



SHAHZAD TEXTILE MILLS LIMITED
MANUFACTURERS AND EXPORTERS OF YARN



Certified SG06/00526

FORM-5

Date: 04-10-2018

THE GENERAL MANAGER
Pakistan Stock Exchange Limited,
Stock Exchange Building
Stock Exchange Road,
Karachi.

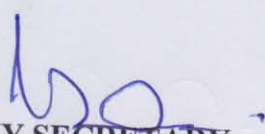
Subject: Transmission of Annual Report for the Year Ended June 30, 2018

Dear Sir,

We have to inform you that the Annual Report of the Company for the year ended June 30, 2018 have been transmitted through PUCARS and is also available on Company's website.

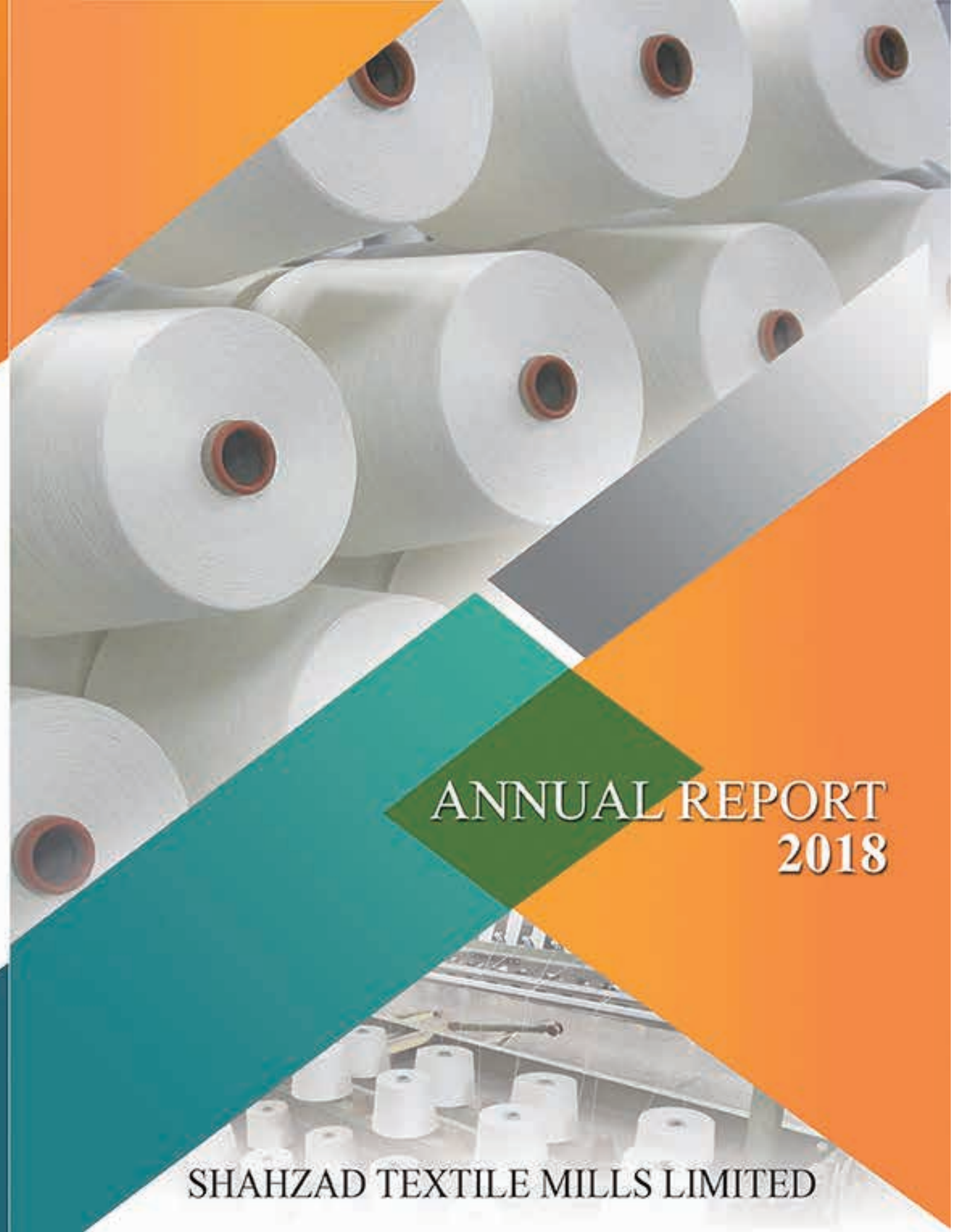
You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,
for **SHAHZAD TEXTILE MILLS LIMITED**


COMPANY SECRETARY



19-A, OFF. ZAFAR ALI ROAD,
GULBERG-V, LAHORE - PAKISTAN.



ANNUAL REPORT 2018

SHAHZAD TEXTILE MILLS LIMITED

SGS

Certificate SG05/00526

The management system of

Shahzad Textile Mills Limited

Head Office: 19-A, Off Zafar Ali Road, Gulberg - V,
Lahore, Pakistan

has been assessed and certified as meeting the requirements of

ISO 9001:2015

For the following activities

The scope of registration appears on page 2 of this certificate.

This certificate is valid from 27 December 2017 until 15 August 2020
and remains valid subject to satisfactory surveillance audits.
Re certification audit due before 13 August 2020
Issue 6. Certified since 16 August 2005

This is a multi-site certification.
Additional site details are listed on the subsequent page.



Authorised by

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line and a small flourish.



0005

SGS United Kingdom Ltd
Rossmore Business Park, Ellesmere Port, Cheshire, CH65 3EN, UK
t +44 (0)151 350-6666 f +44 (0)151 350-6600 www.sgs.com

Page 1 of 2



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Shahzad Textile Mills Limited

ISO 9001:2015

Issue 6

Detailed scope

"Manufacturing and Export of 100% Cotton, Blended, Pure Synthetic, Combed, carded and double yarn"

Additional facilities

**Site 01 : 34th Km, Sheikhpura Road,
Sheikhpura, Pakistan.**

**Site 02: 7Km, Sheikhpura Faisalabad Road,
Sheikhpura, Pakistan.**



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

COMPANY INFORMATION

Board of Directors

Mian Parvez Aslam	Chairman
Mr. Imran Aslam	Chief Executive
Mr. Irfan Aslam	
Syed Raza Ali Bokhari	
Mr. Humayun Bakht	
Mr. Ahsan Ahmad Khan	
Mr. Maqsood Shahid Najmi	

Chief Financial Officer

Mr. Humayun Bakht

Company Secretary

Mr. Hassan-ud-Din Ansari

Auditors

Horwath Hussain Chaudhry & Co.
Chartered Accountants

Audit Committee

Syed Raza Ali Bokhari	Chairman
Mr. Irfan Aslam	Member
Mr. Maqsood Shahid Najmi	Member

Human Resource & Remuneration Committee

Syed Raza Ali Bokhari	Chairman
Mr. Imran Aslam	Member
Mr. Ahsan Ahmad Khan	Member

Bankers

Habib Metropolitan Bank Ltd.
J S Bank Ltd.
National Bank of Pakistan.
Meezan Bank Limited.

Share Registrar

Hameed Majeed Associates (Pvt) Ltd.
H.M. House, 7-Bank Square,
Lahore.

Registered Office

19-A Off. Zafar Ali Road,
Gulberg-V, Lahore.
Ph: +92 (42) 35754024-27
Fax: +92 (42) 35712313
E-mail: mis@shaheencotton.com
Web: www.shahzadtex.com

Mills**Units # 1,3 & 4**

34th KM Lahore Sheikhpura Road,
Sheikhpura

Unit # 2

7th KM Sheikhpura Faisalabad
Road, Sheikhpura.

VISION STATEMENT

We aim at seeing our mills to be a model manufacturing unit producing high quality yarn by complying with the requirements of Quality management System and continuously improving its effectiveness for total customers' satisfaction. We wish to play a leading role in the spinning sector by keeping a substantial presence in the export and local markets.

MISSION STATEMENT

1. To install state of the art machinery and to acquire sophisticated process technology to achieve maximum growth in a competitive quality environment.
2. To make strenuous efforts to enhance profitability of the mills ensuring a fair return to the investors, shareholders and employees of the company.
3. To exercise maximum care for improvement of quality of our products by employing a team of highly skilled technicians and professional managers.
4. To strive hard to explore new customers for the sale of our products in export and local markets.
5. To improve customers' satisfaction level by adhering strictly to quality requirements of our customers in local and export markets and by improving communications with customers for receiving prompt feed backs about quality of our products.
6. To attend and prompt resolution of customers' quality complaints by taking timely corrective measures.
7. To improve logistic facilities for our customers dispatch programme and issue all shipments / delivery documents well in time.
8. To make comprehensive arrangements for the training of our workers / technicians.
9. To promote team work, sense of transparency, creativity in our professionals and technical people

CODE OF CONDUCT

Shahzad Textile Mills Limited, has laid down the following code of conduct, the observance of which is compulsory for all the directors and staff members of the company in the conduct of company's business in order to protect and safeguard the reputation and integrity of the company at all levels of its operations. Any contravention of these ethics is regarded as misconduct. The company will ensure that all the executives and subordinate staff members are fully aware of these standards and principles.

1. Conflict of interest

All staff member are expected not to engage in any activity which can cause conflict between their personal interests and company's interests, such as:

- a) In effecting the purchases for the company and selling its products the directors and the staff members are forbidden from holding any personal interest in any organization supplying goods or services to the company or buying its products.
- b) The staff members should not engage in any outside business while serving the company.
- c) Staff members are not permitted to conduct personal business in company's premises or use company's facilities for the same.
- d) If a staff member has direct or indirect relationship with an outside organization dealing with the company he must disclose the same to the management.

2. Confidentiality

All staff members are required not to divulge any secrets / informations of the company to any outsider even after leaving the service of the company unless it is so required by a court of law. During the course of service in the company they should not disseminate any information relating to business secrets of the company without the consent of management.

3. kickbacks

All staff members are strictly forbidden not to accept any favor, gifts or kickbacks from any organization dealing with the company. In case if such a favor is considered, in the interest of the company, the same should be disclosed clearly to the management.

4. Proper Books of Account

All funds, receipts and disbursements should be properly recorded in the books of accounts of the company. No false or fictitious entries should be made or misleading statement pertaining to the company or its operations should be issued. All agreements with agents, dealers and consultants should be made in writing supported with required evidence.

5. Relationship with government officials suppliers, agents etc.

The dealings of the company with Government officials, suppliers, buyers, agents and consultants of the company should always be such that the integrity of the company and reputation is not damaged. Members having queries in connection with how to deal with these requirements should consult the management.

6. Health and Safety

Every staff member is required to take care of his health and safety and of those working with him. The management is responsible for keeping its staff members insured as per government rules and regulations.

7. Environment

To preserve and protect the environment all staff members are required to operate the company's facilities and processes so as to ensure maximum safety of the adjoining communities, and strive continuously to improve environmental awareness and protections.

8. Alcohol, Drugs

All types of gambling and betting at the company's work places are strictly forbidden. Also bringing alcohols or drugs inside the work places are not allowed. If any staff member, not abiding by these prohibitions will attract disciplinary as well as penal action.

9. Coordination among staff members to maintain discipline

All staff members will work in close coordination with their co-workers, seniors and colleagues. Every member will cooperate with other members so that the company's work could be carried out effectively and efficiently. All cases of non-cooperation among staff members should be reported to the management for necessary and suitable action. Strict disciplinary action will be taken against those staff members who violate the rules and regulations of the company.

10. Workplace harassment

All staff members will be provided an environment that is free from harassment and in which all employees are equally respected. Work place harassment means any action that creates an intimidating, hostile or offensive environment which may include sexual harassment, disparaging remarks based on gender, religious, race or ethnicity.

SIX YEARS FINANCIAL SUMMARY

	2018	2017	2016	2015	2014	2013
	Rupees In Thousands					
Sales	5,464,278	4,511,169	3,692,132	4,211,486	4,997,603	4,977,944
Gross Profit	267,586	242,998	184,755	253,651	398,645	480,705
Profit/(Loss) before taxation	101,183	64,031	21,632	48,567	285,627	258,799
Provision for tax	(28,983)	(29,316)	(34,989)	(12,789)	(67,928)	8,889
Profit/(Loss) after taxation	72,200	34,715	(13,357)	35,778	217,699	267,688
Total Assets	3,430,522	2,908,801	2,630,358	2,598,113	2,639,987	2,460,816
Current liabilities	969,147	764,960	591,876	578,450	600,823	635,105
	2,461,375	2,143,841	2,038,482	2,019,663	2,039,164	1,825,711
Represented By :						
Equity & Surplus	2,113,308	1,752,012	1,714,359	1,703,304	1,693,873	1,497,869
Long Term Loans & leases	58,036	98,777	-	-	35,224	77,014
Deferred Liabilities	290,030	293,053	324,123	316,359	310,067	250,828
	2,461,375	2,143,841	2,038,482	2,019,663	2,039,164	1,825,711

Name of Company: **Shahzad Textile Mills Limited**

Year Ending: **30th June, 2018**

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

1. The total numbers of directors are seven (07) as per the following:
 - a) Male: Seven (07)
 - b) Female: Nil
2. The composition of board is as follows:
 - a) Independent Directors One (01)
Syed Raza Ali Bokhari
 - b) Other Non-Executive Director Four (04)
Mian Parvez Aslam
Mr. Irfan Aslam
Mr. Ahsan Ahamd Khan
Mr. Maqsood Shahid Najmi
 - c) Executive Directors Two (02)
Mr. Imran Aslam
Mr. Humayun Bakht
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. The board has arranged Directors' Training Program for the following;

Three Directors of the Company namely Mian Parvez Aslam, Mr. Imran Aslam, and Mr. Irfan Aslam are exempted from the requirement of Directors' Training Program.

Three Directors Mr. Humayun Bakht, Mr. Maqsood Shahid Najmi and Mr. Ahsan Ahmad Khan obtained the Certificates under Directors' Training Program (DTP).

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below;

a) Audit Committee

- | | |
|----------------------------|----------|
| • Syed Raza Ali Bokhari | Chairman |
| • Mr. Irfan Aslam | Member |
| • Mr. Maqsood Shahid Najmi | Member |

b) HR and Remuneration Committee

- | | |
|-------------------------|----------|
| • Syed Raza Ali Bokhari | Chairman |
| • Mr. Imran Aslam | Member |
| • Mr. Ahsan Ahmad Khan | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following;

a) Audit Committee

The audit committee of the company is meeting every quarter of the financial year prior to the approval of interim results of the company by its board of directors and after completion of external audit and if requested by the external auditors or the head of internal audit.

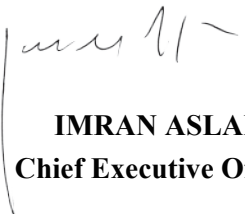
b) HR and Remuneration Committee

The Committee shall meet at least once in a financial year and may meet more often if requested by a member of the board, or committee itself or the chief executive officer.

15. The board has set up an effective internal audit function which was duly reviewed and ratified by the Audit Committee and approved by the Board of Directors of the Company.

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.


IRFAN ASLAM
DIRECTOR


IMRAN ASLAM
Chief Executive Officer

Lahore

Dated: 26th September, 2018

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE
MEMBERS OF SHAHZAD TEXTILE MILLS LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE
CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE
GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") prepared by the Board of Directors of Shahzad Textile Mills Limited ("the Company") for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

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

Lahore

Dated: September 26, 2018



HORWATH HUSSAIN CHAUDHURY & CO.

Chartered Accountants

(Engagement Partner: Muhammad Nasir Muneer)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fortieth (40th) Annual General Meeting of the Shareholders of **SHAHZAD TEXTILE MILLS LIMITED** will be held at Company's Registered Office, 19-A, Off. Zafar Ali Road, Gulberg-V, Lahore on Saturday, October 27, 2018 at 12:30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Chairman's Review Report, the Reports of Directors and Auditors together with Audited Annual Separate and Consolidated Financial Statements for the year ended 30 June 2018.
2. To approve, as recommended by the Board of Directors, the payment of final cash dividend of Re. 1.00 per share (i.e., @10.0%) for the year ended 30 June 2018.
3. To appoint Company's auditors and to fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of retiring auditors M/s Horwath Hussain Chaudhury & Co. Chartered Accountants for appointment as auditors of the Company.

SPECIAL BUSINESS

1. To consider and, if deemed fit, to pass the following resolution as Special Resolution with or without modification for ratification of Transactions with Related Parties as per Note No. 37 of Audited Accounts 2018.

RESOLVED that the related party transactions carried out by the Company with related parties during the year ended June 30, 2018 be and hereby approved.

RESOLVED FURTHER that Chief Executive of the Company be and is hereby authorized to approve transactions to be conducted with the Related Parties in the normal course of business during the year ending June 30, 2019 and till the date of next annual general meeting.

2. To consider and if deemed fit to pass the following resolution as Special Resolution with or without modification for the transmission of the annual audited accounts, notices of general meetings and other information contained therein of the Company either through CD/DVD/USB in terms of S.R.O 470(1) 2016 dated May 31, 2016.

RESOLVED that consent and approval of the members of Shahzad Textile Mills Limited, (the "Company") be and is hereby accorded for transmission of annual audited accounts, notices of general meetings and other information contained therein of the Company to the members for future years commencing from the year ended June 30, 2019 through CD or DVD or USB instead of transmitting the same in hard copies"

By order of the Board



(HASSAN-UD-DIN ANSARI)

Company Secretary

Place: Lahore

Dated: September 26, 2018

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 18, 2018 to October 27, 2018 (both days inclusive). Transfers received in order at Company's Independent Share Registrar's Office, Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7- Bank Square, Lahore by the close of business on October 17, 2018, will be treated in time for the entitlement of dividend to the transferees and to attend the annual general meeting.
2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members. A Proxy must be a member of the Company.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

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

B. For Appointing Proxies

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

5. CNIC/IBAN for E-Dividend Payment

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the

Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

6. Zakat Declarations:

The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

7. Circulations of Annual Reports through Email

The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.shahzadtex.com.

