

Company Information

Board of Directors

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

Board Audit Committee

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

Board Human Resource and Remuneration Committee

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

Management Team

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

Auditors

Amin Mudassar and Company
Chartered Accountants

Bankers

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

Registered Office

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

Factory

Dhuddiwala, Jaranwala Road, Faisalabad.

Share Registrar

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

Legal Advisor

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

Directors' Report

The Directors of your Company are pleased to present the Quarterly Accounts for the period ended September 30, 2017.

Business / Company Performance Overview:

The local Textile Processing and Embroidery cloth manufacturers, including your Company has been facing intense competition in the market. Your Company has successfully maintained the growth momentum. During the first quarter the company has achieved a growth of sales volume. The profit after tax is Rs.4,652,458/- in comparison to Rs.3,308,190/- of previous year.

Operating Results	September 30, 2017	September 30, 2016
RUPEES		
Sales	173,643,257	168,155,579
Profit before taxation	6,487,807	5,751,820
Taxation:	1,835,350	2,443,630
Profit after taxation	4,652,458	3,308,190

Appreciation

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

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

LAHORE:
October 30, 2017



Sh. Kashif Tauzeed
Director



Sh. Faisal Tauheed Puri
Chief Executive

Condensed Interim Balance Sheet

AS AT SEPTEMBER 30, 2017

	Note	Sep. 30, 2017 Un-audited Rupees	June 30, 2017 Audited Rupees	ASSETS	Note	Sep. 30, 2017 Un-audited Rupees	June 30, 2017 Audited Rupees
EQUITY AND LIABILITIES							
SHARE CAPITAL AND RESERVES							
Authorised capital	4	204,000,000	204,000,000	NON CURRENT ASSETS	9	712,993,789	715,761,337
Issued, subscribed and paid-up capital	5	155,531,740	155,531,740	Property, plant and equipment		20,851,231	20,851,231
Unappropriated profit		94,208,365	89,555,907	Long term deposits		733,845,020	736,612,568
		249,740,105	245,087,647				
SURPLUS ON REVALUATION OF FIXED ASSETS		481,279,091	481,279,091				
DEFERRED INCOME							
NON CURRENT LIABILITIES							
Deferred liabilities	6	18,494,637	18,829,828				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables	7	153,601,324	159,416,072	Stores, spares and loose tools		1,932,625	1,356,436
Short term borrowings- Secured		95,176,083	94,229,917	Stock in trade		22,753,286	29,593,932
Accrued interest and markup		746,041	717,925	Trade debts		47,508,399	50,600,795
Provision for taxation-income tax		-	-	Loans and advances		32,936,359	33,291,514
				Trade deposits, short term prepayments and current account balances with statutory authorities		17,132,226	16,232,240
				Accrued interest		1,972	6,579
				Due from Government		138,525,288	126,888,151
				Cash and bank balances		4,402,105	4,978,265
		249,523,448	254,363,914			265,192,260	262,947,912
CONTINGENCIES AND COMMITMENTS	8	-	-				
		999,037,280	999,560,480				

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Profit and Loss Account (un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

		QUARTER ENDED JULY TO SEPTEMBER	
		2017	2016
		Rupees	Rupees
Sales- net	10	173,643,257	168,155,579
Cost of sales		154,872,705	152,238,962
Gross profit		18,770,552	15,916,617
Distribution cost		315,780	255,740
Administrative expenses		11,222,459	9,579,739
Other operating expenses		341,464	302,727
		11,879,703	10,138,206
		6,890,849	5,778,411
Other income	11	399,972	1,129,538
		7,290,821	6,907,949
Finance cost		803,014	1,156,129
Profit before taxation		6,487,807	5,751,820
Taxation			
Current :			
For the year		2,170,541	1,682,764
Deferred	6.1	(335,191)	760,866
		1,835,350	2,443,630
Profit after taxation		4,652,458	3,308,190
Earning per share- Basic and Diluted		0.30	0.21

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

Condensed Interim Statement of Comprehensive Income (un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

Profit after taxation

Other comprehensive income-net of taxation

Total comprehensive income for the year-net of tax

NINE MONTHS ENDED JULY TO SEPTEMBER	
2017	2016
Rupees	Rupees
4,652,458	3,308,190
-	5,645
4,652,458	3,313,835

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Cash Flow Statement (un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

		QUARTER ENDED JULY TO SEPTEMBER	
	Note	2017	2016
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	A	5,756,475	(5,676,707)
Taxes paid		(3,733,711)	(3,102,738)
Finance cost paid		(774,898)	(1,109,646)
Gratuity paid		-	(569,141)
Net cash flows from operating activities		1,247,866	(10,458,232)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,770,192)	(6,216,930)
Long term deposits		-	408,141
Proceeds from sale of assets		-	500,000
		(2,770,192)	(5,308,789)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease finance liabilities		-	(2,774,679)
Net cash flows from financing activities		-	(2,774,679)
Net (Decrease) in cash and cash equivalents		(1,522,326)	(18,541,700)
Cash and Cash Equivalents at the Beginning of the Year		(31,908,000)	(13,116,434)
Cash and Cash Equivalents at the End of the Year	B	(33,430,326)	(31,658,134)

