Annual Report 2017

J. A. Textile Mills Limited

VISION

TO TURN AROUND THE COMPANY INTO A PROFITABLE UNDERTAKING THROUGHOUT ITS LIFE AND TO BE A MARKET LEADER BY BEING THE BEST.

MISSION

TO BE A FOREMOST COMPANY RECEPTIVE TO THE NEEDS OF ITS CUSTOMERS BY PROVIDING FINE QUALITY PRODUCTS TO THEIR ENTIRE SATISFACTION. TO CONTRIBUTE FULLY IN SUPPORTING OUR COUNTRY'S ECONOMY BY EARNING VALUABLE FOREIGN EXCHANGE, EXPANSION OF INDUSTRY AND PROVISION OF JOBS.

CONTENTS

COMPANY INFORMATION

Board of Directors

Chief Executive:	Mr. Imran Zahid
Directors:	Mr. Zahid Anwar
	Mrs. Rukhsana Begum
	Ms. Quratul-Ain Zahid
	Mr. Muhammad Yousaf
	Mr. Muhammad Ali
	Mr. Muhammad Anwar-ul-Haq

Audit Committee:

Chairman:	Mr. Muhammad Ali
Member:	Mr. Muhammad Anwar-ul-Haq
Member:	Ms. Quratul-Ain Zahid

Human Resources & Remuneration (HR&R) Committee:

Chairman:	Mr. Muhammad Anwar-ul-Haq
Member:	Mr. Imran Zahid
Member:	Mr. Muhammad Yousaf
Company Secretary:	Mr. Ajmal Shabab
Chief Financial Officer:	Mr. Aftab Younis
Head of Internal Audit:	Mr. Muhammad Umer Farooq
Auditors:	Kreston Hyder Bhimji & Company, Chartered Accountants
Banks:	Al Baraka Islamic Bank B.S.C. (E.C.)
	Dubai Islamic Bank Pakistan Limited
	JS Bank Limited
	National Bank of Pakistan
	United Bank Limited
Legal Advisor:	Mr. Zia-ul-Haq (Advocate)
Registered Office:	JK House, 32-W, Susan Road, Madina Town, Faisalabad
Share Registrar Office:	Hameed Majeed Associates (Private) Limited 1st Floor, H.M House, 7-Bank Square, Lahore.
Mills:	29-KM, Sheikhupura Road, Faisalabad
Web Site:	www.jatml.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the members of J. A. Textile Mills Limited will be held at registered office, JK House, 32-W, Susan Road, Madina Town, Faisalabad at 9:00 AM on 28.10.2017 to transact the following business : -

1. To confirm the minutes of the Annual General Meeting held on 31.10.2016.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2017 together with the Directors' and Auditor's reports thereon.
3. To appoint auditors for the year ending June 30, 2018 and fix their remuneration. The retiring auditors M/S Kreston Hyder Bhimji & Co. Chartered Accountants being eligible offered themselves for reappointment.
4. To transact any other business with the permission of the chair.

FOR AND ON BEHALF OF THE BOARD

FAISALABAD: 07.10.2017 (Company Secretary)

NOTES:

1. The share transfer books of the company will remain closed from 21.10.2017 to 28.10.2017 (both days inclusive).
2. A member entitled to attend and vote at the general meeting is entitled to appoint another member as proxy. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for the meeting.
3. CDC shareholders are requested to bring with them their National Identification Cards alongwith participants ID and their account number at the time of Annual General Meeting' in order to facilitate identification. In case of a corporate entity, a certified copy of the resolution passed by the Board of Directors/valid power of attorney with the specimen signatures of the nominee be produced at the time of meeting.
4. Members are requested to immediately notify the change in their addresses, if any.

DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors is pleased to present 30thannual report together with audited accounts of the Company for the year ended June 30, 2017.

Financial Results

Operating Indicators	June 30, 2017 Rupees in Millions	June 30, 2016 Rupees in Millions
Sales	602.288	211.994
Gross Loss	(4.744)	(31.266)
Provision for taxation	(9.707)	(7.483)
Profit/(loss) after Taxation	2.573	(42.415)
Profit/Loss per share	0.20	(3.37)

During the year under review, the company has improved its profitability as compared to previous year despite of persistent economic and political crisis. Sales were increased amounting to Rs. 602.288 million as compared to previous year's sale of Rs. 211.994 million representing an increase of 185% against previous year sales. Operational costs have been decreased to 1.044% of sales as compared to 3.80% of previous year's sales.

Industry Overview and Future Prospects

The challenges faced by the textile industry particularly spinning sector for last so many years are still affecting adversely the company's financial results. The tough market condition prevailing for last so many years includes, lower demand of yarn due to global economic conditions, availability of subsidized Indian yarn, higher fuel cost and the uncontrollable increase in cost of production has also made its impact resulting in gross loss.

The spinning industry still faces problems as there is no such initiative has been taken by the Government to boost dying textile industry in Pakistan.

Chinese shifted their orders from Pakistan to the Indian spinners. Some large fabric manufacturers also preferred cheaper Indian yarn over the expensive domestic product.

Despite the facts mentioned above, the management of the company is making its strenuous efforts, optimal production strategies and effective cost controls to improve the profitability of the company. The management is quite optimistic that balancing and modernization of plant and machinery of Rs. 125 million approximately in previous years, improvement in future industry situation and better production efficiency will definitely improve the future financial results. The management positively looks forward to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet its objectives and goals.

Compliance to good governance, social and environmental requirements

Your company is committed to fulfill its responsibilities towards good governance, social and environmental responsibilities. To protect health and safety of employees and environment, company provides able conditions and means to ensure compliance.
Your company has established implemented and maintained systems in compliance with the requirements of international standards and achieved third party certifications for the following product/ management systems standards;

- ISO 9001:2008 Quality Management Systems

Human resource and industrial relations

Under a defined and documented criteria in line with national and international laws people are recruited and hired. This is demonstrated at all level beyond any racism, cast, sex or religion and respects human rights, ethics and standards.

To keep work friendly environment company has setup procedures, rules and regulations which regulate employment guidance. The operations of the company were carried out keeping in view the dignity, respect, support and protection as per national and international standards set to meet the working environments.

Earnings per share

The profit per share for the company for the year ended June30 2017 is Rs. 0.20 per share.

Dividend

Considering current financial results and accumulated losses brought forward, no dividend is recommended for the year ended June 30, 2017.

Contingencies and commitments

There is no material change in position of ongoing litigation and other matters related to court as reported in note 20 of the Financial Statements for the year ended June 30, 2017.

Financial and Corporate Reporting Framework

The Directors are pleased to state that your company is compliant with the provisions of the practices of Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan.

In order to protect and enhance the long term value of shareholders the Board is responsible for the overall corporate governance of the company including approving strategic policies and decisions, capital expenditures, appointing, removing and creating succession policies.

Following are the statements of Corporate and Financial Reporting Framework:

- **a)** Financial statements prepared by the management of the Company represent fairly and accurately the company's state of affairs, results of its operation, cash flows and changes in equity.
- **b)** Proper books of accounts have been maintained.
- **c)** Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- **d)** International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- **e)** The system of internal control is sound in design, has been effectively implemented and being monitored continuously. Ongoing review will continue in future for further improvement in controls.
- **f)** There are no significant doubts upon the company's ability to continue as a going concern.
- **g)** There has been no material departure from best practices of corporate governance, as detailed in listing regulations as on June 30, 2017.
- **h)** Transactions undertaken with related parties during the financial year have been ratified by the Audit Committee and approved by the Board.
- **i)** The value of investments in respect of Employees Provident Fund was Rs. 4.18/- millions for the year ended June 30, 2017.
- **j)** Company has arranged in-house training program for its Directors.
- **k)** Statement of compliance with the Best Practices of Corporate Governance is annexed.

Auditors' report- emphasis paragraphs

Regarding the auditor's reservation of going concern relating to note 1.2 of financial statements, the management of the company is making its strenuous efforts, optimal production strategies and effective cost controls to improve the profitability of the company. The management is quite optimistic that balancing and modernization of plant and machinery of Rs. 125 million approximately in previous years, improvement in future industry situation and better production efficiency will definitely improve the future financial results. The management positively looks forward to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet its objectives and goals. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going concern basis.

Regarding the auditor's reservation relating to note 20.1.1, we would like to explain that company is at sound footing and prima facie all the cases are expected to be decided in its favor.

Board of Directors meetings

During the year under review, Six meetings of the Board were held:-

Name	Attendance
Mr. Imran Zahid (CEO)	6
Mr. Zahid Anwar	6
Mrs. Rukhsana Begum	6
Ms. Qurat ul Ain Zahid	6
Mr. Muhammad Anwar ulHaq	6
Mr. Muhammad Ali	6
Mr. Muhammad Yousaf	6

Audit committee

The Board has formed an audit committee. It comprises of three members, all are non-executive directors and the chairman of the committee is independent director.

During the year, Audit Committee held six meetings, each before the Board of Directors meeting to review the financial statements, internal audit reports, compliance with the best practices of the Corporate Governance requirements and other associated matters. These meetings included meeting with external auditors before and after completion of audit for the year ended June 30,2017and other statutory meetings as required by the Code of Corporate Governance and following were in attendance:

Name	Attendance
Mr. Muhammad Ali (Chairman)	6
Mr. Muhammad Anwar ulHaq	6
Ms. Qurat ul AinZahid	6

Human Resource and Remuneration Committee (HR&R)

The Board has formed the Human Resource & Remuneration Committee (HR&R) which consist of three members. As required, the Chairman of the HR&R Committee is a Non-Executive director. During the year ,the Committee held three meetings to discuss & approve the matters falling under the terms of reference of the Committee and following were in attendance:

Name	Attendance
Mr. Muhammad Anwar ul Haq(Chairman)	3
Mr. Imran Zahid	3
Mr. Muhammad Yousaf	3

Post balance sheet events- Long Outstanding Liability Regarding MCB Bank.