8. Tax Deductions from Filers and Non-Filers

The deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

S.No	Nature of Shareholders	Rate of deduction
1	Filers	15.0%
2	Non- Filers	20.0%

Tax deduction will be made on the basis of Active Tax Payers List provided on the website of Federal Board of Revenue.

Members seeking exemption from deduction of tax on dividend payment or are eligible for deduction at a reduced rate are requested to submit a valid withholding tax exemption certificate or necessary documentary evidence, as the case may be.

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio/CDC Account No.	Name of shareholder	CNIC	Shareholding	Total shares	Principal/joint shareholder
-----------------------	---------------------	------	--------------	--------------	-----------------------------

9. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s Hameed Majeed Associates (Private) Limited, 7-Bank Square, Lahore, to collect/enquire about their unclaimed dividend or pending shares, if any.

10. Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the AGM. The demand for video-link facility shall be received by the Share Registrar at the address

given hereinabove at least seven (7) days prior to the date of the meeting on the Standard Form provided in the annual report and also available on the company's website: www.shahzadtex.com.

11. Placement of Financial Statements

The Company has placed a copy of the Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended 30 June 2018 along with the Reports of Auditors and Directors www.shahzadtex.com.

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

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 27, 2018.

Ratification / approval of Related Party Transactions

The Company carried out transactions as detailed in the below draft resolution with its related parties in the ordinary course of business under the authority of the special resolution of the members as approved by them during the last annual general meeting held on October 28, 2017. All these transactions were presented before the Board of Directors for their review and consideration as recommended by the Audit Committee on quarterly basis.

Since, the majority of the Company Directors were interested in the related party transactions carried out during the financial year ended June 30, 2018 with the related parties as mentioned in the below draft resolution, due to their common directorship and shareholding in these associated undertakings, therefore, these transactions have been placed before the members of the Company for their approval in the General Meeting. The transactions with all related parties are entered on arms' length basis.

The Directors are interested in this business to the extent of their respective directorships and /or shareholdings.

Circulation of Annual Report through CD/DVD/USB

The Securities and Exchange Commission of Pakistan (SECP) vide SRO No. 470(1) 2016 dated May 31, 2016, has allowed listed companies to circulate their Annual Audited Accounts (i.e. the annual balance sheet and profit and loss account, auditor's report and director's report) to its members through CD/DVD/USB at their registered addresses instead of sending them in hard copies, subject to approval obtained from shareholders in General Meeting. Accordingly, approval is hereby sought from members of the Company to comply with the requirements of said SRO vide an ordinary resolution.

Subject to the approval of resolution in the AGM, the company will circulate its annual accounts in future through CD/DVD/USB. However, members will have the right to request hard copies free of cost at their registered addresses after submitting the Standard Request Form which shall be made available on Company website. While members who wish to receive hard copies for all future annual audited accounts shall also require to give their preference in writing.

The directors of the Company have no direct or indirect interest in this agenda except to the extent of their respective directorships and /or shareholdings.

CHAIRMAN'S REVIEW REPORT

For the year ended June 30, 2018

I am pleased to present this report to the Shareholders of Shahzad Textile Mills Limited pertaining to the overall performance of the Board and the effectiveness of its role in attaining Company's objectives.

The Committees of the Board had performed their duties and responsibilities diligently and contributed to the governance structure of the Company as per the best practices in light of the relevant legal requirements. The Audit Committee has focused on control of risks associated with the textile business. The Human Resource and Remuneration Committee has worked within the ambit of its term of reference and ensured that the HR policies regarding performance management, HR staffing, compensation and benefits are market driven and are aligned to the company's performance, stakeholders' interests and the long-term success of the company.

The Company has developed a mechanism for the evaluation of performance of the Board of Directors and its Committees. During the year, a self-evaluation was carried out, as required. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. For the financial year ended June 30, 2018, the Board's overall performance and effectiveness has been assessed as satisfactory. The overall assessment as satisfactory is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

On an overall basis, I believe that the strategic direction of the Company is clear and appropriate. Further, the processes adopted in developing and reviewing the overall corporate strategy and achievement of Company's objectives are commendable and have helped tremendously in ensuring the smooth and efficient running of the Company's business.

The Company is striving to further improve the working conditions of its employees to provide safe, healthy and comfortable working environment.

I wish to acknowledge the contributions of our employees, suppliers, customers, bankers and other stakeholders for their confidence and support.

We look forward to the next year with confidence and hope to meet the challenges ahead.

Lahore.

Dated September 26, 2018



Mian Parvez Aslam

Chairman.

DIRECTORS' REPORT

On behalf of the Board, it is my great pleasure to present the 40th Directors' Report accompanied by Audited Financial Statements of the Company for the year ended June 30, 2018 along with Auditors' Report thereon, which reflects the affairs of the Company.

Financial and Operational Performance:

The financial results of the Company are summarized below:

	2018 Rupees	2017 Rupees
Sales	5,464,277,865	4,511,169,297
Gross Profit	267,585,555	242,997,791
Profit before taxation and share of associate	61,095,682	27,077,796
Share of Net profit of Associate	40,087,570	36,953,173
Profit before Taxation	101,183,252	64,030,969
Taxation	(28,983,671)	(29,316,329)
Profit after Taxation	72,199,581	34,714,640

By the grace of God, profit of the Company before taxation and share of Net Profit of associated undertaking increased to Rs. 61.096 million in the current year ended June 30, 2018 as compared to profit Rs. 27.078 million in the corresponding period of last year. Top line increase is recorded as Rs. 5,464 billion in the current year from Rs. 4,511 billion in the corresponding period of last year. However, gross profit to sales percentage decreased slightly from 5.39% to 4.90% due to increase in cost of raw materials and other manufacturing cost.

This profit is not only attributable to business transactions but also includes reversal of provision of further tax Rs. 42,168,181/- created in tax year 2017 to meet the contingency of legal petition filed against imposition of this levy.

GENERAL OVERVIEW

Our economy is continuously facing strenuous times due to unstable political circumstances. Our Cotton crop growth is decreasing consecutively and export sale is falling sharply day-by-day. The Government does not pay attention to this aspect and enhances the electricity and gas prices without anticipating its negative impact on the industry. Resultantly, sometimes it becomes very difficult for industrialist to meet the export contracts made with the foreign buyers due to higher cost of the product. Pakistani Rupee also experienced a worst fall ever against US dollar reaching at the historic level of Rs.125-128 eroding 19% as compared to last year.

The Federal Government, however, announced Textile Package 2017 to boost textile exports. It includes several relief measures, including widening of the scope of Duty Drawbacks, zero rating of sales tax on machinery imports, and raw-materials, prompt payment of sales tax refunds for textile sector but high energy prices will wipe out all these incentives.

Earning per Share

Earning per share of the Company for the year ended June 30, 2018 is Rs. 4.02 as compared Rs. 1.93 of previous year's earning.

DIVIDEND AND BONUS ISSUE

The Board of Directors has proposed a 10% cash dividend for the year ended June 30, 2018. The dividend recommended is subject to approval by the shares holders in the Annual General Meeting.

FUTURE OUTLOOK

The Company maintained its sales momentum and exhibited a substantial increase of 21% in volume over the preceding financial year due to constant supply of energy to industrial sector and little improvement in local yarn rates. As we discussed in the last Directors' Report that management has imported 5 gas generators from Austria to replace the existing ones and also planned to overhaul two existing generators. Three generators were installed in the last year and two generators valuing Rs. 79,726,000/- are installed in the current year. Two existing generators are also completely overhauled costing Rs. 21, 780,600/- These four generators have started functioning successfully in current year efficiency of overhauled generators is excellently improved which has also enhanced the production of energy. This increase in production of electricity will help to reduce the energy cost and eventually enhancement in profit.

The Management is always determined to give good results to the shareholders and takes all necessary steps, which go in favor of the company according to their intellectual perception.

ISO 9001-2008 CERTIFICATION

The Company trusts in sustainable quality of yarn to the complete satisfaction of its clients. For this the Company has obtained the latest version of ISO 9001-2008 Certification, which is renewed every year after an extensive checking, and complete verification of its quality management system. This quality certification enhances the trust of new customers and boosts up the confidence of old clients as well.

PRINCIPAL RISKS AND UN-CERTAINTIES FACING THE COMPANY

Despite the fact that the Company's financial performance is better in the period under discussion but there are some risk factors, which may have an impact on the future performance of the Company.

RISK FACTORS

A) FOREIGN EXCHANGE RISK

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company is exposed to foreign currency risk on trade debts, payables and revenues which are entered in a currency other than Pak Rupees. Majority of the revenue of the Company is in currencies other than Pak Rupees.

B) LIQUIDITY RISK

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate actions for new requirements.

C) CREDIT RISK

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The Management also continuously monitors credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

D) INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from bank, term deposits and deposits in profit and loss/saving accounts with banks and investments in mutual funds.

CHANGES DURING FINANCIAL YEAR CONCERNING NATURE OF THE BUSINESS OF THE COMPANY OR OF ITS SUBSIDIARIES AND JOINT OPERATION

No changes have occurred during the financial year concerning nature of the business of the Company.

MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE COMPANY BUSINESS

We are striving hard to give good results to the share holders. But in the present scenario where electricity cost has already been raised and cotton crop is deteriorating in the every coming year. Both these factors may affect the future production of yarn. China, the major importer of spun yarn, has diverted its concentration towards Bangladesh and Vietnam where labour and electricity is available at much cheaper rates than Pakistan, therefore, spun yarn is exported to China by these two countries at comparatively cheaper rates. In spite of these adversities our Management, with its untiring efforts, is running the business in profit.

IMPACT OF COMPANY BUSINESS ON THE ENVIRONMENT

We are maintaining a fresh and pollution free system at our mills by using latest safety devices which sucks all the fluff and all other injurious gains which damage the health of the workers.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board has the ultimate responsibility to establish and maintain adequate internal controls over our financial reporting. Our internal controls are designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our external financial statements in accordance with the International Financial Reporting Standards. Due to inherent limitations of any internal control system, the Management acknowledges that there may be limitations as to the effectiveness of internal controls over financial reporting and therefore recognize that only reasonable assurance can be gained from any internal control system. The Company, however, maintains an effective internal control framework comprising of clear structures, authority limits and accountabilities, well understood policies and procedures for review processes.

RELATED PARTIES TRANSACTIONS

The transactions between the related parties were made at arm's length prices determined in accordance with the comparable uncontrolled price method. The same are disclosed in the attached financial statements. The related party transactions were approved by the Board on the recommendation of Audit Committee.

CODE OF CONDUCT FOR PROTECTIONS AGAINST HARASSMENT AT WORK PLACE

The Company is determined to provide clean working atmosphere and ensures that every employee is treated with respect and dignity. The Company is committed to encourage a positive professional work atmosphere that is essential for the professional growth of its staff. Harassment, therefore, has no place at Shahzad Textile Mills Limited. As offender must be ready to confront disciplinary and corrective action ranging from a warning to termination of job if such situation arises.

ANTI-CORRUPTION

We have provided corruption free environment to the workers. It includes all types of corruption including extortion and bribery.

CORPORATE SOCIAL RESPONSIBILITY

The Company recognizes that the key to successful and sustainable business is to give back to the society from where we derive economic benefits. We create value for our local community, employers and the government by providing a vast array of facilities to our employees, financial assistance to the families of our deceased employees, promoting a better work life balance amongst our employees, contributing regularly to the national exchequer as per law

I) Health, Safety and Environment

We work continuously to ensure that our employees work in safe and healthy working environment. Besides, the Company is registered with Social Security and Employees Old Age Benefit Department of the Government and pay regular contribution for the health facility and retirement benefits to the workers of the company.

II) Work-Life Balance

In order to promote a healthy life balance we strictly observe working timing from 9.00am to 5.30pm. This ensures that our employees have plenteous time for recreational activities with their families and friends.

III) Business Ethics

The Management is committed to conduct all business activities with integrity, honesty, and observance of laws and regulations. A Code of Conduct has been developed and approved by the Board.

IV) Contribution to the National Exchequer

To meet our social obligations towards the development of the economy of the country, the Company has contributed Rs.49.732 million in the year 2017-18 into the Government Exchequer on account of taxes, levies, excise duty, Income Tax and Sales Tax. Moreover, foreign exchange amount of USD 10.066 Million was also earned for the country from export sales(yarn) during financial year.

V) Energy Savings

The Management is watchfully focusing on energy saving. There are many preventive measures adopted by fixing energy conserving devices to save the energy. Awareness is also given to workers for energy saving so that unnecessary consumption of energy could be saved.

COMPOSITION OF THE BOARD

The composition of the Board of Directors is in compliance with the requirement of Listed Companies Code of Corporate Governance, Regulations 2017 applicable on a listed company which is given below:

Total Number of Directors:

- (a) Male - 7
- (b) Female - Exempted for current term

Composition:

- i) Independent Directors 01-
- ii) Non-Executive Directors 04
- iii) Executive Directors 02-

NAME OF THE DIRECTORS

The names of the Directors as at June 30, 2018 are as follows:

Mian Parvez Aslam
 Mr.Imran Aslam
 Mr.Irfan Aslam
 Syed Raza Ali Bokhari
 Humayun Bakht
 Mr. Ahsan Ahmad Khan
 Mr.Maqsood Shahid Najmi

BOARD OF DIRECTORS' MEETINGS

During the period under review, Nine 9) meetings of the Board of Directors were held from July 01, 2017 to June 30, 2018. The attendance of the Board members were as follows:

<u>Name of Directors</u>	<u>No. of Meetings Attended</u>
Mian Parvez Aslam	9
Mr. Imran Aslam	9
Mr. Irfan Aslam	6
Syed Raza Ali Bokhari	9
Mr.Humayun Bakht	9
Mr.Ahsan Ahmad khan	9
Mr. Maqsood Shahid Najmi	9

AUDIT COMMITTEE

The Board has formed an Audit Committee which consists of the following directors:

Syed Raza Ali Bokhari	(Independent director)	Chairman
Mr. Irfan Aslam	(Non executive director)	Member
Mr. Maqsood Shahid Najmi	(Non executive director)	Member

The Audit Committee efficiently reviews the usefulness of prevailing internal control system and identically point out the loop holes therein. The Committee also recommends corrective measures to improve the implementation of internal control system.

During the period under review five (5) meetings of Audit Committee of the Company were held from July 01, 2017 to June 30, 2018 and attendance of Audit Committee members was as follows:

Name of Member	No. of Meetings Attended
Syed Raza Ali Bokhari	Five (5)
Mr.Irfan Aslam	Five (5)
Mr.Maqsood Shahid Najmi	Five (5)

HUMAN RESOURCES AND REMUNERATION COMMITTEE (HR & R)

In Compliance with the Regulations of 2017 the Board of Directors has formed a Human Resource and Remuneration Committee (HR & R Committee) comprising three Directors named below. The HR & R Committee provides assistance to the Board of Directors in helping the Company's Human Resource Department function efficiently. Further, the HR & R Committee will also assess and makes recommendations to ensure that the Company's Human Resource policies are objectively associated with its overall business.

Syed Raza Ali Bokhari	Independent Director	Chairman
Mr. Imran Aslam	Executive Director	Member
Mr. Ahsan Ahmad Khan	Non executive	Member

Names of the members of the Committee Meetings Attended

Syed Raza Ali Bokhari	Chairman	Two(2)
Mr.Imran Aslam	Member	Two(2)
Mr.Ahsan Ahmad Khan	Member	Two(2)

CORPORATE GOVERNANCE

Statement of compliance as required under the Listed Companies (Code of Corporate Governance), 2017 is annexed. Statement of compliance under the Companies Act, 2017 has not been notified.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND THE BOARD COMMITTEES

Complying with Listed Companies Code of Corporate Governance, 2017, the Board has developed a mechanism for evaluation of performance of the Board of Directors and board

committees. During the year a comprehensive questionnaire was circulated among all members of the board for evaluation of performance of the Board of Directors. The core area of focus covered included:

- Alignment of corporate goals and objectives with vision and mission of the Company.
- Strategy formulation for sustainable operation;
- Measuring and monitoring of performance; and
- Evaluation of Board's Committees performance in relation to discharging their responsibilities set out in respective terms of reference.

Individual feedback was obtained and on the basis of that feedback the average rating of the performance of the board was found satisfactory. Improvement is an ongoing process and the board has identified the areas of improvement in line with the global best practices.

DIRECTORS' REMUNERATION

The remuneration policy for Board of Directors [Executive, Non-Executive & Independent Directors] has been prepared. The policy has been designed on the basis of standards in the market, and reflects demands to competencies & efforts in light of scope of their work and increase in responsibilities of the directors. The remuneration of the Executive Directors is approved by the Board. No director takes part in deciding his own remuneration. For information on remuneration of Executive Directors year 2017-18, please refer notes to the financial statements. The Company does not pay remuneration to non-executive directors and independent directors except fee for attending the meetings.

DIRECTORS' TRAINING PROGRAM

The Company is fully compliant with the requirement of Directors Training Program.

APPOINTMENT OF AUDITORS

The Auditors M/s Horwath Hussain Chaudhry & Co. Chartered Accountants, will retire and are eligible for reappointment as auditors of the Company for the next year. The Audit committee and the Board have endorsed their re-appointment for reconsideration of the members at the forthcoming annual general meeting of the Company.

PATTERN OF SHAREHOLDING

The pattern of shareholding as of 30 June, 2018 on the prescribed Form 34 is attached herewith.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of this report.

ACKNOWLEDGEMENT

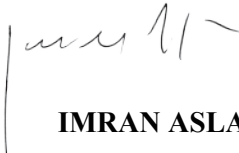
The Directors would like to thank to all of their stakeholders, staff & workers, customers, bankers and suppliers of the Company for their dedication displayed in the growth of the Company. The Directors feel pleasure in expressing appreciation for the continued interest and support of all the shareholders. We fervently hope that cooperation with same spirit shall be extended from all backers in future.

