
Actual production converted into 50 picks	Mtrs'000	<b>26,942</b>	14,507

It is difficult to precisely compare production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindle speed and twist, picks etc. It would also vary according to the pattern of production adopted in a particular year.

### 46 NUMBER OF EMPLOYEES

	Factory		Head office	
	<b>2018</b>	2017	<b>2018</b>	2017
Total number of employees	<b>1,276</b>	1,252	<b>76</b>	77
Average number of employees	<b>1,275</b>	1,226	<b>75</b>	76

### 47 RECLASSIFICATIONS

The following have been reclassified for better presentation.

Particulars	From	To	<b>2018</b>	2017
Unclaimed dividend	Trade and other payables	Statement of Financial Position	<b>3,877,973</b>	3,258,589
Long term payable - Gas Infrastructure Development Cess	Trade and other payables	Deferred liabilities	<b>113,450,311</b>	69,683,970


### 48 RECOVERABLE AMOUNTS AND IMPAIRMENT


As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.


### 49 GENERAL

49.1 Figures have been rounded off to the nearest rupee.

49.2 Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year other than those referred to in note 47.

  
**Mohammad Amin**  
Chief Executive

  
**Mohammad Salim**  
Director

  
**Abdul Basit Janjua**  
Chief Financial Officer

Karachi  
Date: September 27<sup>th</sup>, 2018

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2018

NUMBER OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD
	FROM	TO	
384	1	100	12,128
152	101	500	59,998
24	501	1000	21,530
44	1001	5000	120,900
2	5001	10000	14,144
6	10001	15000	75,585
4	15001	20000	64,400
2	20001	25000	44,400
3	25001	30000	90,000
4	40001	45000	167,500
2	45001	50000	97,500
1	50001	55000	58,000
1	60001	65000	63,900
2	65001	70000	134,500
2	70001	75000	143,530
3	90001	95000	280,485
3	95001	100000	294,500
1	100001	105000	103,000
1	125001	130000	126,100
1	130001	135000	135,000
2	135001	140000	273,700
1	160001	165000	163,200
1	265001	270000	268,100
1	280001	285000	282,400
1	330001	335000	330,400
1	390001	395000	393,900
2	440001	445000	888,040
1	535001	540000	536,000
1	1185001	1190000	1,189,160
<u>653</u>			<u>6,432,000</u>

\* There is no shareholding in the slab not mentioned

## LIST OF SHARE HOLDERS AS AT JUNE 30, 2018

Sr #	Shareholder Category	Percentage	No. of Shares
<b>1</b>	<b>ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES</b>		
	M/S. FAISAL SPINNING MILLS LTD	18.49	1,189,160
	MR. MUHAMMAD SHAKEEL	0.47	30,000
	MR. FARRUKH SALEEM	1.41	91,000
	MR. YOUSUF SALEEM	1.96	126,100
	MR. SAQIB SALEEM	1.47	94,700
	MR. MUHAMMAD QASIM	4.17	268,100
	MR. FAISAL SHAKEEL	8.04	516,985
	MR. ABDULLAH BILAL	1.53	98,100
	MR. UMER KHURRAM	0.04	2,500
	MRS. NAZLI BEGUM	1.02	65,500
	MRS. SABA YOUSUF	1.80	116,094
	MRS. SABA SAQIB	2.29	147,494
	MRS. SADAF FARRUKH	2.35	151,194
	MRS. SUMBUL QASIM	1.09	70,285
<b>2</b>	<b>CEO, DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN</b>		
	MR. MUHAMMAD SHAHEEN	1.07	69,000
	MR. MUHAMMAD SALEEM	0.78	50,000
	MR. MUHAMMAD SHARIF	0.04	2,500
	MR. KHURRAM SALEEM	0.99	63,900
	MR. HAMZA SHAKEEL	0.06	4,000
	MR. IQBAL MEHBOOB VOHRA	0.04	2,500
	MR. BILAL SHARIF	3.58	230,285
	MR. MUHAMMAD AMIN	4.39	282,400
	MR. ADIL SHAKEEL	6.91	444,300
	MRS. YASMIN BEGUM	0.65	42,000
	MRS. SEEMA BEGUM	0.63	40,600
	MRS. AMNA KHURRAM	2.73	175,803
	MRS. SAMIA BILAL	8.33	536,000
	MRS. FATIMA AMIN	5.14	330,400
	MASTER AZAAN BILAL	1.53	98,200
	MASTER ALI BILAL	1.53	98,200
<b>3</b>	<b>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS AND INSURANCE COMPANIES</b>		
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	6.12	393,900
	NATIONAL BANK OF PAKISTAN	0.00	31

## LIST OF SHARE HOLDERS AS AT JUNE 30, 2018

Sr #	Shareholder Category	Percentage	No. of Shares
<b>4</b>	<b>JOINT STOCK COMPANIES</b>		
	SHAFI (PRIVATE) LIMITED	0.01	400
	M/S. MEHRAN SUGAR MILLS LIMITED	0.003	200
	M/S. KOHINOOR TEXTILE MILLS LIMITED	0.27	17,300
<b>5</b>	<b>INDIVIDUAL SHAREHOLDERS</b>	8.96	576,442
<b>6</b>	<b>OTHER COMPANIES</b>	0.10	6,427
	<b>TOTAL</b>	<b>100.00</b>	<b>6,432,000</b>
<b>7</b>	<b>DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN</b>	-	NIL
<b>8</b>	<b>SHAREHOLDERS HOLDING 05% OR MORE</b>		
	M/S. FAISAL SPINNING MILLS LTD	18.49	1,189,160
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	6.12	393,900
	MR. FAISAL SHAKEEL	8.04	516,985
	MR. ADIL SHAKEEL	6.91	444,300
	MRS. SAMIA BILAL	8.33	536,000
	MRS. FATIMA AMIN	5.14	330,400

## CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2018

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Directors Chief Executive Officer their Spouses and minor children's	18	2,470,088	38.40
2	Associated Companies, Undertaking and Related Parties	18	2,967,212	46.13
3	Banks / Financial Institutions	1	31	0.00
4	Insurance Company	1	393,900	6.13
5	General Public / Individuals	606	576,442	8.96
6	Joint Stock Companies	3	17,900	0.28
7	Other Companies	6	6,427	0.10
		<b>653</b>	<b>6,432,000</b>	<b>100.00</b>

## Year wise Operating Data

Year Ended 30<sup>th</sup> June

Spinning Unit	2018	2017	2016	2015	2014	2013
Spindle installed	68,640	68,640	59,136	59,136	55,872	47,616
Spindles worked	68,640	68,640	59,136	59,136	55,872	47,616
Installed capacity after conversion into 20/s count - Kg	23,405,000	23,405,000	21,015,867	21,015,867	21,015,867	20,413,000
Actual production converted into 20s - Kg	25,240,000	21,911,000	20,979,751	19,934,197	18,657,200	16,220,000

## Weaving Unit

Air jet looms installed	140	140	139	139	136	136
Air jet looms worked	140	140	139	139	136	136
Installed capacity after conversion into 50 picks - Meter	20,352,500	20,352,500	19,771,000	19,771,000	19,771,000	19,771,000
Actual production converted to 50 picks - Meter	26,942,000	14,491,059	11,634,888	11,456,148	19,735,000	19,735,000

## Profit and loss account

## Year wise Financial Data

Turnover (Net)	10,257,434	8,064,238	6,846,744	7,623,285	7,379,595	5,765,769
Gross profit	1,071,515	795,444	521,135	650,230	774,305	819,115
Operating profit	690,724	543,551	296,346	379,266	486,438	582,917
Financial expenses	186,788	166,058	168,906	260,190	257,648	138,293
Profit before tax	503,936	377,493	127,440	119,076	228,790	444,624
Profit after tax	368,475	245,797	94,938	82,001	233,536	399,081
Cash dividend	147,936	98,410	32,160	32,160	16,080	32,160

## Balance Sheet

Share Capital	64,320	64,320	64,320	64,320	64,320	64,320
Reserves	3,000,000	2,800,000	2,600,000	2,500,000	2,500,000	2,300,000
Shareholder equity	3,251,805	2,973,279	2,759,050	2,678,841	2,619,025	2,421,221
Long term liabilities	1,543,020	1,817,591	1,376,316	1,063,744	1,321,203	475,706
Short term loan	3,146,462	1,242,801	1,153,712	380,500	682,904	627,290
Current liabilities	3,980,546	1,846,274	1,765,146	1,038,510	1,404,997	1,144,986
Current portion of long term loans	303,439	221,742	254,009	280,492	274,746	160,272
Fixed assets	3,595,552	3,897,891	3,512,679	3,052,232	3,237,433	1,994,405
Current assets	5,695,622	3,169,630	2,593,542	1,877,665	2,217,505	2,147,819

## Ratios

### Performance

Sales growth percentage - Year to Year basis	27.20%	17.78%	-10.19%	3.30%	27.99%	5.83%
Gross profit (%)	10.45%	9.86%	7.61%	8.53%	10.49%	14.21%
Profit before tax (%)	4.91%	4.68%	1.86%	1.56%	3.10%	7.71%
Profit after tax (%)	3.59%	3.05%	1.39%	1.08%	3.16%	6.92%
Breakup value per share - Rupees per share	505.57	462.26	428.96	416.49	407.19	376.43
Market value of share - at the year end - Rupees per share	355.30	240.36	150.00	146.00	151.96	118.00
Earnings per share - Rupees per share	57.29	38.21	14.76	12.75	36.31	62.05
Price earning ratio	6.20	6.29	10.16	11.45	4.19	1.90

### Leverage

Gearing ratio	1.54	1.10	1.01	0.64	0.87	0.52
Debt to equity (%)	47.45%	61.13%	49.88%	39.71%	50.45%	19.65%
Interest covering ratio	3.70	3.27	1.75	1.46	1.89	4.22

### Liquidity ratio

Current ratio	1.43	1.72	1.47	1.81	1.58	1.88
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# JamaPunji

## Securities and Exchange Commission of Pakistan's Landmark Initiative for Investor Education



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ایگزیکٹو ڈائریکٹرز کے معاوضے کے طور مارکیٹ مسابقت میں یکساں کمپنیاں ایک جیسی ہے جس کو سامنے رکھتے ہوئے کی طرف سے متعین کی جاتی ہے، کی حالت میں بھی مہارت کی سطح کو سامنے رکھتے ہوئے، تجربہ، بورڈ اسائنمنٹس اور سالانہ اجلاسوں کی گنجائش ہے۔

ہر رک جو بورڈ کی ملاقات میں منظور کیا ہے کی طرف سے تجویز کردہ مقررہ ماہانہ تنخواہ کی پیروی کے لئے منظوری کے ارکان کی طرف سے عام طور پر مستحق ایگزیکٹو ڈائریکٹرز سے ملاقات۔

کوئی فیس یا مزدوری واجب ہوگا یا تو کرنے کے لئے غیر ایگزیکٹو یا آزاد ڈائریکٹرز ہیں۔

### کارکردگیوں

اکتوبر 25 سیڈنی کی میقات بندی کی سالانہ جنرل میٹنگ کے اختتام پر موجود کارکردگیوں، ہٹھک یف ریویلوک رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکائونٹنٹس ریٹائر ہو گئے۔ اہل جا رہا ہے، وہ اپنے آپ کو دوبارہ ملاقات کے لئے پیش کر رہے ہیں۔ کمیٹی نے آڈٹ کی مذکورہ بالا ہٹھک یف ریویلوک رحمان سرفراز رحیم اقبال رفیق، تقرری چارٹرڈ اکائونٹنٹس، بیرونی آڈیٹر سال 30 جون 2019 کے خاتمے کے لئے کے طور پر تجویز دی۔ خارجی کارکردگیوں، ہٹھک یف ریویلوک رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکائونٹنٹس تسلی بخش درجہ بندی نے انسٹی ٹیوٹ کی چارٹرڈ اکائونٹنٹس آف پاکستان کے معیار کا جائزہ پروگرام کے تحت دی گئی ہے اور میں فرم اور اس کے ساتھی ہیں۔ کوڈ کے انسٹی ٹیوٹ آف چارٹرڈ اکائونٹنٹس کے پاکستان کی طرف سے اپنا اس اخلاقیات پر بین الاقوامی فیڈریشن کے اکائونٹنٹس کی ہدایات۔ بورڈ آف ڈائریکٹرز بھی ہٹھک یف ریویلوک رحمان سرفراز رحیم اقبال رفیق، کی تقرری چارٹرڈ اکائونٹنٹس، بیرونی آڈیٹر سال 30 جون 2019 کے خاتمے کے لئے کے طور پر سفارش کی گئی ہے۔

