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2017



N. P. Spinning Mills Limited



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VISION

To strive at producing high quality yarn, explore new era to achieve the highest level of commercial success with social & environmental responsibilities.

MISSION

To bring in the best, become more focused on the market, reduce cost of organization, take prompt decisions and make N.P. Spinning Mills Ltd. an Organization with a promising future.



COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman	:	Mr. Inamur Rehman
Directors	:	Mrs. Summayya Rehman Mrs. Asma Khalid Mr. Muhammad Samee Mr. Noor Muhammad Mr. Ziauddin Zubairi
Chief Executive	:	Mr. Khalid Inam

AUDIT COMMITTEE

Chairman	:	Mr. Noor Muhammad
Members	:	Mr. Muhammad Samee Mr. Ziauddin Zubairi

HUMAN RESOURCE & REMUNERATION COMMITTEE

Chairman	Mr. Muhammad Samee
Members	Mr. Noor Muhammad Mr. Ziauddin Zubairi

COMPANY SECRETARY

Mr. Muhammad Siddique

CHIEF FINANCIAL OFFICER

Mr. Muhammad Yasin

AUDITORS

Messrs Deloitte Yousuf Adil,
Chartered Accountants

BANKERS

Habib Bank Limited
MCB Bank Limited
Habib Metropolitan Bank Limited
Soneri Bank Limited

SHARE REGISTRAR

M/s. F.D. Registrar Services (SMC-Pvt) Ltd.,
17th Floor, Saima Trade Tower - A,
I. I. Chundrigar Road, Karachi.
Phone # 92 21 - 354781932

REGISTERED OFFICE

703-Uni Tower I. I. Chundrigar Road, Karachi.
Phone # 021-32427202-205
website: www.npsm.com.pk

FACTORY

1.5 K.M., Lalyani Road,
Jalalpura, Raiwind, District Lahore.



NOTICE OF MEETING

Notice is hereby given that the 27th Annual General Meeting of the Shareholder of N.P. Spinning Mills Limited will be held Insha Allah on Tuesday, October 31, 2017 at 9:30 a.m at 7th Floor, Uni-Tower, I.I. Chundrigar Road, Karachi, to transact the following business:-

Ordinary Business

1. To confirm the minutes of last Annual General Meeting held on October, 31 2016.
2. To receive, consider and adopt the Audited Accounts for the year ended June 30, 2017 together with Directors and Auditors reports thereon.
3. To appoint auditors for the year ending June 30, 2018 and fix their remuneration. The retiring auditors M/s. Deloitte Yousuf Adil, Chartered Accountants, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

4. To discuss the progress and to revalidate the Resolution passed in the last Annual General Meeting dated 31-10-2016, in pursuance of Section 196 of the Companies Ordinance, 1984 (now Section 183 of the Companies Act, 2017) regarding settlement of account of company with the bank and private creditors in amicable manner either by getting further financing for revival of the Unit or to pay-off the dues through disposal of the current and fixed movable and immovable assets of the Company or any part thereof, as required for the said settlement.

ORDINARY BUSINESS

5. To transact any other business with the permission of the Chair.

Karachi: October 06, 2017

By Order of the Board
Muhammad Siddique
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from 25-10-2017 to 31-10-2017 (both days inclusive)
2. A member entitled to attend and vote at this meeting is entitled to appoint another member as a proxy to attend and vote on his/her behalf. Proxies must be deposited at the registered office of the Company not less than 48 hours before the time of meeting.
3. The shareholders through CDC are requested to bring original CNIC, Account Number and Participant ID to facilitate identification and in case of proxy, must enclose an attested copy of CNIC. Representative of Corporate Members should bring the usual documents, required for such purpose.
4. Shareholders who have not yet submitted copy of their valid CNIC are once again requested to send the same to our Share Registrar.
5. Members desirous of getting financial statements through email are requested to send their email address with their consent at Company's registered office.
6. Change of address, if any, may please be notified immediately.



DIRECTORS' REPORT

The Directors are pleased to present before you the 27th Annual Report together with the audited accounts of the Company for the year ended June 30, 2017.

FINANCIAL RESULTS

The financial results of the Company for the year under review are discouraging. Production for the year under review was Nil compared to 12.368 M.Kgs. at 20/s count last year. Sales for the year amounted to Rs. 72.117 million compared to Rs. 945 million. The Company sustained a net loss of Rs. 151.84 million compared to Rs. 443.64 million after providing for operational, administrative and financial charges.

As you are aware, the Board of Directors of the Company in its meeting held on 07-06-2016 has suspended manufacturing operations of the Company as a temporary measure due to (i) unfavorable market conditions (ii) high price of utilities (iii) shortage of cotton and high cost factor involved in import (iv) shortage of working capital and monetary crunch due to unfavorable selling prices (v) low selling prices compared to high operating expenses which accumulated losses. These factors negatively affected the equity.

FUTURE OUTLOOK

The prospects of cotton crop for the season 2017-18 are not very bright. The cotton production target has been missed by about 12% i.e. to 12.6 million bales against the initial estimates of 14.04 million bales, the reasons for the decline being uncertainty of cotton prices, increased sugarcane cultivation in the cotton growing areas and shortage of water. The government must make efforts for boosting cotton production by providing support in the form of provision of quality seed, fertilizer and pesticide at affordable rates and some kind of procurement arrangements to safeguard the interests of farmers.

The step of temporary suspension of the operations is to find out a better solution to revive the project, which is otherwise very much viable if the aforementioned shortcomings could be overcome. Majority of the work force has been relieved to minimize the losses. Recently, the Bank has filed a suit bearing No. B-23 of 2017 for recovery of Rs. 466,163,869/- in the Honorable High Court of Sindh at Karachi.

EARNINGS PER SHARE

The earnings per share for the year under review is Rs. (10.33)

DIVIDEND

Due to losses and the reasons deposed above, the Company has not declared any dividend for the year.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- a) In order to save the Company from further losses, the Board of Directors (the Board) of the Company in its meeting held on June 7, 2016 decided to temporarily suspend the operations of the factory. The management considered that the Company is not a going concern, the Company may not be able to realize its assets or discharge its liabilities in normal course of business. As such, the Company has obtained consent of the shareholders in its last AGM held on 31-10-2016 for disposal of its assets. Considering that one year time will soon elapse after passing the resolution in the AGM, the Board has passed a resolution to seek again the approval from the shareholders in the upcoming AGM of the Company, as prescribed under the Companies Act, 2017.



In view of the above, management believes that the Company is not a going concern. The Company has prepared these financial statements on a basis other than going concern. Accordingly, the Company believes that except for the difference between the carrying value and realizable value of property, plant and equipment and its possible impact:

- The financial statements, present fairly the state of affairs of the Company, the results of its operations, cash flows and changes in equity.
 - Proper books of account have been maintained.
 - Accounting policies as stated in the attached notes have been consistently applied and accounting estimates are based on reasonable and prudent judgment.
 - International Financial Reporting Standards (IFRS) as applicable in Pakistan have been followed and non-applicability, if any, has been adequately disclosed.
- b) The auditors have provided a disclaimer of opinion on the Company's financial statements based on the reason that the carrying values of property, plant and equipment, stores, spares and loose tools, stock-in-trade, advances and other receivables and sales tax refundable do not signify its realizable value and because they were unable to determine whether any adjustments would have been found to be made in respect of values of these assets. The Company has yet to receive any offer for sale of its property, plant and equipment which would enable it to determine the best estimate of realizable value of such assets.
- c) The internal control system of the Company is sound in design and has been effectively implemented. Weakness in controls, if any, will be addressed effectively.
- d) Key operating and financial data of last six years is annexed.
- e) Outstanding taxes and levies have been adequately disclosed.
- f) During the year ended June 30, 2017, four Board Meetings and five Audit Committee Meetings were held which were attended as follows:-

<u>NAME OF DIRECTORS</u>	<u>BOARD MEETING</u>	<u>AUDIT COMMITTEE</u>	<u>HR&R COMMITTEE</u>
Mr. Inamur Rehman	4	-	-
Mrs. Summayya Rehman	4	-	-
Mr. Khalid Inam	4	-	-
Mrs. Asma Khalid	4	-	-
Mr. Fakhar Mohiuddin Faruqi	4	5	-
Mr. Noor Muhammad	4	5	-
Mr. Ziauddin Zubairi	4	5	-

Subsequent to the year end, Mr. Muhammad Samee has been appointed as a director in place of Mr. Fakhar Mohiuddin Faruqi, who resigned on 19-07-2017.

- g) The pattern of shareholdings as at June 30, 2017 is annexed to this report.
- h) Disclosure of shares trading by the Directors, CEO, CFO and Company Secretary; The directors, CEO, CFO, Company Secretary and their spouses or minor children did not carry out any trade in the shares of the Company during the year.

AUDITORS

The present auditors M/s. Deloitte Yousuf Adil, Chartered Accountants, retire and being eligible offer the themselves for reappointment for the financial year ending June 30, 2018.

ACKNOWLEDGEMENT

The Directors wish to acknowledge and appreciate the support of Shareholders, Bankers, Creditors and the dedication and hard work of the employees of the Company.

Karachi: October 06, 2017

(KHALID INAM)
Chief Executive

On Behalf of the Board

(INAMUR REHMAN)
Chairman / Director



Key Operating and Financial Results From 2012 to 2017

	(Rupees in Million)					
	2017	2016	2015	2014	2013	2012
OPERATING DATA						
Sales	72.117	945.035	1,375.076	2,452.311	2,172.314	1,792.499
Cost of Goods Sold	171685	1,196.701	1,430,200	2,295.611	2,029.305	1,756.286
Gross Profit / (Loss)	(99.567)	(251.666)	(55.124)	156.620	143.009	36.213
Profit/(Loss) Before Taxation	(149.900)	(540.905)	(169.000)	11.030	39.540	(57.556)
Profit/(Loss) After Taxation	(151.841)	(443.639)	(132.439)	11.171	18.181	(75.850)
FINANCIAL DATA						
Paid-up capital	147.000	147.000	147.000	147.000	147.000	147.000
Fixed Assets	914.724	960.585	1,003.958	538.024	366.475	244.421
Current Assets	127.438	234.178	787.743	1,197.291	853.198	741.500
Current Liabilities	797.041	577.664	797.885	1,063.519	598.497	509.276
KEY RATION						
Gross Margin (%)	(138.063)	(26.63)	(4.00)	6.39	6.58	2.02
Profit/(Loss) after Tax (%)	(210.548)	(46.94)	(9.63)	0.45	0.84	(4.23)
Current Ratio	0.16	0.41	0.99	1.13	1.43	1.46
Earnings Per Share (Rupees)	(10.33)	(30.18)	(9.01)	0.76	1.24	(5.16)
Cash Dividend (%)	-	-	-	-	-	-



Statement of Compliance with the Code of Corporate Governance For The Year Ended June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in Rule No. 5.19 of the Rule Book of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code as follows:

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

Category	Names
Non-Executive Directors	Mr. Inamur Rehman Mrs. Summayya Rehman Mrs. Asma Khalid Mr. Ziauddin Zubairi Mr. Fakhar Mohiuddin Faruqi
Executive Director	Mr. Khalid Inam
Independent Director	Mr. Noor Muhammad

Subsequent to the year end, Mr. Muhammad Samee has been appointed as a director in place of Mr. Fakhar Mohiuddin Faruqi, who resigned on July 19, 2017.