For and on behalf of the Board


IRFAN ASLAM
DIRECTOR

Lahore

Dated: 26th September, 2018


IMRAN ASLAM
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHAHZAD TEXTILE MILLS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Shahzad Textile Mills Limited**, which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss, the statement of other 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, statement of profit or loss, statement of other 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 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 Standard Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the Key Audit Matters:

S. No.	Key audit matters	How the matter was addressed in our audit
Preparation of the Financial Statements under the Companies Act, 2017		
1	The Companies Act, 2017 (the new Act) has replaced Companies Ordinance, 1984 and the requirements of the new Act have been applied in	<p>We discussed this transition with the management and assessed:</p> <ul style="list-style-type: none"> Procedures adopted by the Company to identify

	<p>the preparation of annual financial statements of Shahzad Textile Mills Limited (the Company) for the first time for year ended June 30, 2018. The new Act forms an integral part of the financial reporting framework applicable in Pakistan. This transition from the Ordinance to the new Act has required significant changes in disclosure requirements of financial statements. Further, as required under the new Act, the Company has changed its accounting policy and has reclassified certain account balances as specified in note 5 and 46 to these financial statements.</p> <p>Owing to the significant impact on disclosure requirements, this transition from the Ordinance to the new Act is considered a key audit matter.</p>	<p>the changes introduced by the new Act</p> <ul style="list-style-type: none"> • Extent of change in disclosure requirements, change in accounting policy and reclassification of account balances • Changes made in the bookkeeping system to account for the newly promulgated changes consistently • Adequacy of enhanced disclosures to be given in the annual financial statements in accordance with the applicable reporting framework
Increased Inventory Levels		
2.	<p>The Company has significantly increased its inventory levels as at the reporting date as compared to the prior year. These balances are disclosed in Note 20 to these financial statements.</p> <p>Increased inventory level was considered to be a key audit matter as it is a material account balance and it associates with various risks such as obsolescence and possible impairment.</p>	<p>We responded to the risks associated with increased inventory levels, by:</p> <ul style="list-style-type: none"> • Observing inventory counts; • Reviewing entity's costing methodologies for inventory valuation; • Reviewing entity's cut-off procedures for inventory; • Evaluating the presentation and disclosure of inventories in the financial statements as required by the applicable reporting framework.

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

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2018, 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 users taken on the basis of these financial statements.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other 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 Muhammad Nasir Muneer.



HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants

LAHORE

Dated: September 26, 2018

(Engagement Partner: Muhammad Nasir Muneer)

STATEMENT OF FINANCIAL POSITION

	Note	2018 Rupees	2017 Rupees (Restated)	2016 Rupees (Restated)
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Authorized share capital: 40,000,000 (2017: 40,000,000) ordinary shares of Rs. 10 each		400,000,000	400,000,000	400,000,000
Issued, subscribed and paid up capital	6	179,713,720	179,713,720	179,713,720
Reserves	7	1,149,804,529	1,088,787,306	1,029,324,962
Surplus on revaluation of property, plant and equipment	8	783,789,762	483,510,877	505,320,397
		2,113,308,011	1,752,011,903	1,714,359,079
Non Current Liabilities				
Long term financing	9	58,036,100	98,776,500	-
Staff retirement benefits	10	117,208,249	91,186,667	93,332,207
Deferred tax liability - net	11	172,822,200	201,866,183	230,790,948
		348,066,549	391,829,350	324,123,155
Current Liabilities				
Trade and other payables	12	359,213,897	263,158,418	228,721,312
Unclaimed dividends		163,152	242,454	242,454
Unpaid dividends		199,348	173,749	173,749
Accrued mark up on short term borrowings		12,450,350	8,631,020	4,807,189
Current portion of long term financing	9	40,740,400	40,740,400	-
Short term borrowings	13	488,605,485	406,846,544	320,590,584
Provision for taxation - net	14	67,774,490	45,166,955	37,340,529
		969,147,122	764,959,540	591,875,817
Contingencies and Commitments				
	15	-	-	-
		3,430,521,682	2,908,800,793	2,630,358,051

The annexed notes 1 - 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees (Restated)	2016 Rupees (Restated)
ASSETS				
Non Current Assets				
Property, plant and equipment	16	1,907,740,469	1,684,984,281	1,576,075,286
Long term investment	17	389,984,319	370,634,687	344,014,924
Long term deposits	18	14,070,369	13,970,369	13,970,369
		2,311,795,157	2,069,589,337	1,934,060,579
Current Assets				
Stores and spares	19	59,294,042	71,792,058	49,408,186
Stock in trade	20	656,653,138	478,373,868	363,390,459
Trade debts	21	103,126,356	92,683,730	45,987,630
Advances, trade deposits, prepayments and other receivables	22	122,365,318	51,054,738	77,380,795
Short term investments	23	8,440,050	820,508	1,183,793
Tax refunds due from the Government	24	64,053,211	84,146,787	70,795,771
Cash and bank balances	25	104,794,410	60,339,767	88,150,838
		1,118,726,525	839,211,456	696,297,472
		3,430,521,682	2,908,800,793	2,630,358,051


CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
Sales	26	5,464,277,865	4,511,169,297
Cost of sales	27	(5,196,692,310)	(4,268,171,506)
Gross Profit		267,585,555	242,997,791
Operating Expenses			
- Selling and distribution costs	28	(25,802,248)	(23,905,588)
- Administrative expenses	29	(130,276,738)	(121,253,886)
		(156,078,986)	(145,159,474)
Operating Profit		111,506,569	97,838,317
Finance cost	30	(53,100,365)	(35,920,133)
Other operating expenses	31	(41,753,202)	(49,611,214)
Other income	32	44,442,680	14,770,826
Share of net profit of associate	17	40,087,570	36,953,173
		(10,323,317)	(33,807,348)
Profit before Taxation		101,183,252	64,030,969
Taxation	33	(28,983,671)	(29,316,329)
Net Profit for the Year		72,199,581	34,714,640
Earnings per Share - Basic and Diluted	36	4.02	1.93

The annexed notes 1 - 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	2018 Rupees	2017 Rupees (Restated)
Net Profit for the Year	72,199,581	34,714,640
Other Comprehensive Income for the Year		
<i>Items that will not be reclassified to profit or loss</i>		
Experience adjustment on remeasurement of staff retirement benefits of:		
- The Company	(16,263,853)	9,234,801
Related tax impact	3,687,015	(2,069,519)
	(12,576,838)	7,165,282
- Associated company	(2,041,686)	(1,050,974)
Related tax impact	306,253	131,372
	(1,735,433)	(919,602)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Share in deficit on available for sale investments of associated company	(7,199,126)	(840,245)
Related tax impact	1,079,869	105,031
Effect of change in shareholding percentage in associated company - (reclassified to profit or loss)	-	293,721
Surplus on revaluation of property, plant and equipment	327,250,029	-
Related tax impact	(3,692,495)	-
	317,438,277	(441,493)
Other comprehensive income for the year	303,126,006	5,804,187
Total Comprehensive Income for the Year	375,325,587	40,518,827

The annexed notes 1 - 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees	Rupees
CASH GENERATED FROM OPERATIONS	34	151,051,086	11,704,454
Income tax paid		(58,621,729)	(23,406,529)
Gratuity paid		(24,695,661)	(27,508,323)
Finance cost paid		(41,232,805)	(25,442,537)
Workers' (profit) participation fund paid		(3,520,995)	(1,184,115)
		(128,071,190)	(77,541,504)
Net Cash generated from / (used in) Operating Activities		22,979,896	(65,837,050)
CASH FLOW FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(7,579,080)	(27,705,932)
Long term deposits		(100,000)	-
Capital work in progress		(33,081,146)	(188,441,613)
Proceeds from disposal of property, plant and equipment		23,001,507	18,250,664
Net Cash used in Investing Activities		(17,758,719)	(197,896,881)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends received from associated company		16,240,000	10,150,000
Dividends paid to shareholders		(18,025,075)	-
Long term financing (repaid) / obtained - net		(40,740,400)	139,516,900
Short term borrowings acquired - net		81,758,941	86,255,960
Net Cash generated from Financing Activities		39,233,466	235,922,860
Net Increase / (Decrease) in Cash and Cash Equivalents		44,454,643	(27,811,071)
Cash and cash equivalents at the beginning of the year		60,339,767	88,150,838
Cash and Cash Equivalents at the End of the Year		104,794,410	60,339,767

The annexed notes 1 - 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

	Share Capital Rupees	Share Premium Rupees	Unappropriated Profits Rupees	Revaluation Surplus Rupees	Total Rupees
Balance as at June 30, 2016 as previously reported	179,713,720	5,796,000	1,023,528,962	-	1,209,038,682
Impact of re-statement - note 5	-	-	-	505,320,397	505,320,397
Balance as at June 30, 2016 as restated	179,713,720	5,796,000	1,023,528,962	505,320,397	1,714,359,079
Net profit for the year ended June 30, 2017	-	-	34,714,640	-	34,714,640
Other comprehensive income for the year ended June 30, 2017	-	-	5,804,187	-	5,804,187
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current year (net of deferred tax)	-	-	15,431,522	(15,431,522)	-
Surplus on revaluation of property, plant and equipment realized on disposal	-	-	1,804,186	(1,804,186)	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	(4,573,812)	(4,573,812)
Share in realized surplus on revaluation of property, plant and equipment of associate (net of deferred tax)	-	-	1,707,809	-	1,707,809
Balance as at June 30, 2017 as restated	179,713,720	5,796,000	1,082,991,306	483,510,877	1,752,011,903
Balance as at June 30, 2017 as previously reported	179,713,720	5,796,000	1,082,991,306	-	1,268,501,026
Impact of restatement	-	-	-	483,510,877	483,510,877
Balance as at June 30, 2017 as restated	179,713,720	5,796,000	1,082,991,306	483,510,877	1,752,011,903
Net profit for the year ended June 30, 2018	-	-	72,199,581	-	72,199,581
Other comprehensive income for the year ended June 30, 2018	-	-	(20,431,528)	323,557,534	303,126,006
Final dividend paid for the year ended June 30, 2017	-	-	(17,971,372)	-	(17,971,372)
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current year (net of deferred tax)	-	-	13,069,861	(13,069,861)	-
Surplus on revaluation of property, plant and equipment realized on disposal	-	-	9,407,807	(9,407,807)	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	(3,149,085)	(3,149,085)
Surplus on revaluation of property, plant and equipment related to rate change	-	-	-	2,348,104	2,348,104
Share in realized surplus on disposal of property, plant and equipment of associate (net of deferred tax)	-	-	3,926,406	-	3,926,406
Share in realized surplus on revaluation of property, plant and equipment of associate (net of deferred tax)	-	-	816,468	-	816,468
Balance as at June 30, 2018	179,713,720	5,796,000	1,144,008,529	783,789,762	2,113,308,011

The annexed notes 1 - 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

Note 1

The Company and its Operations

Shahzad Textile Mills Limited (the Company) was incorporated in Pakistan on October 24, 1978 as a Public Limited Company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The Company is domiciled in Pakistan and principle business of the Company is to manufacture and deal in all types of yarn.

The information on geographical location and addresses of the Company's business units including plants is as under:

- The Company's registered office is situated at 19-A, Off Zafar Ali Road, Gulberg - V, Lahore
- Unit 1,3 & 4 is situated at 34th Km, Lahore Sheikupura Road, Sheikupura
- Unit 2 is situated at 7th Km, Sheikupura Faisalabad Road, Sheikupura

Note 2

Summary of Significant Events and Transactions in the Current Reporting Period

2.1 With the promulgation of the Companies Act, 2017, certain prescribed changes have been made in the presentation and the relevant amounts reported for the previous years are restated. This is explained in Note 5 and Note 46.

2.2 Summary of significant events and transactions in the current reporting period:

	2018
	Impact in Rupees
- Reclassification of revaluation surplus in equity as per Companies Act, 2017	783,789,762
- Reclassification of unclaimed dividend as per Companies Act, 2017	163,152
- Revaluation carried as on June 30, 2018 and revaluation surplus on property, plant and equipment created during the year. Revaluation surplus arises as on June 30, 2018.	327,250,029
- Increase in short term borrowings	81,758,941
- Addition in property, plant and equipment	115,818,568
- Increase in revenue as compared to last year	953,108,568
- Adjustment of current tax expense arising from tax credits of prior year	11,437,856

Note 3

Basis of Preparation**3.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of following:

Staff retirement benefits	Note 10	(Stated at Present value)
Certain property, plant and equipment	Note 16	(Stated at Revalued amount)
Long term investment	Note 17	(Stated at Equity method)
Investments in quoted companies	Note 23	(Stated at Fair value)

Note 3, Basis of Preparation - Contd...

3.3 Functional and presentational currency

These financial statements are prepared and presented in Pak Rupees which is the functional and presentation currency of the Company. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

3.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying Company's accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience, as well as expectations of future events that are believed to be reasonable under the circumstances. These 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant management estimates in these financial statements relate to the useful life and residual values of property, plant and equipment; provisions for doubtful receivables; provisions for defined benefit plans, slow moving and obsolete inventory, and taxation.

The basis and associated assumptions underlying the accounting estimates used in the preparation of annual financial statement of the Company for the year ended June 30, 2018 have been consistent with previous years unless otherwise stated.

3.4.1 Property, plant and equipment

The Company reviews the useful lives of property, plant and equipment on a regular basis. Any change in the management's estimates might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

3.4.2 Doubtful receivables

The Company reports its trade and other receivables after deducting appropriate provisions for doubtful receivables using its prudence and experience. This estimate is judgment based. Recoveries of amounts already provided and / or the need of further provisioning cannot be determined with precision.

3.4.3 Staff retirement benefits

The Company has recorded its employees' retirement benefits at fair value using actuarial assumptions regarding increase in salaries in subsequent years, remaining working lives of employees and an estimate of discount rates. Change in actuarial assumptions over the period of time may affect the fair value of post-employment benefits payable and the charge for such liability accounted for in any given period.

3.4.4 Inventories

The Company has recorded its inventories using lower of cost and net realizable value. Valuation of this inventory is reviewed at regular intervals for determination of possible impairment, if any. Any possible impairment may change the future value of inventories.

3.4.5 Taxation

The Company takes into account the current income tax laws and decisions taken by the appellate judicial authorities. Instances where the Company's view differs from the view taken by the tax department at the assessment stage and the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Note 3, Basis of Preparation - Contd...

3.5 Changes in accounting standards, interpretations and pronouncements

3.5.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The Company has adopted the following accounting standard and the amendments which became effective for the current year:

IAS 7	- Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)
IAS 12	- Income Taxes — Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

Improvements to Accounting Standards Issued by the IASB in December 2014

IFRS 12	- Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12
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3.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan and relevant to the Company, would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective Date (Period beginning on or after)
IFRIC 22	Foreign Currency Transactions and Advance Consideration	January 1, 2018
IFRS 9	Financial Instruments: Classification and Measurement	July 1, 2018
IFRS 15	Revenue from Contracts with Customers	July 1, 2018
IFRS 16	Leases	January 1, 2019
IAS 23	Borrowing costs	January 1, 2019

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application; except for IFRS 9, IFRS 15 and IFRS 16.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2019.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	Effective Date (Period beginning on or after)
-IFRS 14 'Regulatory Deferral Accounts'	January 1, 2016
-IFRS 17 'Insurance Contracts'	January 1, 2021

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

Note 4

Summary of Significant Accounting Policies

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

4.1 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.2 Staff retirement benefits***Defined benefits plan***

The Company operates an unfunded gratuity scheme covering its permanent employees. Employees are eligible for benefits under the gratuity scheme after completion of one year of continuous service. The benefit is calculated on the basis of the number of completed years of service and last drawn gross salary.

Actuarial gains / (losses) arising from experience adjustments and changes in actuarial assumptions for the defined benefit plan are charged or credited to other comprehensive income in the period in which they arise. Past service costs are charged to income immediately.

4.3 Taxation

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

Current

The charge for current tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. All tax credits and tax rebates are taken into account in calculating this charge. However, in case of taxable loss for the year, income tax expense is recognized on the basis of minimum tax liability on turnover of the Company in accordance with the provisions of the income tax law.

Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities and their tax bases.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or have been notified at the reporting date for subsequent enactments.

4.4 Trade and other payables

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

*Note 4, Summary of Significant Accounting Policies - Contd...***4.5 Contingent liabilities**

A Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.6 Property, plant and equipment***Owned***

Property, plant and equipment are stated at cost / revalued amount less accumulated depreciation and identified impairment loss, if any, except freehold land which is stated at revalued amount. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable cost of bringing assets to their working condition.

The management reviews market value of revalued assets at each balance sheet date to ascertain whether the fair value of revalued assets has differed materially from the carrying value of revalued assets, thus necessitating further revaluation. Latest revaluation of land, building, plant and machinery and power house is carried out by an independent valuer as at June 30, 2018.

Depreciation on property, plant and equipment has been provided for using the reducing balance method at the rates specified in Note 16 and is charged to the statement of profit or loss. Depreciation on additions is charged from the month in which the asset is available for use up to the month in which the asset is disposed off.

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

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of property, plant and equipment, if any, is shown in the statement of profit or loss.

Capital work-in-progress

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

4.7 Impairment

Carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount is the higher of the fair value less costs to sell and value in use. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be the value in use.

Impairment loss is recognized as expense in the statement of profit or loss. Where conditions giving rise to impairment are reversed subsequently, the effect of the impairment charge is also reversed as a credit to the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of asset.

*Note 4, Summary of Significant Accounting Policies - Contd...***4.8 Investment in associate**

An associate is an entity in which the Company holds more than 20% voting power or over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results, assets and liabilities of associates are incorporated in the financial statements using the equity method. This method is applied from the date when significant influence is established until the date when the significant influence ceases. The Company's share of income and expenses of associates are recognized based upon their latest audited financial statements after realigning their accounting policies, if required.

