J.A. TEXTILE MILLS LIMITED

Financial Statements
For the Year Ended June 30, 2018

COMPANY INFORMATION

Board of Directors

Chair Person:	Mrs. Rukhsana Begum
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. Zeeshan Ahmad
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

جے اے ٹیکسٹائل ملز لمیٹڈ

چیئرمین کا جائزہ

ہم بصد خوشی کمپنی کے مالی نتائج پیش کر رہے ہیں۔ اس سال کی سیل پچھلے سال کی سیل کے مقابلے میں زیادہ ہے۔ اور اس سال منافع پچھلے سال کی نسبت بڑھ کر 30.946 ملین ہوا ہے۔

ہم اس بات پر امید ہیں کہ کمپنی اس سال کی ترقی کی طرف گامزن رہے گی۔ اور اس سال بہتر نتائج حاصل کرنے کیلئے کاروبار کے بہترین طریقے اختیار کریں گے۔

مینجمنٹ اس سلسلے میں پرعزم ہے کہ آپ کی کمپنی کی مالی کارکردگی کو برقرار رکھنے کے معاملے پر خصوصی توجہ مرکوز رکھے۔ ہم اپنے حصص یافتگان، کسٹمرز اور سٹاف کے شکر گزار ہیں جنکی مدد اور اعتماد کمپنی کو حاصل رہا۔

آخر میں میں بورڈ آف ڈائریکٹرز کا بھی شکریہ ادا کرنا چاہتا ہوں جن کی طرف سے پورے سال کے دوران قیمتی شراکت اور رہنمائی فراہم کی جاتی رہی۔

بورڈ کی طرف سے

چیئر پرسن بورڈ آف ڈائریکٹرز
رخسانہ بیگم

05 اکتوبر 2018
فیصل آباد

J. A. TEXTILE MILLS LIMITED
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 27.10.2018 to transact the following business :-

1. To confirm the minutes of the Annual General Meeting held on 28.10.2017.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2018 together with the Directors' and Auditor's reports thereon.
3. To appoint auditors for the year ending June 30, 2019 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: 05.10.2018 (Company Secretary)

NOTES:

1. The share transfer books of the company will remain closed from 20.10.2018 to 28.10.2018 (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.

ڈائریکٹرز رپورٹ برائے ممبران

آپ کے ڈائریکٹرز 30.06.2018 کے مالی سال کے اختتام پر اکتیسویں سالانہ اجلاس کے انعقاد پر خوشی محسوس کرتے ہیں

مالیاتی نتائج

	روپے (ملین میں)	
آپریٹنگ تفصیلات	اختتام مالی سال	اختتام مالی سال
	30.06.2018	30.06.2017
فروخت	1.141.797	602,288
مجموعی آمدن / خسارہ	25.728	(4.744)
ٹیکس کیلئے پروویژن	(8.731)	(9.707)
بعد از ٹیکس آمدن / خسارہ	30.946	2.573
آمدن فی شیئر	2.46	0.20

منظم سماجی ذمہ داری

آپ کی کمپنی ماحولیاتی ملازمین اور برادری کی سماجی ذمہ داریوں سے بخوبی واقف ہے۔ اسی سلسلے کے پیش نظر صحتمند اور پرسکون ماحول مہیا کیا جارہا ہے۔

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

آڈیٹر رپورٹ:

آڈیٹرز کے تحفظات سے مطلق مالیاتی رپورٹ کے نوٹ نمبر 1.2 کو مدنظر رکھتے ہوئے آپ کی کمپنی کی انتظامیہ اس کوشش میں ہے کہ پیداواری 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۔

ہم تصدیق کرتے ہیں:

1) مالیاتی حسابات کمپنیز ایکٹ 2017 کے مطابق بالکل ایماندارانہ طور سے تیار کیئے گئے ہیں۔ جو کہ کمپنی کے آپریٹنگ نتائج، کیش فلو سٹیٹمنٹ اور ایکوئٹی سٹیٹمنٹ کے ساتھ شامل ہیں۔