- The independent director meets the criteria of independence under clause 5.19.1 (b) of the Code.
- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non-banking Financial Institution or, being a member of a stock exchange, has been declared as a defaulter by the stock exchange.
- No casual vacancy occurred on the Board during the current year.
- 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. The same is also available on the Company's website.
- The Board has developed a "Vision / Mission statement" and overall corporate strategy. The Company is in the process of developing and documenting significant policies that will be approved by the Board.
- All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other executive and non-executive directors have been taken by the Board. The Board is in the process of establishing a level of materiality and a mechanism for its performance evaluation. Accordingly, no annual performance evaluation has been carried out during the current year.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter of the year except for the quarter ended September 2016 in which no board meeting was held. Written notices of the Board meetings, along with agenda and working papers, were also circulated at least seven days before the meetings except for the board meeting held on February 28, 2017 which was held on shorter notice period. The minutes of the meetings were appropriately recorded and circulated.
- The Board members are aware of their responsibilities, rules and regulations on laws affecting the Company. Three Directors namely Mr. Ziauddin Zubairi, Mrs. Asma Khalid and Mr. Noor Muhammad have taken the Directors' Training Program until June 30, 2017. The remaining directors will obtain required certification within the prescribed time.
- The Board approved the appointment, remuneration and terms & conditions of Chief Financial Officer (CFO) and Company Secretary earlier, including their remuneration and terms and conditions of employment.
- The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
- The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- The Directors, CEO and executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholding.
- The Company has complied with all the corporate and financial reporting requirements of the Code.
- The Board has formed an Audit Committee. It comprises of three members, two of whom are non-executive directors and the Chairman is an independent director.
- The meetings of the Audit Committee were held at least once in every quarter, prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been determined and approved by the Board and advised to the Committee for compliance.
- The Board has formed Human Resource and Remuneration Committee. It comprises of three members, of whom two members including the Chairman of the committee are non-executive directors and one member is an independent director.
- The position of Head of Internal Audit is vacant since June 29, 2016.
- The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to Directors, and the stock exchange.
- Material/price sensitive information has been disseminated among all market participants at once through the stock exchange.
- The Company has not complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner. The Company is in the process of developing such register as required by the Code after which a senior management officer will be designated to maintain proper record including basis for inclusion or exclusion of names of persons from the said list.
- We confirm that all other material principles enshrined in the Code have been complied with except for the matters described in paragraphs 6, 7, 8, 18 and 23 above.

Karachi: October 06, 2017

On Behalf of the Board
(KHALID INAM)
Chief Executive

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

We have reviewed the enclosed Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of **N.P. Spinning Mills Limited** (the Company) for the year ended June 30, 2017 to comply with the requirements of Regulation No. 5.19 of the Rule Book of the Pakistan Stock Exchange Limited, where the Company is listed.

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

As part of our audit of 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's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

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

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

Further, we highlight below instances of non-compliances with requirements of the Code as reflected in the paragraph references where these are stated in the Statement:

- i) Paragraph 6 The Company has not developed and documented significant policies.
- ii) Paragraph 7 A mechanism for an annual evaluation of the Board's own performance has not been established. Accordingly, no annual performance evaluation has been carried out.

Further, the Board has not determined the level of materiality
- iii) Paragraph 8 The Board did not hold any meeting in the quarter ended September 2016. Further, written notice of the Board meeting held on February 28, 2017, along with agenda and working papers, was not circulated at least seven days before the meeting.

- iv) Paragraph 18 An effective internal audit function was not in place as the position of Head of Internal Audit remained vacant during the entire year.
- v) Paragraph 23 The Company has not complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner
Nadeem Yousuf Adil

Date: October 06, 2017
Place: Karachi

AUDITORS' REPORT TO THE MEMBERS

We were engaged to audit the annexed balance sheet of **N.P. Spinning Mills Limited** (the Company) as at June 30, 2017 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on the auditing standards as applicable in Pakistan. Because of the matter described in paragraph (a) below, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion:

- a) As disclosed in note 1.2 to the financial statements, during the year, the Company incurred net loss of Rs. 151.841 million (2016: Rs. 443.64 million) which has resulted in accumulated loss of Rs. 449.254 million (2016: Rs. 311.99 million) and deficit in equity of Rs. 302.254 million (2016: Rs. 164.99 million) as at June 30, 2017. In order to minimize further losses of the Company, the Board of Directors (the Board) of the Company in its meeting held on June 7, 2016 had decided to temporarily suspend the operations of the Factory and had consequently laid off majority of its workforce. The Board considered various aspects for this decision including unfavourable market conditions in the textile spinning sector, high price of utilities, lack of availability of local cotton, shortage of working capital, and severe competition from foreign manufacturers. Subsequent to the year end, the Bank has also file a suit against the Company for recovery of outstanding loans and markup thereon. Further, the shareholders in their Annual General Meeting (AGM) held on October 31, 2016 had passed a resolution to authorize the Board to sell property, plant and equipment and other assets of the Company. Considering that one year time will soon elapse after passing the resolution in the AGM, the Board has passed a resolution to seek the approval again from the shareholders in the upcoming AGM of the Company, as prescribed under the Companies Act, 2017.

In view of the above, management believes that the Company is not a going concern. Accordingly, the Company may not be able to realize its assets or discharge its liabilities in the normal course of business and hence, management has prepared the accompanying financial statements on a basis other than going concern, as stated in note 2.2.

As stated in note 2.2, management has reported all assets at their realizable values and all liabilities at amounts payable based on best estimate. However, due to the (1) lapse of considerable amount of time since cessation of operations, (2) unavailability of any offer price for assets such as property, plant and equipment and stores, spares and loose tools from any serious buyer, and (3) uncertainty over realizability of carrying amount of stock-in-trade, advances and other receivables and sales tax refundable, we were unable to satisfy ourselves in respect of realizable value of aforementioned assets and were unable to determine whether any adjustments would have been found to be made in this respect.

- b) Because of significance of the matters described in paragraph (a) above, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an audit opinion on the financial statements and we are unable to form an opinion whether:

- proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
 - the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - the expenditure incurred during the year was for the purpose of the Company's business;
 - the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company; and
 - the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984.
- c) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Dated: October 06, 2017
Place: Karachi



BALANCE SHEET

	Note	2017 Rupees	2016 Rupees
SHARE CAPITAL AND RESERVES			
Share capital	4	147,000,000	147,000,000
Accumulated loss		(449,253,947)	(311,995,610)
		(302,253,947)	(164,995,610)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
	5	395,519,532	410,798,946
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation	6	-	-
Loan from directors	7	153,500,000	153,500,000
Long-term finance	8	-	225,063,000
CURRENT LIABILITIES			
Trade and other payables	9	295,242,073	311,844,388
Accrued mark-up	10	58,536,023	21,856,108
Short-term borrowings	11	166,263,375	186,404,971
Current portion of long-term finance	8	277,000,000	51,937,000
		797,041,471	572,042,467
CONTINGENCIES AND COMMITMENTS			
	12		
		1,043,807,056	1,196,408,803

The annexed notes 1 to 39 form an integral part of these financial statements.



AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	13	914,723,979	960,585,894
Long-term deposits		1,645,222	1,645,222

CURRENT ASSETS

Stores, spares and loose tools	14	13,141,824	13,534,411
Stock-in-trade	15	54,142,339	167,892,236
Trade debts	16	1,533,510	2,156,953
Advances and other receivables	17	26,024,034	29,034,671
Sales tax refundable	18	9,356,425	9,348,920
Cash and bank balances	19	23,239,723	12,210,496
		127,437,855	234,177,687

1,043,807,056

1,196,408,803

(KHALID INAM)
Chief Executive

(INAMUR REHMAN)
Chairman / Director



PROFIT AND LOSS ACCOUNT

For The Year Ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
Sales - net	20	72,117,455	945,035,086
Cost of sales	21	(171,684,837)	(1,196,701,469)
Gross loss		(99,567,382)	(251,666,383)
Other income	22	4,229,897	3,948,015
		(95,337,485)	(247,718,368)
Distribution cost	23	75,805	7,081,596
Administrative expenses	24	17,723,683	31,312,097
Other operating expenses	25	-	137,438,263
Finance cost	26	36,763,131	117,355,022
		(54,562,619)	(293,186,978)
Loss before tax		(149,900,104)	(540,905,346)
Taxation	27	(1,940,407)	97,266,559
Loss for the year		(151,840,511)	(443,638,787)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss		-	-
Items that will not be reclassified subsequently to profit and loss		-	-
Total comprehensive income for the year		(151,840,511)	(443,638,787)
Earnings per share - basic and diluted	28	(10.33)	(30.18)

The annexed notes 1 to 39 form an integral part of these financial statements.