The share of losses of the associate are recognized to the extent of carrying value/cost of investment. Further losses are recognized only when the Company has made payments on behalf of the associate or has an obligation to make payments on its behalf.

Unrealized gains and losses, if any, arising from transactions with associates are eliminated under the equity method. The Company's share of changes recognized directly in associate's statement of comprehensive income and statement of changes in equity are recognized directly in the Company's statement of comprehensive income and statement of changes in equity, respectively.

Investments in associates, not accounted for under the equity method are classified as "Available for Sale".

4.9 Stores and spares

These are valued at lower of moving average cost and net realizable value; whilst items considered obsolete are written down. Cost of items in transit comprises invoice value plus incidental charges paid thereon.

4.10 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw and packing materials	- Average cost
Material in transit	- Cost comprising Invoice value plus incidental charges
Work in process	- Estimated average manufacturing cost
Finished goods	- Average manufacturing cost
Wastes	- Net realizable value

Manufacturing cost in relation to work in process and finished goods comprises cost of material, labor and appropriately allocated to manufacturing overheads. Net realizable value signifies estimated selling price in the ordinary course of business less necessary costs to make the sale.

4.11 Trade debts and other receivables

Trade debts are recognized at fair value less provision for impairment. A provision for impairment of trade debts and other receivables is established when there is objective evidence that the Company will not be able to collect all the due amounts according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organization, and default or delinquency in payments are considered indicators that the trade receivable has been impaired. Debts, considered irrecoverable, are written off, as and when identified.

4.12 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, these comprise cash in hand, cash at bank and short term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

*Note 4, Summary of Significant Accounting Policies - Contd...***4.13 Financial instruments****4.13.1 Financial assets**

The classification depends on the intended purpose for which the financial assets were acquired. The management determines the classification of its financial assets at the time of initial recognition. The Company classifies its financial assets in the following categories:

At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise advances, deposits and other receivables in the balance sheet.

Held to maturity

Held to maturity are financial assets with fixed or determinable payments and fixed maturity, where the management has the intention and ability to hold till maturity, are carried at amortized cost.

Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These are included in non-current assets unless the management intends to dispose off the investments within twelve months from the balance sheet date, in which case these financial assets are classified as short term investments in the balance sheet.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized directly in equity are included in the profit or loss as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognized in the statement of profit or loss. Dividends on available-for-sale equity instruments are recognized in the profit or loss when the Company's right to receive payments is established.

Measurement criteria

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized at trade date that is the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and their transaction costs are expensed in the statement of profit or loss.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. 'Loans and receivables' and 'held to maturity' investments are carried at amortized cost using effective interest rate method.

Fair values of quoted investments are based on current prices as prevailing on stock exchange. If the market for a financial asset is not active (for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

*Note 4, Summary of Significant Accounting Policies - Contd...**Note 4.13.1 , Summary of Financial Assets - Contd...*

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

4.13.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in respective carrying amounts is recognized in the statement of profit or loss.

4.13.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities and tax assets and tax liabilities are set off in the balance sheet, only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

4.14 Foreign currency transactions

Transactions denominated in foreign currencies are initially recorded in Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the reporting date. Exchange differences are included in profit or loss.

4.15 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party or between two or more segments of the Company are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is not in the interest of the Company to do so.

4.16 Revenue recognition

- Local sales are recorded on dispatch of goods to customers.
- Export sales are recorded on the receipt of bills of lading.
- Dividend on equity investments is recognized as income when the Company's right to receive the dividend is established.

4.17 Borrowing costs

Borrowing costs are charged to profit or loss as and when incurred except those costs that are directly attributable to acquisition, construction or production of qualifying assets that are capitalized as part of the cost of assets.

*Note 4, Summary of Significant Accounting Policies - Contd...***4.18 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Chief Executive Officer of the Company). Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

4.19 Dividends

Dividends are recognized as a liability in the period in which these are declared.

4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. When applicable, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Note 5

Change in Accounting Policy

The Company has changed its accounting policy for the presentation and treatment of Surplus on Revaluation of Property, Plant and Equipment in line with the requirements of newly promulgated Companies Act, 2017 which does not stipulate any special treatment for revaluation surplus and therefore allows the presentation prescribed under IAS 16 "Property, Plant and Equipment". Thus, the Surplus on Revaluation of Property, Plant and Equipment is presented as equity. This change in policy is applied retrospectively in accordance with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" with effect from earliest period presented in these financial statements. Since section 235 of the repealed Companies Ordinance, 1984 has lost its application, the revaluation surplus which was previously shown as a separate line item on statement of financial position, has now been presented in equity for the year ended June 30 2017, and figures have been restated accordingly.

In view of the above, the accounting policy for the presentation and treatment of Surplus on Revaluation of Property, Plant and Equipment is given below:

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

The impact of this change in accounting policy has been applied retrospectively from the earliest period presented in these financial statements:

	As at June 30, 2017			As at June 30, 2016		
	As previously reported on June 30, 2017	Adjustment	As restated on June 30, 2017	As previously reported on June 30, 2016	Adjustment	As restated on June 30, 2016 (Restated)
	-----Rupees-----					
Effect on statement of financial position						
Surplus on revaluation of property, plant and equipment	483,510,877	(483,510,877)	-	505,320,397	(505,320,397)	-
Share capital and reserves	-	483,510,877	483,510,877	-	505,320,397	505,320,397
Effect on statement of changes in equity						
Revaluation surplus	-	483,510,877	483,510,877	-	505,320,397	505,320,397

Note 6

Issued, Subscribed and Paid Up Capital

2018	2017		2018	2017
Number of shares			Rupees	Rupees
12,240,569	12,240,569	Ordinary shares of Rs. 10 each fully paid in cash	122,405,690	122,405,690
4,418,803	4,418,803	Ordinary shares of Rs. 10 each issued for consideration otherwise than in cash	44,188,030	44,188,030
1,312,000	1,312,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	13,120,000	13,120,000
<u>17,971,372</u>	<u>17,971,372</u>		<u>179,713,720</u>	<u>179,713,720</u>

6.1 No shares were issued or cancelled during the year (2017: Nil).

6.2 Sargodha Jute Mills Limited, an associate, held 21,090 (2017: 21,090) ordinary shares of the Company as at the balance sheet date.

6.3 There are no agreements with shareholders for any specific voting rights, board selection, rights of first refusal and block voting etc.

Note 7

Reserves

	2018	2017
	Rupees	Rupees
Capital		
Share premium reserve	5,796,000	5,796,000
Revenue		
Unappropriated profits	1,144,008,529	1,082,991,306
	<u>1,149,804,529</u>	<u>1,088,787,306</u>

Note 8

Surplus on Revaluation of Property, Plant and Equipment

		2018	2017
		Rupees	Rupees
Land - freehold:			
- Opening balance	8.1	239,616,170	239,616,170
- Revaluation during the year	8.2	310,962,000	-
		550,578,170	239,616,170
Buildings on freehold land:			
- Opening balance	8.1	139,352,471	149,190,269
- Revaluation during the year	8.2	21,355,595	-
		160,708,066	149,190,269
Plant and machinery:			
- Opening balance	8.1	93,679,751	100,417,747
- Revaluation during the year	8.2	(7,709,588)	-
		85,970,163	100,417,747
Power house:			
- Opening balance	8.1	10,862,485	16,096,211
- Revaluation during the year	8.2	2,642,022	-
		13,504,507	16,096,211
		810,760,906	505,320,397
Related deferred taxation		(3,692,495)	-
		807,068,411	505,320,397
Deferred tax relating to export	8.3	(3,149,085)	(4,573,812)
Deferred tax due to rate change		2,348,104	-
Incremental depreciation charged on revalued property, plant and equipment during the year transferred to retained earnings - net of deferred tax		(13,069,861)	(15,431,522)
Surplus realized on disposal of revalued property, plant and equipment transferred to retained earnings - net of deferred tax		(9,407,807)	(1,804,186)
		<u>783,789,762</u>	<u>483,510,877</u>

Note 8, 'Surplus on Revaluation of Property, Plant and Equipment - Contd...

8.1 First revaluation of land, buildings and plant and machinery was carried out by an independent valuer as at September 30, 1995 resulting in revaluation surplus of Rs. 435.412 million.

8.2 Latest revaluation of property plant and equipment has been carried out on June 30, 2018, by an independent valuer that has resulted in revaluation surplus of Rs. 327.250 million. The following basis have been used for revaluation:

Land	Market Value
Buildings	Market Value
Plant and Machinery	Market Value
Power House	Market Value

8.3 This represents amount transferred to deferred tax liability due to change in proportion of local and export sales resulting in change in estimate of deferred tax on surplus on revaluation of property, plant and equipment.

Note 9

Long Term Financing

	Note	2018 Rupees	2017 Rupees
Long term financing	9.1	98,776,500	139,516,900
Less : Current portion		(40,740,400)	(40,740,400)
		<u>58,036,100</u>	<u>98,776,500</u>

9.1 These represent long term loans from JS Bank Limited and Habib Metropolitan Bank Limited for enhancement / replacement of power generation facilities under State Bank of Pakistan's (SBP) concessional rate scheme. These loans are secured against specific and exclusive charge on relevant fixed assets of the Company and are repayable in 3 to 5 years starting from February 2017 and ending in February 2022. Mark up on these facilities is charged at SBP rate which is 5% payable quarterly along with payment of principal.

Note 10

Staff Retirement Benefits

	Note	2018 Rupees	2017 Rupees
Staff retirement benefits - Gratuity	10.2.3	<u>117,208,249</u>	<u>91,186,667</u>

10.1 The Company operates an unfunded gratuity scheme covering its permanent employees subject to completion of minimum prescribed period of service. Actuarial valuation of the scheme is carried out annually by an independent actuary and the latest actuarial valuation has been carried out as at June 30, 2018. Following key information is included in that actuarial report:

10.2 Actuarial assumptions

Discount rate	9.00%	7.50%
Expected rate of salary increase in future years	8.00%	6.50%
Average expected remaining working life of employees	6.35 Years	7 Years
Expected mortality rate for active members	As per SLIC (2001-2005) Mortality Table with one year setback	
Actuarial valuation method	Projected Unit Credit Method	

10.2.1 Reconciliation of the funded status

Present value of defined benefit obligation	10.2.2	<u>117,208,249</u>	<u>91,186,667</u>
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The company does not maintain plan assets to cover its defined benefit obligation.

10.2.2 Company's liability

Opening balance		91,186,667	93,332,207
Charge for the year	10.2.4	34,453,390	34,597,584
Remeasurement chargeable to other comprehensive income - experience adjustment		<u>16,263,853</u>	<u>(9,234,801)</u>
		141,903,910	118,694,990
Benefits paid to outgoing employees		<u>(24,695,661)</u>	<u>(27,508,323)</u>
		<u>117,208,249</u>	<u>91,186,667</u>

Note 10, 'Staff Retirement Benefits - Contd...

Note 10.2, Actuarial Assumptions - Contd...

10.2.3 Movement in present value of defined benefit obligation

Opening balance
Current service cost
Interest cost on defined benefit obligation
Benefits paid to outgoing employees
Remeasurement chargeable to other comprehensive income - experience adjustment

2018	2017
Rupees	Rupees
91,186,667	93,332,208
28,540,477	28,828,176
5,912,913	5,769,407
(24,695,661)	(27,508,323)
16,263,853	(9,234,801)
117,208,249	91,186,667

10.2.4 Charge for the year

Current service cost
Interest cost

28,540,477	28,828,176
5,912,913	5,769,407
34,453,390	34,597,583

10.2.5 Charge for the year has been allocated as under

Cost of sales
Administrative expenses

29,500,000	29,500,000
4,953,390	5,097,583
34,453,390	34,597,583

10.2.6 Year end sensitivity analysis on defined benefit obligation

Reasonably possible changes at the balance sheet date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in present value of defined benefit obligation as stated below:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees	Rupees
Discount rate	1%	110,232,342	125,128,550
Salary increase	1%	125,363,688	109,887,175

10.2.7 The Company does not have any plan assets covering its post-employment benefits payable. The comparative statement of present value of defined benefit obligations is as under:

	2018	2017	2016	2015	2014
	Rupees	Rupees	Rupees	Rupees	Rupees
Present value of defined benefit obligation	117,208,249	91,186,667	93,332,207	88,831,027	72,795,423
Fair value of plan asset	-	-	-	-	-
Net liability	117,208,249	91,186,667	93,332,207	88,831,027	72,795,423

Note 11

Deferred Tax Liability - Net

	2018	2017
	Rupees	Rupees
Taxable temporary differences:		
- Share of net profit of associate	48,657,648	38,129,336
- Accelerated tax depreciation	155,338,377	157,445,589
- Surplus on revaluation of property, plant and equipment	68,349,707	70,443,104
	272,345,732	266,018,029
Deductible temporary differences:		
- Staff retirement benefits and others	(26,565,531)	(20,435,315)
- Unused tax credits available	(70,557,481)	(42,565,969)
- Others	(2,400,520)	(1,150,562)
	(99,523,532)	(64,151,846)
	172,822,200	201,866,183

Note 12

Trade and Other Payables

	Note	2018 Rupees	2017 Rupees
Creditors for:			
- Goods supplied	12.1	30,446,325	22,253,176
- Services		8,531,889	12,718,339
Accrued liabilities	12.2	277,587,056	176,585,064
Advances from customers		7,543,298	138,205
Workers' (profit) participation fund	12.3	6,378,311	3,450,221
Workers' welfare fund		4,212,881	1,683,828
Sales tax payable	12.4	20,481,774	43,595,834
Unclaimed wages		4,032,363	2,733,751
		359,213,897	263,158,418

12.1 There is amount of Rs. 63,294 outstanding payable to related party i.e. Sargodha Jute Mills Limited as at the balance sheet date.

12.2 This includes Rs. 119.93 million (2017: 88.91 million) on account of gas infrastructure development cess (GIDC).

12.3 Workers' (profit) participation fund

Opening balance	3,450,221	1,184,115
Provision for the year	6,449,085	3,450,221
	9,899,306	4,634,336
Paid during the year	(3,520,995)	(1,184,115)
Closing balance	6,378,311	3,450,221

12.4 This includes Rs. 18.82 million (2017: 42.16) on account of provision for further sales tax.

Note 13

Short Term Borrowings

	Note	2018 Rupees	2017 Rupees
From banking companies - Secured			
Cash / packing finances	13.1	488,605,485	366,846,544
From related parties - Unsecured			
Loan from directors	13.2	-	40,000,000
		488,605,485	406,846,544

13.1 The Company obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 2,194 million (2017: Rs. 2,559 million) towards working capital requirements, retirement of local and foreign LC's discounting local bills / receivables. These facilities shall expire on various dates latest by January 31, 2019. Mark up on these facilities is charged from 1 to 3 month KIBOR plus a spread of 1% to 1.25% (2017: 1 to 6 month KIBOR plus a spread of 1.25% to 2.25%) payable quarterly. The aggregate short term finances are secured by ranking and hypothecation charge on property, plant and equipment, stocks and receivables of the Company; lien over export and import documents and personal guarantee of sponsoring directors of the Company. The above balance represents the utilized portion of the funded facilities, whereas the Company has also utilized Rs. 77.25 (2017: 75.42 million) from its non-funded facilities.

13.2 This represented short term loan obtained from directors to meet the working capital requirements of the Company. The loan was unsecured and carried mark up at the rate of 3 month KIBOR (2017: 3 months KIBOR), payable quarterly. During the year Company has paid off the loan.

Note 14

Provision for Taxation - net

	2018 Rupees	2017 Rupees
Opening balance	45,166,955	37,340,529
Charge for the year - Current	67,774,490	46,435,705
Payments / adjustments against advance tax, tax credits and refunds	(45,166,955)	(38,609,279)
	67,774,490	45,166,955

14.1 The provision for current year is based on turnover tax i.e. 1.25% on domestic sales, 1% and 15% FTR on export sales and dividend income respectively. Sufficient tax provision has been incorporated in these financial statements.

14.2 Income tax assessments are deemed finalized by the management up to the Tax Year 2017 as tax returns were filed under the self assessment scheme.

Note 14, Provision for Taxation - net, cont...

- 14.3** The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purpose of taxation is available. The comparison of estimated provision for taxation and actual tax assessed as per income tax return filed for previous years can be analyzed as follows:

	2017	2016	2015
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Income tax provision for the year (as per accounts)	45,166,955	37,340,529	42,698,034
Income tax as per tax assessment	45,166,955	37,340,529	42,693,857

Note 15

Contingencies and Commitments**15.1 Contingencies**

- 15.1.1** The Company has provided bank guarantees / post dated cheques in the favor of following parties:

	2018	2017
	<i>Rupees in Million</i>	
- Sui Northern Gas Pipeline Limited	72.64	69.32

- 15.1.2** The Company is contingently liable for Rs. 19.983 million (June 2017: Rs. 16.367 million) on account of electricity duty on self generation. The company has obtained stay order by filing petition on August 10, 2010 in Lahore High Court, Lahore. However the company has not admitted the said duty and case is pending before the Lahore High Court, Lahore.