### مواد میں تبدیلیاں اور وعدے

کوئی مواد میں تبدیلیاں اور کمپنی کی مالی پوزیشن کو متاثر کرنے والے وعدوں کو کمپنی کی طرف سے مالی سال کے اختتام کے درمیان واقع ہوا ہے جو بیلنس شیٹ سے متعلق اور ڈائریکٹرز کی رپورٹ کی رپورٹ کی تاریخ ہے۔

### شکریہ

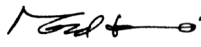
میں بورڈ آف ڈائریکٹرز، قابل قدر شریہولڈرز، گاہکوں، بینکاروں، سپلائرز اور دیگر اسٹیک ہولڈرز کے لئے اپنی حمایت، اعتبار اور اعتماد انہماکی مقروض ہوں۔ میں بھی ان کی وفاداری لگن اور سخت محنت جو کمپنی اپنے مقاصد کے حصول کے لئے اہل کے لئے تمام ملازمین کی تعریف۔

بجکم بورڈ



محمد امین

چیف ایگزیکٹو



محمد سلیم

ڈائریکٹر

کراچی 27 ستمبر 2018ء

## آڈٹ کمیٹی

آڈٹ کمیٹی جس کے چیئرمین ایک آزاد ڈائریکٹر ہے جبکہ تمام دوسرے غیر ایگزیکٹو ڈائریکٹرز ہیں اور بورڈ آف ڈائریکٹرز کی طرف سے تفویض کردہ حوالہ کی شرائط کے تحت اپنی ذمہ داریاں discharge تین ارکان پر مشتمل ہوتا ہے۔

ہر سہ ماہی کے مالی نتائج کی منظوری کے لیے ملاقات کے علاوہ، کمیٹی بھی سال میں ایک بار کفایت اور ایک بار بغیر بیرونی کارکردگیوں کے ساتھ داخلی آڈیٹ کارپوریٹ کی ضرورت کے تحت ضابطہ طور پر کفایت اور بیرونی آڈیٹ کی موجودگی کے بغیر کے ساتھ ملاقات اسلوب حکمرانی ضابطہ ہے۔

آڈٹ کمیٹی مالی رپورٹنگ عمل، آڈٹ عمل، نظام کی اندرونی کنٹرول اور قوانین اور ضوابط کی تعمیل کی نگرانی فراہم کرنے کے لئے تشکیل دیا ہے۔ کمیٹی نے آڈٹ مینجمنٹ اور کارپوریٹ گورننس کے کوڈ کی ضرورت کے طور پر کمیٹی کو مطلع کیا کرنے کے لئے ضروری معاملات سمیت بیرونی کارکردگیوں کے ساتھ کے نتائج کا جائزہ۔

کمیٹی نے آڈٹ کیفیت اور سطح پر اندرونی کنٹرول پر عمل درآمد کا جائزہ کے لئے مضبوط اندرونی آڈٹ نظام قائم کیا ہے۔ آڈٹ کمیٹی کے اجلاس میں باقاعدہ وقفوں کے ساتھ کارپوریٹ گورننس کے ضابطہ اخلاق کے تقاضوں کی تعمیل میں منعقد ہوئیں۔ عبوری اور سالانہ مالی گوشوارے آڈٹ کمیٹی کی منظوری کے بورڈ آف ڈائریکٹرز سے پہلے جائزہ لیا گیا۔

## انسانی وسائل اور صلہ کمیٹی

انسانی وسائل اور صلہ کمیٹی (کے تین ارکان کو جن کی اکثریت غیر ایگزیکٹو ڈائریکٹرز ہیں جبکہ چیئرمین ایک آزاد ڈائریکٹر پر مشتمل ہے۔ آواز اور ملازمین کے ترقیاتی پروگرام جو تمام وفاقی اور صوبائی قوانین اور ضوابط روزگار متاثر مکمل طور پر ختم ہونا چاہیے کہ بات کو یقینی بناتی ہے کہ کمیٹی قائم کی ہے۔

ہر رکن سیٹ اور سینئر ایگزیکٹو افسران کے چیف ایگزیکٹو آفیسر کو تفویض کردہ مقاصد و اہداف کے خلاف کارکردگی کا ہے۔ کمیٹی کو جو مزدوری ڈائریکٹرز اور سینئر اہلکاروں کے لئے بورڈ اور کمیٹی کے ارکان کا تشخیص عمل کی سفارش بھی شامل ہے بورڈ آف ڈائریکٹرز کی طرف سے تفویض کردہ حوالہ کی شرائط کے تحت چلاتا ہے۔

## کاروباری سماجی ذمہ داری کی پالیسی

اس کمپنی کو CSR کی پالیسی کے ذریعے مصروف رہتے بذات خود مجموعی طور پر فائدے کے معاشرے اور کمیونٹی کے لیے فلاحی خدمات کی طرح مختلف فورم پر کئی پروگراموں میں۔ یہ آخر کار کارپوریٹ جواز ملازمین کے حوصلے اپ کو فروغ دینے اور ملازم کے درمیان ایک مضبوط تعلق پیدا کرتا ہے اور وہ دنیا بھر کے ان کے ساتھ زیادہ منسلک محسوس کرتے ہیں۔