(KHALID INAM)
Chief Executive


(INAMUR REHMAN)
Chairman / Director



CASH FLOW STATEMENT

For The Year Ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(149,900,104)	(540,905,346)
Adjustments for			
Depreciation	13.1	44,430,437	46,449,554
Gain on disposal of property, plant and equipment	22	(1,083,476)	(802,959)
Provision for staff retirement gratuity	9.1	671,688	2,524,794
Profit on deposits / saving accounts	22	(612,531)	(572,585)
Provision against stores, spares and loose tools	21.1	-	11,519,654
Provision against sales tax refundable	25	-	11,391,850
Provision against doubtful advances	25	-	19,874,387
(Reversal of provision) / provision against doubtful trade debts	22 & 25	(2,533,890)	30,327,318
Provision against GID cess and increased gas tariff	25	-	71,073,618
Finance cost	26	36,763,131	117,355,022
		(72,264,745)	(231,764,693)
(Increase) / decrease in current assets			
Stores, spares and loose tools		392,587	3,893,172
Stock-in-trade		113,749,897	324,863,294
Trade debts		3,157,333	149,387,412
Advances and other receivables		64,871	8,221,344
Sales tax refundable		(7,505)	(2,675,711)
(Decrease) / increase in current liabilities		(17,130,003)	26,083,196
Trade and other payables		100,227,180	509,772,707
Cash generated from operations		27,962,435	278,008,014
Finance cost paid		(83,216)	(44,369,666)
Gratuity paid	9.1	(144,000)	(8,793,504)
Income tax refunded		308,119	6,800,259
Net cash generated from operating activities		28,043,338	231,645,103
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(3,883,688)
Proceeds from disposal of property, plant and equipment		2,514,954	1,610,000
Profit received on deposits / saving accounts		612,531	663,298
Net cash generated from / (used in) investing activities		3,127,485	(1,610,390)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Liability against import of machinery repaid		-	(122,248,600)
Proceeds from long-term finance		-	277,000,000
Net cash generated from financing activities		-	154,751,400
Net increase in cash and cash equivalents (A+B+C)		31,170,823	384,786,113
Cash and cash equivalents at beginning of the year		(174,194,475)	(558,980,588)
Cash and cash equivalents at end of the year		(143,023,652)	(174,194,475)
Cash and cash equivalents			
Cash and bank balances	19	23,239,723	12,210,496
Short-term borrowings	11	(166,263,375)	(186,404,971)
		(143,023,652)	(174,194,475)

The annexed notes 1 to 39 form an integral part of these financial statements.

(KHALID INAM)
Chief Executive

(INAMUR REHMAN)
Chairman / Director



STATEMENT OF CHANGES IN EQUITY

For The Year Ended June 30, 2017

	Share capital	Unappropriated profit Rupees	Total
Balance as at July 01, 2015	147,000,000	118,587,441	265,587,441
Total comprehensive income for the year			
Loss for the year	-	(443,638,787)	(443,638,787)
Other comprehensive income for the year	-	-	-
	-	(443,638,787)	(443,638,787)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	13,055,736	13,055,736
Balance as at June 30, 2016	147,000,000	(311,995,610)	(164,995,610)
Total comprehensive income for the year			
Loss for the year	-	(151,840,511)	(151,840,511)
Other comprehensive income for the year	-	-	-
	-	(151,840,511)	(151,840,511)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	14,582,174	14,582,174
Balance as at June 30, 2017	147,000,000	(449,253,947)	(302,253,947)

The annexed notes 1 to 39 form an integral part of these financial statements.

(KHALID INAM)
Chief Executive

(INAMUR REHMAN)
Chairman / Director



NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2017

1. STATUS AND NATURE OF BUSINESS

1.1 N.P. Spinning Mills Limited (the Company) was incorporated in Pakistan on February 17, 1991 as public company limited by shares under the Companies Ordinance, 1984. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal business activity of the Company is manufacturing and sale of yarn. The Mill is located in Raiwind, District Lahore in the province of Punjab. The registered office of the Company is located at 703 - Uni Tower, 11 Chundrigar Road, Karachi in the province of Sindh.

1.2 During the year, the Company incurred net loss of Rs. 151.84 million (2016: Rs. 443.64 million) which has resulted in accumulated loss of Rs. 449.25 million (2016: Rs. 311.99 million) and deficit in equity of Rs. 302.25 million (2016: Rs. 164.99 million) as at June 30, 2017. In order to minimize further losses of the Company, the Board of Directors (the Board) of the Company in its meeting held on June 7, 2016 had decided to temporarily suspend the operations of the Factory and had consequently laid off majority of its workforce. The Board considered various aspects for this decision including unfavourable market conditions in the textile spinning sector, high price of utilities, lack of availability of local cotton, shortage of working capital, and severe competition from foreign manufacturers. As disclosed in notes 8 and 11, subsequent to the year end, the Bank has also filed a suit against the Company for recovery of outstanding loans and markup thereon. Further, the shareholders in their Annual General Meeting (AGM) held on October 31, 2016 had passed a resolution to authorize the Board to sell property, plant and equipment and other assets of the Company. Considering that one year time will soon elapse after passing the resolution in the AGM, the Board has passed a resolution to seek again the above approval from the shareholders in the upcoming AGM of the Company, as prescribed under the Companies Act, 2017.

In view of the above, management believes that the Company is not a going concern. Accordingly, the Company may not be able to realize its assets or discharge its liabilities in the normal course of business and hence, management has prepared the accompanying financial statements on a basis other than going concern, as stated in note 2.2.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

During the year, the Companies Act, 2017 was enacted on May 30, 2017 and came into force at once. Subsequently, the Securities and Exchange Commission of Pakistan (SECP) has notified through Circular No. 17 of July 20, 2017 that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Therefore, these financial statements have been prepared under the Companies Ordinance, 1984.

2.2 Basis of measurement

As disclosed in note 1.2 to the financial statements, the Company is not considered a going concern, therefore, these financial statements have been prepared on a basis other than going concern, which is as follows:

- All assets are stated at their realizable values; and
- All liabilities are stated at amounts payable.

While preparing the financial statements on aforementioned basis, management has applied the approved accounting standards as applicable in Pakistan, as disclosed in note 2.1. Under the current circumstances, management has reported all assets at their realizable values and all liabilities at amounts payable based on best estimate.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupee.

**2.4 Use of estimates and judgments**

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The 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.

Judgments made by management in the application of approved accounting standards (as applicable in Pakistan) and basis of preparation as described in note 2.2, that have a significant effect on the financial statements and estimates with significant risk of material judgment in the next financial year are set forth below:

- assumptions and estimates used in determining provision for taxation including deferred taxation (notes 3.2, 6 and 27);
- assumptions and estimates used in determining revalued / recoverable amounts, residual value and useful lives of property, plant and equipment (notes 3.5, 3.13.2 and 13);
- assumptions and estimates used in determining provisions (notes 3.15, 9, 17 and 18);
- assumptions and estimates used in determining the provision for slow moving stores and spares (notes 3.7 and 14.1);
- assumptions and estimates used in writing down items of stock-in-trade to their net realizable value (notes 3.8 and 15); and
- assumptions and estimates used in calculating the provision for impairment for trade debts (notes 3.9 and 16).

2.5 New / revised standards that are effective in the current year

The following amendments to published approved accounting standards are effective for the year ended June 30, 2017. These amendments are, either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

- Amendments to IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations': Clarification regarding changes in the method of disposal of an asset.
- Amendments to IFRS 7 'Financial Instruments - Disclosures': Disclosure requirements for servicing arrangements on continuing involvement in transferred financial assets.
- Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 (Revised 2011) 'Investments in Associates and Joint Ventures': Application of consolidation exception.
- Amendments to IFRS 11 'Joint Arrangements': Accounting for acquisitions of an interest in a joint operation.
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative
- Amendments to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets': Clarification on acceptable methods of depreciation and amortisation.
- Amendments to IAS 16 'Property, Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants.
- Amendments to IAS 19 'Employee Benefits': Clarification that the same currency bonds be used to determine the discount rate in which benefits are to be paid.
- Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements.



2.6 Amendments to published approved accounting standards

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

	Effective date (accounting periods beginning on or after)
- Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 01, 2018
- Amendments to IFRS 12 'Disclosure of Interests in Other Entities': Clarification of scope of the standard	January 01, 2017
- Amendments to IAS 7 'Statement of Cash Flows': Amendments as result of the disclosure initiative.	January 01, 2017
- Amendments to IAS 12 'Income Taxes': Recognition of deferred tax assets for unrealised losses	January 01, 2017
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' – Measuring an associate or joint venture at fair	January 01, 2018
- Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property.	January 01, 2018
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018
- IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Other than the aforesaid interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases
- IFRS 17 – Insurance Contracts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Staff retirement benefits

The Company operates an unfunded gratuity scheme covering all its permanent employees who have completed a minimum qualifying period of service. The Company determine gratuity obligation as per the basis disclosed in note 9.1.1.

**3.2 Taxation**

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

3.2.1 Current tax

Provision for current taxation is based on the taxability of certain income streams of the Company under the Final Tax Regime at the applicable tax rates and the remaining income streams chargeable at current rate of taxation under the Normal Tax Regime after taking into account available tax credits and tax rebates, if any, or on turnover at the specified rate or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed / finalized during the year.

3.2.2 Deferred tax

Deferred tax is recognized using the balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the balance sheet date.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits in the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Further, the Company also recognizes a deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

3.3 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.4 Markup bearing borrowings

Markup bearing borrowings are recognized initially at fair value, less attributable transaction cost. Subsequent to initial recognition, markup bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in profit and loss account over the period of borrowings on an effective interest basis.

3.5 Property, plant and equipment

Property, plant and equipment are stated as follows:

- Leasehold land is stated at revalued amount less impairment loss, if any;
- Building on leasehold land, office premises, plant and machinery and electric installations are stated at revalued amounts less accumulated depreciation and impairment losses, if any; and
- Factory equipment, furniture and fixtures, office equipment, computers and vehicles are stated at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of an asset including borrowing costs, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost incurred to replace a component of an item of property, plant and equipment is capitalized and the asset so replaced is derecognized. Normal repairs and maintenance are charged to profit and loss account during the period in which they are incurred.

Depreciation is charged to the profit and loss account applying the reducing balance method at the rates specified in note 13. Depreciation on additions is charged from the month an asset is available for use upto the month prior to its disposal.



Depreciation methods, useful lives and residual values of each item of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed and adjusted, if appropriate at each balance sheet date.

Surplus on revaluation of assets is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of assets (net of deferred taxation) is transferred directly to retained earnings (unappropriated profit / accumulated loss).

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized in other income / other expenses in the profit and loss account. When revalued assets are sold, any related amount included in the surplus on revaluation is transferred to retained earnings (unappropriated profit / accumulated loss).

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any, and consists of expenditure incurred and advances made in respect of assets in the course of their acquisition, construction and installation. Transfers are made to relevant asset categories as and when assets are available for intended use.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of the respective assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit and loss account in the period in which they are incurred.

3.7 Stores, spares and loose tools

These are stated at lower of moving average cost and net realizable value, less allowance for obsolete and slow moving items (if any). Items in transit are stated at cost comprising invoice value plus other charges incurred thereon upto balance sheet date. Provision for obsolete and slow moving stores, spares and loose tools is determined based on the management's estimate regarding their future usability.

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

3.8 Stock-in-trade

These are stated at lower of cost and net realisable value applying the following basis:

- Raw material	Weighted average cost
- Stock-in-transit	Cost accumulated upto balance sheet date
- Work in process and finished goods	Average manufacturing cost
- Waste	Net realisable value

Average manufacturing cost in relation to work in process and finished goods signifies cost including a portion of related direct overheads.

Net realizable value (NRV) signifies the estimated selling price in the ordinary course of business less the net estimated costs necessary to be incurred to make the sale.