15.2 Commitments

- 15.2.1** The Company's outstanding commitments / contracts as at the balance sheet date are as under:

Foreign bills of exchange purchased	50.34	89.08
Letters of credits	4.61	6.10
	<u>54.95</u>	<u>95.18</u>

Note 16

Property, Plant and Equipment

			2018	2017
		Note	Rupees	Rupees
Operating fixed assets		16.1	1,907,740,469	1,609,825,939
Capital work in progress		16.8	-	75,158,342
			<u>1,907,740,469</u>	<u>1,684,984,281</u>

16.1 Operating fixed assets**Year ended June 30, 2018**

Description	Cost / Revalued Amounts			Rate	Depreciation			Book Value as at June 30, 2018
	As at June 30, 2017	Additions / (Disposals)	Revaluation Adjustment		Up to June 30, 2017	For the year	Revaluation Adjustment	
	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees
Owned								
Land - freehold	244,418,000	-	310,962,000	-	-	-	-	555,380,000
Buildings on freehold land	313,516,500	-	21,355,595	5	15,578,190	14,896,916	(30,475,106)	304,396,989
			(30,475,106)					
Plant and machinery	890,078,289	3,505,999	(7,709,588)	5	44,398,557	42,092,509	(84,938,056)	782,894,644
		(18,042,000)	(84,938,056)			(1,553,010)		
Power house	165,040,271	101,506,609	2,642,022	20	12,599,169	39,443,066	(47,188,902)	201,000,000
		(21,000,000)	(47,188,902)			(4,853,333)		
Furniture and fixtures	5,867,172	-	-	10	5,374,092	49,308	-	443,772
Vehicles	100,210,225	7,579,080	-	20	48,352,504	10,946,454	-	45,182,247
		(7,624,938)	-			(4,316,838)		
Electric installations	43,628,477	3,226,880	-	10	27,404,526	1,649,287	-	17,801,544
Computers and equipment	3,553,214	-	-	20	2,948,700	120,904	-	483,610
Arms and ammunition	410,775	-	-	7	241,246	11,866	-	157,663
	1,766,722,923	115,818,568	327,250,029		156,896,984	109,210,310	92,782,049	1,907,740,469
		(46,666,938)	(162,602,064)			(10,723,181)	(162,602,064)	
Total as at June 30, 2018	1,766,722,923	69,151,630	164,647,965		156,896,984	98,487,129	(162,602,064)	1,907,740,469

16.2 Operating fixed assets
Year ended June 30, 2017

Description	Cost / Revalued Amounts			Rate	Depreciation			Book Value as at June 30, 2017
	As at June 30, 2016	Additions / Transfers	(Disposals)		Up to June 30, 2016	For the year	(Disposal)	
	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees
Owned								
Land - freehold	244,418,000	-		-	-	-	-	244,418,000
Buildings on freehold land	310,169,000	3,347,500		5	-	15,578,190	-	297,938,310
Plant and machinery	886,983,001	3,095,288		5	-	44,398,557	-	845,679,732
Power house	67,757,000	111,283,271	(14,000,000)	20	-	14,822,761	(2,223,592)	152,441,102
Furniture and fixtures	5,867,172	-		10	5,319,306	54,786	-	493,080
Vehicles	93,364,440	23,204,344	(16,358,559)	20	46,056,290	11,332,491	(9,036,277)	51,857,721
Electric installations	43,628,477	-		10	25,601,866	1,802,660	-	16,223,951
Computers and equipment	3,494,414	58,800		20	2,811,045	137,655	-	604,514
Arms and ammunition	410,775	-		7	228,486	12,760	-	169,529
Total as at June 30, 2017	1,656,092,279	140,989,203	(30,358,559)		80,016,993	88,139,860	(11,259,869)	1,609,825,939

16.3 Had there been no revaluation, the cost, accumulated depreciation and book values of revalued assets would have been as follows.

As on June 30, 2018		
Cost	Accumulated Depreciation	Book Value
Land		
Building on freehold land	-	4,801,830
Plant and machinery	105,276,848	112,420,378
Power house	605,001,392	663,967,528
	110,642,361	210,324,014
1,812,434,351	820,920,601	991,513,750

Note 16. Property, Plant and Equipment - Contd...

16.4 Depreciation charge for the year has been allocated as under:

	2018	2017
Note	Rupees	Rupees
Cost of sales	98,081,777	76,602,168
Administrative expenses	11,128,532	11,537,692
	<u>109,210,309</u>	<u>88,139,860</u>

16.5 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location / Address	Usage of Immoveable Property	Total Area	Covered Area (In sq. ft.)
34th Km, Lahore Sheikupura Road, Sheikupura	Manufacturing facility Unit 1,3,4	104 Kanals and 3 Marla's	433,347
7-Km Sheikupura Faisalabad Road, Kharianwala	Manufacturing facility Unit 2	123 Kanals and 18 Marla's	250,184
Office No. 703, 7th Floor, Tricon corporate center, Lahore			5,150

16.6 Forced sales value of freehold land, building, plant and machinery and power house is Rs. 472,073,000, Rs. 258,737,441, Rs. 665,460,447 and Rs. 170,850,000 respectively.

16.7 Detail of items of property, plant and equipment having book value exceeding Rs. 500,000 sold during the year

Particulars	Cost / Revalued amount Rupees	Accumulated depreciation Rupees	Book value Rupees	Disposal proceeds Rupees	Gain / (Loss) Rupees	Mode of disposal	Particulars of buyers	Relationship
Vehicles								
Honda-Civic	1,205,000	(696,351)	508,649	508,649	-	Negotiation	Azmat Ullah, Lahore	No relation
Toyota Corolla GLI	1,434,000	(1,190,742)	243,258	1,050,000	806,742	Negotiation	Faiz Ahmad Khan, Lahore	No relation
Honda-Civic	2,725,260	(638,922)	2,086,338	2,600,000	513,662	Negotiation	Ijaz Ahmad, Lahore	No relation
Toyota Corolla GLI	1,531,040	(1,218,877)	312,163	1,185,000	872,837	Negotiation	Ibrar Ahmad, Lahore	No relation
Suzuki Alto	729,638	(571,946)	157,692	650,000	492,308	Negotiation	Asim Zafar Butt, Lahore	Employee
Plant and machinery								
Gas Generator	7,000,000	(1,493,333)	5,506,667	5,000,000	(506,667)	Negotiation	Orient Energy Systems (Private) Limited, Lahore	No relation
Gas Generator	7,000,000	(1,493,333)	5,506,667	5,000,000	(506,667)	Negotiation	Orient Energy Systems (Private) Limited, Lahore	No relation
Gas Generator	7,000,000	(1,866,667)	5,133,333	3,200,000	(1,933,333)	Negotiation	Stameco Energy Solutions, Sheikupura	No relation
Drawing 2Y Lowa A/C 8 Ton Hvc 900	8,712,000	(711,481)	8,000,519	1,997,045	(6,003,474)	Negotiation	Tariq Mehmood, Sheikupura	No relation
Scutcher Fa Cone Winding Murata	714,000	(58,310)	655,690	163,670	(492,020)	Negotiation	Tariq Mehmood, Sheikupura	No relation
Classmate, compressor Bog, Fuji and Hun guan	2,872,000	(268,652)	2,603,348	537,898	(2,065,450)	Negotiation	Wisal Kamal Fabrics, Sheikupura	No relation
Old Machine Cone 7.2 Model 1985	2,872,000	(257,283)	2,614,717	554,623	(2,060,094)	Negotiation	Muhammad Saleem, Faisalabad	No relation
Old Machine Cone 7.2 Model 1985	2,872,000	(257,283)	2,614,717	554,623	(2,060,094)	Negotiation	Muhammad Saleem, Faisalabad	No relation
Old Machine Cone 7.2 Model 1985	2,872,000	(257,283)	2,614,717	554,623	(2,060,094)	Negotiation	Muhammad Saleem, Faisalabad	No relation

Note 16, Property, Plant and Equipment - Contd...

16.8 Capital Work in Progress

Plant and machinery

Opening balance
Additions during the year
Transferred to plant and machinery

2018	2017
Rupees	Rupees
75,158,342	-
33,081,146	188,441,613
(108,239,488)	(113,283,271)
-	75,158,342

Note 17

Long Term Investment

Associates - Unquoted

Sargodha Jute Mills Limited:
8,120,000 (2017: 8,120,000) fully paid ordinary shares of Rs. 10 each
Equity held 24.94% (2017: 24.94%)
Cost of investment Rs. 65,600,000 (2017: Rs. 65,600,000)

- Opening balance
- Share in net profit for the year of associate
- Share in realized surplus on revaluation of property, plant and equipment of associate
- Surplus realized on disposal of revalued property, plant and equipment transferred to retained earnings - net of deferred tax of associate
- Share in deficit on investments available for sale of associate
- Share in remeasurement of staff retirement benefits liability
- Less: Dividend received

2018	2017
Rupees	Rupees
370,634,687	344,014,924
40,087,570	36,953,173
3,926,406	1,707,809
816,468	-
(7,199,126)	(840,245)
(2,041,686)	(1,050,974)
(16,240,000)	(10,150,000)
389,984,319	370,634,687

17.1 The investment made in associated company have been made in accordance with the requirements under the Companies Act, 2017.

17.2 The Company holds 24.94% (2017: 24.94%) shareholding in Sargodha Jute Mills Limited (the associate) and accounts for this investment under equity method as prescribed in IAS 28 (Investments in Associates). Information extracted from the audited financial statements of the associate is as follows:

	2018	2017
	Rupees in thousand	(Restated)
Equity	1,749,902	1,683,956
Total assets	3,616,267	2,978,598
Revenue	3,803,420	3,332,965
Net profit for the year	160,736	148,168

Note 18

Long Term Deposits

Deposit with LESCO
Others

2018	2017
Rupees	Rupees
11,951,410	11,951,410
2,118,959	2,018,959
14,070,369	13,970,369

Note 19

Stores and Spares

Stores and spares

Note

19.1

2018	2017
Rupees	Rupees
59,294,042	71,792,058

19.1 This includes stores in transit amounting to Rs. 1.067 million (2017: Rs. 7.335 million) as at the balance sheet date.

Note 20

Stock in Trade

		2018	2017
		Rupees	Rupees
Raw materials		553,612,147	389,941,855
Work in process		37,450,722	33,323,636
Finished goods		65,590,269	55,108,377
		<u>656,653,138</u>	<u>478,373,868</u>

20.1 Stocks amounting to Rs. 275.321 million (2017: Rs. 274.595 million) approximately are pledged against short term borrowings.

Note 21

Trade Debts

		2018	2017
	Note	Rupees	Rupees
Local debts (Unsecured - considered good)	21.1	71,943,496	58,434,374
Foreign debts (Secured - considered good)	21.3	31,182,860	34,249,356
		<u>103,126,356</u>	<u>92,683,730</u>

21.1 There is amount of Rs. 198,286 outstanding receivable from related party i.e. Sargodha Jute Mills Limited as at the balance sheet date.

21.2 The maximum aggregate amount due from related party at the end of any month during the year was Rs. 70,918 (2017: Rs. 116,087)

21.3 The amount of Rs. 31.182 million (2017: 34.249 million) are secured by way of export Letters of Credit.

Note 22

Advances, Trade Deposits, Prepayments and Other Receivables

		2018	2017
	Note	Rupees	Rupees
Advances (Unsecured - considered good):			
- Employees	22.1	747,559	212,408
- Suppliers and others		36,487,677	6,578,076
Income tax deducted at source / Advance tax		32,207,246	22,137,779
Margins with banks against:			
- Letters of credit	22.2	1,641,893	-
- Letters of guarantee		7,042,811	7,042,811
Prepayments		672,346	1,367,444
Duty draw back on export		41,075,441	10,324,846
Insurance claims receivable		2,274,437	3,259,344
Other receivables		215,908	132,030
		<u>122,365,318</u>	<u>51,054,738</u>

22.1 Amount due from chief executive, directors and executives as at the balance sheet date was Nil (2017: Nil).

22.2 This includes the amount given to clearing agent for import of raw material.

Note 23

Short Term Investments

		2018	2017
	Note	Rupees	Rupees
At fair value through profit or loss			
Investment in quoted shares	23.1	1,189,565	820,508
Investment in mutual funds	23.2	7,250,485	-
		<u>8,440,050</u>	<u>820,508</u>

23.1 Investments are measured at fair value through profit or loss in accordance with IAS - 39 (Financial Instruments: Recognition and Measurement). The quoted market value in an active market is considered as the fair value of investment. The resulting difference between cost and fair value of investment is taken to the profit or loss account.

23.2 Investments are made in Islamic hybrid funds 2-JSICPAP-2 on which lien is marked by the JS bank, against which guarantee has been issued by JS bank on behalf of company to Excise and Taxation department.

Note 24

Tax Refunds Due from the Government

	2018	2017
	Rupees	Rupees
Sales tax	24,758,382	58,563,762
Income tax	39,294,829	25,583,025
	<u>64,053,211</u>	<u>84,146,787</u>

Note 25

Cash and Bank Balances

	2018	2017
	Rupees	Rupees
Cash in hand	752,276	631,659
Cash at banks - Current accounts	104,042,134	59,708,108
	<u>104,794,410</u>	<u>60,339,767</u>

Note 26

Sales - Net

	2018	2017
	Rupees	Rupees
Yarn sales		
- Local	4,298,088,899	3,633,514,205
- Export	1,113,894,007	853,446,629
Waste sales	43,478,717	32,826,537
Duty draw back	43,040,587	15,031,797
	<u>5,498,502,210</u>	<u>4,534,819,168</u>
Commission to selling agents	(28,620,749)	(20,558,044)
Sales tax	(5,603,596)	(3,091,827)
	<u>(34,224,345)</u>	<u>(23,649,871)</u>
	<u>5,464,277,865</u>	<u>4,511,169,297</u>

Note 27

Cost of Sales

		2018	2017
	Note	Rupees	Rupees
Raw materials consumed		3,663,384,065	2,952,152,832
Stores and spares consumed		105,147,816	94,297,725
Packing materials consumed		138,731,680	93,365,947
Salaries, wages and other benefits	27.1	525,456,187	457,392,541
Fuel and power		651,380,704	575,782,886
Insurance		8,280,303	7,789,773
Repairs and maintenance		10,880,748	5,275,394
Other manufacturing expenses		9,958,008	11,647,906
Depreciation	16.4	98,081,777	76,602,168
		<u>5,211,301,288</u>	<u>4,274,307,172</u>
Opening work in process		33,323,636	29,335,701
Closing work in process		(37,450,722)	(33,323,636)
		<u>(4,127,086)</u>	<u>(3,987,935)</u>
Cost of goods manufactured:		<u>5,207,174,202</u>	<u>4,270,319,237</u>
- Opening finished goods		55,108,377	52,960,646
- Closing finished goods		(65,590,269)	(55,108,377)
		<u>(10,481,892)</u>	<u>(2,147,731)</u>
		<u>5,196,692,310</u>	<u>4,268,171,506</u>

27.1 This includes Rs. 29.50 million (2017: Rs. 29.50 million) in respect of staff retirement benefits.

Note 28

Selling and Distribution Costs

	2018	2017
	Rupees	Rupees
Freight and octroi	8,503,130	5,700,982
Export sale expenses	17,299,118	18,204,606
	<u>25,802,248</u>	<u>23,905,588</u>

Note 29

Administrative Expenses

		2018	2017
	Note	Rupees	Rupees
Salaries, wages and other benefits	29.1	79,891,874	71,674,906
Printing and stationery		684,934	674,382
Communication		1,293,741	1,003,566
Travelling and conveyance		585,045	1,835,632
Repairs and maintenance		1,175,196	1,612,606
Vehicles' running and maintenance		7,232,743	6,619,119
Rent, rates and taxes		6,061,651	4,267,706
Insurance		2,220,217	2,221,260
Legal and professional charges		1,540,665	1,285,165
Fees and subscription		2,427,483	2,786,015
Utilities		10,169,632	11,148,726
Entertainment		4,846,935	4,025,463
Advertisement		397,557	204,270
Miscellaneous		620,533	357,378
Depreciation	16.4	11,128,532	11,537,692
		<u>130,276,738</u>	<u>121,253,886</u>

29.1 This includes Rs 5.098 million (2017: Rs. 5.098 million) in respect of staff retirement benefits.

Note 30

Finance Cost

	2018	2017
	Rupees	Rupees
Interest / mark-up on:		
- Short term borrowings	39,133,199	27,895,175
- Long term loans	5,918,936	1,371,193
	<u>45,052,135</u>	<u>29,266,368</u>
Bank charges and commission	7,032,217	5,609,161
Commission on bank guarantees	1,016,013	1,044,604
	<u>53,100,365</u>	<u>35,920,133</u>

Note 31

Other Operating Expenses

	2018	2017
	Rupees	Rupees
Auditors' remuneration		
- Statutory audit	862,500	862,500
- Limited scope review	100,000	100,000
- Other attestation services	50,000	50,000
	<u>1,012,500</u>	<u>1,012,500</u>
Provision for workers' (profit) participation fund	6,449,085	3,450,221
Provision for workers' welfare fund	2,529,053	1,229,502
Provision for further sales tax	18,820,314	42,164,181
Loss on revaluation of short term investments at fair value through profit or loss	-	363,285
Loss on disposal of property, plant and equipment - Net	12,942,250	848,026
Effect of change in shareholding percentage in associate (reclassified from OCI)	-	293,721
Exchange loss	-	249,778
	<u>41,753,202</u>	<u>49,611,214</u>

Note 32

Other Income

		2018	2017
	Note	Rupees	Rupees
Exchange gain		429,345	-
Profit on sale of raw material		891,000	373,153
Fair value gain on remeasurement of short term investment		365,455	-
Reversal of further sales tax	32.1	42,168,181	-
Gain on settlement of liabilities		-	13,965,673
Profit on term deposit receipts		108,699	-
Others	32.2	480,000	432,000
		<u>44,442,680</u>	<u>14,770,826</u>

Note 32, Other Income, cont...

32.1 The provision recognized in previous year for further sales tax has been reversed on the basis of the final verdict issued by the Lahore High Court, Lahore dated February 22, 2018 in favor of the Company.