Subsequent to the balance sheet date, the management of your company has entered into settlement agreement with MCB Bank Limited Dated: 21st September, 2017 to pay Rs. 15,110,750/- as full and final discharge of outstanding liability and agreed to pay amount of Rs. 3.111 million as down payment within 7 days from the date of agreement and subsequently amount of Rs. 1 million each in twelve equal monthly installments. Cheque of Rs. 3.111 million dated: 25th September, 2017 has been delivered to the bank as down payment as agreed and post dated cheques of Rs. 1 million each will also be provided by the company to MCB Bank Limited to secure the balance settled amount as per settlement agreement.

Key operating and financial data

The key operating and financial data of the last six years is annexed with this report.

Pattern of shareholding

The pattern of shareholding as at June 30, 2017 is annexed with this report.

Auditors

Present auditors, M/s Kreston Hyder Bhimji & Co., Chartered Accountants, retire and offer themselves for re-appointment. The Audit Committee has recommended the re-appointment of retiring auditors for the year 2018 on same terms and conditions.

Acknowledgement

We would like to express our appreciation for the dedication and hard work put in by the entire team at J. A. Textile Mills Limited and all its partners within the country and all across the world.

For and on behalf of the Board.

Imran Zahid
Chief Executive
October 07, 2017

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

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

We have reviewed the enclosed Statement of Compliance with the best practices ("the Statement") contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of **J. A. Textile Mills Limited** ("the Company") for the year ended June 30, 2017 to comply with the requirements of Listing Regulations of Pakistan Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not and to highlight any non-compliance with the requirement 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 of Director'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 audit committee, and upon recommendation of the Audit Committee, place before the Board of Directors 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, recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors 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 of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2017.

Kreston Hyder Bhimji & Company
Chartered Accountants

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNANTS
Engagement Partner: Khan Muhammad

DATE: October 07, 2017
FAISALABAD

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE
J. A. TEXTILE MILLS LIMITED
FOR THE YEAR ENDED JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19.24 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a frame work 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 of Corporate Governance in the following manner:

1. The company encourages the representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At present the board includes:

Category	Names
Independent Directors	Mr. Muhammad Yousaf and Mr. Muhammad Ali.
Executive Directors	Mr. Imran Zahid and Mr. Zahid Anwar.
Non-Executive Directors	Mrs. Rukhsana Begum, Ms. Quratul-Ain Zahid, Mr. Muhammad Anwar-ul-Haq.

   The independent directors meets the criteria of independence under clause 5.19.1.(b) of the Code of Corporate Governance.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. 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 DFI or an NBFI or, being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year.
5. 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.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. 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 CEO and other executive and non-executive directors, have been taken by the Board /shareholders.
8. 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. Written notices of the Board meetings along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The Board had arranged in-house orientation courses of the Code of Corporate Governance for its directors every year to apprise them of their role and responsibilities. In accordance with the criteria on clause 5.19.17 of PSX Rules, four directors of the Company are exempt from the requirement of Directors' Training Program.
10. During the year, there was no change in the position of Company Secretary, Chief financial Officer (CFO) and Head of Internal Audit.

11. The directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.
15. The Board has formed an audit committee. It comprises of three members, all are non-executive directors and the chairman of the committee is independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company as required by the Code of Corporate Governance. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises three members, including one independent director, one non- executive director and one executive director. The chairman of the committee is non- executive director.
18. The Board has set-up an effective internal audit function. The audit staff are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. 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, 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 institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the company's securities, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The company has 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 and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the Code of Corporate Governance have been complied with.

IMRAN ZAHID
CHIEF EXECUTIVE
OCTOBER 07, 2017

KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS

PARTICULARS	2016	2015	2014	2013	2012	2011
	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
FINANCIAL POSITION						
Fixed assets (Cost/Revalued)	642.8	643.22	596.6	575.4	540.01	403.99
Accumulated depreciation	223.85	202.66	180.83	160.41	140.7	128.62
Current assets	51.232	77.419	134.94	138.81	72.502	50.668
Paid up capital	126.01	126.01	126.01	126.01	126.01	126.01
Current liabilities	347.11	358.99	181.12	94.409	77.904	43.508
INCOME						
Sales	211.7	584.67	747.14	860.04	589.26	716.22
Other income	4.414	8.748	3.085	2.256	2.362	0.51
Pre-tax profit/(loss)	-34.93	-39.34	-69.12	46.292	11.72	-0.245
Taxation charge/(credit)	7.483	-11.9	-26.07	17.299	10.323	6.326
STATISTICS AND RATIOS						
Pre-tax profit/(loss) to sales %	-6.73	-6.73	-9.25	5.38	1.99	-0.03
Pre-tax profit/(loss) to capital %	-27.72	-32.77	-46.88	24.31	7.23	-0.39
Current Ratio	01:00.2	01:00.2	01:00.7	01:01.5	01:00.9	01:01.2
Paid up value per share (Rs.)	10	10	10	10	10	10
Earning after tax per share (Rs.)	-3.37	-2.18	-3.42	2.25	0.11	-0.52
Break-up value per share (Rs.)	6.16	9.52	11.7	15.11	12.87	5.01

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **J.A. TEXTILE MILLS LIMITED** ("the Company") as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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 our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

(i) 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 accounts and are further in accordance with the accounting policies consistently applied;

(ii) the expenditure incurred during the year was for the purpose of the Company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

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Other offices: Karachi, Lahore, Islamabad
A member of Kreston International-A Global Network of Independent Accounting Firms

Emphasis of Matter paragraphs:

(a) we draw attention of the members to the contents of note 1.2 to the annexed financial statements, which indicates that although the Company has earned net profit of Rs. 2.574 million during the current year but its accumulated loss stands at Rs. 247.875 million against the paid up share capital of Rs. 126.012 as at June 30, 2017 and as of that date, the Company's current liabilities exceeded its current assets by Rs. 267.250 million. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

(b) we draw attention of the members to the contents of note 20.1.1 to the annexed financial statements, which indicates that the Company has filed appeal before the Supreme Court of Pakistan against the decision of the Lahore High Court, Lahore for remitting back the case to Banking Court - II, Faisalabad for necessary calculations and verification of payments to the tune of Rs. 26.890 million, which had originally been decided in favour of the Company; and due to which an old balance of Rs. 20,889 to the credit of the company (as included in note 14, "Cash and Bank Balances") has also been frozen by the Bank. Although the management of the company is affirmative that the case will be decided in its favour, the ultimate outcome of the matter cannot presently be determined with any degree of certainty.

Our opinion is not qualified in respect of the matters discussed in emphasis of matter paragraphs enumerated above as (a) and (b).

Kreston Hyder Bhimji & Company Chartered Accountants

Kreston Hyder Bhimji

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Khan Muhammad

DATE: October 07, 2017
FAISALABAD

J. A . TEXTILE MILLS LIMITED

BALANCE SHEET
AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	401,952,657	420,915,619
Long term deposits	7	17,422,380	16,805,880
		419,375,037	437,721,499
CURRENT ASSETS			
Stores and spares	8	6,960,094	9,305,185
Stock in trade	9	46,582,264	7,469,096
Trade debts	10	1,079,569	373,662
Advances, prepayment and other receivables	11	5,825,788	3,414,994
Short term investment	12	372,294	351,997
Tax refunds due from government	13	8,921,314	12,576,581
Cash and bank balances	14	3,777,508	17,741,044
		73,518,831	51,232,559
TOTAL ASSETS		492,893,868	488,954,058
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 20,000,000 ordinary shares of Rs.10 each		200,000,000	200,000,000
Issued, subscribed and paid up capital 12,601,160 ordinary shares of Rs. 10 each, fully paid in cash		126,011,600	126,011,600
Accumulated loss		(247,875,140)	(258,035,889)
Surplus on remeasurement of investments available for sale to fair value		128,989	108,692
		(121,734,551)	(131,915,597)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	15	201,952,923	209,539,941
NON CURRENT LIABILITIES			
Long term financing	16	4,000,000	-
Deferred liabilities	17	67,906,860	64,222,596
		71,906,860	64,222,596
CURRENT LIABILITIES			
Trade and other payables	18	202,560,607	173,695,992
Accrued mark up/interest		-	22,031,875
Short term borrowings	19	127,097,279	151,379,251
Current portion of long term financing	16	11,110,750	-
		340,768,636	347,107,118
CONTINGENCIES AND COMMITMENTS	20	-	-
TOTAL EQUITY AND LIABILITIES		492,893,868	488,954,058

The annexed notes 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

J. A . TEXTILE MILLS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
Sales - net	21	602,288,354	211,994,714
Cost of sales	22	(607,033,081)	(243,261,007)
Gross loss		(4,744,727)	(31,266,293)
Operating expenses			
Distribution cost	23	(400,790)	(308,350)
Administrative expenses	24	(5,888,246)	(7,750,276)
		(6,289,036)	(8,058,626)
Loss from operations		(11,033,763)	(39,324,919)
Finance cost	25	(19,309)	(22,079)
Other income	26	23,333,951	4,414,881
Profit/(loss) before taxation		12,280,879	(34,932,117)
Taxation	27	(9,707,148)	(7,483,047)
Profit/(loss) for the year		2,573,731	(42,415,164)
Earnings/(loss) per share - basic and diluted	28	0.20	(3.37)

The annexed notes 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

J. A . TEXTILE MILLS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees	2016 Rupees
Profit/(loss) for the year	2,573,731	(42,415,164)
Other comprehensive income for the year:		
Items that may be subsequently reclassified to profit or loss:		
Surplus on remeasurement of investment available for sale to fair value - net of tax	20,297	14,610
Total Comprehensive income/(loss) for the year	2,594,028	(42,400,554)