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

Notes to the Condensed Interim Cash Flow Statement (un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

Note	QUARTER ENDED JULY TO MARCH	
	2017	2016
	Rupees	Rupees
A - CASH GENERATED FROM OPERATIONS		
Profit before taxation	6,487,807	5,751,820
Adjustment of non cash and other items:		
Provision for gratuity	-	408,141
Profit on disposal of fixed assets	-	(137,847)
Depreciation	5,537,739	5,707,707
Deferred income recognised	-	(869,066)
Finance cost	803,014	1,156,122
	6,340,753	6,265,057
Cash flows before working capital changes	12,828,561	12,016,877
EFFECT ON CASH FLOWS OF WORKING CAPITAL CHANGES		
(Increase)/Decrease in current assets		
Stores, spares and loose tools	(576,190)	914,393
Stocks in trade	6,840,648	16,483,789
Trade debts	3,092,396	6,994,509
Loan and advances	355,155	4,466,070
Trade deposit and short term prepayments	663,184	(1,327,783)
Accrued interest	4,607	5,089
Due from Government	(11,637,137)	(9,544,956)
Increase/(Decrease) in current liabilities		
Trade and other payables	(5,814,748)	(35,684,694)
	(7,072,086)	(17,693,583)
	5,756,475	(5,676,706)
B - CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,402,105	5,312,268
Short term borrowings	(37,832,431)	(36,970,402)
	(33,430,326)	(31,658,134)

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

Condensed Interim Statement of Changes in Equity (un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	SHARE CAPITAL	UN- APPROPRIATED PROFIT	TOTAL
	----- R u p e e s -----		
Balance as at June 30, 2016	155,531,740	73,183,211	228,714,951
Profit for the three months ended September 30, 2016	-	3,313,835	3,313,835
Other comprehensive income	-	-	-
Total comprehensive profit	-	3,313,835	3,313,835
Balance as at September 30, 2016 - Unaudited	155,531,740	76,497,046	232,028,786
Balance as at June 30, 2017	155,531,740	89,555,907	245,087,647
Profit for the three months ended September 30, 2017	-	4,652,458	4,652,458
Other comprehensive income	-	-	-
Total comprehensive profit	-	4,652,458	4,652,458
Balance as at September 30, 2017 - Unaudited	155,531,740	94,208,365	249,740,105

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Notes to the Condensed Interim Financial Information (un-audited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2017.

1 THE COMPANY AND NATURE OF ITS BUSINESS

The Company is a Public Limited Company, incorporated in Pakistan on June 27, 1950 under the Companies Act, 1913 (Now Companies Ordinance, 1984). The Company is quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 4th Floor, I.E.P. Building, 97-B/D-1, Gulberg III, Lahore. The factory is located at Dhuddiwala, Jaranwala Road, Faisalabad in the province of Punjab. The principal activity of the company is dyeing, bleaching, finishing and embroidery of fabrics.

2 BASIS OF PREPARATION

2.1 Statement Of Compliance

The Condensed Interim Financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. The Companies Ordinance 1984 has been repealed after the enactment of the Companies Act, 2017.

2.2 Critical Accounting Estimates And Judgments

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. The management is trying to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the financial statements for the year ended June 30, 2017.

- 3.1 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

3.2 Staff Retirement Benefits

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

3.3 Taxation

Current

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

Deferred

Deferred tax asset / liability on the deductible / taxable temporary differences has been recognized at prevailing rate being the rate substantively enacted at the balance sheet date and is expected to apply to the periods when the asset is realized or the liability is settled.