32.2 This includes Rs. 0.480 million (2017: 0.432 million) on account of rental income from related party.

Note 33

Taxation

	2018	2017
	Rupees	Rupees
Current:		
- Current period / year	67,774,490	46,435,705
- Prior years		
- Adjustment on account of assessment / return	1,111,359	18,212,317
- Tax credits utilized	(11,437,856)	-
	(10,326,497)	18,212,317
Deferred	57,447,993	64,648,022
	(28,464,322)	(35,331,693)
	<u>28,983,671</u>	<u>29,316,329</u>

33.1 The charge for taxation is based on minimum tax under section 113(c) of the Income Tax Ordinance, 2001.

33.2 Reconciliation of tax charge for the year

Profit before taxation	101,183,252	64,030,969
Tax @ 30% (2017: 31%) on profit before taxation	30,354,976	19,849,600
Prior year tax charge	1,111,359	18,212,317
Tax credits (BMR investment)	(11,437,856)	-
Tax effect of exports under final tax regime	4,951,078	4,779,215
Tax effect on income taxed at reduced rate	(12,026,271)	(11,455,484)
Other adjustments	44,494,707	33,262,374
Deferred tax	(28,464,322)	(35,331,693)
	<u>28,983,671</u>	<u>29,316,329</u>

Note 34

Cash Generated from Operations

	2018	2017
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	101,183,252	64,030,969
Adjustments for:		
- Depreciation	109,210,310	88,139,860
- Share of net profit of associate	(40,087,570)	(36,953,173)
- Loss on disposal of property, plant and equipment - Net	12,942,250	848,026
- (Gain) / loss on investment at fair value through profit or loss	(365,455)	363,285
- Provision for staff retirement benefits	34,453,390	34,597,584
- Exchange (gain) / loss	(429,345)	249,778
- Effect of change in shareholding percentage in associate (reclassified from OCI)	-	293,721
- Provision for workers' (profit) participation fund	6,449,085	3,450,221
- Provision for workers' welfare fund	2,529,053	1,229,502
- Provision for further sales tax	18,820,314	42,164,181
- Reversal of provision for further sales tax	(42,168,181)	-
- Gain on settlement of liabilities	-	(13,965,673)
- Finance cost	45,052,135	29,266,368
	<u>146,405,986</u>	<u>149,683,680</u>
Operating profit before working capital changes	<u>247,589,238</u>	<u>213,714,649</u>
Decrease / (increase) in current assets:		
- Stores and spares	12,498,016	(22,383,872)
- Stock in trade	(178,279,270)	(114,983,409)
- Trade debts	(10,013,281)	(46,945,878)
- Advances, trade deposits, prepayments and other receivables	(61,241,113)	15,764,468
- Short term investments	(7,254,087)	-
- Tax refunds due from the Government	33,805,380	(36,204,494)
Increase / (decrease) in current liabilities:		
- Trade and other payables	113,946,203	2,742,990
	<u>(96,538,152)</u>	<u>(202,010,195)</u>
Cash Generated from Operations	<u>151,051,086</u>	<u>11,704,454</u>

Note 35

Reconciliation of Liabilities arising from Financing Activities

	As at June 30, 2017	Non-cash changes	Cash flows	As at June 30, 2018
	Rupees			
Long term financing	98,776,500	-	(40,740,400)	58,036,100
Short term borrowings	406,846,544	-	81,758,941	488,605,485
Total liabilities from financing activities	<u>505,623,044</u>	<u>-</u>	<u>41,018,541</u>	<u>546,641,585</u>

Note 36

Earnings per Share - Basic and Diluted

		2018 Rupees	2017 Rupees
Basic earning per share is based on			
Net profit for the year attributable to ordinary shareholders	Rupees	72,199,581	34,714,640
Weighted average number of ordinary shares outstanding during the year	Number	17,971,372	17,971,372
Earnings per share - Basic	Rupees	<u>4.02</u>	<u>1.93</u>

36.1 Diluted Earnings per Share

There is no dilutive effect on the basic earnings per share of the Company as the Company has no such commitments that would result in dilution of earnings of the Company.

Note 37

Balances and Transactions with Related Parties

The related parties comprise associated companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Transactions during the year

Related party	Basis of Relationship	Aggregate Shareholding	Nature of Transaction	2018 Rupees	2017 Rupees
Sargodha Jute Mills Limited	Associate	24.94%	Dividends income received	16,240,000	10,150,000
			Rent received from leasehold land	480,000	432,000
			Purchase of materials, goods and services	367,560	396,100
			Sale of materials, goods and services	313,144	676,801
			Dividends paid	21,090	-
Director			Mark up charged on loan from director	-	2,110,946

Balances outstanding as at June 30,

Sargodha Jute Mills Limited (note 12 & 21)		134,992	-
Director (note 13)	Short term loan payable	-	40,000,000

37.1 There were no transactions with key management personnel other than undertaken as per terms of their employment that have been disclosed in Note 38.

37.2 Sale and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled price method.

Note 38

Chief Executive's, Directors' and Executives' Remuneration

The aggregate amounts charged in the financial statements for the year as remuneration and benefits to chief executive, directors and executives of the Company are as follows:

	2018			2017		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	9,272,727	3,818,182	8,900,597	9,272,727	3,818,182	11,830,157
Medical	927,273	381,818	890,059	927,273	381,818	1,183,015
Bonus	475,063	195,801	335,829	-	-	-
Staff retirement benefits	850,000	350,000	690,622	850,000	350,000	968,444
	<u>11,525,063</u>	<u>4,745,801</u>	<u>10,817,107</u>	<u>11,050,000</u>	<u>4,550,000</u>	<u>13,981,616</u>
Number of persons	1	1	4	1	1	5

38.1 In addition to above, Chief Executive, Director, and Executives are provided with free use of Company maintained vehicles in accordance with the Company's policy.

38.2 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year. Comparative figures have been restated to reflect changes in the definition of executive as per the Companies Act, 2017 (Previously, basic salary limit for executive was Rs. 500,000).

38.3 No meeting fee has been paid during the year.

Note 39

Segment Information

For management purposes, the activities of the Company are recognized into one operating segment, i.e. manufacturing and sales of yarn. The Company operates in the said reportable operating segment based on the nature of the product, risk and return, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements related to the Company's only reportable segment. Entity-wide disclosures regarding reportable segment are as follows:

	2018	2017
	Percentage	Percentage
39.1 Information about products:		
Yarn	99.10%	99.27%
39.2 Major customers:		
4 customers (2017: 4 customers)	53.78%	54.10%
39.3 80% (2017: 81%) of sales of yarn are local sales whereas the remaining 20% (2017: 19%) sales are export / foreign sales.		

39.4 Geographical Information:

Company's revenue from external customers and geographical location is given as under:

	2018	2017
	Rupees in thousand	Rupees in thousand
Pakistan	4,341,568	3,666,341
Asia	997,260	704,432
Europe	116,634	149,014
	<u>5,455,462</u>	<u>4,519,787</u>

39.5 Details of Outstanding trade debts in respect of export sales are as follows:

Country	Total export sales made to debtors outstanding	Amount Outstanding	Mode of Contract
-----Rupees-----			
China	523,285,869	31,182,860	Letters of Credit

39.6 All non-current assets of the Company are located and operated in Pakistan as at the reporting date.

Note 40

Plant Capacity and Production

	2018	2017
	Kilograms	Kilograms
Plant capacity converted into 20/S count based on three shifts per day for 365 days (2017: 365 days)	42,673,542	42,673,542
Actual production converted into 20/S count	40.1 39,667,532	38,191,592

40.1 Reasons attributable to under utilization of optimal production capacity are mainly due to various factors such as spindles' speed, twist, maintenance of machinery, power shutdown, etc.

Note 41

Financial Risk Management**41.1 Financial risk factors**

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

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

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

	2018	2017
	Rupees in thousand	
Trade debts	31,183	34,249
Outstanding commitments against letters of credit	(4,610)	(6,095)
Net exposure	<u>26,573</u>	<u>28,154</u>

The following significant exchange rates were applied during the year:

Rupees per US Dollar

Average rate during the year reported	113.10	103.68
Reporting date rate	121.40	104.80

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 1% against the USD with all other variables held constant, the impact on profit before taxation for the year would have been Rs. 3.12 million (2017: Rs. 0.2815 million) respectively lower / higher, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. This sensitivity analysis reflects exposure as at reporting date and is unrepresentative of the exposure during the year.

(ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is exposed to equity and commodity price risk in respect of short term investments carried at market value. Following analysis shows the impact of change in equity and commodity price.

Note 41, Financial Risk Management - Contd...

	2018	2017
Change in commodity prices (%)	1%	1%
Effect on profit or loss account (Rupees)	84,401	8,205

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing asset. The Company's interest rate risk arises from short term borrowings. As the borrowings made at variable rates, these expose the Company to cash flow interest rate risk. As at the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2018	2017
	Rupees in thousand	
Fixed rate instruments		
Long term financing	98,777	139,517
Floating rate instruments		
Financial liabilities		
Short term borrowings	488,605	406,847

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit or loss account. This analysis is prepared assuming the amounts of floating rate instruments outstanding at balance sheet dates were outstanding for the whole year.

	2018	2017
Change in interest rates (%)	1%	1%
Effect on profit or loss account		
Short term borrowings (Rupees in thousand)	4,886	4,068
Total effect on profit or loss account (Rupees in thousand)	4,886	4,068

(b) Credit risk

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

	2018	2017
	Rupees in thousand	
Long term deposits	14,070	13,970
Trade debts	103,126	92,684
Short term investments	8,440	821
Trade deposits and other receivables	50,609	20,759
Bank balances	104,042	59,708

Company exposure relating to credit risk relating to trade debt is disclosed in relevant notes to the financial statement. There are no significant debtors that are past due as at the balance sheet date.

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

Note 40, Financial Risk Management - Contd...

	Rating		Rating Agency	2018	2017
	Short term	Long term			
Rupees in thousand					
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	51,196	25,945
MCB Bank Limited	A1+	AAA	PACRA	25,402	12,185
Habib Bank Limited	A1+	AAA	JCR-VIS	3,256	528
Allied Bank Limited	A1+	AAA	PACRA	9,293	12,199
Meezan Bank Limited	A1+	AA+	JCR-VIS	11,932	2,424
National Bank of Pakistan	A1+	AAA	PACRA	1,560	4,822
United Bank Limited	A1+	AAA	JCR-VIS	112	112
Bank Alfalah Limited	A1+	AA+	PACRA	1,216	1,493
				103,967	59,708

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages its liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at the balance sheet date, the Company had Rs. 1,532.76 million (2017: 2,062 million) worth unavailed short term borrowing limits available (both funded and unfunded) from financial institutions and Rs. 104.79 million (2017: Rs. 60.34 million) cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments.

Contractual maturities of financial liabilities as at June 30, 2018:

	Carrying Amount	Contractual cash flows	Within 1 year	2-5 Years	More than 5 years
----- Rupees in thousand -----					
Long term financing	98,777	103,716	40,740	62,976	-
Trade and other payables	351,671	351,671	351,671	-	-
Unclaimed dividends	163,152	163,152	163,152	-	-
Unpaid dividends	199,348	199,348	199,348	-	-
Accrued interest	12,450	12,450	12,450	-	-
Short term borrowings	488,605	531,114	531,114	-	-
	<u>1,314,003</u>	<u>1,361,451</u>	<u>1,298,475</u>	<u>62,976</u>	<u>-</u>

Contractual maturities of financial liabilities as at June 30, 2017:

	Carrying Amount	Contractual cash flows	Within 1 year	2-5 Years	More than 5 years
----- Rupees in thousand -----					
Long term financing	139,517	146,493	40,740	105,753	-
Trade and other payables	263,020	263,020	263,020	-	-
Unclaimed dividends	242,454	242,454	242,454	-	-
Unpaid dividends	173,749	173,749	173,749	-	-
Accrued interest	8,631	8,631	8,631	-	-
Short term borrowings	406,847	442,243	442,243	-	-
	<u>1,234,218</u>	<u>1,276,590</u>	<u>1,170,837</u>	<u>105,753</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at June 30, 2018. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

(d) Fair value of financial instruments

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

As at June 30, 2018 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Note 41, Financial Risk Management - Contd...

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

The Company classifies the financial instruments measured in the balance sheet at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

41.2 Financial instruments by categories**Financial assets as at June 30, 2018**

	Cash and Cash Equivalents	Loans and advances	Fair value through profit or loss	Held for trading	Total
	----- Rupees in thousand -----				
Long term deposits	-	14,070	-	-	14,070
Short term investments	-	-	8,440	-	8,690
Trade debts	-	103,126	-	-	103,126
Trade deposits and other receivables	-	50,609	-	-	50,609
Cash and bank balances	104,794	-	-	-	104,794
	<u>104,794</u>	<u>167,805</u>	<u>8,440</u>	<u>-</u>	<u>281,039</u>

Financial assets as at June 30, 2017

	Cash and Cash Equivalents	Loans and advances	Fair value through profit or loss	Held for trading	Total
	----- Rupees in thousand -----				
Long term deposits	-	13,970	-	-	13,970
Short term investments	-	-	821	-	821
Trade debts	-	92,684	-	-	92,684
Trade deposits and other receivables	-	20,759	-	-	20,759
Cash and bank balances	60,340	-	-	-	60,340
	<u>60,340</u>	<u>127,413</u>	<u>821</u>	<u>-</u>	<u>188,574</u>

Financial liabilities at amortized cost

	2018	2017
	Rupees in thousand	
Long term financing	98,777	139,517
Trade and other payables	351,671	263,020
Unclaimed dividends	163,152	242,454
Unpaid dividends	199,348	173,749
Accrued mark-up	12,450	8,631
Short term borrowings	488,605	406,847
	<u>1,314,003</u>	<u>1,234,218</u>

41.3 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Note 42

Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt.

As at the balance sheet date, the gearing ratio of the Company was as under:

	Note	2018 Rupees in thousand	2017 (Restated)
Total borrowings	9 & 13	587,382	546,363
Cash and bank balances		(104,794)	(60,340)
Net Debt		482,588	486,023
Equity		2,113,308	1,752,012
Total capital employed		2,595,896	2,238,035
Gearing Ratio		18.59%	21.72%

42.1 Equity for the year ended June 30, 2017 has been restated due to inclusion of revaluation surplus as detailed in note 5.

Note 43

Number of Employees

	2018				
	Permanent		Contractual		Total
	Head office	Mills	Head office	Mills	
	Number	Number	Number	Number	Number
Employees as at the year end	32	2,143	6	140	2,321
Average employees during the year	32	2,096	6	137	2,271

	2017				
	Permanent		Contractual		Total
	Head office	Mills	Head office	Mills	
	Number	Number	Number	Number	Number
Employees as at the year end	31	2,016	5	125	2,177
Average employees during the year	31	1,995	5	125	2,156

Note 44

Provident Fund Related Disclosures

The Company does not maintain any provident fund for its employees.

Note 45

Authorization of Financial Statements

These financial statements were authorized for issuance on **September 26, 2018** by the Board of Directors of the Company.

Note 46

General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. In addition to restatements discussed in note 5, the following re-arrangements / reclassifications have been made in these financial statements for better presentation:

Nature	From	To	2017 Amount (Rupees)
Unclaimed dividends	Trade and other payables (Note 12)	Unclaimed dividends (face of the statement of financial position)	242,454
Unpaid dividends	Trade and other payables (Note 12)	Unpaid dividends (face of the statement of financial position)	173,749



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

FORM - 34

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2018
CUIN (INCORPORATION NUMBER) 0006512

No. of Shareholders	Share From	Holding To	Total Share Held
467	1	100	11,527
224	101	500	53,532
35	501	1,000	23,570
35	1,001	5,000	71,620
2	5,001	10,000	15,900
1	10,001	15,000	14,580
2	15,001	20,000	35,061
1	20,001	25,000	21,090
2	35,001	40,000	76,303
1	95,001	100,000	96,883
1	265,001	270,000	265,553
1	270,001	275,000	272,374
2	295,001	300,000	600,000
1	430,001	435,000	432,131
2	495,001	500,000	1,000,000
1	76,0001	765,000	760,382
1	1,105,001	1,110,000	1,105,907
1	1,680,001	1,685,000	1,682,217
1	2,495,001	2,500,000	2,500,000
2	4,465,001	4,470,000	8,932,742
783	Total		17,971,372

5. Categories of Shareholders**Shares Held Percentage**

5.1	Directors, Chief Executive Officer, and their spouse and minor children	13,141,099	73.12
5.2	Associated Companies, undertakings and related parties	1,021,090	5.68
5.3	NIT and ICP	9,310	0.05
5.4	Banks Development Financial Institutions, Non Banking Financial Institutions,	2,200	0.01
5.5	Insurance Companies	600	0.00
5.6	Modarabas and Mutual Funds	122	0.00
5.7	Share Holding 10 % or more	13,875,341	77.21
5.8	General Public		
	a. Local	3,791,273	21.09
	b. Foreign	-	-
5.9	Others (Securities & Joint Stock Companies)	5,178	0.03

CATEGORIES OF SHAREHOLDING

INFORMATION REQUIRED AS PER CODE OF CORPORATE GOVERNANCE
AS AT JUNE 30, 2018

S.#	Particular	Shares Held	Percentage
1)	<u>Associated Companies, Undertakings and Related Parties</u>		
	i) Sargodha Jute Mills Limited	21,090	0.11
	ii) Mrs. Saima Hassan	500,000	2.78
	iii) Sadaf Parvez	500,000	2.78
		1,021,090	5.67
2)	<u>Mutual Funds</u>		
	i) Golden Arrow Selected Stock Fund Limited	122	0.00
3)	<u>Directors, Chief Executive Officer and their Spouse and Minor Children</u>		
	i) Mian Parvez Aslam -Director	2,500,000	13.91
	ii) Mr. Imran Aslam -Chief Executive Officer	4,466,371	24.85
	iii) Mr. Irfan Aslam -Director	4,466,371	24.85
	iv) Mr. Ahsan Ahmad Khan -Director	650	0.00
	v) Syed Raza Ali Bokhari -Director	500	0.00
	vi) Mr. Humayun Bakht -Director	650	0.00
	vii) Mr. Maqsood Shahid Najmi -Director	650	0.00
	viii) Mrs. Nazish Imran -Spouse	300,000	1.66
	ix) Mrs. Sara Irfan -Spouse	300,000	1.66
	xi) Mrs. Fakhra Parvez -Spouse	1,105,907	6.15
		13,141,099	73.11
4)	<u>Executives</u>	500	0.00
5)	<u>Public Sector Companies and Corporations</u>	9,310	0.05
6)	<u>Banks, Development Financial Institutions, Non Banking Financial Institutions, Insurance Companies, Takaful, Modarabas and Pension Funds</u>	2,800	0.02
7)	<u>Individuals and Joint Stock Companies</u>	3,796,451	21.13
	TOTAL NUMBER OF SHARES	17,971,372	100.00
8)	<u>Shareholders Holding Five Percent or More Voting Rights</u>		
	Mian Parvez Aslam	2,500,000	13.91
	Mian Shahzad Aslam	2,442,599	13.59
	Mr. Imran Aslam	4,466,371	24.85
	Mr. Irfan Aslam	4,466,371	24.85
	Mrs. Fakhra Parvez	1,105,907	6.15

Detail of Purchase / Sales / Gifts of Shares by Directors/CEO/Company Secretary/CFO and Their Spouses /Minor Children during 2018.