The annexed notes 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

J. A . TEXTILE MILLS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		12,280,879	(34,932,117)
Adjustments for non cash and other items:			
Depreciation		20,188,332	21,601,278
Balances written off		-	104,404
Balances written back		-	(2,801,455)
Remission of markup / interest on settlement with MCB Bank Limited		(22,031,875)	-
Profit on deposit accounts		(363,189)	(776,352)
Gain on disposal of vehicle		(215,370)	(141,567)
Profit on deposit with SNGPL		(723,323)	(692,500)
Finance cost		19,309	22,079
Operating cash flows before working capital changes		9,154,763	(17,616,230)
Changes in working capital			
(Increase)/decrease in current assets			
Stores and spares		2,345,091	1,684,562
Stock in trade		(39,113,168)	38,476,549
Trade debts		(705,907)	2,016,868
Advances, prepayment and other receivables		(2,575,719)	(250,363)
Tax refunds due from Government		(332,835)	(275,398)
Increase/(decrease) in current liabilities			
Trade and other payables		50,896,490	(8,506,828)
		10,513,952	33,145,390
Cash generated from operations		19,668,715	15,529,160
Profit on deposit accounts received		695,731	436,317
Profit on deposit with SNGPL received		555,706	767,793
Finance cost paid		(19,309)	(22,079)
Remission of markup / interest on settlement with MCB Bank Limited		(22,031,875)	-
Taxes paid		(2,034,782)	(651,695)
Net cash (used in)/generated from operating activities		(3,165,814)	16,059,496
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(1,320,000)	(991,630)
Sale proceeds from the disposal of vehicle		310,000	150,000
Long term deposits		(616,500)	-
Net cash used in investing activities		(1,626,500)	(841,630)
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of short term borrowing		(9,171,222)	(578,323)
Net cash used in financing activities		(9,171,222)	(578,323)
Net (decrease)/increase in cash and cash equivalents	(a+b+c)	(13,963,536)	14,639,543
Cash and cash equivalents at the beginning of the year		17,741,044	3,101,501
Cash and cash equivalents at the end of the year	14	3,777,508	17,741,044

The annexed notes 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

J. A . TEXTILE MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

	Share Capital	Accumulated loss	Surplus on remeasurement of investments available for sale to fair value	Total
		[Rupees]		
Balance as at July 01, 2015	**126,011,600**	**(223,687,508)**	**94,082**	**(97,581,826)**
Total comprehensive loss for the year				
Loss for the year	-	(42,415,164)	-	(42,415,164)
Remeasurement of investments available for sale to fair value	-	-	14,610	14,610
	-	(42,415,164)	14,610	(42,400,554)
Incremental depreciation on revalued property, plant and equipment for the year	-	11,523,977	-	11,523,977
Tax effect on incremental depreciation	-	(3,457,194)	-	(3,457,194)
Balance as at June 30, 2016	**126,011,600**	**(258,035,889)**	**108,692**	**(131,915,597)**
Total comprehensive loss for the year				
Profit for the year	-	2,573,731	-	2,573,731
Remeasurement of investments available for sale to fair value	-	-	20,297	20,297
	-	2,573,731	20,297	2,594,028
Incremental depreciation on revalued property, plant and equipment for the year	-	10,838,599	-	10,838,599
Tax effect on incremental depreciation	-	(3,251,581)	-	(3,251,581)
Balance as at June 30, 2017	**126,011,600**	**(247,875,140)**	**128,989**	**(121,734,551)**

The annexed notes 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

J. A. TEXTILE MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

1. THE COMPANY AND ITS OPERATIONS

1.1 J.A. Textile Mills Limited (the Company) was incorporated in Pakistan on 25 May, 1987 under the Companies Ordinance, 1984. The shares of the company are listed on Pakistan Stock Exchange. The Mill is situated at 29-KM, Sheikhupura Road, Faisalabad in the province of Punjab and the registered office of the Company is situated at JK House, 32-W, Susan Road, Madina Town, Faisalabad. The principal business activity of the Company is manufacturing and sale of yarn.

1.2 The Company has incurred net profit of Rs. 2.574 million (2016: net loss of Rs. 42.415 million) during the current year and its accumulated loss stands at Rs. 247.875 million (2016: Rs. 258.036 million) as against issued, subscribed and paid up capital of Rs. 126.012 million, thereby having a negative equity of Rs. 121.735 million (2016: Rs. 131.916 million); and its current liabilities exceeded its current assets by Rs. 267.25 million (2016: Rs.295.875 million) as at June 30, 2017. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

In spite of the huge accumulated losses, negative equity and current ratio, the management of the company is making its strenuous efforts, optimal production strategies and effective cost controls to improve the profitability of the company. The management is quite optimistic that balancing and modernization of plant and machinery of Rs. 122 million approximately made in previous years, improvement in future industry situation and better production efficiency will definitely improve the future financial results. The management positively looks forward to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet its objectives and goals. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going concern basis.

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 and the requirements of repealed Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. Wherever, the requirements of the repealed Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of repealed Companies Ordinance, 1984 or the requirements of said directives shall prevail.

During the year the Companies Act, 2017 (the Act) has been promulgated through notification in official Gazette and hence Companies Ordinance 1984 stands repealed; however the Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 17 /2017 date 20th July 2017 has notified that the Companies whose financial year ends on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of repealed Companies Ordinance 1984. Hence these financial statements have been prepared accordingly.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investments classified as held for sale and property, plant and equipment referred in note 5.1 which are carried at revalued amounts. The company's significant accounting policies are stated in note 5. In these financial statements, all the transactions have been accounted for on accrual basis except for cash flow statement.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is also the Company's functional currency.

3. USE OF ESTIMATES AND JUDGMENTS

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

The estimates and associated assumptions 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 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 recognised 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.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Estimate of useful life of property, plant and equipment - note 5.1
- Stores and spares - note 5.2
- Stock in trade - note 5.3
- Trade debts and other receivables - note 5.4
- Taxation - note 5.9
- Provisions - note 5.12
- Contingencies - note 5.13
- Impairment losses - note 5.19

4. STANDARDS, AMENDMENTS AND INTERPRETATIONS

4.1 Standards, amendments or interpretations which became effective during the year

During the year amendments to certain existing standards became effective. However, they did not have any material effect on these financial statements.

4.2 New accounting standards, amendments to existing approved accounting standards and interpretations that are issued but not yet effective and have not been early adopted by the Company

IAS 12, 'Income Taxes' (effective for periods beginning on or after January 01, 2017).

The amendments clarify that unrealised losses from certain circumstances give rise to a deductible tax difference in relation to debt instruments regardless of whether the holder expects to recover the carrying amount by holding the debt instrument until maturity or by selling the debt instrument. The said amendment doesn't have any significant impact on the company.

Amendments to IAS 7 'Cash flow statements': Disclosure initiative' (effective for periods beginning on or after January 01, 2017).

This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers balance sheet items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified in other ways. In the first year of adoption, comparative information need not be provided. It is unlikely that the standard will have any significant impact on the Company's financial statements.

Amendments to IAS 40 'Investment Property' (effective for periods beginning on or after January 01, 2018).

Transfers of investment property clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

IFRS 2, 'Share-based Payment' (effective for periods beginning on or after January 01, 2018).

The amendments are intended to eliminate diversity in practice in three main areas:
-The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction;
-The classification of a share-based payment transaction with net settlement features for withholding tax obligations;
-The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.
The amendment is not likely to have an impact on the Company's financial statements.

IFRS 9, 'Financial instruments' (effective for periods beginning on or after January 01, 2018).

IFRS 9 is a replacement for IAS 39 'Financial Instruments' and covers three distinct areas. Phase 1 contains new requirements for the classification and measurement of financial assets and liabilities. Phase 2 relates to the impairment of financial assets and requires the calculation of impairment on an expected loss basis rather than the current incurred loss basis. Phase 3 relates to less stringent requirements for general hedge accounting. Full impact of all the phases of IFRS 9 on the Company is still being assessed.

IFRS 15, 'Revenue from Contracts with Customers' (effective for periods beginning on or after January 01, 2018).

This standard introduces a five-step approach to the timing of revenue recognition based on performance obligations in customer contracts. IFRS 15 may have an impact on recognition and related disclosures. The full impact of future adoption is still being assessed.

IFRS 16, 'Leases' (effective for periods beginning on or after January 01, 2019).

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The full impact of the future adoption is currently under review.

IFRIC 22, 'Foreign currency transactions and advance consideration' (effective for annual periods beginning on or after January 01, 2018)

IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognised. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognised. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:

- Amendments to IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 01 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interest that are classified as held for sale or discontinued operations in accordance with IFRS 5 - 'Non-current Assets Held for Sale and Discontinued Operations'.
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 01 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture.

Further, the following new standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purposes of their applicability in Pakistan:

IFRS - 1	First time adoption of International Financial Reporting Standards
IFRS - 9	Financial Instruments
IFRS - 15	Revenue from contracts with customers
IFRS - 16	Leases
IFRS - 17	'Insurance Contracts'

5. SUMMERY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Property, plant and equipment

5.1.1 Operating fixed assets

Property, plant and equipment except free hold land, building on freehold land, plant and machinery, power generators, electric installations and factory equipments are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Building on freehold land , plant & machinery, power generators, electric installations, factory equipments are stated at revalued amounts less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at revalued amount.

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 them will flow to the entity and its cost can be reliably measured. Cost incurred to replace a component of an item of the property, plant and equipment is capitalized and the asset so replaced is retired from use. Normal repairs and maintenance are charged to profit and loss account during the period in which they are incurred.

Depreciation is charged to income applying the reducing balance method so as to write off the historical cost of the assets over their expected useful life at the rates mentioned in property, plant and equipment note - 6.1.

Depreciation on additions during the year is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off. The residual values and useful lives are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

Gains and losses on disposal of property, plant and equipment are charged to profit and loss account.