## صحت، سیفٹی اور ماحولیات کی پالیسی

کمپنی کو مکمل طور پر صحت کے لئے طے کیا ہے اور سب کام عمل میں لاتا ہے کہ بات کو یقینی بنانے کا مقصد ہے کہ حفاظتی اقدامات کو محفوظ طریقے سے کیا جاتا ہے۔ اسے ہٹایا خطرہ کم صحت، تمام ملازمین، ٹھیکیداروں اور زائرین اور جو کاروباری امور کی طرف سے متاثر ہو سکتا ہے کسی اور کی حفاظت کے لیے ہر ممکن کوشش بنادیا ہے۔ اس کے علاوہ، عتانت ماحولیات مینجمنٹ کے معیارات پیداوار کے عمل کے ماحولیاتی اثرات کو کم سے کم اور عمل کی کارکردگی کو بہتر بنانے کی یقین دہانی۔

انسانی وسائل مسائل انڈری پری کو بہتر بنانے اور کمپنی میں ہماری افرادی قوت کے معیار کو بڑھانے پر توجہ دی۔ تجربہ کار اور تعلیم یافتہ انسانی چیلنجوں کو پورا کرنے کے لئے وسائل کمپنی میں ملازم ہے۔ کمپنی بھی کرنے کا ارادہ رکھتی اپنی ٹیم کو مضبوط بنانے، تنظیم کے ڈھانچے اور تاثیر میں مزید کرنے کے طریقوں کو مضبوط ملازم کارکردگی کے اس جائزے کو استعمال کریں۔

ایگزیکٹو ڈائریکٹر کے بدلہ پالیسی کے ڈائریکٹر کے بدلہ فیچر تیار اور دفعات کمپنیوں ایکٹ 2017 کمپنیوں کی تنظیم کے مضمون کا بوار دسویں جیکٹ کے لئے انسانی وسائل اور صلہ کمیٹی (ہر رکن کی طرف سے سفارش کی جاتی ہے اور کارپوریٹ گورننس ضوابط کا کوڈ۔

## شاریہولڈنگ کا نمونہ

شاریہولڈنگ اور شاریہولڈنگ کے اسلوب کے بارے میں اضافی معلومات کا نمونہ علیحدہ علیحدہ سے منسلک ہے۔

متعلقہ پارٹی کے تمام متعلقہ پارٹی لین دین (RPT) میں سیکورٹیز اینڈ ایکسچینج کمیشن کی طرف سے پاکستان کے جاری کردہ ہدایات کا حتمی پالیسی میں شامل کیا گیا ہے ایس آر او (1) 768 سیڈنی اطلاع کے بموجب جگہ میں ایک سخت پالیسی ہے لین دین اور ریکارڈ کی دیکھ بھال۔

## بورڈ کی تفصیل

کمپنی بورڈ کے جائزے کے عمل اندرونی ریگولیشن (v)(3)10 کے ضابطہ کا بورڈ کی کارکردگی، بورڈ کے ارکان اور اس کمیٹی کے ممبران کا اندازہ کے لئے کارپوریٹ گورننس 2017 کی تعمیل میں منعقد کرنے کی چالیں ہیں۔

ایک جامع جائزہ لینے عمل ہو رہا ہے، قانونی دستاویزات منٹ بورڈ اور کمیٹی میٹنگوں، جگہ اور دیگر ضمنی دستاویزات میں پالیسیاں اس وقت باہر امتالاگ questionnaires، بورڈ اور کمیٹیوں کے ارکان سے بات چیت۔

بورڈ کی تشکیل کی نگرانی کلگ 2017 نوڈائزیکٹرز کی بورڈ کے تحت 36 کی ضرورت کے طور پر مندرجہ ذیل پر مشتمل ہے۔

بزرگ کوئی زمرہ صنفی کل آزاد (i) ڈائریکٹر مرد 1

(ii) ایگزیکٹو ڈائریکٹر مرد 3

(i) غیر-ایگزیکٹو ڈائریکٹر مرد 5

## بورڈ اور آڈٹ کمیٹی اجلاس

درج ذیل منعقد اور 2017-18 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور انسانی وسائل 8 صلف کمیٹی کی طرف سے شرکت کی ملاقات کی تعداد ہیں:

کمیٹیاں						
مشاہیرہ		بورڈ آف ڈائریکٹر		آڈٹ		افراد قوت اور
ڈائریکٹر کا نام	شرکت کے اہل	شریک	شرکت کے اہل	شریک	شرکت کے اہل	شریک
جناب محمد سلیم	4	4	-	-	-	-
جناب محمد شریف	4	4	-	-	-	-
جناب محمد شاہین	4	4	-	-	-	-
جناب نرمل سلیم	4	4	6	6	2	2
جناب بلال شریف	4	4	6	6	-	-
جناب محمد امین	4	4	-	-	-	-
جناب عادل کھیل	4	4	-	-	2	2
جناب حمزہ کھیل	4	4	-	-	-	-
جناب اقبال محبوب	4	4	6	6	2	2

## ٹیکسٹائل سیکٹر کی مقبولیت

زرعی ماہرین کے ملک میں کراپاٹنگ پیٹرن آب و ہوا کی موجودہ منفی اثر کے خاتمے کے لئے رائیڈ ٹیکسٹائلز انڈیا کی ضرورت پر زور دیا کہ مقامی زرعی شعبے پر تبدیل کریں۔ وہ بھی خاص طور پر بڑی تیزی سے کم آبی وسائل زراعت کے لئے زیادہ مزاحمت کم استعمال اور جلدی بیج کی اقسام گندم، کپاس، گنا اور قیمتی قدرتی وسائل کے تحفظ کے لئے ملکی ماراٹنگ پانی متعارف کرانے پر زور دیا اور انسانی استعمال۔