3.9 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment, if any. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

**3.10 Cash and cash equivalents**

Cash and cash equivalents for cash flow purposes include cash in hand, balances with banks in current and deposit accounts and bank overdraft. Short-term borrowings availed by the Company, which are payable on demand and form an integral part of the Company's cash management, are included as part of cash and cash equivalents for the purpose of the cash flow statement.

3.11 Financial instruments

All financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provision of instruments. 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. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets or liabilities is taken to profit and loss account.

3.12 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only where there is legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.13 Impairment**3.13.1 Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

3.13.2 Non-financial assets

The carrying amounts of non-financial assets, other than inventories and deferred tax asset, are reviewed at each balance sheet date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.14 Foreign currency translation

Transactions in foreign currencies are translated into Pakistan Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing on the balance sheet date.

Exchange differences are included in the profit and loss account currently.

3.15 Provisions

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

3.16 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in the normal course of business.



- Revenue from sales of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.
- Interest income is recognized on a time-apportioned basis using the effective rate of return.

3.17 Dividend and appropriation to / from reserves

Dividend distribution to the Company's shareholders and appropriations to / from reserves is recognized in the period in which these are approved.

3.18 Earnings per share

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

4. SHARE CAPITAL

2017	2016		2017	2016
...Number of shares...		Rupees.....	
<u>32,000,000</u>	<u>32,000,000</u>	Authorized	<u>320,000,000</u>	<u>320,000,000</u>
		Ordinary shares of Rs. 10/- each		
		Issued, subscribed and paid up		
		Ordinary shares of Rs. 10/- each fully paid		
<u>10,500,000</u>	<u>10,500,000</u>	- in cash	<u>105,000,000</u>	<u>105,000,000</u>
<u>4,200,000</u>	<u>4,200,000</u>	- issued as bonus shares	<u>42,000,000</u>	<u>42,000,000</u>
<u>14,700,000</u>	<u>14,700,000</u>		<u>147,000,000</u>	<u>147,000,000</u>

- 4.1 The Company has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.

- 4.2 N.P. Waterproof Industries (Private) Limited, an associated undertaking, held 57,400 (2016: 57,400) ordinary shares.

	Note	2017 Rupees	2016 Rupees
5. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - Net of tax			
Balance as at July 01		489,903,430	508,554,482
Less: transferred to unappropriated profit on account of:			
- incremental depreciation		(14,582,174)	(13,055,736)
- related deferred tax liability		(4,067,461)	(5,595,316)
		(18,649,635)	(18,651,052)
		471,253,795	489,903,430
Less: Related deferred tax liability on:	6		
Revaluation surplus as at July 1,		(79,104,484)	(138,585,481)
Reversal of tax liability on building	5.1	-	50,914,328
Adjustment due to change in tax rate		(697,240)	2,971,353
Incremental depreciation charged during the year		4,067,461	5,595,316
		(75,734,263)	(79,104,484)
Balance as at June 30		395,519,532	410,798,946



- 5.1 In pursuance to the matters disclosed in notes 1.2 and 2.2, management considers that the value of the assets will be realised through disposal rather than use of the assets. Therefore, considering sub section 13(d) of section 22 of the Income Tax Ordinance, 2001, deferred tax liability on surplus of revaluation on building has been restricted to the difference between original cost and tax base.

6. DEFERRED TAXATION

	June 30, 2017				June 30, 2016			
	Opening Liability / (Asset)	Recognised in Profit & Loss account	Recognised in Income equity / OCI	Closing Liability / (Asset)	Opening Liability / (Asset)	Recognised in Profit & Loss account	Recognised in Income equity / OCI	Closing Liability / (Asset)
Taxable temporary differences								
	119,151,831	(3,880,943)	697,240	125,968,128	217,089,481	(3,930,890)	154,885,061	127,223,651
Deductible temporary differences and unused tax losses / credits								
	(119,223,831)	1,302,985		(117,920,846)	(76,193,272)	(83,880,359)		(159,273,631)
		697,240	697,240		140,896,130	(80,969,449)	(24,885,061)	

- 6.1 As disclosed in note 1.2, the Company is not-considered a going concern, therefore, the deferred tax liability on taxable temporary differences has been determined on the basis of tax consequences of disposal of assets rather than use of assets. Further, the recognition of deferred tax asset has been restricted to the extent of available taxable temporary differences. Accordingly, the Company has not recorded deferred tax asset on losses amounting to Rs. 275.15 million (2016: Rs. 154.48 million) and minimum tax credit amounting to Rs. 0.72 million.

7. LOAN FROM DIRECTORS

During the year ended June 30, 2015, the Company entered into agreements with directors / shareholders in their capacity as sponsors, whereby the repayment of loan was deferred for a period of five years from the date of the agreement, i.e., June 22, 2015. The loans are interest free, unsecured and are repayable in full at the end of five-year period until further extended by mutual agreement. Since, the Company is not being considered a going concern (as disclosed in note 1.2) the loan from directors has been stated at amount payable in accordance with note 2.2, and therefore, the loan from directors has been stated at the undiscounted amount.

	Note	2017 Rupees	2016 Rupees
8. LONG-TERM FINANCE - Banking company - secured			
Term finance	8.1	277,000,000	277,000,000
Less: current portion of long-term finance		(277,000,000)	(51,937,000)
		-	225,063,000

- 8.1 This represents long-term finance facility obtained by the Company for the purpose of repayment of liability against import of machinery. The facility carries markup at the rate of six month KIBOR plus 2.5% and is secured against first charge over fixed assets of the Company.

During the year, the grace period of the long-term finance ended on September 3, 2016, and first installment became due on October 03, 2016. However, the Company has not been able to make any payment to the bank. As at June 30, 2017, nine monthly installments aggregating to Rs. 51.94 million are overdue. Consequent to the default, in accordance with the terms of agreements, the entire amount of long-term finances became due and payable by the Company immediately, therefore, the whole amount of long-term finances has been classified as current liability. Subsequent to year end, the Bank has filed a suit against the Company for recovery of outstanding loans and markup thereon.



	Note	2017 Rupees	2016 Rupees
9. TRADE AND OTHER PAYABLES			
Creditors		82,326,684	82,699,797
Advance from customers		28,047,141	43,852,145
Accrued liabilities		36,047,921	36,835,484
Staff retirement gratuity	9.1	677,501	149,813
Provision for GID cess and increased gas tariff	9.2 & 9.3	92,519,625	92,519,625
Unclaimed dividend		3,210,950	3,210,950
Infrastructure fee / cess	9.4	50,002,814	50,002,814
Withholding tax		950,652	953,795
Others		1,458,785	1,619,965
		295,242,073	311,844,388

9.1 Movement during the year

Balance as at July 1,		149,813	6,418,523
Expense recognized in profit and loss account		671,688	2,524,794
Payments made during the year		(144,000)	(8,793,504)
Balance as at June 30,	9.1.1	677,501	149,813

9.1.1 Staff retirement gratuity

As disclosed in note 1.2, in the previous year, the Company suspended its operations and laid off majority of its work force and retained only key administrative staff. Since the Company pays gratuity to its employees on an annual basis and as per note 2.2 the liabilities have to be stated at amounts payable, no actuarial valuation has been carried out during the current and previous years and the liability as at June 30, 2017 and June 30, 2016 has been determined on the basis of amounts payable to the eligible employees in the next year, which is equivalent to one month gross salary.

- 9.2** In August 2013, the Oil and Gas Regulatory Authority (OGRA) vide its SRO # 726(I)/2013 notified the sale price for sale of natural gas at Rs. 573.28/MMBTU for captive power consumption (CPP) with immediate effect. Prior to such notification the applicable sale price was Rs. 488.23/MMBTU. Subsequent to the said SRO, the Company received gas bills at Rs. 573.28/MMBTU, being considered as CPP by the utility company. The Company, considering itself industrial consumer paid gas charges at the rate applicable before August 2013 on the basis of stay order obtained from the Honorable Lahore High Court (LHC).

Subsequently, on September 1, 2015, OGRA vide its SRO# 876(I)/2015 notified the price for sale of natural gas at Rs. 600/MMBTU for industrial and captive power consumption with effect from the said date. The Company did not obtain any stay from the court for the sale price notified through SRO 876(I)/2015 and has made payments at the rate of Rs. 514.72/MMBTU (i.e., the original tariff of Rs. 488/MMBTU plus Rs. 26.72/MMBTU, being the difference between the tariff notified through SRO 726(I)/2013 and SRO 876(I)/2015). As a matter of abundant caution, the Company recorded a provision (but not paid) for the initial tariff increase as notified through SRO 726(I)/2013 since August 2013.

- 9.3** Under the Gas Infrastructure Development Cess Act, 2011, Government of Pakistan levied Gas Infrastructure Development (GID) Cess on gas bills at the rate of Rs. 13 per MMBTU on all industrial consumers. In the month of June 2012, the Federal Government revised GID Cess rate from Rs. 13 per MMBTU to Rs. 100 per MMBTU.

The Company along with group of other plaintiffs filed a suit before the High Court of Sindh, challenging the applicability of Gas Infrastructure Cess Act, 2011. The Sindh High Court had restrained the Federation and gas companies from recovering GID Cess over and above Rs. 13 per MMBTU. On August 22, 2014, the Supreme Court of Pakistan declared that the levy of GID Cess as a tax was not validly levied in accordance with the Constitution.



In September 2014, the Federal Government promulgated Gas Infrastructure Cess (GIDC) Ordinance No. VI of 2014. In May 2015, the said Ordinance was approved in the parliament and became an Act. Under the Act, GID Cess at the rate of Rs. 100 per MMBTU on all industrial consumers and Rs. 200 per MMBTU on all Captive Power Plant (CPP) has been levied.

Subsequent to the approval of the Act, the Company received gas bills at the rate of Rs. 200 per MMBTU, as the Company was considered a CPP by the utility company. The Company along with other plaintiffs has challenged GIDC Act, 2015 including retrospective levy of the GID Cess and has filed a writ petition in the Honorable Sindh High Court. However, on a prudent basis, the Company recorded a provision in respect of GID cess, which also includes the provision pertaining to the period from initial GID Cess Act of 2011 until the date of the Supreme Court order through which the applicability of GIDC was invalidated.