5.1.2 Capital work in progress

Capital work in progress is shown at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during the construction and installation. Cost also includes applicable borrowing costs in case of eligible assets. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

5.2 Stores and spares

These are valued at moving average cost except items-in-transit which are valued at cost accumulated to the balance sheet date. Provision is made for slow moving and obsolete store items when so identified.

5.3 Stock in trade

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

Raw material - At factory	Annual average cost
- In Transit	Invoice value plus direct charges in respect thereof.
Packing material	Weighted average cost
Work in process and finished goods	Prime cost including a proportion of production overheads.
Wastes	At net realizable value

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

5.4 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future. Balances considered bad are written off when identified.

5.5 Short term investment

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available -for -sale.

Subsequent to initial recognition at cost, these are measured at fair value. The Company uses published net asset value (NAV) to determine the fair value of investments. Gains or losses on available for sale investments are recognized directly in other comprehensive income until the investments are sold or disposed off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously recognized in other comprehensive income, is re-classified from equity to profit and loss as re-classification adjustment.

5.6 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees (functional and presentation currency) at the rates of exchange approximating those appearing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at rates of exchange prevalent on the balance sheet date. All exchange differences arising from foreign currency transactions / translations are charged to profit and loss account.

5.7 Cash and cash equivalents

For the purpose of cash flow statement cash and cash equivalents comprise of cash and cheques in hand and at banks and include short term highly liquid investments. The cash and cash equivalents are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

5.8 Surplus on revaluation of property, plant and equipment

The Company follows the requirement of section 235 of the repealed Companies Ordinance, 1984 and accordingly the surplus arising on revaluation of property, plant and equipment is credited to the "surplus on revaluation of property, plant and equipment" account shown below equity in the balance sheet and deferred tax, if any, attributed to the surplus is credited to deferred tax liability.

Following amounts are transferred from " Surplus on Revaluation of property, plant and equipment" to retained earnings through statement of changes in equity to record realization of surplus:

- an amount equal to incremental depreciation on revaluation surplus on property, plant and equipment for the year net of deferred taxation, if any; or

- an amount equal to carrying amount of revaluation surplus on property, plant and equipment net of deferred taxation, if any, on its disposal.

5.9 Taxation

Current Taxation

Under normal law

The current taxation is computed on the basis of profit for the year adjusted for fiscal purposes, minimum tax u/s 113 or Alternate Corporate Tax (ACT) u/s 113C of the Income Tax Ordinance, 2001 after taking into account the tax credit or rebate, if any.

Under presumptive tax regime

Taxation in relation to export of goods under section 154 read with section 169 is provided on the basis of Presumptive Tax Regime in accordance with the provisions of the Income Tax Ordinance, 2001.

Deferred Taxation

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

5.10 Staff retirement benefits

Defined Contribution Plan

There is a contributory provident fund for executive staff of the Company for which contributions are charged to profit and loss as and when incurred.

The Company makes monthly contribution to the fund at the rate of 8.33% whereas employees of the Company also make monthly contributions to the fund at the rate of 8.33% of basic salary. The assets of the fund are held separately under the control of trustees.

5.11 Trade and other payables

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

5.12 Provisions

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

5.13 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence/ non- occurrence of the uncertain future event(s).

5.14 Related party transactions and transfer pricing

All transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable uncontrolled price method.

5.15 Borrowing costs

Borrowing costs to the extent of borrowing costs that are directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to profit and loss account in the period of incurrence.

5.16 Dividend and other appropriations

Dividend is recognized as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

5.17 Financial Instruments

Financial assets are long term deposits, trade debtors, advances and other receivables, short term investments and cash and bank balances. These are initially recognized at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are initially recognized at fair value and transaction costs are expensed in the profit and loss account. 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 the risks and rewards of ownership.

Financial liabilities are recognized according to the substance of the contractual arrangements entered into. Significant financial liabilities are trade and other payables and short term borrowings. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit and loss account for the period in which it arises.

5.18 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 when there is a legally enforceable right to set-off and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

5.19 Impairment

The management assesses at each balance sheet date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the cash generating unit is reduced to its recoverable amount by charging the impairment loss against profit and loss account for the year.

5.20 Revenue recognition

Revenue is recognized to the extent it is probable that economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at fair value of consideration received or receivable and is recognized on the following basis;

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the customers usually when goods are delivered/ dispatched and title has passed.

Profit on bank deposits and interest income on deposit with Sui Northern Gas Pipelines Limited (SNGPL) is recognized on accrual basis.

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2017 Rupees	2016 Rupees
Operating fixed assets	6.1	400,980,487	418,951,819
Capital work in progress	6.5	972,170	1,963,800
		401,952,657	420,915,619

6.1 OPERATING FIXED ASSETS

2017

DESCRIPTION	COST / REVALUED AMOUNT As at July 1, 2016	Addition/ (deletion)	As at June 30, 2017	ACCUMULATED DEPRECIATION As at July 1, 2016	For the year	Adjustment	As at June 30, 2017	W.D.V As at June 30, 2017	Rate %
			[R	U P	E E	S]			
Freehold land	78,800,000	-	78,800,000	-	-	-	-	78,800,000	-
Building on freehold land									
- factory	152,567,415	-	152,567,415	58,944,809	4,681,130	-	63,625,939	88,941,476	5
- residential	29,130,889	-	29,130,889	11,542,213	879,434	-	12,421,647	16,709,242	5
Plant and machinery	275,140,901	2,311,630	277,452,531	104,986,509	8,564,136	-	113,550,645	163,901,886	5
Power Generators	60,356,217	-	60,356,217	16,928,855	4,342,736	-	21,271,591	39,084,626	10
Electric installations	16,621,598	-	16,621,598	12,488,168	413,343	-	12,901,511	3,720,087	10
Factory equipments	14,979,075	-	14,979,075	6,546,345	843,273	-	7,389,618	7,589,457	10
Electric appliances	940,688	-	940,688	800,022	14,067	-	814,089	126,599	10
Office equipments	2,875,855	-	2,875,855	2,126,275	74,958	-	2,201,233	674,622	10
Furniture and fixtures	290,516	-	290,516	257,617	3,290	-	260,907	29,609	10
Vehicles	11,097,112	(908,768)	10,188,344	9,227,634	371,965	(814,138)	8,785,461	1,402,883	20
2017	**642,800,266**	**1,402,862**	**644,203,128**	**223,848,447**	**20,188,332**	**(814,138)**	**243,222,641**	**400,980,487**	

2016

DESCRIPTION	COST / REVALUED AMOUNT As at July 1, 2015	Addition/ (deletion)	As at June 30, 2016	ACCUMULATED DEPRECIATION As at July 1, 2015	For the year	Adjustment	As at June 30, 2016	W.D.V As at June 30, 2016	Rate %
			[R	U P	E E	S]			
Freehold land	78,800,000	-	78,800,000	-	-	-	-	78,800,000	-
Building on freehold land									
- factory	152,567,415	-	152,567,415	54,017,303	4,927,506	-	58,944,809	93,622,606	5
- residential	29,130,889	-	29,130,889	10,616,493	925,720	-	11,542,213	17,588,676	5
Plant and machinery	275,140,901	-	275,140,901	96,031,015	8,955,494	-	104,986,509	170,154,392	5
Power Generators	60,356,217	-	60,356,217	12,103,593	4,825,262	-	16,928,855	43,427,362	10
Electric installations	16,621,598	-	16,621,598	12,028,898	459,270	-	12,488,168	4,133,430	10
Factory equipments	14,979,075	-	14,979,075	5,609,375	936,970	-	6,546,345	8,432,730	10
Electric appliances	940,688	-	940,688	784,392	15,630	-	800,022	140,666	10
Office equipments	2,875,855	-	2,875,855	2,042,988	83,287	-	2,126,275	749,580	10
Furniture and fixtures	290,516	-	290,516	253,962	3,655	-	257,617	32,899	10
Vehicles	11,521,112	(424,000)	11,097,112	9,174,717	468,484	(415,567)	9,227,634	1,869,478	20
2016	**643,224,266**	**(424,000)**	**642,800,266**	**202,662,736**	**21,601,278**	**(415,567)**	**223,848,447**	**418,951,819**	

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6.2 Detail of property, plant and equipment disposed of during the year:

Year	Particulars of buyer	Mode of disposal	Cost	Book value	Sale proceeds
			[R	U P E E	S]
2017	Mr. Muhammad Sultan Ahmed Chak # 109/12L, PO Box Khass, Tehsil Chichawattni, Dist. Sahiwal	Negotiation	908,768	94,630	310,000
2016	Mr. Muhammad Atif Saeed House No. 285, Mohallah Scheme 212 Part 1, Faisalabad	Negotiation	424,000	8,433	150,000

	Note	2017 Rupees	2016 Rupees
6.3 Depreciation charge for the year has been allocated as under			
Cost of sales		19,738,119	21,045,852
Administrative expenses		450,213	555,426
		20,188,332	21,601,278

6.4 Had there been no revaluation, the related figures of freehold land, building on freehold land, plant and machinery, power generators, electric installations and factory equipments as at June 30 would have been as follows:

	2017		
	Cost	Accumulated depreciation	Written down value
	[R	U P E E	S]
Freehold land	3,848,875	-	3,848,875
Building on freehold land			
- Factory	32,519,124	28,851,211	3,667,913
- Residential	6,147,674	5,179,036	968,638
Plant and machinery	305,434,818	209,113,388	96,321,430
Power Generators	46,529,285	15,609,325	30,919,960
Electric installations	12,569,808	11,242,263	1,327,545
Factory equipments	2,905,074	2,445,194	459,880
	409,954,658	272,440,417	137,514,241

	2016		
	Cost	Accumulated depreciation	Written down value
	[R	U P E E	S]
Freehold land	3,848,875	-	3,848,875
Building on freehold land			
- Factory	32,519,124	28,658,163	3,860,961
- Residential	6,147,674	5,128,055	1,019,619
Plant and machinery	303,123,188	204,106,119	99,017,069
Power Generators	46,529,285	12,173,774	34,355,511
Electric installations	12,569,808	11,094,758	1,475,050
Factory equipments	2,905,074	2,394,096	510,978
	407,643,028	263,554,965	144,088,063

	Note	2017 Rupees	2016 Rupees
6.5 Capital work in progress			
Plant and machinery	6.5.1	-	991,630
Advances for capital expenditure	6.5.2	972,170	972,170
		972,170	1,963,800
6.5.1 Movement of plant and machinery			
Opening balance		991,630	-
Addition during the year		-	991,630
		991,630	991,630
Less: Capitalization during the year		(991,630)	-
		-	991,630
6.5.2 Advances for capital expenditure			
Plant and machinery		972,170	972,170

	Note	2017 Rupees	2016 Rupees
7. LONG TERM DEPOSITS			
Security deposits	7.1	17,422,380	16,805,880

7.1 This includes Rs. 14,466,500/- (2016: Rs. 13,850,000/-) security deposit with Sui Northern Gas Pipelines Limited (SNGPL) against supply of natural gas to the company. It is subject to mark up at the rate of 5% per annum.