2) پراپر بکس آف اکاؤنٹس کمپنیز ایکٹ 2017 کے مطابق تیار کی گئی ہیں۔

3) مناسب اکاؤنٹنگ کی پالیسیوں کو مسلسل لاگو کیا گیا ہے۔ اور حساب کتاب کا تخمینہ مناسب اور پرکشش فیصلے پر مبنی ہے۔

4) بین الاقوامی رپورٹنگ معیارات، پاکستان میں قابل عمل کے طور پر مالی بیانات ان اکاؤنٹس کی تیاری میں شامل کیئے گئے ہیں۔

5) اندرونی کنٹرول کا نظام پورے سال نافذ کیا گیا اور اسکی نگرانی کی گئی۔

6) کمپنی کے جاری رہنے کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔

7) کارپوریٹ گورننس اور بہترین پریکٹس، لسٹنگ ریگولیشن سے کوئی بڑا فرق نہیں ہے۔

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

9) ادا شدہ ٹیکس یا ڈیوٹی فنانشل سٹیٹمنٹ میں بیان کی گئی ہے۔

DIRECTORS' REPORT

Your Board of Directors is pleased to present 31st annual report together with audited accounts of the Company for the year ended June 30, 2018.

Operating Indicators	June 30, 2018 Rupees in Millions	June 30, 2017 Rupees in Millions
Sales	1.141.797	602.288
Gross Profit/Loss	25.728	(4.744)
Provision for taxation	(8.731)	(9.707)
Profit/(loss) after Taxation	30.946	2.573
Profit/Loss per share	2.46	0.20

Compliance to good Governance and social 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.

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.

Auditors' report- Going Concern Uncertainty

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, 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.

We confirm that:

a) Financial statements have been prepared in conformity with the requirement of the Companies Act 2017and present fairly state of affairs, results of its operation, cash flows and changes in equity.

b) Proper books of accounts have been maintained in the manner required under Companies act 2017.

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 being implemented and monitored.

f) There are no significant doubts about 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.

h) The key operating and financial data of last six years is annexed to this report.

i) Outstanding duties and taxes, if any, have been disclosed in the financial statements.

10) چیئرمین کا جائزہ برائے کمپنی کی کارکردگی 30.06.2018 اور دیگر معاملات سے نمٹنے کا معاملہ اس رپورٹ کا حصہ ہے۔

11) ملازمین کے پراویڈنٹ فنڈ کی مالیت 30.06.2018 کو 7.58 ملین روپے ہے۔

11.1) کمپنی نے اپنے ڈائریکٹر کیلئے بہتر تربیتی پروگراموں کا آغاز کیا ہے۔

11.2) کارپوریٹ گورننس کے بہترین طریقوں کے مطابق تعمیل کا بیان ساتھ منسلک ہے۔

11.3) ہم اس بات کی تصدیق کرتے ہیں کہ ڈائریکٹرز اور سی ایف او اور انکے بچوں نے سال کے دوران کمپنی کے حصص میں کوئی ٹرانزیکشن نہیں کی۔

شیئر ہولڈرز پیٹرن برائے سال 30.06.2018 اس رپورٹ کے ساتھ منسلک ہے۔

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

نام ڈائریکٹر	تعداد حاضری
جناب عمران زاہد (CEO)	5
جناب زاہد انوار	5
محترمہ رخسانہ بیگم (چیئرپرسن)	4
مس قرۃ العین زاہد	4
جناب محمد انوار الحق	5
جناب محمد علی	5
جناب محمد یوسف	5

گذشتہ سالوں کے نقصانات کو دیکھتے ہوئے کسی قسم کے ڈیویڈنڈ کی منظوری نہیں دی گئی۔

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

نام ڈائریکٹر	تعداد حاضری
جناب محمد انوار الحق	3
جناب محمد علی (چیئرمین)	4
مس قرۃ العین زاہد	2

زیر جائزہ سال کے دوران ایک اجلاس منعقد ہوا ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے۔