- 9.4 The Government of Sindh through Sindh Finance Act, 1994 imposed infrastructure fee for the development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The levy was challenged by the Company along with other companies in the High Court of Sindh through civil suits which were dismissed by the single judge of the High Court of Sindh through its decision in October 2003. On appeal filed there against, the High Court of Sindh has held through an order passed in September 2008, that the levy as imposed through the Sindh Finance Act, 1994 (amended from time to time) was not valid till December 28, 2006, however, thereafter on account of an amendment in the Sindh Finance (Amendment) Ordinance, 2006, it had become valid and is payable by the Appellants. The Company, along with other companies, filed an appeal in the Supreme Court of Pakistan against the aforementioned order of High Court of Sindh. The Supreme Court granted stay by passing an interim order on January 22, 2009. The order passed by the High Court of Sindh was set aside by the Supreme Court vide its order dated May 20, 2011. Consequently, a new petition had been filed in the High Court of Sindh. Through the interim order passed on May 31, 2011, the High Court has ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed.

Management is confident of a favorable outcome. However, as a matter of prudence, the Company has made provision as follows:

	Note	2017 Rupees	2016 Rupees
Balance as at July 1,		50,002,814	48,296,973
Provision during the year		-	1,705,841
		<u>50,002,814</u>	<u>50,002,814</u>
Payments made during the year		-	-
Balance as at June 30,		<u>50,002,814</u>	<u>50,002,814</u>
10. ACCRUED MARK-UP			
Markup payable on long-term finance	8	36,000,740	12,320,276
Markup payable on short-term borrowings	11	22,535,283	9,535,832
	10.1	<u>58,536,023</u>	<u>21,856,108</u>

- 10.1 Accrued mark-up as at the balance sheet date represents mark-up payable since January 01, 2016. The Company has not been able to pay the mark-up.



	Note	2017 Rupees	2016 Rupees
11. SHORT-TERM BORROWINGS			
From a banking company - secured			
Running finance		99,947,982	99,872,037
Cash finance		35,370,928	43,744,178
Finance against import merchandise (FIM)		30,944,465	31,671,465
	11.1	166,263,375	175,287,680
Bank overdraft - unsecured		-	11,117,291
		166,263,375	186,404,971

- 11.1 Facilities for running finance, finance against trust receipts, cash finance and FIM had expired in the previous year. These facilities are subject to mark-up at the rate of KIBOR plus 1.5% (2016: KIBOR plus 1.5%) per annum payable quarterly. These are secured against first hypothecation charge over fixed assets and pledge of all raw material. Subsequent to year end, the Bank has filed a suit against the Company for recovery of outstanding loans and markup thereon.

	2017 Rupees	2016 Rupees
12. CONTINGENCIES AND COMMITMENTS		
12.1 Contingencies		
Guarantees issued by bank on behalf of the Company with recourse to:		
- Sui Northern Gas Pipelines Limited	36,639,300	36,639,300
- Sindh Cesa	54,950,000	54,950,000
12.2		
On April 19, 2013, the Federal Board of Revenue (FBR) issued a tax demand notice to the Company of Rs. 65,062,038 on the grounds that the Company's customers have either not shown or have shown less purchases from the Company in their respective sales tax returns based on Computerized Risk Evaluation of Sales Tax (CREST). The Company had filed for stay in the Honorable Sindh High Court (SHC). The Honorable SHC granted the stay order on April 30, 2013, which restrained FBR from pursuing criminal proceedings against the directors of the Company but allowed the FBR to pursue the case in terms of audit but no final order will be issued by FBR without permission of the Court.		
The Company submitted an interim reply to FBR on May 7, 2013 wherein certain clarifications in respect of the notice issued by FBR were sought. Till date, no clarifications have been received from FBR and accordingly, the Company has not submitted a final reply.		
12.3 Commitments		
There are no commitments of the Company as at June 30, 2017 and June 30, 2016.		



13. PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost / Revaluation			Depreciation		Written down value as at June 30, 2017	Depreciation rate %
	As at July 01, 2016	Additions / (deletions)	As at June 30, 2017	As at July 01, 2016	Charge / (adjustments) for the year		
Rupees							
Leasehold land	65,000,000	-	65,000,000	-	-	65,000,000	-
Buildings on leasehold land	253,096,492	-	253,096,492	7,592,895	7,365,108	238,138,489	3
Office premises	3,732,000	-	3,732,000	2,050,020	50,459	1,631,521	3
Plant and machinery	955,828,801	-	955,828,801	362,545,882	32,261,326	561,021,593	5-33
Electric installations	32,890,000	-	32,890,000	1,644,500	1,562,275	29,683,225	5
Factory equipment	25,892,756	-	25,892,756	13,543,288	1,234,947	11,114,521	10
Furniture and fixtures	3,134,593	-	3,134,593	1,838,771	129,582	1,166,240	10
Office equipment	4,338,696	-	4,338,696	2,386,448	195,225	1,757,023	10
Computers	565,406	-	565,406	528,342	12,231	24,833	33
Vehicles	16,865,894	-	11,302,394	8,628,598	1,619,284 (4,132,022)	5,186,534	20
		(5,563,500)					
	1,361,344,638	-	1,355,781,138	400,758,744	44,430,437 (4,132,022)	914,723,979	
		(5,563,500)					



For comparative period

Particulars	Cost / Revaluation		Depreciation		Written down value as at June 30, 2016	Depreciation rate %
	As at July 01, 2015	Additions / (deletions)	As at June 30, 2016	As at July 01, 2015		
Rupees						
Leasehold land	65,000,000	-	65,000,000	-	65,000,000	-
Buildings on leasehold land	253,096,492	-	253,096,492	-	245,503,597	3
Office premises	3,732,000	-	3,732,000	1,998,000	1,681,980	3
Plant and machinery	953,895,113	1,933,688	955,828,801	328,985,113	593,282,919	5-33
Electric installations	32,890,000	-	32,890,000	-	31,245,500	5
Factory equipment	25,892,756	-	25,892,756	12,171,125	12,349,468	10
Furniture and fixtures	3,134,593	-	3,134,593	1,694,791	1,295,822	10
Office equipment	4,338,696	-	4,338,696	2,169,531	1,952,248	10
Computers	565,406	-	565,406	510,087	37,064	33
Vehicles	18,473,894	1,950,000 (3,558,000)	16,865,894	9,531,502	8,237,296	20
					(2,750,959)	
	1,361,018,950	3,883,688 (3,558,000)	1,361,344,638	357,060,149	960,585,894	
				46,449,554 (2,750,959)		



	Note	2017 Rupees	2016 Rupees
13.1 Depreciation for the year has been allocated as under:			
Cost of sales	21.1	42,553,238	44,314,307
Administrative expenses	24	1,877,199	2,135,247
		<u>44,430,437</u>	<u>46,449,554</u>

- 13.2 The Company carries its leasehold land, buildings on leasehold land, office premises, plant and machinery and electric installations at revalued amount under IAS 16 'Property, Plant and Equipment'. Last revaluation was performed by Pakistan Banks' Association (PBA) recognized valuer Joseph Lobo (Private) Limited as on June 30, 2015 which resulted in total surplus of Rs. 508.55 million. The valuation was carried out by taking into account the detailed specification of the assets and is based on the present market value and recent market transactions.

Had there been no revaluation the related figures of leasehold land, buildings on leasehold land, office premises, plant and machinery and electric installations, would have been as follows:

	June 30, 2017		
	Cost	Accumulated depreciation	Net book value
	Rupees		
Leasehold land	8,492,609	-	8,492,609
Buildings on leasehold land	77,471,152	61,721,584	15,749,568
Office premises	3,732,000	2,988,944	743,056
Plant and machinery	955,828,801	558,870,198	396,958,603
Electric installations	16,967,029	14,689,832	2,277,197
As at 30 June 2017	<u>1,062,491,591</u>	<u>638,270,558</u>	<u>424,221,033</u>

	June 30, 2016		
	Cost	Accumulated depreciation	Net book value
	Rupees		
Leasehold land	8,492,609	-	8,492,609
Buildings on leasehold land	77,471,152	61,234,484	16,236,668
Office premises	3,732,000	2,965,963	766,037
Plant and machinery	955,828,801	536,910,598	418,918,203
Electric installations	16,967,029	14,569,980	2,397,049
As at 30 June 2016	<u>1,062,491,591</u>	<u>615,681,025</u>	<u>446,810,566</u>



13.3 Disposal of property, plant and equipment

The following assets were disposed of during the year:

Particulars	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Name and address of buyer	Made of disposal
Rupees						
Suzuki Pickup	567,000	337,981	229,019	250,000	Sajid Ali Qureshi Karachi	Negotiation
Motor Bike	42,500	33,587	8,913	9,300	Muhammad Saleem Shah-e-Faisal Karachi	Negotiation
Toyota Corolla	1,389,000	1,006,310	382,690	885,654	Muhammad Irfan Gulshan-e-Faisal Karachi	Negotiation
Honda City	1,461,000	1,036,517	424,483	475,000	Abdul Salam Gulshan- e-Zahoor Karachi	Negotiation
Toyota Corolla	1,374,000	1,103,409	270,591	620,000	Saeed ur Rehman North Nazimabad Karachi	Negotiation
Suzuki Cultus	830,000	594,218	235,782	275,000	Muhammad Usman PECHS Karachi	Negotiation
2017	5,563,500	4,132,822	1,430,678	2,514,954		
2016	3,538,000	2,750,949	807,051	1,610,000		

	Note	2017 Rupees	2016 Rupees
14. STORES, SPARES AND LOOSE TOOLS			
Stores, spares and loose tools		32,959,768	33,352,355
Less: Provision for slow-moving and obsolete items	14.1	(19,817,944)	(19,817,944)
		<u>13,141,824</u>	<u>13,534,411</u>
14.1 Provision for slow-moving and obsolete items			
Balance at July 01		19,817,944	8,298,290
Provision for slow moving and obsolete items	21.1	-	11,519,654
Balance at June 30		<u>19,817,944</u>	<u>19,817,944</u>
15. STOCK-IN-TRADE			
Raw material		38,377,351	42,673,283
Finished goods		15,764,988	125,218,953
	15.1	<u>54,142,339</u>	<u>167,892,236</u>
15.1 The Company has recognized a write down of Rs. 4.29 million (2016: Rs. 72.10 million) to adjust the carrying value of stock-in-trade to net realizable value.			