	Note	2017 Rupees	2016 Rupees
8. STORES AND SPARES			
Stores		875,342	974,557
Spares		6,084,752	8,330,628
		6,960,094	9,305,185
9. STOCK IN TRADE			
Raw material		26,421,193	6,706,479
Packing material		1,407,404	691,186
Work in process		9,648,040	-
Finished goods	9.1	9,105,627	71,431
		46,582,264	7,469,096

9.1 It includes waste stock amounting to Rs. 1,789,037 (2016: Rs. 15,600) measured at net realizable value.

	Note	2017 Rupees	2016 Rupees
10. TRADE DEBTS			
Considered good			
Local - unsecured		1,079,569	373,662
ADVANCES, PREPAYMENT AND OTHER RECEIVABLES			
Advances-considered good:			
Advances to suppliers		4,409,713	1,943,177
Advances to employees		-	125,081
Prepayment			
Prepaid insurance		234,264	-
Other receivable			
Accrued profit		1,062,037	1,226,962
Others	20.1.2	119,774	119,774
		5,825,788	3,414,994
12. SHORT TERM INVESTMENT			
Available for sale			
NAFA Government Securities Liquid Fund	12.1	372,294	351,997

12.1 These have been valued by using published net asset value (NAV) as at 30th June, the number of units held by the Company are 36,638.0920 units (2016: 34,691.7810 units).

	Note	2017 Rupees	2016 Rupees
13. TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax receivable		4,083,295	3,750,460
Income tax refundable		4,838,019	8,826,121
		8,921,314	12,576,581
CASH AND BANK BALANCES			
Cash in hand		326,516	51,759
Cash at bank			
In current accounts -Including US $ 970 (2014: US $ 970)		3,251,731	17,240,206
In deposit accounts	14.1	199,261	449,079
		3,450,992	17,689,285
		3,777,508	17,741,044

14.1 The rate of profit on deposit accounts is ranging from 3.75% to 3.80% per annum (2016: ranging from 4% to 5% per annum).

	Note	2017 Rupees	2016 Rupees
15. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Balance as on July 01,		209,539,941	217,606,724
Less: Incremental depreciation on revalued property, plant and equipment for the year transferred to accumulated loss		10,838,599	11,523,977
Related effect of deferred tax liability		(3,251,581)	(3,457,194)
		7,587,018	8,066,783
Balance as on June 30,		201,952,923	209,539,941

The Company's freehold land, building on freehold land, plant and machinery, power generators, electric installations and factory equipments were revalued by M/S Yousaf Adil Saleem & Co. Chartered Accountants as on September 30, 1998 and by M/S Nizamy Associates as on June 30, 2007 and June 30, 2012. Revaluation of freehold land is carried out at market value and building on freehold land, plant and machinery, power generators, electric installations and factory equipments on depreciated replacement values.

The fair valuation of the revalued assets are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets. The fair values are subject to change owing to change in input. However, the management does not expect there to be a material sensitivity to the fair values arising from the non-observable inputs. The basis of revaluation for items of these fixed assets were as follows:

Freehold land

Property brokers, dealers and estate agents were contacted to ascertain the asking and selling prices for properties of the same nature in the immediate neighborhood and adjoining areas. Neighboring properties which have been recently sold or purchased, were investigated to ascertain a reasonable selling / buying price. Properties that were up for sale were examined for asking price. An average of the above values was then assigned to the property.

Building on freehold land

Construction specifications were noted for each factory and residential building and structure and current construction rates were used to obtain replacement values of building, to which a depreciation formula was applied, based upon the Company's estimates of balance life to arrive at the current assessed value.

Plant and machinery

Plant and machinery have been evaluated / assessed by keeping in view their present physical condition, the remaining useful life / economic life and technological obsolescence. Further, new replacement values were arrived by using current local and foreign market values for the similar type of plant and machinery. These current local and foreign market values were taken into account on the basis of technical obsolescence, efficiency, maintenance, replacement and other related factors involved.

Power generators

These were evaluated / assessed by keeping in view their present physical condition, the remaining useful life / economic life and technological obsolescence. Further, new replacement values were arrived by using current market values for the similar type of assets. These current market values were taken into account on the basis of technical obsolescence, efficiency, maintenance, replacement and other related factors involved.

Electric installations

These were evaluated / assessed by keeping in view their present physical condition and the remaining useful life / economic life. Further, new replacement values were arrived by using current market values for the similar type of assets. These current market values were taken into account on basis of efficiency, maintenance, replacement and other related factors involved.

Factory equipments

These were evaluated / assessed by keeping in view their present physical condition, the remaining useful life / economic life and technological obsolescence. Further, new replacement values were arrived by using current market values for the similar type of assets. These current market values were taken into account on basis of technical obsolescence, efficiency, maintenance, replacement and other related factors involved.

	Note	2017 Rupees	2016 Rupees
16. LONG TERM FINANCING			
From banking companies - secured			
IBRD foreign currency	16.1	164,509	-
Demand finance		14,946,241	-
		15,110,750	-
Less: Current portion shown under current liabilities		(11,110,750)	-
		4,000,000	-

16.1 The financing was obtained from MCB Bank Limited and is secured against first charge by way of equitable mortgage on fixed assets of the Company, hypothecation of plant and machinery and equipment and floating charge on book debts. It was further secured by a demand promissory note and personal guarantees of the directors of the Company carrying mark up @ 14% to 17% per annum. In case of default in payment of any installment of principal and/or mark up on due date, additional mark up @ 5% per annum was payable on the amount of default.

Subsequent to the balance sheet date, the management of the company has entered into settlement agreement with MCB Bank Limited Dated: 21st September, 2017 to pay Rs. 15,110,750/- as full and final discharge of outstanding liability and agreed to pay amount of Rs. 3.111 million as down payment within 7 days from the date of agreement and subsequently amount of Rs. 1 million each in twelve equal monthly installments. Cheque of Rs. 3.111 million dated: 25th September, 2017 has been delivered to the bank as down payment as agreed and post dated cheques of Rs. 1 million each will also be provided by the company to MCB Bank Limited to secure the balance settled amount as per settlement agreement.

		Note	2017 Rupees	2016 Rupees
17.	**DEFERRED LIABILITIES**			
	Deferred taxation	17.1	67,906,860	64,222,596

17.1 DEFERRED TAXATION

		Note	2017 Rupees	2016 Rupees
17.1.1	Balance as on July 01,		64,222,596	56,739,549
	Provided during the year		3,684,264	7,483,047
	Balance as on June 30,	17.1.2	67,906,860	64,222,596
17.1.2	This comprise of following:			
	Deferred tax liability:			
	Taxable temporary differences relating to operating assets		18,858,973	18,437,628
	Taxable temporary differences relating to surplus on revaluation of property, plant and equipment		59,279,607	62,531,188
	Deferred tax assets:			
	Deductible temporary differences on tax losses		(10,083,852)	(16,598,352)
	Deductible temporary difference related to minimum tax		(147,868)	(147,868)
			67,906,860	64,222,596

17.1.3 The liability of deferred tax has been computed by applying the tax rate expected to be enacted at the balance sheet date when the temporary differences will be reversed and tax losses will be recovered.

17.1.4 Deferred tax debit balance is recognised on tax losses and minimum tax based on the projected taxable profits of the Company for future years.

18. TRADE AND OTHER PAYABLES

	Note	2017 Rupees	2016 Rupees
Trade creditors		184,419,012	160,713,212
Accrued expenses		15,106,696	9,683,473
Advances from customers		1,609,673	2,684,156
Withholding tax payable		478,702	68,077
Unclaimed dividend		443,720	443,720
Provident fund trust	18.1	457,110	83,324
Sales tax payable		45,694	20,030
		202,560,607	173,695,992

18.1 This represents amount due to provident fund trust for the month of June of which payment was made at July 14, 2017 (July 12, 2016).

19. SHORT TERM BORROWINGS

	Note	2017 Rupees	2016 Rupees
From banking companies - secured			
IBRD foreign currency		-	164,509
Demand finance		-	14,946,241
		-	15,110,750
From related parties - unsecured			
Chief executive, Directors and Members	19.1	127,097,279	136,268,501
		127,097,279	151,379,251

19.1 It represents interest free loan from Chief executive, Directors and Members and are payable on demand.

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 The Faysal Bank Limited had filed an appeal before the Lahore High Court, Lahore, against the decision of Banking Court - II, Faisalabad (decided in favour of the Company), for recovery of Rs. 45.616 Million (2016: Rs. 45.616 Million) along with costs etc. not determinable at this stage. The appeal of the Bank was accepted by the Honourable Lahore High Court, Lahore to the extent that computation of markup and verification of payments to the tune of Rs. 26.890 Million may again be made.