مجموعی طور پر زراعت کے شعبے بری طرح گرمی کی حالیہ لہر سے متاثر تھا اور پراولونگ ٹیکسٹائلز کے موسم کے پیٹرن ہے جو ریڈ کی ہڈی کی قومی کھیتور ملک کے طور پر گندم، دالیں اور کپاس کی پیداوار کی طرح اہم نقد فصلوں کو متاثر کر رہا تھا۔ اس کے نتیجے میں، پیداوار کم کر دیا گیا اور پانی کی کمی کی وجہ سے موسم کپاس کی ایک اور اہم نقد فصل تھا میں سندھ اور پنجاب اور اس کا مشاہدہ تیز کی متوقع سندھ کے بارے میں 45 کا سامنا کرنا پڑے گا کہ فیصد پانی کی کمی اور پنجاب 42 کا سامنا کرے گا حالیہ موسم کے دوران فی صد، اس صورت حال کپاس مشوروں کے لئے پالیسی کا نتیجہ 16 فیصد کی علاقوں اور کھیتی فصل بھر میں دیکھا تھا۔

کارپوریٹ سیلف گورننس کے کوڈ کے ساتھ تعمیل  
کارپوریٹ گورننس کے کوڈ کے ساتھ تعمیل کے بیان کو شامل کر لیا ہے۔  
کارپوریٹ اور مالی رپورٹنگ کے فریم ورک پر بیان  
آپ کی کمپنی کے ڈائریکٹرز نے پاکستان سٹاک ایکسچینج لمیٹڈ اور تسکات 18 ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ ہدایات کے قواعد کی فہرست اپنی ذمہ داریوں کی کمپنیاں 2017 ایکٹ کے تحت ضابطہ کارپوریٹ گورننس ضوابط، آگاہ ہیں۔ لیکن ریگولیٹریوں کی تعمیل کا ایک حصہ کے طور پر ہم مندرجہ ذیل کی تصدیق کریں:  
ان مالی بیانات تیار کمپنی، موجودہ کے انتظام کی طرف سے کافی اس ریاست کے معاملات، آپریشن، نقد کا بہا اور مساوات میں تبدیلیوں کا نتیجہ ہے۔  
موزوں کتابیں کمپنی کے اکاؤنٹ سے برقرار رکھا گیا ہے۔

مناسب اکاؤنٹنگ پالیسیاں مسلسل مالی بیانات کی تیاری میں لگائے گئے ہیں اور اکاؤنٹنگ اندازوں کے مطابق معقول اور محتاط عدالت پر مبنی ہیں۔  
بین الاقوامی مالیاتی رپورٹنگ کے معیار، پاکستان میں قابل اطلاق کے طور پر مالی کے بیانات کی تیاری میں کے بعد کیا گیا ہے۔  
اندرونی کنٹرول کے نظام ڈیزائن میں آواز تھی اور ہے گئی معطریقے سے نافذ اور نگرانی کی جاتی ہے۔  
ایسی ایک مسلسل تشویش کے طور پر جاری رکھنے کے لیے کمپنی کی صلاحیت پر کوئی اہم شکوک و شبہات تھے۔  
وہاں کوئی مادی ردائگی لسٹنگ ریگولیشنز میں تفصیلی طور پر کارپوریٹ گورننس کے بہترین طور طریقوں سے رہا ہے۔  
ہم تیار اور ایک ضابطہ اخلاق کے ذریعے اور ڈائریکٹرز اور ملازمین کے درمیان تجارتی حکمت عملی میں تقسیم کیا ہے۔  
بورڈ آف ڈائریکٹرز ایک وژن اور مشن کے بیان اور مجموعی طور پر کاروباری حکمت عملی کا ایک بیان اختیار کیا ہے۔  
تمام ڈائریکٹرز اس عمومی اجلاس تک شرکت کی ہے معقول وجہ سے روکنا ہے۔

تمام ڈائریکٹرز ان ذمہ داریوں، کردار، پھل، اختیارات اور ذمہ داری کے ساتھ تفویض کی جاتی ہیں  
کارپوریٹ گورننس کے کوڈ، کمپنیوں ایکٹ اور مضمون کی ایسوسی ایشن کے مطابق ان شرائط کے۔  
کمپنی کے تمام ڈائریکٹرز منظوری / ڈائریکٹرز ٹریننگ پروگرام (DTP) کے تحت (جیسا کہ کارپوریٹ گورننس کے کوڈ ضابطہ کا مستثنیٰ ہیں۔  
وہاں ایک رسمی پالیسی کا محقق ڈائریکٹرز کے پھل، انسدادی لاٹھریگ اور رسک مینجمنٹ کے بورڈ کی طرف سے منظوری دے دی ہے۔  
ضرورت کے طور پر کوڈ کے کارپوریٹ گورننس کی طرف سے، ہم مندرجہ ذیل معلومات اس رپورٹ: UU میں شامل ہے  
اے شار بیولڈ انک کے رجحان کا بیان الگ الگ دی گئی ہے۔

اے حصص کا بیان سے وابستہ عزائم کی طرف سے منعقد کیا اور افراد سے متعلق ہے۔

اے سال اور حاضری کے دوران ہر ڈائریکٹر کی طرف سے منعقد بورڈ کے اجلاسوں کا بیان الگ الگ دی گئی ہے۔

کلید آپریٹنگ اور مالیاتی اعداد و شمار گزشتہ چھ سالوں کے لئے ٹیکس اور لیویز کے بارے میں معلومات کا پورے طور پر مقبوضہ آڈٹ شدہ مالی بیانات میں انکشاف کیا گیا تھا۔  
کمپنی سختی سے مندرجہ فہرست کمپنیوں کے لئے کانفرنسز کی ممانعت پرائس ای سی پی کی طرف سے جاری کردہ ہدایات پر عمل کریں اور کوئی ٹریڈنگ کمپنی کے حصص میں کیا اس کے ہدایت کار، سی ای او، کف، کمپنی سیکرٹری، اندرونی آڈٹ کے سربراہ اور ان میاں بیوی کی طرف سے اور معمولی تھا۔ سوائے ایک بچے کے طور پر شار بیولڈ انک کے اسلوب میں انکشاف کیا۔