16.	TRADE DEBTS	Note	2017 Rupees	2016 Rupees
	Local - unsecured			
	Considered good		1,533,510	2,156,953
	Considered doubtful		33,343,074	35,876,964
	Provision for doubtful debts	16.1	34,876,584 (33,343,074)	38,033,917 (35,876,964)
			<u>1,533,510</u>	<u>2,156,953</u>
16.1	Movement of provision for doubtful debts			
	Balance at July 1		35,876,964	5,549,646
	Provision made during the year		-	31,786,767
	Reversal of provision		(2,533,890)	(1,459,449)
			<u>(2,533,890)</u>	<u>30,327,318</u>
	Balance at June 30	22 & 25	<u>33,343,074</u>	<u>35,876,964</u>

16.2 Trade debts are non-interest bearing and are generally on 90 - 120 days term.

16.3 Ageing of past due but not impaired

As at June 30, 2017, trade debts of Rs. 1.53 (2016: Rs. 2.16) million were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	Note	2017 Rupees	2016 Rupees
121 - 365 days		1,533,510	2,156,953
Above 365 days		-	-
		<u>1,533,510</u>	<u>2,156,953</u>

17. ADVANCES AND OTHER RECEIVABLES

Advances - Considered good

- To suppliers
- To employees
- Income tax

3,113,128	3,116,457
1,195	62,737
<u>22,909,711</u>	<u>25,855,477</u>

Advances - Considered doubtful

- To suppliers
- Income tax

26,024,034	29,034,671
6,331,390	6,331,390
<u>15,003,553</u>	<u>15,003,553</u>
<u>21,334,943</u>	<u>21,334,943</u>

Less: provision for doubtful advances

17.1

47,358,977	50,369,614
<u>(21,334,943)</u>	<u>(21,334,943)</u>
<u>26,024,034</u>	<u>29,034,671</u>



	Note	2017 Rupees	2016 Rupees
17.1 Movement of provision			
Balance at July 01		21,334,943	1,460,556
Provision made during the year	25	-	19,874,387
Balance at June 30		21,334,943	21,334,943
18. SALES TAX REFUNDABLE			
Considered good		9,356,425	9,348,920
Considered doubtful		16,546,895	16,546,895
		25,903,320	25,895,815
Less: Provision against sales tax refundable	18.1	(16,546,895)	(16,546,895)
		9,356,425	9,348,920
18.1 Movement of provision			
Balance at July 01		16,546,895	5,155,045
Provision made during the year	25	-	11,391,850
Balance at June 30		16,546,895	16,546,895
19. CASH AND BANK BALANCES			
Cash in hand		-	921,827
Cash at bank - local currency		4,166,307	2,098,078
- in current accounts		19,073,416	9,190,591
- in savings accounts	19.1	23,239,723	12,210,496
19.1	Effective mark-up rate is 4% - 5% (2016: 3.75%) per annum. There is lien on Rs. 2.6 million (2016: Rs. 2.6 million) in respect of security against short-term borrowings (note 11.1).		
20. SALES - net			
Yarn - Local		71,080,577	794,289,566
Raw material - Local		-	190,007,740
Waste - Local		1,036,878	640,001
		72,117,455	984,937,307
Less: Sales tax on local sales		-	(39,902,221)
		72,117,455	945,035,086



	Note	2017 Rupees	2016 Rupees
21. COST OF SALES			
Cost of goods manufactured	21.1	62,230,872	1,229,720,013
Finished goods			
Opening stock		125,218,953	92,200,409
Closing stock		(15,764,988)	(125,218,953)
		109,453,965	(33,018,544)
		171,684,837	1,196,701,469
21.1 Cost of goods manufactured			
Raw material consumed	21.1.1 & 21.1.2	4,295,932	761,463,276
Packing material		-	13,569,254
Stores and spares consumed		-	44,324,406
Salaries, wages and benefits	21.1.3	4,575,542	144,748,950
Fuel and power		9,459,469	172,251,374
Insurance		-	4,818,405
Repairs and maintenance		507,514	6,704,806
Depreciation	13.1	42,553,238	44,314,307
Provision for slow-moving and obsolete stores and spares	14.1	-	11,519,654
Other manufacturing overheads		839,177	3,232,826
		62,230,872	1,206,947,258
Work-in-process			
Opening stock		-	22,772,755
Closing stock		-	-
		-	22,772,755
		62,230,872	1,229,720,013
21.1.1 Raw material consumed			
Opening stock		42,673,283	352,321,546
Purchases and purchase expenses		-	451,815,013
		42,673,283	804,136,559
Closing stock		(38,377,351)	(42,673,283)
		4,295,932	761,463,276
21.1.2	This includes NRV charge on stock-in-trade as disclosed in note 15.1.		
21.1.3	Salaries, wages and benefits include Rs. 0.34 million (2016: Rs. 0.38 million) in respect of staff retirement benefits.		



	Note	2017 Rupees	2016 Rupees
22. OTHER INCOME			
Income from financial assets			
Profit on deposits / saving accounts		612,531	572,585
Income from assets other than financial assets			
Gain on disposal of property, plant and equipment		1,083,476	802,959
Reversal of provision against doubtful trade debts	16.1	2,533,890	-
Other income		-	2,572,471
		4,229,897	3,948,015
23. DISTRIBUTION COST			
Freight		75,805	6,101,862
Commission		-	904,160
Others		-	75,574
		75,805	7,081,596
24. ADMINISTRATIVE EXPENSES			
CEO / Directors' remuneration	29	4,595,794	4,358,897
Salaries and benefits	24.1	5,100,081	10,560,908
Travelling and conveyance		1,230,744	2,491,820
Printing and stationery		240,195	749,267
Postage and telephone		504,906	943,029
Legal and professional		511,200	921,730
Advertisement		39,106	118,448
Repairs and maintenance		632,622	991,416
Vehicles running		1,051,340	1,879,276
Fees, subscription and periodicals		445,946	1,457,910
Auditors' remuneration	24.2	300,000	615,000
Depreciation	13.1	1,877,199	2,135,247
Rent, rates and taxes		-	37,808
Tax penalties	24.3	610,283	-
Others		584,267	4,051,341
		17,723,683	31,312,097
24.1	Salaries and benefits include Rs. 0.33 million (2016: Rs. 0.84 million) in respect of staff gratuity.		
24.2	Auditors' remuneration		
Annual audit fee		200,000	300,000
Half yearly review fee		75,000	115,000
Code of Corporate Governance review fee		25,000	50,000
Tax and other services		-	100,000
Out of pocket expenses		-	50,000
		300,000	615,000



24.3 During the year, the Company has received tax demands under section 161 of the Income Tax Ordinance, 2001, amounting to Rs. 0.61 million for the tax years 2010, 2011, 2012, 2014 and 2015 from Assistant Commissioner - Inland Revenue for short deduction of withholding tax. The Company has decided not to file an appeal against the demand and accordingly, has recorded a charge of Rs. 0.61 million in these financial statements.

	Note	2017 Rupees	2016 Rupees
25. OTHER OPERATING EXPENSES			
Exchange loss		-	4,771,090
Provision against doubtful trade debts	16.1	-	30,327,318
Provision against doubtful advances	17.1	-	19,874,387
Provision against sales tax refundable	18.1	-	11,391,850
Provision against GID cess and increase gas tariff	9.2 & 9.3	-	71,073,618
		-	137,438,263
26. FINANCE COST			
Mark-up / interest on:			
- Long-term finance		22,535,283	7,549,773
- Short-term borrowings		14,144,632	49,899,132
Bank charges and commission			
Unwinding of discount on interest free loan from directors		83,216	1,717,540
		-	58,188,577
		36,763,131	117,355,022
27. TAXATION			
Current			
- for the year		721,175	-
- for prior years		1,916,472	(10,276,110)
Deferred	6	2,637,647	(10,276,110)
		(697,240)	(86,990,449)
		1,940,407	(97,266,559)
27.1 Relationship between tax expense and accounting profit			
Accounting loss for the year		(149,900,104)	(540,905,346)
Tax rate		31%	32%
Tax at the applicable rate		(46,469,032)	(173,089,711)
Impact of tax losses not recognized in current year		39,934,643	42,731,471
Impact of change in tax rate		2,324,133	-
Impact of permanent differences		-	27,066,874
Impact of minimum tax		721,175	-
Impact of prior year charge		1,916,472	-
Others		3,513,016	6,024,807
Tax charge for the year		1,940,407	(97,266,559)



- 27.2 In respect of assessment year 2012, the Company had received notice of demand of Rs. 1.92 million under section 122(5A) of the Income tax Ordinance, 2001, in respect of levy of turnover tax. An appeal was filed by the Company before Commissioner Inland Revenue (Appeals-II) (CIR - Appeals) which was rejected by CIR Appeals in the current year and accordingly management has recorded a prior year charge of Rs. 1.92 million in these financial statements.
- 27.3 During the prior year, the tax department has selected tax year 2014 for audit under section 214C of the Income Tax Ordinance, 2001 (the Ordinance). During the current year, the Commissioner has passed an order under section 122 of the Ordinance, whereby the Company's assessed loss has been decreased from Rs. 41.11 million to Rs. 17.09 million. The Company has filed reply against the above order after which no response has been received by the Company.

28. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company which is based on:

		2017	2016
Loss for the year	Rupees	(151,840,511)	(443,638,787)
Weighted average number of ordinary shares outstanding during the year		14,700,000	14,700,000
Earnings per share - basic and diluted	Rupees	(10.33)	(30.18)

29. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2017			2016		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees					
Managerial remuneration	2,842,759	-	571,034	2,842,759	-	2,190,786
House rent	1,279,241	-	256,966	1,279,241	-	985,584
Bonus	236,897	-	-	-	-	-
Leave encashment	236,897	-	-	236,897	-	-
	4,595,794	-	828,000	4,358,897	-	3,176,370
No. of persons	1	-	3	1	-	5

The Chief Executive Officer and Directors are provided with free use of Company maintained cars and reimbursement of telephone bills in accordance with the terms of their appointment.

30. OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Company has been identified as the chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments.

Chief Executive Officer considers the business as a single operating segment as the Company's assets allocation decisions are based on a single, integrated business strategy, and the Company's performance is evaluated on an overall basis.


31. TRANSACTIONS WITH RELATED PARTIES

The related party comprises of associated undertakings, key management personnel and post employment benefit scheme. The Company in the normal course of business carries out transactions with various related parties. Remuneration of key management personnel is disclosed in note 29. Other significant transactions with related parties are as follows:

Relationship with the party	Nature of transactions	2017 Rupees	2016 Rupees
Associated Undertakings	Share of common expenses paid	-	464,596

32. PLANT CAPACITY AND ACTUAL PRODUCTION

Installed production capacity 20's count - yarn in kgs	15,248,530	15,248,530
Actual production during the year at 20's count-yarn in kgs	-	12,367,677

As disclosed in note 1.2, the Company has temporarily suspended its operation, therefore, the actual production for the current year is nil.

33. FINANCIAL INSTRUMENTS BY CATEGORY
Financial assets as per balance sheet
Loans and receivables

Trade debts	1,533,510	2,156,953
Advances and other receivables	1,195	62,737
Cash and bank balances	23,239,723	12,210,496
	24,774,428	14,430,186

Financial liabilities as per balance sheet
At amortized cost / amount payable

Loan from directors	153,500,000	153,500,000
Long-term finance	277,000,000	277,000,000
Trade and other payables	244,288,607	217,035,634
Accrued mark-up	58,536,023	21,856,108
Short-term borrowings	166,263,375	186,404,971
	899,588,005	855,796,713

34. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

34.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counterparties are engaged in similar business activities, or have activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.