Having been aggrieved by the decision of the Honourable Lahore High Court, Lahore, the Company filed an appeal before the Supreme Court of Pakistan. The legal advisor of the company has affirmed that the case will be decided in its favour on the pretext that due relief had already been given by the apex court in identical cases.

20.1.2 An employee of the company has filed a suit for the claim of reinstatement of his services and dues which has been decided by the Labour Court No.4, Faisalabad in appellant's favour. The Company has filed an appeal before Punjab Labour Appellate Tribunal against the decision of Labour Court . In compliance with the order of Punjab Labour Appellate Tribunal payment of Rs. 119,774 as 50% of employee's dues have been deposited with Appellate Authority. Consequently, the Punjab Labour Appellate Tribunal, Lahore after hearing the arguments has set aside the impugned order of Labour Court No. 4. Faisalabad and remanded back to the lower Court with a direction to decide the Appellant Company's application wherein it is alleged that the respondent is unfit to work. However, the legal advisor has confirmed that the Company is at sound footing and prima facie the case is expected to be decided in its favour. The amount under litigation is not material, therefore, no provision has been made in the financial statements.

20.2 Commitments

There are no significant commitments at the reporting date which need to be disclosed in the financial statements.

	Note	2017 Rupees	2016 Rupees
21. SALES -NET			
Local			
Yarn sales		595,982,406	215,295,728
Waste sales		6,305,948	3,058,827
Gross sales		602,288,354	218,354,555
Less: Sales Tax		-	(6,359,841)
		602,288,354	211,994,714
22. COST OF SALES			
Raw material consumed	22.1	428,673,600	111,476,983
Stores and spares consumed		13,130,619	5,687,649
Packing material consumed		10,438,452	2,692,512
Salaries, wages and benefits		58,909,230	21,622,833
Provident fund contribution		1,117,517	691,484
Fuel and power		92,498,540	36,569,280
Repairs and maintenance		339,840	553,844
Postage and telecommunication		72,866	52,396
Vehicles running and maintenar		202,922	148,809
Insurance		-	1,704,226
Depreciation	6.3	19,738,119	21,045,852
Others		593,612	560,506
		625,715,317	202,806,374
Work in process			
Balance as on July 01,		-	-
Balance as on June 30,		(9,648,040)	-
		(9,648,040)	-
Finished goods			
Balance as on July 01,		71,431	40,526,064
Balance as on June 30,		(9,105,627)	(71,431)
		(9,034,196)	40,454,633
		607,033,081	243,261,007
22.1 RAW MATERIAL CONSUMED			
Balance as on July 01,		6,706,479	5,419,581
Purchases		448,388,314	112,763,881
		455,094,793	118,183,462
Balance as on June 30,		(26,421,193)	(6,706,479)
		428,673,600	111,476,983
23. DISTRIBUTION COST			
Selling commission		400,790	292,350
Others		-	16,000
		400,790	308,350
ADMINISTRATIVE EXPENSES			
Staff salaries and benefits		2,993,375	4,330,835
Provident fund contribution		260,519	175,266
Postage and telecommunication		273,246	319,498
Electricity, gas and water		143,600	128,112
Printing and stationery		49,552	28,799
Traveling and conveyance		430,381	453,787
Fee and subscriptions		276,213	300,167
Legal and professional		350,215	464,070
Repairs and maintenance		14,535	37,795
Auditors' remuneration	24.1	320,000	320,000
Insurance		68,670	245,944
Depreciation	6.3	450,213	555,426
Balances written off		-	104,404
Others		257,727	286,173
		5,888,246	7,750,276

	Note	2017 Rupees	2016 Rupees
24.1 AUDITORS' REMUNERATION			
Statutory audit		250,000	250,000
Half yearly review		50,000	50,000
Out of pocket expenses		20,000	20,000
		320,000	320,000

25. FINANCE COST

	2017	2016
Bank charges and commission	19,309	22,079

26. OTHER INCOME

	2017	2016
Income from financial assets		
Profit on deposit accounts	363,189	776,352
Exchange gain on foreign currency retranslation	194	3,007
Profit on deposit with SNGPL	723,323	692,500
Income from non-financial assets		
Gain on disposal of vehicle	215,370	141,567
Balances written back	-	2,801,455
Remission of markup / interest on settlement with MCB Bank Limited	22,031,875	-
	23,333,951	4,414,881

27. TAXATION

	Note	2017	2016
Current	27.1	6,022,884	-
Deferred			
Deferred tax relating to the origination and reversal of temporary differences		3,684,264	7,483,047
		9,707,148	7,483,047

27.1 In view of the available taxable losses, provision for current taxation has been made on turnover under Section 113(1) of the Income Tax Ordinance, 2001.

27.2 Reconciliation of tax expense and accounting profit has not been presented in these financial statements due to the reason discussed in note 27.1 above.

28. EARNINGS/(LOSS) PER SHARE-BASIC AND DILUTED

	2017	2016
Profit/(loss) for the year (Rupees)	2,573,731	(42,415,164)
Weighted average number of ordinary shares outstanding during the year	12,601,160	12,601,160
Earnings/(loss) per share-basic and diluted (Rupees)	0.20	(3.37)

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

29. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

No remuneration is paid to the Chief Executive Officer and Directors. However, Chief Executive Officer and Directors are entitled to free use of Company maintained cars. The monetary value of these benefits is approximately Rs. 182,405/- (2016: Rs. 113,220/).

No employee of the Company falls within the definition of executive as defined in the 4th schedule to the Companies Ordinance, 1984.

TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and key management personnel. Amounts due from and due to related parties, if any, are shown under relevant notes to financial statements. Remuneration of Executives is disclosed in Note 29. Transactions with related parties other than specifically mentioned in related notes were as follows.

Party	Nature of relationship	Nature of transactions	2017 Rupees	2016 Rupees
Provident fund	Retirement benefit fund	Company's contribution to provident fund	1,378,036	866,750
CEO/directors/members	Related party	Loan repayments to CEO/directors/members	9,171,222	578,323

	2017	2016

31. PLANT CAPACITY AND PRODUCTION

	2017	2016
Number of spindles installed	21,384	21,384
Number of spindles worked	21,384	21,384
Number of shifts worked per day	3	3
Installed capacity after conversion into 20/s count (Kgs)	6,811,893	6,811,893
Actual production of yarn after conversion into 20/s count (Kgs)	4,888,354	1,521,802

Reasons for shortfall

The short fall in actual production during the year when compared with capacity is mainly on account of:
- Temporary closure of factory due to unfavorable market conditions; and
- The actual production is planned to meet the market demand and orders in hand;

32. EMPLOYEES PROVIDENT FUND TRUST

The following information is based on latest un-audited financial statements of the Fund:

	2017	2016
Size of the fund (Rupees)	5,708,346	4,549,959
Cost of investment made (Rupees)	3,966,078	3,896,063
Percentage of investment made (%)	69.48	85.63
Fair value of investment (Rupees)	4,176,320	4,199,551

32.1 The break-up of fair value of investments is:

	2017		2016	
	Rupees	% of full	Rupees	% of full
Bank balances	1,934,070	46.31	934,857	22.26
NBP Fullerton Asset Management Ltd	2,242,250	53.69	3,264,694	77.74
	4,176,320	100.00	4,199,551	100.00

32.2 The investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

33. NUMBER OF EMPLOYEES

The average number of employees for the year ended June 30, 2017 were 406 (2016: 143) and number of employees as at June 30, 2017 were 502 (2016: 47).

34. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed with reference to circular no. 29 of 2016 dated September 05, 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index".

	Description	Explanation
i)	Advances	Non-interest bearing
ii)	Long term deposits	Both Interest and non-interest bearing
iii)	Borrowings	Non-interest bearing
iv)	Relationship with banks having Islamic windows	Following is the nature of relationship of the Company with the banks having Islamic window of operation: 1. Al Barka Bank Pakistan Limited (Islamic) 2. Dubai Islamic Bank (Islamic) 3. Bank Al Habib Limited (Conventional) 4. United Bank Limited (Conventional) 5. National Bank of Pakistan (Conventional) 6. Faysal Bank Limited (Conventional) 7. MCB Limited (Conventional)
v)	Bank balances as at June 30, 2017	**Rupees**
	Placed under interest arrangement	147,049
	Placed under Shariah permissible arrangement	52,212
vi)	Interest income on bank deposits for the year	
	Placed under interest arrangement	361,641
	Placed under Shariah permissible arrangement	1,548
vii)	Unrealized gain on short term investments	
	Placed under Shariah non-compliant arrangement	20,297
viii)	All sources of other income	Disclosed in note 26
ix)	Exchange gain	Earned from actual foreign currency retranslation

Disclosures other than above are not applicable to the Company.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company finances its operations through a mix of equity, borrowings and working capital management with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Taken as a whole, the company is exposed to market risk comprising interest rate risk, currency risk and price risk, credit risk, liquidity risk and risks related to fair value measurements. The company's finance department oversees the management of these risks and provides assurance to the company's senior management that the company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company policies and risk appetite.

	2017 Rupees	2016 Rupees
FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets :		
Maturity upto one year		
Trade debts	1,079,569	373,662
Advances and other receivables	1,181,811	1,471,817
Short term investment	372,294	351,997
Cash and bank balances	3,777,508	17,741,044
Maturity after one year		
Long term deposits	17,422,380	16,805,880
	23,833,562	36,744,400
Financial Liabilities :		
Maturity upto one year		
Trade and other payables	200,426,538	170,923,729
Accrued mark up/interest	-	22,031,875
Short term borrowings	127,097,279	151,379,251
Current portion of long term financing	11,110,750	-
Maturity after one year		
Long term financing	4,000,000	-
	342,634,567	344,334,855

35.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and price risk. Financial instruments susceptible to / affected by market risk include deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

35.1.1 Interest rate risk:

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

The Company has no long term and short term interest bearing financial liabilities. Therefore, the company is not exposed to interest rate risk on financial liabilities.