1755400 shares were gifted by Mian Parvez Aslam

876893 shares were received as gift by Mr. Imran Aslam

878507 shares were received as gift by Mr. Irfan Aslam

No other trades were carried out by other directors, executives, and their spouses and minor children.

زیر جائزہ سال کے دوران، یکم جولائی 2017 سے لے کر 30 جون 2018 تک آڈٹ کمیٹی کے پانچ (5) اجلاس منعقد ہوئے۔ آڈٹ کمیٹی کی حاضری حسب ذیل تھی:

نام رکن	تعداد حاضری
سید رضاعلی	05
عرفان اسلم	05
مقصود شاہد نجمی	05

ہیومن ریسورس اور معاوضہ (HR & R) کمیٹی

کارپوریٹ گورننس کے ضابطہ اخلاق کے مطابق، بورڈ آف ڈائریکٹرز نے ہیومن ریسورس اور معاوضہ (HR & R) کمیٹی تشکیل دی ہے جو درج ذیل نامی تین ارکان پر مشتمل ہے۔ ہیومن ریسورس اور معاوضہ (HR & R) کمیٹی کمپنی کے انسانی ذرائع کو مؤثر طریقے سے فعال بنانے میں مدد فراہم کرتی ہے۔ اس کے علاوہ، ہیومن ریسورس اور معاوضہ (HR & R) کمیٹی اس بات کو یقینی بنانے کے لئے کہ کمپنی کی ہیومن ریسورس پالیسیاں اس کے مجموعی کاروبار کے ساتھ باضابطہ طور پر منسلک ہیں کی تشخیص اور سفارشات بھی مرتب کرے گی۔

نام کمیٹی رکن	عہدہ	تعداد حاضری
سید رضاعلی بخاری	چیرمین	02
عمران اسلم	رکن	02
احسن احمد خان	رکن	02

بورڈ آف ڈائریکٹرز کی قدر پیمائی

لسٹڈ کمپنی کے بورڈ آف کارپوریٹ گورننس 2017 کے مطابق بورڈ نے ایک میکینزم تیار کیا ہے جو ڈائریکٹروں کی قدر پیمائی اور ان کی کارکردگی کو چیک کرتا ہے سالانہ روایات کے درمیان ایک جامع سوال نامہ تیار کیا گیا ہے جو تمام ممبرز کے درمیان بانٹا گیا ہے کہ وہ نقصان دہ جگہوں پر اپنی توجہ بڑھائیں۔ یہ سوال نامہ درج ذیل ہے۔

کارپوریٹ کے مقاصد کو اپنا مشن بنائے اور پائیدار قسم کی اسٹریٹیجی بنائے۔ ورکرز کی پرفارمنس کو چیک کریں اور اس پر نظر رکھیں اور بورڈ کی پرفارمنس کو بھی چیک کریں بورڈ یہ بتائے کہ کوئی جگہوں پر بہتری کی گنجائش ہے۔

ڈائریکٹرز کی تنخواہ

ڈائریکٹروں کی تنخواہ کی پالیسی (ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈنٹ) تنخواہ کی پالیسی تیار کی گئی ہے یہ پالیسی مارکیٹ میں موجود شیڈولز کے مطابق ہے جو ان کے کام کے مطابق ہے ایگزیکٹو ڈائریکٹر کی تنخواہ کی منظوری بورڈ آف ڈائریکٹرز دیتا ہے۔ کوئی ڈائریکٹر بھی اپنی تنخواہ خود مقرر نہیں کر سکتا یہ پالیسی 2017-18 کے بورڈ کے مطابق ہے۔ کمپنی نان ایگزیکٹو ڈائریکٹر اور انڈیپنڈنٹ ڈائریکٹر کو کوئی معاوضہ نہیں دیتی صرف میٹنگ اینڈ کرنے کی فیس دیتی ہے۔

محاسب کا تقرر

محاسب میسرز ہارو تھ حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ ہو جائیں گے اور اگلے سال کے لئے کمپنی کے محاسب کے طور پر تقرری کے اہل ہیں۔ آڈٹ کمیٹی اور بورڈ نے کمپنی کے آئندہ سالانہ اجلاس عام میں ممبران کی نظر ثانی کے لئے ان کی دوبارہ تقرری کی حمایت کی ہے۔

حاکم شیر ہولڈرز

فارم 34 آف 30 جون 2018 پیٹرن آف شیر ہولڈنگز یہاں منسلک کر دیا گیا ہے۔

مالی سال کی تکمیل کے بعد کے واقعات

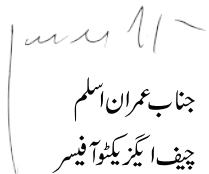
کوئی بھی ایسا باقاعدہ واقعہ جو کمپنی کے مالی حالات کو تبدیل کرے وقوع پزیر نہیں ہوا

اعتراف

ڈائریکٹر کمپنی کی ترقی میں عملہ اور کارکنوں کی لگن اور جان نثاری کو سراہتے ہیں۔ مدت کے دوران ڈائریکٹر اپنے حصص داروں، بینکوں، کمپنی کے مختلف سرکاری اداروں کی اپنے فرائض انجام دینے وقت مسلسل دلچسپی اور حمایت کا اظہار کرنے میں خوش محسوس کرتے ہیں اور امید رکھتے ہیں کہ مستقبل میں بھی جذباتی جذبہ جاری و ساری رہے گا۔

برائے اور بحکم بورڈ


IRFAN ASLAM
DIRECTOR


جناب عمران اسلم
چیف ایگزیکٹو آفیسر

لاہور: مورخہ 26 ستمبر 2018ء

ڈائریکٹرز کی تعداد

(a) مرد حضرات	07
(b) خواتین	0

شرائط سے ہمراہ

بورڈ آف ڈائریکٹرز

(i) انڈی پینڈنٹ ڈائریکٹرز	01
(ii) نان ایگزیکٹو ڈائریکٹرز	04
(iii) ایگزیکٹو ڈائریکٹرز	02

ڈائریکٹرز کے نام

میاں پرویز اسلم

عمران اسلم

عرفان اسلم

سید رضا علی بخاری

ہمایوں بخت

احسن احمد خان

مقصود شاہد نجمی

بورڈ آف ڈائریکٹرز کی میٹنگ

تعداد حاضری	نام ڈائریکٹرز
9	میاں پرویز اسلم
9	عمران اسلم
6	عرفان اسلم
9	سید رضا علی بخاری
9	ہمایوں بخت
9	احسن احمد خان
9	مقصود شاہد نجمی

آڈٹ کمیٹی

بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے جو حسب ذیل ڈائریکٹرز پر مشتمل ہے:

سید رضا علی بخاری (انڈی پینڈنٹ ڈائریکٹر)	چیئر مین
عرفان اسلم (نان ایگزیکٹو ڈائریکٹر)	ممبر
مقصود شاہد نجمی (نان ایگزیکٹو ڈائریکٹر)	ممبر

آڈٹ کمیٹی مؤثر طور پر موجودہ اندرونی کنٹرول سسٹم کے ذریعے مفادات کا جائزہ اور کوہتا ہیوں کی نشاندہی کرتی ہے۔ کمیٹی اندرونی کنٹرول سسٹم کے بہتر نفاذ کے لئے اصلاحی اقدامات بھی تجویز کرتی ہے۔

متعلق رپورٹنگ کے مطابق ہونا چاہیے تاہم کمپنی ایک پرائمری اندرونی کنٹرول بنائے ہوئے ہے جس میں جواب دہی کا عمل بہت عیاں ہے۔

متعلقہ پارٹیوں سے لین دین

متعلقہ پارٹیوں کے درمیان لین دین قابل رسائی قیمتیں مقرر کر کے کیا گیا۔ کمپنی پاکستان میں شاک ایکسیچجر کی لسٹنگ کے ضابطے میں موجود منتقلی پرائسنگ بہترین طریقوں پر عمل پیرا ہے۔ آڈٹ کمیشن کی سفارش پر بورڈ کی طرف سے متعلقہ پارٹی کے لین دین کی منظوری دی گئی تھی۔

کام کی جگہ پر ہراساں کرنے کے خلاف تحفظ کا ضابطہ اخلاق

کمپنی کام کرنے کی جگہ پر صاف ماحول فراہم کرنے کا پختہ ارادہ رکھتی ہے اور اس بات کو یقینی بناتی ہے کہ ہر ملازم سے عزت اور وقار کا سلوک کیا جاتا ہے۔ کمپنی ایک مثبت پیشہ ورانہ کام کے ماحول کو فروغ دینے کیلئے پرعزم ہے جو اس کے عملے کی پیشہ ورانہ ترقی کے لئے ضروری ہے۔ اس وجہ سے ہراساں کرنے کی شہزاد ٹیکسٹائل ملز لمیٹڈ میں کوئی جگہ نہیں ہے۔ تاکہ مجرم کو انضباطی اور اصلاحی کارروائی کا سامنا کرنے، ایسی انتباہ پیدا ہونے پر ملازمت سے برخاستگی کے لئے تیار ہونا چاہیے۔

اینٹی کرپشن

ہم کارکنوں کو کرپشن سے آزاد ماحول فراہم کرتے ہیں۔ اس میں کرپشن کی تمام صورتیں بدعنوانی اور رشوت بھی شامل ہے۔

اجتماعی سماجی ذمہ داری

کمپنی تسلیم کرتی ہے کہ معاشرہ کو اقتصادی فوائد پہنچانا کامیاب اور پائیدار کاروبار کی کلید ہے۔ ہم اپنے ملازمین کو وسیع سہولیات کی فراہمی، اپنے مرحوم ملازمین کے خاندانوں کی مدد اپنے ملازمین کے درمیان بہتر کام اور زندگی کے توازن کا فروغ، قانون کے مطابق قومی خزانے میں باقاعدہ حصہ فراہم کر کے اپنی مقامی کمیونٹی، ملازمین اور حکومت کی قدر پیدا کرتے ہیں۔

صحت، حفاظت اور ماحول

ہم اپنے ملازمین کے لئے محفوظ اور صحت مند کام کا ماحول یقینی بنانے کے لئے مسلسل کام کرتے ہیں۔ اس کے علاوہ کمپنی حکومت کے سوشل سیکیورٹی اور ایمپلائز اولڈ ایج بینیفٹ ڈیپارٹمنٹ کے ہاں رجسٹرڈ ہے اور کمپنی کے کارکنوں کو صحت کی سہولت اور ریٹائرڈ منٹ فوائد کے لئے باقاعدہ حصہ ادا کرتی ہے۔

کام اور زندگی کا توازن

صحت کام اور زندگی کے توازن کو فروغ دینے کے لئے ہم سختی سے صبح 9:00 بجے تا سہ پہر 5:30 بجے کام کا معمول کے مطابق عمل کرتے ہیں۔ یہ یقینی بناتا ہے کہ ہمارے ملازمین کے پاس کام کے بعد اپنے اہل خانہ اور دوستوں کے ساتھ غیر انصافی سرگرمیوں کے لئے کافی وقت میسر ہے۔

کاروباری اخلاقیات

انتظامیہ تمام کاروباری سرگرمیوں کو صداقت، ایمانداری اور قوانین اور قواعد و ضوابط کی پاسداری سے انجام دینے کے لئے پرعزم ہے۔ ضابطہ اخلاق بورڈ کی طرف سے تیار اور منظور کیا گیا ہے۔

قومی خزانے میں شراکت

ملک کی اقتصادی ترقی کے لئے اپنی قانونی اور سماجی ذمہ داری کو پورا کرنے کیلئے، کمپنی نے ٹیکس، لیویز، ایکسائز ڈیوٹی اور سیلز ٹیکس کی مدد میں حکومتی خزانے میں مالی سال 2017-18 میں 49.732 ملین حصہ شامل کیا ہے اس کے علاوہ موجودہ مالی سال کے دوران دھاگے کی برآمد سے ملک کے لئے 10.066 امریکی ڈالر کا غیر ملکی زرعی مبادلہ بھی کمایا ہے۔

بجلی کی بچت

انتظامیہ ہمہ وقت بجلی کی بچت پر توجہ مرکوز کر رہی ہے۔ بجلی کی بچت کے آلات نصب کر کے توانائی کے تحفظ کے کئی اقدامات کئے ہیں۔ کارکنوں کو توانائی کی بچت کے لئے آگاہی دی جاتی ہے تاکہ بجلی کے غیر ضروری استعمال کو بچایا جاسکے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کی تشکیل لسٹڈ کمپنی کی کورڈ آف کارپوریٹ گورننس رگولیشن 2017 کے مطابق ہے۔

صلاحیت بہتر بنانے کیلئے آسٹریا سے 5 گیس جنریٹرز درآمد کئے ہیں جن میں سے 3 گیس جنریٹرز کی تنصیب پچھلے سال میں مکمل ہو چکی ہے اور 2 گیس جنریٹرز کی تنصیب رواں سال میں کی گئی ہے 2 جنریٹرز کی مکمل اور ہالنگ کا بھی عمل رواں سال میں مکمل ہو گیا ہے جس کے باعث بجلی کی پیداوار میں بہت زیادہ بہتری آئی ہے۔

آئی ایس او 9001-2008 سرٹیفیکیشن

کمپنی اپنے صارفین کے مکمل اطمینان تک دھاگے کی پائیدار معیار میں بھروسہ کرتی ہے۔ اس کے لئے کمپنی نے آئی ایس او 9001-2008 سرٹیفیکیشن کا حالیہ ورژن حاصل کیا ہے جو وسیع پیمانے پر جانچ پڑتال اور کوالٹی مینجمنٹ سسٹم کی مکمل توثیق کے بعد ہر سال تجدید کیا جاتا ہے۔ یہ کوالٹی سرٹیفیکیشن نئے صارفین کے اعتماد کو بڑھانے اور پرانے گاہکوں کے اعتماد کو فروغ دیتی ہے۔

نقصانات کے خدشات

زرمبادلہ کے نقصان کے خدشات

بیرونی کرنسی میں کاروبار کی وجہ سے اتار چڑھاؤ کا خدشہ سر پر منڈلاتا ہے جب کاروبار بیرونی کرنسی میں کیا جاتا ہے تو بیرونی کرنسی کے اتار چڑھاؤ کی وجہ سے کاروبار میں نقصان کا خدشہ ہوتا ہے کیوں کہ کاروباری واجب الادا قرضے واجب الوصول رقوم میں فرق آنا لازمی ہے کمپنی کا زیادہ آمدنی بیرونی کرنسی میں ہے اس لئے نقصان کے خدشات بھی زیادہ ہیں۔

لیکویڈیٹی نقصان کا خدشہ

کسی بھی کاروبار کے وعدے پورے کرنے کیلئے فنڈز کا اکٹھا کرنا اور مقررہ وقت پر اُسکی ادائیگی کاروبار کی اہلیت ظاہر کرتا ہے بنیادی خطرہ اُس وقت اُٹھتا ہے جب مالی اساسوں کے لین دین میں فرق آ جاتا ہے کمپنی کو مؤثر شیکس کا بندوبست کر کے مقررہ وقت پر ادائیگی کی پالیسی پر عمل درآمد کرنا چاہیے اور مستقبل کی ضرورتوں کیلئے بھی فنڈز کا بندوبست رکھنا چاہیے۔

اُدھار میں نقصان کا خدشہ

اُدھار میں نقصان کا خدشہ اکاؤنٹنگ نقصان ظاہر کرتا ہے جو رپورٹنگ کے وقت اُبھر کے سامنے آتا ہے اس خدشے کو کم کرنے کیلئے کمپنی نے گاہکوں سے اُدھار کی پالیسی بھی بنائی ہے اور پھر یہ اُدھار کی مقررہ حد مسلسل نظر میں رکھی جاتی ہے۔

شرح سود میں اتار چڑھاؤ سے نقصان

شرح سود میں اتار چڑھاؤ سے نقصان کا خدشہ اُس وقت وقوع پذیر ہوتا ہے جب شرح سود میں کمی بیشی ہوتی ہے کیونکہ کمپنی نے لمبے عرصے کے قرضے اور کم تر مدت کے قرضے بینکوں سے لئے ہوئے ہیں جن سے کاروبار چلا جاتا ہے اور بینک جب سود میں اضافہ کرتے ہیں تو کمپنی کو نقصان کا سامنا کرنا پڑتا ہے چاہے وہ نفع و نقصان کا کھاتا ہو یا انویسٹمنٹ کا اکاؤنٹ ہو یا کوئی فنڈ ہو۔

مالی سال کے کمپنی سے متعلقہ کاروبار میں تبدیلی

رواں مالی سال کے دوران کمپنی کے کاروبار میں کسی قسم کی تبدیلی رونما نہیں ہوئی اور کمپنی اپنے پرانے طرز کے کاروبار پر رواں دواں ہے۔