The Company is exposed to credit risk from its operating activities primarily for trade debts and balances / deposits with banks. The carrying amount of financial assets represents the maximum credit exposure.

34.1.1 Trade debts

The trade debts at year end are primarily due from local customers against local sales. Management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The Company has no major concentration of credit risk with any single customer. The Company establishes an allowance for impairment that represents its estimate of incurred losses for overdue balances based on analysis of each customer. The trade debts that are past due but not impaired are disclosed in note 16.3.

34.1.2 Balances with banks

The Company deposits its fund with banks carrying good credit standings assessed by reputable credit agencies. These banks are credit rated as follows:

Name of the Bank	Credit Rating		Month of Rating
	Short term	Long Term	
National Bank of Pakistan	A-1+	AAA	Jun-17
Habib Metropolitan Bank Limited	A1+	AA+	Jun-17
MCB Bank Limited	A1+	AAA	Jun-17
Habib Bank Limited	A-1+	AAA	Sep-17
Sonari Bank Limited	A1+	AA-	Jun-17
Dubai Islamic Bank Limited	A-1	AA-	May-17

34.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Following are the contractual maturities of financial liabilities, including interest payments, excluding the impact of netting agreements:

	Carrying amount	Contractual maturities	Maturity upto one year	Maturity after one year
			Rupees	
2017				
Loan from directors	153,500,000	153,500,000	-	153,500,000
Long-term finance	277,000,000	277,000,000	277,000,000	-
Trade and other payables	244,288,607	244,288,607	244,288,607	-
Accrued mark-up	58,536,023	58,536,023	58,536,023	-
Short-term borrowings	166,263,375	166,263,375	166,263,375	-
	899,588,005	899,588,005	746,088,005	153,500,000
2016				
Loan from directors	153,500,000	153,500,000	-	153,500,000
Long-term finance	277,000,000	314,623,584	73,787,041	240,836,543
Trade and other payables	217,035,634	217,035,634	217,035,634	-
Accrued mark-up	21,856,108	21,856,108	21,856,108	-
Short-term borrowings	186,404,971	186,404,971	186,404,971	-
	855,796,713	893,420,297	499,083,754	394,336,543

**34.3 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

The Company is exposed to interest rate only.

34.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term borrowings with floating interest rates.

Variable rate instrument**Financial liabilities**

- KIBOR based

Carrying amount	
2017	2016
Rupees	Rupees
443,263,375	452,287,680

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and the profit before tax by Rs. 4.43 million (2016: Rs. 4.52 million) with the corresponding effect on the carrying amount of the liability. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2016.

35. FAIR VALUE MEASUREMENTS

IFRS 13 "Fair Value Measurement" defines fair value as 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. The carrying amounts of all the financial instruments reflected in these financial statements approximate their fair value. IFRS 13 requires categorization of fair value measurements into different levels of fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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

The Company does not have any financial assets and liabilities measured at fair value. However, as disclosed in note 3.5, the Company has revalued certain items of property, plant and equipment as disclosed below.

Details of fair value hierarchy and information relating to fair value of Company's leasehold land, buildings on leasehold land, office premises, plant and machinery and electric installations is as follows:

	Level 1	Level 2	Level 3	Total
	Rupees			
As at June 30, 2017				
Leasehold land	-	65,000,000	-	65,000,000
Buildings on leasehold land	-	238,138,489	-	238,138,489
Office premises	-	1,631,521	-	1,631,521
Plant and machinery	-	561,021,593	-	561,021,593
Electric installations	-	29,683,225	-	29,683,225
	-	895,474,828	-	895,474,828
As at June 30, 2016				
Leasehold land	-	65,000,000	-	65,000,000
Buildings on leasehold land	-	245,503,597	-	245,503,597
Office premises	-	1,681,980	-	1,681,980
Plant and machinery	-	593,282,919	-	593,282,919
Electric installations	-	31,245,500	-	31,245,500
	-	936,713,996	-	936,713,996

**36. NUMBER OF EMPLOYEES**

The total average number of employees during the year and as at June 30, 2017 and 2016 respectively are as follows :

	2017	2016
Average number of employees during the year	25	489
Number of employees as at June 30	24	28

37. CORRESPONDING FIGURES

As stated in note 2.2, the Company is preparing the financial statements on a basis other than going concern since previous year. Therefore, in the previous year, classification of assets and liabilities into current and non-current were not made. During the year, the Institute of Chartered Accountants of Pakistan (ICAP) issued "guideline on the basis of preparation of financial statements for Companies that are not considered going concern" via Circular No.3/2017 dated February 7, 2017, which states that non-current assets should not be reclassified as current assets unless and until they meet the 'held for sale' criteria in the applicable approved accounting standards and long term liabilities should be reclassified as current liabilities if they meet the criteria in applicable approved accounting standards to be presented as current liabilities.

Based on the above mentioned guidelines, the corresponding figures have been classified into current and non-current appropriately.

38. RECLASSIFICATION

Certain prior year's figures have been rearranged and reclassified for better presentation. However, there are no material reclassifications to report.

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 06, 2017.


(KHALID INAM)
Chief Executive


(INAMUR REHMAN)
Chairman / Director

**PATTERN OF SHAREHOLDING***As At June 30, 2017*

No. of Shareholders	Shareholding From	To	Total Shares Held	%
294	1	100	20,842	0.14
252	101	500	60,981	0.42
287	501	1,000	204,514	1.39
51	1,001	5,000	116,693	0.79
19	5,001	10,000	130,850	0.89
6	10,001	15,000	80,940	0.55
2	20,001	25,000	44,029	0.30
1	30,001	35,000	34,300	0.23
1	55,001	60,000	57,400	0.39
1	90,001	95,000	94,001	0.64
1	305,001	310,000	307,770	2.09
1	1,195,001	1,200,000	1,197,780	8.15
1	2,280,001	2,285,000	2,280,820	15.52
1	10,065,001	10,070,000	10,069,080	68.50
918			14,700,000	100.00

CATEGORIES OF SHAREHOLDERS

Sr. #	Categories of Shareholder(s)	Number	Shares Held	%
1-	Joint Stock Companies	3	1,500	0.01
2-	Directors, CEO, their Spouses and Minor Children	8	13,972,180	95.05
3-	Executives	-	-	-
4-	Associated Companies, Related Parties etc.	1	57,400	0.39
5-	Banks, DFIs, NBFIs, Investment Cos. etc.	2	1,500	0.01
6-	Others	3	14,742	0.10
7-	Individuals	901	652,678	4.44
		918	14,700,000	100.00

DETAILS OF CATEGORIES OF SHAREHOLDERS

		Number	Shares Held
1.	Joint Stock Companies		
1.1	M/s. Y.S. Securities & Services (Private) Limited	1	500
1.2	M/s. Noman Abid & Co. Limited	1	500
1.3	M/s. Highlink Capital (Private) Limited	1	500
		3	1,500



2.	<u>Directors, CEO, their Spouses and Minor Children</u>		
2.1	Mr. Inamur Rehman	1	2,280,820
2.2	Mrs. Summayya Rehman	2	1,219,309
2.3	Mr. Khalid Inam	1	10,069,080
2.4	Mrs. Asma Khalid	2	401,771
2.5	Mr. Fakhar Mohiuddin Faruqi	1	700
2.6	Mr. Noor Muhammad	1	500
2.7	Mr. Ziauddin Zubairi	-	-
		8	13,972,180
3.	<u>Executives</u>	-	-
4.	<u>Associated Companies, Related Parties etc.</u>		
4.1	M/s. N. P. Waterproof Industries (Private) Limited	1	57,400
5.	<u>Banks, DFIs, NBFIs, Investment Cos. etc.</u>		
5.1	M/s. Investment Corporation of Pakistan	1	1,000
5.2	M/s. Progressive Investment Management (Private) Ltd.	1	500
		2	1,500
6.	<u>Others</u>		
6.1	M/s. Pakistan Stock Exchange Limited	1	500
6.2	M/s. The Nazir High Court of Sindh Karachi	1	14,240
6.3	M/s. NCC – Pre Settlement Delivery Account	1	2
		3	14,742
7.	<u>Individuals</u>	901	652,678
		918	14,700,000

Shareholders holding 5% or more shares

		<u>Shares Held</u>	<u>%</u>
➤ Mr. Inamur Rehman	(Chairman / Director)	2,280,820	15.52
➤ Mrs. Summayya Rehman	(Director)	1,219,309	8.30
➤ Mr. Khalid Inam	(Chief Executive)	10,069,080	68.50



ڈائریکٹر کا نام	بورڈ کے اجلاس	آؤٹ کمیٹی	ایچ آر اینڈ آر کمیٹی
جناب انعام الرحمن	4	-	-
محترمہ سمیرہ رحمن	4	-	-
جناب خالد انعام	4	-	-
محترمہ اسماء خالد	4	-	-
جناب فخر محمد الدین فاروقی	4	5	-
جناب نور محمد	4	5	-
جناب ضیاء الدین زبیری	4	5	-

گزشتہ سال کے اختتام کے بعد 19-07-2017 کو جناب فخر محمد الدین فاروقی نے استعفیٰ دے دیا تھا۔ ان کی جگہ جناب محمد مسیح کو ڈائریکٹر مقرر کیا گیا ہے۔

(g) 30 جون 2017ء کو حصص داری کی ساخت اس رپورٹ کے ساتھ منسلک ہے۔

(h) ڈائریکٹران، سی ای او، سی ایف او اور کمپنی سیکریٹری کی طرف سے حصص میں کئے کاروبار کا انکشاف

ڈائریکٹران، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کی شریک حیات اور چھوٹے بچوں نے اس سال کے دوران کمپنی کے حصص میں کوئی کاروبار نہیں کیا۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ڈیلوئٹ یوسف عادل، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہل ہونے کے باعث انہوں نے 30 جون 2018 پر اختتام ہونے والے مالی سال کے لئے اپنی دوبارہ تقرری کی پیشکش کی ہے۔

اعلیٰ ہارٹشکر

ڈائریکٹران اس موقع پر حصص یافتگان، بینکرز، کریڈیٹرز کے تعاون اور کمپنی کے تمام ملازمین کی انتھک محنت اور جدوجہد کی قدردانی اور حوصلہ افزائی کرتے ہیں۔