## مالی کے بیانات

کمپنیوں کے ایکٹ کے تحت درکار ہے، بطور 2017 لسٹنگ ریگولیشنز کے چیف ایگزیکٹو آفیسر کے تادلے اسٹاک کے نرخ اور چیف مالی افسر پیش مالی بیانات کو کما حقہ زیر غور اور بورڈ کی منظوری کے لیے اپنے متعلقہ دستخط کی توثیق ہدایت کار اور غور اور منظوری کے بعد بورڈ کے مالی بیانات کے اجرا اور گردش کے لئے دستخط مجاز بنائیں۔

کمپنی کے مالی بیانات کما حقہ کمپنی، رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکائونٹنٹس کی کارکردگیوں کی کاڈٹ کیا گیا ہے اور کارکردگیوں سال 30 جون سیڈنی کے خاتمے کے لیے پاک آڈٹ رپورٹ پر مالی بیانات جاری کیا ہے اور صاف بیان کے کوڈ کے کارپوریٹ گورننس پر رپورٹ کا جائزہ لیں۔ یہ رپورٹیں مالی بیانات کے ساتھ منسلک ہیں۔

## اکائونٹنگ کے معیارات

کمپنی کے اکائونٹنگ پالیسیاں مکمل طور پر کمپنیوں ایکٹ، 2017 اور اس طرح منظور شدہ بین الاقوامی حساب کتاب معیارات اور بین الاقوامی مالیاتی رپورٹنگ کے معیار کی ضروریات اس ایکٹ کے تحت ہی کے ذریعے مطلع کیا گیا ہے کے طور پر عکاسی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ ہدایات۔

کپاس تجزیہ اگرچہ بارشیں معیار فصلوں لیکن ختم آ پریشن اٹھا، صوف کی شرح کو آگے بڑھانے حالیہ بارشوں میں ملک کے لیے فائدہ مند ہے۔ کسانوں اور کاشت کاروں کے ان منفی پیش رفتوں خیال تو نہیں جمود پانی کھیت میں کپاس کی فصل کو نقصان کر سکتے ہیں، مزید بارش موسم وائرس بھی کپاس کے معیار کو نقصان پہنچ سکتا ہے۔

کپاس کی قیمتوں سندھ میں ابتدائی طور پر 8,200 کے ارد گرد تجارت تھے 9,500 کے گلاب تھے اور اب جبکہ پنجاب کے معیار پر منحصر کے لئے اس کے درمیان حدود اطلاق مانگتانی 8,200 کے لئے چلے گئے 9300-9100 چنگیری 8,300 کے لئے اترا ہے۔ ایسا لگتا ہے کہ قیمتیں کم ہوگا آئندہ دنوں میں اعلیٰ کی آمد سے قبل مزید۔

یہ آگے چل کہ مقامی مارکیٹ میں قیمتیں مستحکم رحمان تھا اور ان کے منافع کو بڑھانے کے لئے زیادہ فصل اگانے کے لیے مقامی کاشت کاروں کے لیے ایک حوصلہ افزا نشان نظر آئیں گے خیال کیا جاتا ہے۔

اس کے علاوہ یہ سفارش کی جاتی کہ حکومت صنعت ضرورت ہے جس کے ارد گرد 15.00 ملین بیلز کافی بطور خام مال کی دستیابی کو درآمدی ڈیوٹی درآمد شدہ خام کپاس پر عائد نہیں چاہیے ہے۔

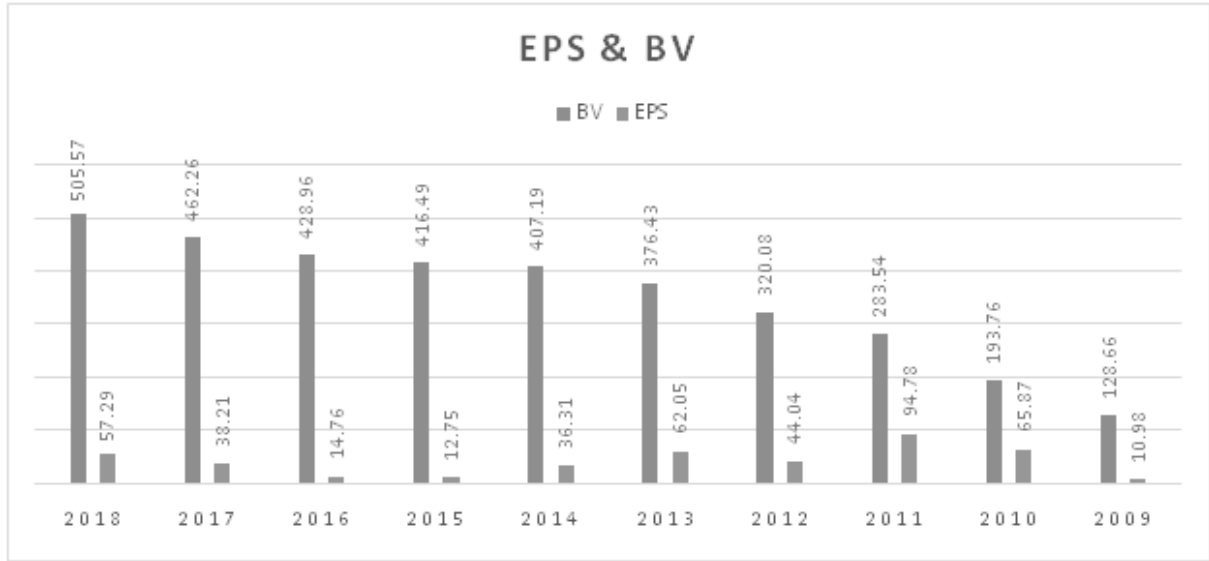
اقتصادی جائزہ کی ٹیکسٹائل کے شعبے میں پاکستان قوم خاک یوں ہے اور اب تاجروں ایک معاشی طور پر مضبوط پاکستان کی تعمیر کی طرف سے ترقی کی امید ہے لیکن اقتصادی منہج کو بہت اٹھار کرتا ہے کے طور پر پر امید مثبت تبدیلیاں سیڈنی انتخابات کے بعد کی ہے جامع اور پائیدار پالیسی میں مستقبل کے لئے ایجاد ہے۔