	Note	September 30, 2017 Rupees (Unaudited)	June 30, 2017 Rupees (Audited)
4 AUTHORIZED SHARE CAPITAL			
20,000,000 (June 30, 2016 20,000,000) A - Class Ordinary shares of Rs. 10/- each.		200,000,000	200,000,000
400,000 (June 30, 2016 400,000) B - Class Ordinary shares of Rs. 10/- each.		4,000,000	4,000,000
		<u>204,000,000</u>	<u>204,000,000</u>
5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
Issued for Cash			
15,051,267 (June 30, 2016 15,051,267) A - Class Ordinary Shares of Rs. 10. each		150,512,670	150,512,670
320,100 (June 30, 2016 320,100) B - Class Ordinary Shares of Rs. 10. each		3,201,000	3,201,000
		<u>153,713,670</u>	<u>153,713,670</u>
Issued as Bonus Shares			
181,807 (June 30, 2016 181,807) Ordinary Shares of Rs. 10. each		1,818,070	1,818,070
		<u>155,531,740</u>	<u>155,531,740</u>
6 DEFERRED LIABILITIES			
Deferred taxation	6.1	<u>18,494,637</u>	<u>18,829,828</u>
6.1 Deferred Taxation			
This is composed of the following:			
Deferred tax liability on taxable temporary differences arising in respect of:			
Accelerated tax depreciation		21,012,981	21,520,653
Deferred tax asset on deductible temporary differences arising in respect of:			
Deferred debits arising in respect of staff gratuity		<u>(2,518,344)</u>	<u>(2,690,825)</u>
		<u>18,494,637</u>	<u>18,829,828</u>
Balance as at July 01,		18,829,828	10,062,711
Add: Charge / (Reversal) for the year to			
Profit and loss account		(335,191)	8,767,117
Other comprehensive income		-	
		<u>18,494,637</u>	<u>18,829,828</u>
7 SHORT TERM BORROWINGS			
From banking companies-secured:			
Cash finance		29,902,924	29,956,758
Running finance		7,929,507	6,929,507
		<u>37,832,431</u>	<u>36,886,265</u>
From related parties:			
Directors - unsecured and interest free		57,343,652	57,343,652
		<u>95,176,083</u>	<u>94,229,917</u>
8 CONTINGENCIES AND COMMITMENTS			
8.1 Contingencies			
- During last year , the Commissioner Inland Revenue issued notice U/S 122(1)(5A) of the Income Tax Ordinance 2001 in respect of tax years 2010 and 2011. The Commissioner Inland Revenue finalized assessment and made additions under section 18(1) (d) of the Income Tax Ordinance amounting Rs 11.55 million and Rs 12.25 million in respect of tax year 2010 and 2011 respectively (no tax liability arose due to availability of brought forward taxable losses). The company has filed appeal with Commissioner Inland Revenue (Appeals) against the aforesaid order. Appeal has been decided in favor of the company.			
8.2 Commitments			
- Commitments in respect of letters of credits for capital expenditures were amounting Rs.Nil (June 30, 2017: Rs.Nil)			
- Commitments in respect of letters of credits other than for capital expenditures were amounting Rs.25.280 million (June 30, 2017: Rs.33.683 million)			

			September 30, 2017 (Unaudited) Rupees	June 30, 2017 (Audited) Rupees
9	PROPERTY, PLANT AND EQUIPMENT	Note		
	Operating fixed assets	10.1	685,958,249	688,725,797
	Capital work in progress	10.2	27,035,540	27,035,540
			<u>712,993,789</u>	<u>715,761,337</u>
9.1	OPERATING FIXED ASSETS			
	Opening book value		688,725,797	690,359,148
	Add: Additions during the period / year-cost		2,770,192	22,503,271
	Less: Disposal during the period/ year-net book value		-	(707,330)
			<u>691,495,988</u>	<u>712,155,089</u>
	Less: Depreciation charged for the period / year		(5,537,739)	(23,771,954)
	Add: Depreciation on disposal for the period / year		-	342,662
			<u>685,958,249</u>	<u>688,725,797</u>
9.2	CAPITAL WORK IN PROGRESS			
	Building		17,470,553	17,470,553
	Plant and machinery		9,564,987	9,564,987
			<u>27,035,540</u>	<u>27,035,540</u>
10	SALES			
	Exports		-	-
	Processing receipts		173,643,257	168,155,579
			<u>173,643,257</u>	<u>168,155,579</u>
11	OTHER INCOME			
	Income from financial assets			
	Profit on bank deposits		1,972	1,825
	Income from non financial assets			
	Sale of scrap		398,000	120,800
	Profit on disposal of fixed asset		-	137,847
	Deferred income recognised		-	869,066
			<u>399,972</u>	<u>1,129,538</u>

12 TRANSACTIONS WITH RELATED PARTIES

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

13 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2017.

14 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the unconsolidated condensed interim balance sheet and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant rearrangements or reclassifications have been made in this condensed interim financial information.

15 DATE OF AUTHORISATION

The condensed interim financial information was authorised for issued on October 30, 2017 by the Board of Directors of the Company .

16 FIGURES

Figures in this condensed interim financial information have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

ڈائریکٹرز کی جائزہ رپورٹ

ہم انتہائی مسرت کے ساتھ آپ کی کمپنی کی ششماہی رپورٹ بابت 30 ستمبر 2017 آپ کی خدمت میں پیش کر رہے ہیں۔
صنعتی و کاروباری جائزہ

مقامی ٹیکسٹائل اور پروسسنگ اور ایمبرائیڈری صنعت بمعہ آپ کی کمپنی سخت مسابقتی حالات سے دوچار ہے آپ کی کمپنی نے کامیابی سے معیار کو برقرار رکھا ہے۔ پہلے تین مہینوں کے دوران سیل میں اضافہ کرنے میں کامیاب ہوئی ہے۔ گراس پرافٹ بھی بہتر ہوا ہے اور خالص منافع -4,652,458 ہے جبکہ پچھلے سال پہلے تین مہینوں میں 3,308,190 روپے رہا تھا۔

مالیاتی کارکردگی کا خلاصہ۔

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

September 30, 2016	September 30, 2017	مالیاتی کارکردگی
168,155,579	173,643,257	کاروباری سیل
5,751,820	6,487,807	منافع قبل از ٹیکس
2,443,630	1,835,350	ٹیکسیشن
3,308,190	4,652,458	منافع بعد از ٹیکس

اظہار تشکر

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



شیخ فیصل توحید
چیف ایگزیکٹو



شیخ کاشف توحید
ڈائریکٹر

30 اکتوبر، 2017