منجانب بورڈ

انعام الرحمن

چیرمین / ڈائریکٹر

کراچی اکتوبر 06، 2017

خالد انعام

چیف ایگزیکٹو

کاروباری نظم و نسق اور مالیاتی رپورٹنگ ضابطوں کا اقرار نامہ

(a) کمپنی کو مزید خسارے سے بچانے کے لئے، کمپنی کے بورڈ آف ڈائریکٹرز (بورڈ) نے اپنے اجلاس منعقدہ 7 جون 2016 میں فیصلہ کیا کہ فیکٹری کے آپریشنز عارضی طور پر معطل کر دیے جائیں۔ انتظامیہ کمپنی کو ایک چلتے ہوئے ادارے کی حیثیت سے نہیں دیکھ رہی کیونکہ کمپنی اس قابل نہیں کہ اثاثوں کو وصول شدہ دکھائے اور عمومی طریقے سے اپنی واجبات سے عہدہاں برآں ہو سکے۔ لہذا کمپنی نے اپنی گزشتہ AGM منعقدہ 10-31-2016 میں کمپنی کے اثاثوں کی فروخت کی منظوری دے دی تھی۔ اس قرارداد کی منظوری کی منظوری کو ایک سال سے زیادہ ہو گیا ہے، لیکن بورڈ آف ڈائریکٹرز آنے والی AGM میں ایک مرتبہ پھر اس قرارداد کی منظوری چاہتے ہیں جس کی وضاحت کمپنیز ایکٹ 2017 میں کی گئی ہے۔

مندرجہ بالا کو مد نظر رکھتے ہوئے، انتظامیہ کو یقین ہے کہ یہ چلتا ہوا ادارہ نہیں ہے۔ کمپنی نے یہ مالیاتی گوشوارے چلتے ہوئے ادارے کے علاوہ بنائے ہیں۔ لہذا کمپنی کو یقین ہے سوائے جمعی فرسودگی منہا کرنے کے بعد باقی (Carrying Value) اور متوقع بازاری قیمت (Realizable Value) کے درمیان فرق ہو سکتا ہے اور اس کے ممکنہ اثرات ہو سکتے ہیں۔

- مالیاتی گوشوارے کمپنی کے متعلقہ معاملات، آپریشنز کے نتائج، کمپنی کی آمد و رفت اور ایکویٹی میں تبدیلی کو واضح طور پر ظاہر کرتے ہیں۔

- حسابات کی کتابیں درست انداز میں رکھی گئی ہیں۔
- درست حساباتی پالیسیوں جن کا تذکرہ نوٹس میں کیا گیا ہے کو تسلسل کے ساتھ ملحوظ خاطر رکھا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔

- عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں کو ملحوظ خاطر رکھا گیا ہے اور کسی بھی قسم کے انحراف کو مناسب انداز میں منکشف کیا گیا ہے۔

(b) آڈیٹرز نے کمپنی کے مالیاتی گوشوارے سے اختلاف رائے کیا ہے کہ پراپرٹی، پلانٹ اینڈ ایکویپمنٹ، اسپیئر اینڈ ٹولز، اسٹاک ان ٹریڈ، قرضوں اور وصولیوں اور سیل ٹیکس ریفرنڈ کی کوئی خاص متوقع بازاری قیمت نہیں ہے اور یہی وجہ ہے کہ ان اثاثوں کی قدر کا تعین کرنے کے لئے آیا کہ کسی قسم کی درستیوں کی جائیں۔ کمپنی کو پراپرٹی، پلانٹ اینڈ ایکویپمنٹ کی فروخت کے لئے اب تک کسی قسم کی کوئی پیشکش موصول نہیں ہوئی ہے جس سے ان کی بازاری قیمت کا اندازہ نہیں لگایا جاسکا۔

(c) اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔

(d) کمپنی کی گزشتہ چھ سالوں کے کاروباری اور مالیاتی تفصیلات منسلک ہیں۔

(e) واجب الادا ڈسکیسز اور محصولات کو مناسب انداز میں منکشف کیا گیا ہے۔

(f) ختمہ سال 30 جون 2017 کے دوران بورڈ کے چار اور آڈٹ کمیٹی کے پانچ اجلاس ہوئے جن میں حاضری کی تفصیل درج ذیل ہے:

ڈائریکٹران کی رپورٹ

کمپنی کے ڈائریکٹرز سالانہ رپورٹ کے ساتھ تختہ سال 30 جون 2017ء کے آڈٹ شدہ حسابات پیش کرتے ہوئے اظہار مسرت کرتے ہیں

مالیاتی نتائج

جائزہ سال کے دوران کمپنی کی مالیاتی نتائج حوصلہ افزا نہیں رہے۔ جائزہ سال کے دوران کوئی پیداوار نہیں ہوئی جبکہ گزشتہ سال 12.368 ملین کلوگرام 20/s کی پیداوار ہوئی تھی۔ اس سال کی فروخت 72.117 ملین ری جبکہ گزشتہ سال 945 ملین تھی۔ تمام آپریشنل، انتظامی اور مالیاتی اخراجات کو منہا کرنے کے بعد کمپنی کو 151.84 ملین کا خسارہ ہوا جو کہ گزشتہ سال 443.64 ملین تھا۔

جیسا کہ آپ جانتے ہیں کہ کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 07-06-2016 کے فیصلے کے مطابق عارضی اقدام کے طور پر کمپنی کے پیداواری آپریشنز معطل کر دیئے تھے جس کی وجہ (i) ناسازگار منڈی کے حالات (ii) یوٹیلٹی کی بھاری قیمتیں (iii) کپاس کی قلت اور درآمدات کی اونچی قیمتیں (iv) رواں سرمائے کی قلت اور ناسازگار قیمت فروخت کی وجہ سے مالیاتی دھچکلے (v) کم قیمت فروخت کے مقابلے میں آپریشنز کے زیادہ اخراجات جس کی وجہ سے جمع شدہ خسارہ میں اضافہ ہوا۔ ان عناصر نے انکیوٹی پر منفی اثرات ڈالے۔

مستقبل کا منظر نامہ

18-2017 کے موسم میں کپاس کی فصل کے امکانات روشن نہیں ہیں۔ کپاس کی پیداوار ہدف سے 12 فیصد کم رہی جو کہ 12.6 ملین گانٹھیں رہیں یہ نسبت ابتدائی تخمینوں 14.04 ملین گانٹھیں کے، کمی کی وجہ کپاس کی غیر یقینی قیمتیں ہیں، کپاس کاشت ہونے والے علاقوں پر گنے کی کاشت میں اضافہ اور پانی کی قلت وغیرہ شامل ہیں۔ حکومت کو کپاس کی پیداوار بڑھانے کے لئے اقدامات کرنا ہوں گے جیسے کہ معیاری بیج کی فراہمی، کھاد اور کرم کش ادویات کے نرخوں میں کمی اور کچھ خریداری کے اہتمام جس سے کسانوں کے مفادات کی حفاظت ہو۔

آپریشن کی عارضی معطلی کا مقصد صرف یہ ہے کہ پروجیکٹ کا احیاء کیا جائے جس میں چلنے کی بہترین صلاحیت ہے اگر مذکورہ بالا کوتاہیوں پر قابو پایا جائے۔ نقصان کو کم کرنے کے لئے مزدوروں کی ایک بڑی تعداد کو قارغ کر دیا گیا ہے۔ حال ہی میں بینک نے 466,163,869 روپے کی بازیابی کے لئے معزز عدالت عالیہ سندھ کراچی میں ایک مقدمہ نمبر B-23 سال 2017 دائر کیا ہے۔

آمدن فی حصص

جائزہ سال کا آمدن فی حصص (10.33) روپے رہا۔

منافع منقسمہ

خساروں اور مندرجہ بالا وجوہات کی وجہ سے کمپنی نے اس سال کسی منافع منقسمہ کا اعلان نہیں کیا۔



Please quote your Folio No. /
CDC Account / Participant I.D. Number

PROXY FORM

I/We
of (FULL ADDRESS)
being a member/members of N.P. Spinning Mills Limited hereby appoint
..... (NAME)
of (FULL ADDRESS)
another member of the Company or failing him/her (NAME)
of (FULL ADDRESS)
another member of the Company as my/our proxy to attend and vote for me/us and on my/our behalf, at the 27th Annual General Meeting of the
Company to be held at 7th Floor, Uni Tower, I.I. Chundrigar Road, Karachi, on Tuesday, October 31, 2017 at 9:30 a.m. and at any adjournment
thereof.

Signed this day of 2017

Signature on
Five Rupees
Revenue Stamp

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

IMPORTANT:

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of him/her. No person shall act as a proxy who is not a member of the Company except that a corporation may appoint a person who is not a member.
2. This Proxy Form, duly completed, must be deposited at the Company's Registered Office, 703 - Uni Tower, I.I. Chundrigar Road, Karachi, not less than 48 hours before the time for holding the meeting.

این پی اسپننگ ملز لمیٹڈ مختار نامہ (پراکسی فارم)

میں / ہم _____
 ساکن _____
 بحیثیت رکن (ممبر) این پی اسپننگ ملز لمیٹڈ مقرر کرتا کرتی ہوں کرتے ہیں کسی اسماء _____
 ساکن _____
 کو یا ان کی غیر حاضری میں کسی اسماء _____
 ساکن _____

جو خود بھی کمپنی کا رکن ہے کو بطور مختار (پراکسی) مقرر کرتا کرتی ہوں تاکہ وہ میری / ہماری جگہ کمپنی کے 27 ویں سالانہ اجلاس عام میں جو ۳۱ اکتوبر ۲۰۱۷ء بروز منگل 9:30 بجے ساتویں فلور، یونی ٹاور، آئی آئی چندریگر روڈ، کراچی میں منعقد ہو رہا ہے میں شرکت کرے اور میری / ہماری طرف سے حق رائے دہی استعمال کرے یا اس کے کسی ملتوی شدہ اجلاس میں۔

مکڑہ _____ اکتوبر ۲۰۱۷ء کو میرے / ہمارے دستخط سے جاری ہوا۔

پانچ روپے والے
 رسیدی ٹکٹ پر دستخط

فولیو نمبر	سی ڈی سی کھاتہ نمبر

اہم گزارش:-

- ۱- مختار (پراکسی) کا کمپنی کا رکن (ممبر) ہونا ضروری ہے
- ۲- ممبر (رکن) کے دستخط، نمونہ شدہ دستخط / اندراج شدہ دستخط سے مماثلت ہونا ضروری ہے۔
- ۳- سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ ادارے کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔
- ۴- مختار نامہ (پراکسی فارم) مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس 703، یونی ٹاور، آئی آئی چندریگر روڈ، کراچی میں اجلاس کے مقررہ وقت سے کم از کم ۲۸ گھنٹے قبل جمع کرنا ضروری ہے۔