The Company has long term fixed rate deposit with SNGPL and bank balances in deposit accounts. Company's exposure to interest rate risk on these financial assets is as follows:

	2017 Rupees	2016 Rupees
Fixed rate instruments:		
Financial assets		
Security deposit with SNGPL	14,466,500	13,850,000
Floating rate instruments:		
Financial assets		
Bank balance-deposit accounts	199,261	449,079

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rate for these financial instruments would have fluctuated by 100 bps higher/lower with all other variables held constant, profit or loss before taxation for the year 2017 and 2016 would have been effected as follows:

Effect of increase on deposit accounts	96,082	172,523

Decrease in interest rates at June 30, would have had the equal but opposite effect of these amounts. Sensitivity analysis has been prepared on symmetric basis.

35.1.2 Currency risk

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

Financial assets include US$ 970 (2016: US$ 970) which are subject to currency risk.

The following significant exchange rate is applied during the year:

	2017	2016
Rupees per USD		
Reporting date rate	104.80	104.60

At June 30, 2017 had the functional currency been strengthened /weakened by 5% against the foreign currency with all other variables held constant, profit/(loss) for the year and equity would have been Rs. 4,727/- (2016: Rs.4,718/-) higher / lower, mainly as a result of foreign exchange gains / losses on translation of foreign currency in foreign currency bank accounts.

35.1.3 Price Risk

Price risk represents risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market. However, the company is not exposed to any significant price risk.

35.2 Credit risk and concentration of credit risk:

Credit risk is the risk representing accounting loss that would be recognized at the reporting date if one party to a financial instrument will fail to discharge an obligation or its failure to perform duties under the contract as contracted. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations that is susceptible to changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The maximum exposure to credit risk at the reporting date is as follows :

FINANCIAL ASSETS	2017 Rupees	2016 Rupees
Long term deposits	17,422,380	16,805,880
Trade debts	1,079,569	373,662
Advances and other receivables	1,181,811	1,471,817
Short term investment	372,294	351,997
Bank balances	3,450,992	17,689,285
	23,507,046	36,692,641

Long term deposits have been mainly placed with suppliers of electricity, gas and telecommunication services. Considering the financial position and credit quality of the institutions, Company's exposure to credit risk is not significant.

For trade debts, internal risk assessment process determines the credit quality of the customers, taking into account their financial positions, past experiences and other factors.

Advances mainly consist of Advances to employees. Advances to employees are secured against employees' retirement benefits. Therefore, Company is not exposed to any significant credit risk regarding these advances. Other receivables constitute mainly accrued profit receivables from SNGPL and profit on bank deposits, therefore, are not exposed to any significant credit risk.

The bank balances represent low credit risk as they are placed with banks having good ratings assigned by credit rating agencies.

The credit quality of bank balances that are neither past due nor impaired and short term investments can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

	Rating			2017	2016
	Short term	Long term	Agency	Rupees	Rupees
Bank balances					
Al-Baraka Bank (Pakistan) Limited	A-1	A+	PACRA	66,953	32,888
Bank Al-Habib Limited	A1+	AA+	PACRA	3,761	3,761
Faysal Bank Limited	A-1+	AA	PACRA	20,889	20,889
JS Bank Limited	A1+	AA-	PACRA	52,884	368,563
National Bank of Pakistan	A1+	AAA	PACRA	3,067,247	22,804
United Bank Limited	A-1+	AAA	JCR-VIS	228,537	17,229,659
Dubai Islamic Bank (Pakistan) Limited	A-1	AA-	JCR-VIS	10,721	10,721
				3,450,992	17,689,285
		Rating			
Short term investments					
NAFA Government Securities Liquid Fund		AAA(f)	PACRA	372,294	351,997
Counterparties without external credit rating					
Other receivables				1,181,811	1,471,817

Due to Company's long standing relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the risk is minimal.

35.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and cash equivalents.

The table below summaries the maturity profiles of company's financial liabilities as on June 30, 2017 and 2016 based on contractual undiscounted payments date and present market interest rates.

25

Financial Liabilities	2017			
	Within 6 months	More than 6 months and less than 1 year	More than 1 year and up to 5 years	Total
	[R U P E E S]			
Trade and other payables	200,426,538	-	-	200,426,538
Accrued mark up/interest	-	-	-	-
Short term borrowings	127,097,279	-	-	127,097,279
Long term financing	5,111,000	6,000,000	3,999,750	15,110,750
	332,634,817	6,000,000	3,999,750	342,634,567

Financial Liabilities	2016			
	Within 6 months	More than 6 months and less than 1 year	More than 1 year and up to 5 years	Total
	[R U P E E S]			
Trade and other payables	170,923,729	-	-	170,923,729
Accrued mark up/interest	22,031,875	-	-	22,031,875
Short term borrowings	151,379,251	-	-	151,379,251
	344,334,855	-	-	344,334,855

3 Capital risk management

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

The debt-to-adjusted capital ratios at June 30, 2017 and June 30, 2016 were as follows:

	2017 Rupees	2016 Rupees
Total Debts	127,097,279	151,379,251
Less: Cash and bank balances	(3,777,508)	(17,741,044)
Net debt	123,319,771	133,638,207
Total equity (including surplus on revaluation of property, plant and equipment)	80,218,372	77,624,344
Total capital employed	203,538,143	211,262,551
Gearing ratio	60.59	63.26

35.5 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of 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 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, unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

26

	2017							
	Carrying Amount				Fair Value			
	Financial assets other than cash and cash	Cash and cash equivalents	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
	[RUPEES]							
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Long term deposits	17,422,380	-	-	17,422,380	-	-	-	-
Trade debts	1,079,569	-	-	1,079,569	-	-	-	-
Advances and other receivables	1,181,811	-	-	1,181,811	-	-	-	-
Short term investment	-	-	-	-	372,294	-	-	372,294
Cash and bank balances	-	3,777,508	-	3,777,508	-	-	-	-
	19,683,760	3,777,508	-	23,461,268	372,294	-	-	372,294
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	-	200,426,538	200,426,538	-	200,426,538	-	200,426,538
Short term borrowings	-	-	127,097,279	127,097,279	-	127,097,279	-	127,097,279
Current portion of long term financing	-	-	11,110,750	11,110,750	-	11,110,750	-	11,110,750
Long term financing	-	-	4,000,000	4,000,000	-	4,000,000	-	4,000,000
	-	-	342,634,567	342,634,567	-	342,634,567	-	342,634,567

	2016							
	Carrying Amount				Fair Value			
	Financial assets other than cash and cash	Cash and cash equivalents	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
	[RUPEES]							
Financial assets measured at fair value	-	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Long term deposits	16,805,880	-	-	16,805,880	-	-	-	-
Trade debts	373,662	-	-	373,662	-	-	-	-
Advances and other receivables	1,471,817	-	-	1,471,817	-	-	-	-
Short term investment	-	-	-	-	351,997	-	-	351,997
Cash and bank balances	-	17,741,044	-	17,741,044	-	-	-	-
	18,651,359	17,741,044	-	36,392,403	351,997	-	-	351,997
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	-	170,923,729	170,923,729	-	170,923,729	-	170,923,729
Accrued mark up/interest	-	-	22,031,875	22,031,875	-	22,031,875	-	22,031,875
Short term borrowings	-	-	151,379,251	151,379,251	-	151,379,251	-	151,379,251
	-	-	344,334,855	344,334,855	-	344,334,855	-	344,334,855

36. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 0 7 OCT 2017 by the Board of Directors of the Company.

37. GENERAL

37.1 Corresponding figures

Corresponding figures have been re-arranged and reclassified wherever necessary for the purpose of better presentation. During the following reclassifications are made in the corresponding figures;

	2016	Reclassification	
	Rupees	From	To
Packing material	691,186	Stores	Stock in trade
Selling commission	292,350	Sales-net	Distribution cost

37.2 Rounding

Figures in these financial statements have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE

DIRECTOR

FORM 34

PATTERN OF SHAREHOLDING

1. CUIN (Incorporation Number) | 0 | 0 | 1 | 6 | 1 | 4 | 0 |
2. Name of Company **J. A. TEXTILE MILLS LIMITED**
3. Pattern of holding of the shares held by the shareholders as at | 3 | 0 | | 0 | 6 | | 2 | 0 | 1 | 7 |

4. No of Shareholders	Shareholding		Total Shares Held
152	1	100	12,905
1,368	101	500	654,280
69	501	1,000	68,200
95	1,001	5,000	260,374
21	5,001	10,000	163,500
6	10,001	15,000	72,500
4	15,001	20,000	77,100
1	25,001	30,000	26,000
1	40,001	45,000	44,500
1	45,001	50,000	46,700
1	60,001	65,000	61,927
1	70,001	75,000	73,800
1	95,001	100,000	99,000
1	125,001	130,000	127,361
2	130,001	135,000	266,000
2	250,001	255,000	503,400
1	580,001	585,000	584,300
1	625,001	630,000	629,900
1	680,001	685,000	681,553
1	1,150,001	1,155,000	1,154,850
1	6,990,001	6,995,000	6,993,010
1731			**12,601,160**

5. Categories of shareholders	Share Held	Percentage
5.1 Directors, Chief Executive officer, and their spouse and minor childern	**9,110,860**	72.30
5.2 Associated Companies, undertaking and related parties	-	-
5.3 NIT and ICP	**131,661**	1.04
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	**96,114**	0.76
5.5 Insurance Companies	**1,000**	0.01
5.6 Modarabas and Mutual Funds	**45,501**	0.36
5.7 Shares holders holding 10%	-	-
5.8 General Public		
a. Local	**3,132,824**	24.86
b. Foreign	**82,600**	0.66

ANNUAL GENERAL MEETING

FORM OF PROXY

IMPORTANT

This Form of Proxy, in order to be effective, must be deposited duly completed at the Company's Registered Office JK House, 32-W Susan Road, Madina Town, Faisalabad, not less than 48 hours befor the time of holding the meeting.