مرکزی رجحان کے اجزاء جو کمپنی کے مستقبل کی ترقی پر اثر انداز ہو سکتے ہیں

کمپنی کی انتظامیہ تولد و جان سے اس عمل میں جُتی ہوئی ہے کہ اپنے شیئر ہولڈرز کو زیادہ سے زیادہ منافع دکھائے موجودہ حالات میں جب کہ کپاس کی فصل بدترتج خراب ہوتی جا رہی ہے اور بجلی کی قیمت دن بدن بڑھتی جا رہی ہے اس وجہ سے چائنہ نے جو کہ سب سے بڑا دھاگے کا درآ مد کنندہ ہے اپنی تمام تر توجہ ویتنام، بھارت اور بنگلہ دیش پر مرکوز کر دی ہے۔ جہاں لیبر پاکستان سے کہیں زیادہ سستے داموں پر میسر ہے پاکستان کیلئے ان ملکوں سے دھاگے کی فروخت میں مقابلہ کرنا بہت مشکل ہو گیا ہے پھر بھی کمپنی کی انتظامیہ نے مشکل ترین حالات کے باوجود بہتر نتائج دکھائے ہیں جو قابل ستائش ہیں۔

کمپنی کے کاروبار کا حالات پر اثر

ہم اپنی ملوں میں تازہ اور گندگی سے پاک ماحول کو ترتیب دئے ہوئے ہیں ہم نے وہاں تمام تر حفاظتی اقدامات کر رکھے ہیں مثال کے طور میں جدید طرز کے سکرز لگائے ہیں جو ساری فلف اور نقصان کنندہ اجزاء کو چُوس کے باہر پھینک دیتا ہے اور وکروں کے لئے صاف ستھرا ماحول بنائے رکھتا ہے۔

موزوں ترین اندرونی مالی کنٹرول

یہ بورڈ کی ذمہ داری ہے کہ کمپنی میں موزوں ترین اندرونی مالی کنٹرول کو ترویج دے اور اس پر عمل درآمد کرے اور اس کے خاطر خواہ نتائج پر نظر رکھے۔ یہ اندرونی مالی کنٹرول بین الاقوامی مالی

ڈائریکٹر رپورٹ

میں تمام ڈائریکٹرز کی جانب سے سال 30 جون 2018ء کے اختتام پر کمپنی کے 40 ویں سالانہ رپورٹ ہمراہ پڑتال شدہ گوشواروں معदान پر ڈائریکٹرز کا جائزہ آپ کو پیش کرتا ہوں۔ مالی اور آپریشنل کارکردگی کمپنی کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

2018 (روپے)	2017 (روپے)	
5,464,277,865	4,511,169,297	دھاگے کی فروخت
267,586,555	242,997,791	خام منافع
61,095,682	27,077,796	ٹیکس اور ایسوسی ایٹ کے منافع کے حصہ سے پہلے کا منافع
40,087,570	36,953,173	ایسوسی ایٹ کے حصہ کا خالص منافع
101,183,252	64,030,969	ٹیکس سے پہلے کا منافع
(28,983,671)	(29,316,329)	ٹیکسیشن
72,199,581	34,714,640	ٹیکس کے بعد کا منافع

مالیاتی اعداد و شمار سے واضح ہے کہ کمپنی نے اللہ کے فضل سے قبل از ٹیکس منافع 61.096 ملین روپے کمایا ہے جبکہ گزشتہ سال میں کمپنی کا منافع 27.078 ملین تھا کمپنی کی دھاگے کی فروخت میں نمایاں اضافہ ہوا ہے۔ دھاگے کی فروخت جو گزشتہ سال 4.511 ملین تھی رواں سال میں 5.464 ملین ہے۔ تاہم خام منافع 5.39% سے 4.90% ہوا ہے جس کی وجہ خام مال کی قیمتوں میں اضافہ بتایا جاتا ہے۔ یہ منافع صرف اور صرف دھاگے کی فروخت کے سبب نہیں ہوا بلکہ اس میں فرد ٹیکس کی پروٹیکشن جو 42,168,181 روپے ہے کی رپورسل بھی شامل ہے۔ زیر جائزہ سال کے دوران پاکستانی ٹیکسٹائل سیکٹر مشکلات سے دوچار رہا ہے۔ یارن کی قیمتیں برآمد اور مقامی مارکیٹ دونوں میں ہی کم طلب کے باعث کم رہیں اگرچہ کپاس کی قیمتیں گزشتہ سالوں کے مقابلے کم تھیں۔ ٹیکسٹائل ماہرین کے مطابق بھارت، ویتنام اور بنگلہ دیش سے نسبتاً کم قیمتوں پر دھاگے کی فراہمی کی وجہ سے دھاگے کی برآمدات میں تیزی سے کمی آئی ہے۔ ویتنام میں کاٹن سپننگ سستی بجلی اور کم اجرت مزدوروں کی دستیابی کے باعث گزشتہ چار سالوں سے تین گنا زیادہ ہے۔ پاکستانی دھاگے کی پیداوار بجلی کی قیمتوں میں بے ہمت زیادہ اضافہ کی وجہ سے بڑھتی ہوئی پیداواری لاگت کی مد میں گزشتہ کئی سالوں سے کمی آ رہی ہے۔ پیداوار کی اعلیٰ شرحوں پر بین الاقوامی مارکیٹ میں موجودگی پاکستان کے لئے مشکل ہے۔ حکومت پاکستان نے حالات کی نزاکت کو سمجھتے ہوئے اپنی برآمدات کو فروغ دینے کیلئے برآمد کنندگان کی حوصلہ افزائی کے لئے 4% برآمدی رعایت دی ہے۔ ٹیکسٹائل سیکٹر کو سیل ٹیکس میں بھی 0 ریڈیڈ کر دیا گیا ہے۔ سیز ٹیکس ریفرنڈم بھی ترجیحی بنیادوں پر ادا کرنے کا حکم دیا ہے۔ لیکن یہ ساری مراعات بجلی کے ریٹ کی وجہ سے کم ہے۔

پاکستان کی معیشت پر چھائے غیر یقینی سیاسی حالات کے باعث مشکلات کا سامنا ہے گزشتہ سالوں میں ہماری کپاس کی پیداواری میں تقریباً 30% کمی آ گئی ہے حکومت صنعت پر اس کے منفی اثرات کا تخمینہ لگا کر بغیر بجلی اور گیس کی قیمتوں میں اضافہ کر دیتی ہے جو ناقابل برداشت حد تک منافع کے مارجن کو کم کر دیتی ہے اس کے نتیجے میں بہت سے صنعت کار اپنے یونٹ کو بند کرنے پر مجبور ہو گئے ہیں دوسری صورت میں بغیر نفع و نقصان پر چلانے پر مجبور ہیں ان تمام رکاوٹوں کے باوجود ہماری انتظامیہ اپنی تمام تر ذہانت اور وسیع صنعتی تجربہ کو بروئے کار لاتے ہوئے اپنی ملوں کو مؤثر انداز سے چلایا ہے اور اپنے حصہ داروں کے لئے منافع کمایا ہے۔ ابھی مقامی مارکیٹ میں دھاگے کی قیمت میں بہتری آئی ہے جس سے ہمارے سیز کا حجم اور منافع کی شرح کو فروغ ملا ہے۔

فی حصہ آمدنی

30 جون 2018 کو ختم ہونے والے سال کے لئے کمپنی کی فی شیئر آمدنی 4.02 روپے جو پچھلے سال 2017 میں 1.93 روپے تھی۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30 جون 2018 کو ختم ہونے والے سال کے لئے 10% نقد منافع منقسمہ تجویز کیا ہے۔ منافع منقسمہ کی سفارش سالانہ اجلاس عام میں حصص داران کی منظوری سے مشروط ہے۔

مستقبل کا نقطہ نظر

کمپنی نے اپنی سیز کی مقدار کو قائم رکھا ہے اور حالیہ سال کے آخر میں اس کے حجم میں 21% اضافہ ہوا ہے ہم نے جیسے کے پچھلے سال کی ڈائریکٹر رپورٹ میں ذکر کیا تھا۔ بجلی کی پیداواری

FORM OF PROXY

I/We _____ Son / Daughter / Wife of _____ being a member

Of **SHAHZAD TEXTILE MILLS LIMITED** and holder of _____ Shares Folio

No. _____ CDC Participant ID # _____ and

Sub Account # _____ do hereby appoint _____ of or failing

him /her _____ of _____ as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of Shahzad Textile Mills Limited scheduled to be held on Saturday October 27, 2018 at 12:30 p.m at 19-A, Off. Zafar Ali Road, Gulberg-V, Lahore and at any adjournment thereof.

As witness my/our hands this _____ day of _____ 2018.

1. Witnesses:

Name: _____

Signature: _____

CNIC: _____

Address: _____

Please affix here Revenue
Stamp of Rs. 5/-

Members' Signature

2. Witnesses:

Name: _____

Signature _____

CNIC: _____

Address: _____

Shareholder's Folio No. _____

CDC A/c No. _____

CNIC: _____

Address: _____

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy.
2. Proxies, in order to be effective, must be received at the Company's Registered Office, 19-A, Off. Zafar Ali Road, Gulberg-V, Lahore, not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
3. CDC account holders will further have to follow the under-mentioned guidelines as laid down in circular # 1, dated 26th January, 2000 of the Securities and Exchange Commission of Pakistan.
 - i) In case of individuals, the account holder and/or sub-account holder whose securities and their registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
 - ii) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - iii) In case of corporate entity, the Board's resolution/power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

The Secretary

SHAHZAD TEXTILE MILLS LIMITED

19-A, Off Zafar Ali Road, Gulberg V, Lahore.

Tel: +92 (42) 35754024-27

پراکسی فارم (مختار نامہ)

میں / ہم _____
 ولد / دختر / زوجہ _____
 بحیثیت رکن شہزاد ٹیکسٹائل ملز لمیٹڈ اور حامل _____ حصص بمطابق فولیو نمبر _____
 سی ڈی سی پارٹنرسپٹ (شرکت) آئی ڈی نمبر _____ اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر _____
 محترم / محترمہ _____ کا / کی _____

کواپن / ہمارے ایما پر: _____ بروز ہفتہ 27 اکتوبر 2018 سہ پہر 12:30 بجے
 off، 19-A ظفر علی روڈ، گلبرگ - V، لاہور پر
 بمقام: _____
 منعقد ہونے والے شہزاد ٹیکسٹائل ملز لمیٹڈ کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی
 التواء کی صورت میں اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔
 آج بروز بتاریخ 2018ء کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔
گواہان

1-

نام: _____
 دستخط: _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____
 پتہ: _____

- 5/ روپے کا رسیدی ٹکٹ یہاں چسپاں کریں۔

دستخط رکن: _____

2-

نام: _____
 دستخط: _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____
 پتہ: _____

شیر ہولڈر کا فولیو نمبر: _____
 سی ڈی سی اکاؤنٹ نمبر: _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____
 پتہ: _____

نوٹ:

- 1- سالانہ اجلاس عام میں شرکت اور رائے دہی کا مستحق رکن، پراکسی مقرر کر سکتا ہے۔
- 2- پر آکسیاں تا تکہ مؤثر ہو سکیں، کمپنی کے رجسٹرڈ دفتر، off، 19-A ظفر علی روڈ، گلبرگ - V، لاہور میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانی چاہئیں اور باقاعدہ مہر، دستخط اور گواہی شدہ ہونی چاہئیں۔
- 3- اراکین جو اپنے حصص سنٹرل ڈیپازٹری کمپنی پاکستان لمیٹڈ کے سنٹرل ڈیپازٹری سسٹم میں جمع کروا چکے ہوں، کو سیوریٹیز اینڈ ایکسچینج کمیشن پاکستان کی سرکلر نمبر 1، مورخہ 26 جنوری 2000 میں دی گئی ذیل میں درج ذیل ہدایات پر عمل کرنا ہوگا۔

- i- بصورت افراد، اکاؤنٹ ہولڈر اور / یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن تفصیلات سی ڈی سی قواعد و ضوابط کے مطابق اپ لوڈ ہوں، انہیں درج بالا شرائط کے مطابق پراکسی فارم (مختار نامہ) جمع کرانا ہوئے۔
- ii- بینیفیشل اوزر (مستفید ہونے والے فرد) اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم (مختار نامہ) کے ہمراہ جمع کرانا ہوگی۔
- iii- بصورت کارپوریٹ ایجنسی، بورڈ کی قرارداد / مختار نامہ معائنہ زدہ کے دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

سکریٹری

شہزاد ٹیکسٹائل ملز لمیٹڈ

A-19 آف ظفر علی روڈ، گلبرگ ۵ لاہور

Tel: +92 (42) 35754024-27

IMPORTANT NOTICE

Dear Valued Shareholder(s)

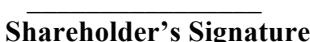
Section 242 of Companies Act 2017 and Circular No. 18/2017 dated August 01, 2017 issued by Securities & Exchange Commission of Pakistan (SECP) has directed all listed Companies to pay dividend only through electronic mode directly into the Bank Accounts designated by the entitled shareholders with effect from November 01, 2017.

In view of above, you are advised to provide you complete Bank Account / IBAN detail as per format given below to Shahzad Textile Mills Limited 19-A, Off. Zafar Ali Road, Gulberg-V, Lahore (in case of CDC Account Holder / Sub Account Holders please provide said details to respective member Stock Exchange) enabling us to comply with above Section / Circular.



HASSAN-UD-DIN ANSARI
Company Secretary

DIVIDEND MANDATE DETIAL

Folio Number	
Name of Shareholder	
Title of Bank Account	
Bank Account Number (Complete)	
Bank's Name Branch Name, Code And Address	
Cell Number	
Landline Number, if any	
CNIC Number (also attaché copy)	
<p>It is stated that the above mentioned information is correct, that I will intimate the changes in the above mentioned information to the Company.</p> <p style="text-align: right; margin-top: 20px;">  Shareholder's Signature </p>	

محترم شیئر ہولڈر (ز)

کمپنیز ایکٹ 2017 کی شق 242 اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 18/2017 بتاریخ یکم اگست 2017 کے ذریعے SECP کی طرف سے تمام لمیٹڈ کمپنیوں کو ہدایت کی گئی ہے کہ یکم نومبر 2017 کے بعد سے ادا ہونے والے ڈیویڈنڈ کی رقم الیکٹرانک طریقہ کار سے براہ راست شیئر ہولڈرز کی طرف سے فراہم کردہ بینک اکاؤنٹ میں منتقل کی جائے۔

درج بالا ہدایات کے تناظر میں، آپ سے گزارش کی جاتی ہے کہ اپنے مکمل بینک اکاؤنٹ/IBAN (انٹرنیشنل بینک نمبر) کی تفصیل درج ذیل فارمیٹ کے تحت کمپنی کے شیئرز رجسٹرار، شہزاد ٹیکسٹائل ملز لمیٹڈ، 19-A آف ظفر علی روڈ، گلبرگ 5 لاہور کو مہیا کریں (سی ڈی سی اکاؤنٹ ہولڈر/سب اکاؤنٹ ہولڈر یہ تفصیل متعلقہ ممبر اسٹاک ایکسچینج کو مہیا کریں) تاکہ ہم درج بالا شق/سرکلر پر عمل پیرا ہو سکیں۔



حسن الدین انصاری

کمپنی سیکریٹری

شہزاد ٹیکسٹائل ملز لمیٹڈ

فولیو نمبر	
شیئر ہولڈر کا نام	
بینک اکاؤنٹ جس نام سے ہے	
مکمل بینک اکاؤنٹ نمبر	
بینک کا نام، برانچ کا نام، کوڈ اور پتہ	
موبائل نمبر	
فون نمبر (اگر ہے)	
کمپیوٹرائزڈ شناختی کارڈ نمبر (کاپی منسلک کریں)	
<p>بیان کیا جاتا ہے کہ درج بالا معلومات درست ہیں اور یہ کہ میں درج بالا معلومات میں تبدیلی کی صورت میں کمپنی اور متعلقہ شیئرز رجسٹرار کو مطلع کروں گا۔</p>	
<p>دستخط شیئر ہولڈر</p>	

REQUEST FORM

Consent for Circulation of Annual Audited Financial Statements through e-mail

Company Name: Shahzad Textile Mills Limited

Folio No. / CDC Sub -Account No. _____

E-mail Address: _____

CNIC No. _____

The above e-mail address will be recorded in the members register maintained under Section 120 of the Companies Act, 2017.

I will inform the Company or the Registrar about any change in my e-mail address immediately. Henceforth, I will receive the Audited Financial Statements along with Notice only on the above email address, unless a hard copy has been specifically requested by me.

Name and Signature of Shareholder
(Attachment Copy of CNIC)

The Secretary

SHAHZAD TEXTILE MILLS LIMITED

19-A, Off Zafar Ali Road, Gulberg V, Lahore.

Tel: +92 (42) 35754024-27

سالانہ مالی سال کے آڈٹ شدہ اکاؤنٹس کی بذریعہ ای میل منظوری
کمپنی کا نام: شہزاد ٹیکسٹائل ملز لمیٹڈ

فالیو نمبر: سی ڈی سی سب اکاؤنٹ نمبر

ای میل ایڈریس:

شناختی کارڈ نمبر:

اوپر دیا گیا ای میل ایڈریس کا اندراج ممبر رجسٹرڈ انڈر سیکشن 120 آف دی کمپنیز ایکٹ 2017 میں ہوگا

میں کمپنی کو کسی بھی ای میل ایڈریس کی تبدیلی کی صورت میں فوری اطلاع دوں گا اور میں کمپنی کے مالیاتی گوشوارہ (نظر ثانی شدہ) اور نوٹس کی کاپی اوپر دیئے گئے ای میل ایڈریس پر موصول کروں گا جس کے لئے میں نے خاص طور پر درخواست کی ہے۔

شیئر ہولڈر کا نام اور دستخط
شناختی کارڈ کی کاپی منسلک شدہ ہے

سکریٹری

شہزاد ٹیکسٹائل ملز لمیٹڈ

19-A آف ظفر علی روڈ، گلبرگ ۵ لاہور

Tel: +92 (42) 35754024-27