یہ کوئی راز نہیں یہ پیداوار اور برآمد کے لئے آتا ہے جب پاکستان میں ٹیکسٹائل کی صنعت پہلے ہی چہرہ متعدد چیلنج ہے کہ ہے۔ کاروبار کے خاص طور پر توانائی کے ٹیرف کے بڑھتے ہوئے اخراجات ویت نام، بھارت بنگلہ دیش اور چین جیسے علاقائی ساتھیوں کے مقابلے میں مسابقت کو نقصان پہنچایا ہے۔

اس کے برعکس، روپیہ تخفیف 14 کی طرف سے بڑھنے کی ٹیکسٹائل برآمدات میں مدد دی۔ 15 فی صد سال کے دوران مالی 1,303 2017-18 ارب روپے کے مقابلے میں گزشتہ مالی سال، پاکستان بیورو کے اعداد و شمار کے مطابق 1,488 ارب روپے کے لئے مقامی کرنسی کے لحاظ سے۔ پاک بڑے پیمانے پر 18 فیصد تک جولائی 2017 کے دوران تمبر سیڈنی کرنے سے روپے 105 روپے 124 per ڈالر تقریباً پانچ روپیہ۔

تاہم، ڈالر کی اصطلاح میں 8.67 فیصد اضافہ ہوا 13.53 ارب امریکی ڈالر گزشتہ مالی سال 12.45 ارب ڈالر مقابلے میں گزشتہ مالی جو بنیادی طور پر وزیراعظم جس کے تحت بعض رعایتوں اور ریٹائیں ٹیکس ریلیف کا لگا کا وجہ سے سال کے دوران برآمدات رجسٹرڈ برآمدات کو فروغ دینے کی اجازت دے دی گئی ہے۔





اس کے علاوہ، ڈائریکٹرز کے مستقبل میں کسی بھی ناگہانی مصیبت ناگہانی سے ملنے کے لئے جنرل ریزرو کے لئے 200.000 ملین روپے کی رقم منتقل کرنے کے لئے تجویز پیش کی۔ حصہ داری اور بریک اپ کی قدر کا اشتراک کریں فی آمدنی فی شیئر سال 30 جون 2018 کے خاتمے کے لیے کمائی روپے 57.29 سال 30 جون، جہاں اسے 38.21 پر کھڑے 2017 مقابلے ہے۔ اسی طرح ربحی قدر حصہ سال 30 جون، سیڈنی کے خاتمے کے لئے فی 505.57 PKR سال 30 جون، جہاں روپے 426.26 پر کھڑا ہوا تھا 2017 مقابلے ہے۔ کیش فلو کے انتظام کے انتظام کی حکمت عملی کی نگرانی اور کاروباری دارالحکومت کے اجزائے کو یقین دلاتا ہوں کہ کمپنی بھاس قلیل ادبلا گاٹاؤسٹ کو بیک وقت پورا کرنے کے لئے کافی نقد برقرار رکھتا ہے کے لئے انتہائی مالی طور پر موثر انداز میں استعمال کرنے کے لئے ڈیزائن کیا گیا ہے شار یہولڈرس کمپنی کے لئے زیادہ سے زیادہ فائدہ مند پیدا کرتا ہے۔

کمپنی 90.852 ملین روپے کی طرف دارالحکومت کے اخراجات کی سرمایہ کاری کی ہے اور سال کے دوران طویل مدتی مالیات کی واپسی کے باعث روپے 221.742 ملین روپے 97.790 شمرا کے طور پر شار یہولڈرس کو دی جاتی ہے جبکہ جون سیڈنی ختم ہوئی۔

### ساخت کی مالی امداد

ایک کمپنی کی مساوات اور اس قدر شار یہولڈرس کے لئے زیادہ سے زیادہ گامخیز قرض کا مجموعہ کے ساتھ اس کی دارالحکومت ساخت کا انتظام کرتا ہے۔

طویل مدتی قرض 30 جون، سیڈنی ختم ہو گیا ہے کہ سال کے دوران 1,543.020 ملین متعلقہ مدت کے مقابلے میں جہاں یہ 1,817.591 ملین کھڑی ہے۔

اس دورانیے 1.10 پر کھڑے تھے جبکہ ریجنز تناسب 1.54 مدت کے دوران 30 جون، سیڈنی اختتام پذیر ہو گیا ہے۔

توسیع منصوبے اور بمر بورڈ نے منظور تقریباً 369.50 ملین بمر کے لئے کارڈ کی درآمد کے لئے سال کے دوران، رنگ فریم کرتا ہے، خود کو نار، کمپر لیر اور انجن پلانٹ اور مشینری ٹیکنالوجی کی ترقی کے ساتھ نئے کیلئے مذہبی جدیدیت دنیا بھر کے۔

### کریڈٹ ریٹنگ

A - کی حتمی درجہ بندی (A1 / واحد ایک مانوس (A-One / کو کمپنی کی طرف ریٹنگ کمپنی میسر کے بکر -VIS- کی طرف سے تفویض کیا گیا ہیا شعر تفویض کردہ ریٹنگ "مستحکم" ہے۔



## ڈائریکٹرز کی رپورٹ

محترم اراکین آپ کی کمپنی کے ڈائریکٹرز بلیسڈ ٹیکسٹائلز لمیٹڈ کمپنی کے مالیاتی بیان 30 جون 2018 ختم ہوئی سال کے لئے پراڈٹ رپورٹ پیش کرنے کے لئے راضی ہیں۔

### مالی نمائندگی

2017 روپے	2018 روپے
8,064,238,429	10,257,434,039
7,268,794,921	9,185,919,277
<b>795,443,508</b>	<b>1,071,514,762</b>
35,742,158	3,830,127
<b>831,185,666</b>	<b>1,075,344,889</b>
150,627,722	227,393,453
112,640,636	121,714,680
24,366,361	35,512,372
166,058,495	186,788,164
<b>453,693,214</b>	<b>571,408,669</b>
<b>377,492,452</b>	<b>503,936,220</b>
7,929,134	133,637,362
-	-
123,766,818	1,823,664
131,695,952	135,461,026
<b>368,475,194</b>	<b>368,461,026</b>
<b>38.21</b>	<b>57.29</b>