A proxy must be a member of the Company. Signature should agree with the specimen registered with the company.

Please quote Registered Folio Number

I/We ______________________________

of ______________________________

being a member of the J. A. Textile Mills Limited ______________________ and holder

of ______________________ ordinary shares, hereby appoint

______________________________ of ______________

who is also a member of the company as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at registered office of the company, JK House, 32-W, Susan Road, Madina Town, Faisalabad, on 28.10.2017 at 9:30 a.m or at any adjournment thereof.

As witness my/our hand this ______________________ day of ______________ 2017

Signed by the said ______________________ in the presence of

____

____

(Member's Signature)

Date:

____

(Witness's Signature)

Place

Affix Rs.5/-
revenue stamp which
must be cancelled
either by signature
over it or by some
other means

پراکسی فارم (مختار عامہ)

کمپنی سیکرٹری
جے اے ٹیکسٹائل ملز لمیٹڈ
W-32 سوساں روڈ مدینہ ٹاؤن فیصل آباد

میں / ہم ____________________

ساکن ____________________

بحیثیت رکن جے اے ٹیکسٹائل ملز لمیٹڈ اور حامل __________ عام حصص بمطابق شیئر رجسٹر فولیو نمبر ____________________

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر نمبر __________ پارٹیسپیٹ آئی ڈی نمبر __________)

بذریعہ ہذا

محترم / محترمہ __________ ساکن __________

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فولیو نمبر __________ یا (اسکی غیر موجودگی میں محترم / محترمہ __________

ساکن __________ جو کمپنی کا ہے بمطابق شیئر رجسٹر فولیو نمبر __________ کو

مورخہ 28 اکتوبر 2017ء (بروز ہفتہ) کو منعقد ہونے والے کمپنی کے صدر دفتر W-32 سوساں روڈ مدینہ ٹاؤن فیصل آباد میں اٹھائیسویں اجلاس عام میں حق رائے دہی استعمال کرنے، تقریری اور شرکت کرنے کیلئے اپنا / ہمارا بطور مختار نامہ یا پروکسی فارم مقرر کرتا ہوں / کرتے ہیں۔

بطور گواہ میرے دستخط ---------- آج بروز ------------- بتاریخ ----------2017

دستخط گواہ ----------------------

دستخط گواہ --------------------------------

5 روپے کا رسیدی
ٹکٹ چسپاں کریں

نوٹ:

1۔ پراکسیاں تاکہ موثر ہو سکیں کمپنی کا رجسٹرڈ دفتر / صدر دفتر میں باقاعدہ مہر، دستخط اور گواہی شدہ اجلاس سے کم از کم 48 گھنٹے قبل پہنچ جانی چاہیں۔

2۔ دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے مطابق ہونے چاہئیں۔

آڈٹ کمیٹی

زیر جائزہ سال کے دوران چھ اجلاس منعقد ہوئے ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام ڈائریکٹر	تعداد حاضری
جناب محمد علی	6
جناب انوار الحق	6
مس قرۃ العین زاہد	6

انسانی وسائل و مالی کمیٹی

زیر جائزہ سال کے دوران تین اجلاس منعقد ہوئے ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے :

نام ڈائریکٹر	تعداد حاضری
جناب انوار الحق	3
جناب عمران زاہد	3
جناب محمد یوسف	3

پوسٹ بیلنس شیٹ کے واقعات - MCB بنک کے حوالے سے بقایا ذمہ داری

بیلنس شیٹ کی تاریخ کے بعد آپکی کمپنی کا 21.09.2017 کو MCB بنک لمیٹیڈ کے ساتھ معاہدہ ہوا ہے کہ آپ کی کمپنی بینک کو -/15,110,750 روپے بقایا جات کی مد میں ادا کرے گی۔ اور یہ بھی اتفاق ہوا ہے کہ معاہدے کی تاریخ سے سات دن کے اندر اندر 3.111 ملین روپے کی ادائیگی کے بعد ایک ملین روپے کی بارہ برابر ماہانہ اقساط ادا کرنا ہوں گی اس سلسلے میں ایک عدد چیک مالیتی 3.111 ملین روپے مورخہ 25.09.2017 بنک کو ڈاؤن پیمنٹ کے طور پر ادائیگی کی جا چکی ہے۔ اور ایک ملین روپے کے بارہ آئندہ دنوں کے چیک بھی کمپنی بنک کو دے گی۔

کلیدی آپریٹنگ اور مالیاتی اعداد و شمار

گزشتہ چھے سالوں کا آپریٹنگ اور مالیاتی اعداد و شمار اس رپورٹ کے ساتھ منسلک ہے۔

نمونہ حصص داری

30.06.2017 نمونہ حصص داری منسلک ہے

اعتراف

بورڈ اس موقع پر اپنے معزز حصص داروں کی مسلسل حمایت اور حوصلہ افزائی کیلئے انکی شکرگزار ہے۔ اور اسی موقع پر بورڈ اپنے ملازمین کی انتھک محنت اور کام سے لگاؤ کی بھی تعریف کرتا ہے۔

تاریخ 7 اکتوبر 2017

بورڈ کی جانب سے

چیف ایگزیکٹو آفیسر

انسانی وسائل اور صنعتی تعلقات

آپکی کمپنی نے قومی اور بین الاقوامی معیار کے مطابق ملازمین کی شمولیت کیلئے اصول وضع کر رکھے ہیں یہ اصول نسل پرستی، ذات اور جنس کو خاطر میں لائے بغیر وضع ہیں۔اس کے علاوہ کمپنی میں دوستانہ ماحول میں کام کو یقینی بنانے کیلئے بھی اصول وضوابط بنا رکھے ہیں یہی چیز روزگار کے حصول کو منظم کرتی ہے۔

فی حصہ آمدنی

فی حصہ آمدنی برائے مالی سال 2017 0.20 روپے رہا

منافع

مذکورہ بالا حالات کے پیش نظر بورڈ آف ڈائریکٹرز منافع برائے مالی سال 2017 کی تقسیم کے حق میں نہیں

احتیاط اور وعدے

30.06.2017 کو ختم ہونے والے سال کے متعلق نوٹ نمبر 20 کے مطابق جاری مقدمے کی سماعت اور عدالت سے متعلق دیگر معاملات میں کوئی تبدیلی نہ ہے۔

مستند یا منظم گورننس

سال کے دوران آپ کی کمپنی کارپوریٹ گورننس کے ضابطہ اخلاق پر عمل پیرا رہی ہے۔

آڈیٹرز رپورٹ

آڈیٹرز کے تحفظات سے متعلق مالیاتی رپورٹ کے نوٹ نمبر 1.2 کو مدنظر رکھتے ہوئے آپکی کمپنی کی انتظامیہ اس کوشش میں ہے کہ پیداوری حکمت عملی کو بہتر بنانے اور اخراجات کو کنٹرول کر کے منافع کو بہتری کی طرف لے جاسکے اس سلسلے میں انتظامیہ تمام چیلنجوں کا مقابلہ کرنے کیلئے مثبت نظر آرہی ہے۔

نوٹ نمبر 20.1.1 سے متعلق آڈیٹرز کے تحفظات کے بارے میں ہم اس بات کی وضاحت کرنا چاہتے ہیں کے تمام معاملات کمپنی کے حق میں جائیں گے۔

بورڈ آف ڈائریکٹرز کے اجلاس

زیر جائزہ سال کے دوران چھ اجلاس منعقد ہوئے ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

نام ڈائریکٹر		تعداد حاضری
جناب عمران زاہد	(چیف ایگزیکٹو آفیسر)	6
جناب زاہد انوار		6
محترمہ رخسانہ بیگم		6
مس قرۃ العین زاہد		6
جناب انوار الحق		6
جناب محمد علی		6

ڈائریکٹرز رپورٹ برائے ممبران

آپ کے ڈائریکٹرز 30.06.2017 کے مالی سال کے اختتام پر تیسویں سالانہ اجلاس کے انعقاد پر خوشی محسوس کرتے ہیں

مالیاتی نتائج

	روپے (ملین میں) اختتام مالی سال 30.06.2016	اختتام مالی سال 30.06.2017
سیلز	211.994	602.288
مجموعی نقصان	(31.266)	(4.744)
ٹیکس کی پروویژن	(7.483)	(9.707)
بعد از ٹیکس منافع / (نقصان)	(42.415)	2.573
فی شیئر آمدنی / (نقصان) - بنیادی (روپے)	(3.37)	0.20

سال کے دوران کمپنی نے اقتصادی اور سیاسی بحران کے باوجود پچھلے سال کے مقابلے میں منافع کو بہتر بنایا ہے۔ گذشتہ سال بھی فروخت کے مقابلے میں اس سال فروخت 602.288 ملین روپے ہے جبکہ پچھلے سال کی فروخت 211.994 ملین روپے تھی۔ جوکہ اس 185% زیادہ ہے گذشتہ سال کی فروخت کے 3.80% کے مقابلے میں فروخت کے 1.044% آپریشنل اخراجات کم ہوئے ہیں

مستقبل کا نقطہ نظر

کمپنی کاروباری لاگت میں کمی اور آپریشن میں بہتری کی بدولت منافع میں مسلسل اضافہ کے عزم پر قائم ہے۔ پلانٹ اور مشینری کی مرمت عمل لائی جارہی ہے تاکہ اس کی کارکردگی اور مصنوعات کی کوالٹی میں اضافہ ہوسکے۔

مستند یا منظّم سماجی ذمہ داری

آپ کی کمپنی ماحولیاتی ملازمین برادری کی سماجی ذمہ داریوں سے بخوبی واقف ہے۔ اسی سلسلے کے پیش نظر بین الاقوامی معیار کو اپناتے ہوئے تیسری پارٹی سرٹیفکیٹ حاصل کر رکھا ہے جوکہ درج ذیل ہے

کوالٹی مینجمنٹ سسٹم	ISO 9001 : 2008

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