فروخت

سامان کی قیمت فروخت

مجموعی منافع

شندوسرے آپریٹنگ آمدنی / دوسرے آپریٹنگ آمدنی

تقسیم قیمت فروخت

انتظامی اخراجات

دوسرے آپریٹنگ اخراجات

مالیات کی قیمت

ٹیکس سے پہلے نفع

ٹیکس کی وصولی کے لئے رزق

موجودہ سال

گزشتہ سال

تاخیر

ٹیکس کے بعد فائدہ

فی شیئر - باسکاندولوبید آمدنی

ملکی آمدنی 8,064.238 ملین روپے سے 10,257.434 PKR، 27.20% ریونیو میں سیلر اجزا کی لاگت پر کنٹرول کی وجہ سے رواں سال کے دوران پراڈٹ ملین سے بڑھ گیا ہے، آپریشن حاصل اور برآمدی فروخت پر چھوٹ۔

اسی طرح مجموعی منافع موجودہ سال میں فروخت کرنے کے لئے 10.45 فیصد کو پچھلے سال کے مقابلے میں جہاں اس 9.86% پر کھڑا ہے۔

کمپنی منافع 245.797 ملین روپے پر کھڑے تھے جبکہ سال 2017 مقابلے سیڈ فی ختم ہو گیا کہ سال کے دوران 368.475 PKR ملین کا منافع کمایا ہے۔

### انس اور جنرل ذخائر ہیٹ

گزشتہ سال 2017 میں منافع 153.00 فیصد یعنی 15.30 روپے میں۔ فی شیئر کمپنی کی طرف سے ادا نہیں کیا گیا ہے جبکہ رواں سال کے ڈائریکٹرز کی بورڈ کے ایک حتمی نقد منافع 230 فیصد یعنی 23.00 روپے فی شیئر کی آڈٹ کمیٹی کی منظوری کے ساتھ بولڈرس کے لئے سفارش میں آئندہ سالانہ مطابق سفارش کرنے کے لئے خوش ہیں عمومی اجلاس 25 اکتوبر 2018 کو کی میقات بندی نہیں۔

## PROXY FORM

I/We \_\_\_\_\_  
 of \_\_\_\_\_  
 being a member of **BLESSED TEXTILES LIMITED** and holder of \_\_\_\_\_  
 ordinary share as per Share Register Folio No. \_\_\_\_\_ and/or CDC Participant  
 ID No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ hereby appoint  
 Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ or failing  
 him/her \_\_\_\_\_ of \_\_\_\_\_ as my / our  
 proxy to act on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company to be held on  
 Thursday October 25th, 2018 at 16:30 at Umer House, 23/1, Sector 23, S.M. Farooq  
 Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

### WITNESS

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC/Passport # \_\_\_\_\_

Affix  
 Rs. 5/-  
 Revenue  
 Stamp

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

### Notes:

If a member is unable to attend the meeting, they may complete and sign this form and sent it to the Company Secretary, **BLESSED TEXTILES LIMITED**, Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. so as to reach not less than 48 hours before the time scheduled for holding the meeting.

- (i) The Proxy form shall be witnessed by a person whose name, address and CNIC/Passport number should be stated on the form.
- (ii) Attested copy of CNIC or the Passport of the beneficial owner alongwith the Proxy form should also be submitted.
- (iii) The Proxy nominee shall produce his / her original CNIC or original Passport at the time of the meeting.
- (iv) In case of a Corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature should be submitted (unless it has been provided earlier) along with Proxy form to the Company.

## پرکسی فارم

میں \_\_\_\_\_ کے \_\_\_\_\_  
 کے رکن اور عام شیئر کے حامل کی حیثیت کے \_\_\_\_\_ (شیئر کی تعداد)  
 رجسٹر کا فوئیو نمبر \_\_\_\_\_ اور / یا سی ڈی سی فوئیو کا آئی ڈی نمبر \_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_ کے  
 \_\_\_\_\_ یا \_\_\_\_\_ کے  
 کو کمپنی کے سالانہ اجلاس جو 25 اکتوبر 2018 کو منعقد ہوگا، میں میرے / ہمارے لئے اور میری / ہماری طرف سے بحیثیت اپنا پرکسی، ووٹ دینے کے لئے حاضر کرتا ہوں / کرتے ہیں۔  
 دستخط \_\_\_\_\_ بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ / \_\_\_\_\_ 2018۔

گواہان:

دستخط: \_\_\_\_\_  
 نام: \_\_\_\_\_  
 پتہ: \_\_\_\_\_  
 \_\_\_\_\_  
 کمپیوٹر انز قومی شناختی کارڈ نمبر: \_\_\_\_\_  
 پاسپورٹ نمبر: \_\_\_\_\_  
 \_\_\_\_\_  
 دستخط شیئر ہولڈر  
 (دستخط کا کمپنی میں رجسٹرڈ نمونے کے ہو، ہوم مطابق ہونا ضروری ہے)

دستخط: \_\_\_\_\_  
 نام: \_\_\_\_\_  
 پتہ: \_\_\_\_\_  
 \_\_\_\_\_  
 کمپیوٹر انز قومی شناختی کارڈ نمبر: \_\_\_\_\_  
 پاسپورٹ نمبر: \_\_\_\_\_

نوٹ: نمائندے کو فعال بنانے کے لئے نامزدگی کا فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانا چاہیے۔ نمائندے کو کمپنی کا رکن ہونا ضروری نہیں۔  
 سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرد افراد درخواست ہے کہ وہ اپنے کمپیوٹر انز قومی شناختی کارڈ تصدیق شدہ نقل یا پاسپورٹ، پرکسی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔

**REGISTERED OFFICE**

Umer House, 23/1, Sector 23, S.M. Farooq Road,  
Korangi Industrial Area, Karachi-74900, Pakistan

Phones : 021 - 35115177 - 80

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E-mail : [khioff@umergroup.com](mailto:khioff@umergroup.com)

Website : [www.umergroup.com](http://www.umergroup.com)