جناب عمران زاہد	1
جناب محمد انوار الحق (چیئرمین)	1
جناب محمد یوسف	1

آڈیٹرز

موجودہ آڈیٹرز میسرز کریسٹن حیدر بھیم جی اینڈ کو چارٹرڈ اکاؤنٹنٹس ریٹائر ہوگئے تاہم دوبارہ تعیناتی کی پیش کش کی گئی جس پر آڈٹ کمیٹی نے بھی انہیں برائے سال 2019 تعیناتی کیلئے تجویز دی ہے۔

بورڈ کی جانب سے

چیف ایگزیکٹو آفیسر

تاریخ: 5 اکتوبر 2018

فیصل آباد

j) The Chairman's review dealing with the performance of the Company during the year ended June 30, 2018 forms part of this report.

k) Value of investments of Employees Provident Fund was Rs. 7.58/- millions for the year ended June 30, 2018.

l) Company has arranged in-house training program for its Directors.

m) Statement of compliance with the Best Practices of Corporate Governance is annexed.

n) We confirm that directors and CFO and their spouse and minor children have made no transactions of the Company's shares during the year.

o) Transactions undertaken with related parties during the financial year have been ratified by the Audit Committee and approved by the Board.

p) The pattern of shareholding as at June 30, 2018 is annexed with this report.

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

Mr. Imran Zahid (CEO)	5
Mr. Zahid Anwar	5
Mrs. Rukhsana Begum (Chairman)	4
Ms. Qurat ul Ain Zahid	4
Muhammad Anwar ul Haq	5
Muhammad Ali	5
Muhammad Yousaf	5

- Considering the accumulated losses brought forward, no dividend is recommended for the year ended June30, 2018.

- The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

Muhammad Anwar ul Haq	3
Muhammad Ali (Chairman)	4
Ms. Qurat ul Ain Zahid	2

- The HR Committee held one (1) meeting during the year. Attendance by each member was as follows:

Muhammad Anwar ul Haq (Chairman)	1
Mr. Imran Zahid	1
Mr. Muhammad Yousaf	1

- 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 2019 on same terms and conditions.

On behalf of board of directors.

Imran Zahid
Chief Executive
October 05, 2018

J A TEXTILE MILLS LIMITED

CHAIRMAN'S REVIEW

We are pleases to present the financial results of the company. The sale has increased in this year as compared to the last year & company has earned Rs.30.946 million in this year as compared to last year,

We are confident that our existing business trend will continue adding to sustainable growth to achieve better results during the current year and the rise in other avenues of business will further and value to the net worth of the company.,

The management remains committed to maintain focus on sustaining the financial performance of the company. We thank our shareholders, customers, bankers and staff for their support and trust in the company.

In the end, I would like to thank the board of directors for their valuable contribution and guidance throughout the company.

For and on behalf of the Board of Directors

RUKHSANA BEGUM
Chairperson BOD

FAISALABAD
OCTOBER 05,2018

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Independent Auditor's Report To the members of J.A. Textile Mills Limited

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

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

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

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

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

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

Kreston Hyder Bhimji & Co. Chartered Accountants

Date: October 05, 2018
Place: Faisalabad

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

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

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE J. A. TEXTILE MILLS LIMITED FOR THE YEAR ENDED JUNE 30, 2018

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

1. The total number of directors are seven (7) as per the following:

Gender	Number
Male	5
Female	2

2. 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.

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.

4. 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.

5. No casual vacancy occurred in the Board during the year.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. During the year, there was no change in the position of Company Secretary, Chief financial Officer (CFO) and Head of Internal Audit.

12. 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.

13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

14. 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.

15. The company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

24. 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.

25. We confirm that all other material principles enshrined in the Code of Corporate Governance have been complied with.

IMRAN ZAHID
CHIEF EXECUTIVE
OCTOBER 05, 2018

KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS

PARTICULARS	2017	2016	2015	2014	2013	2012
	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
FINANCIAL POSITION						
Fixed assets (Cost/Revalued)	644.20	642.8	643.22	596.6	575.4	540.01
Accumulated depreciation	243.22	223.85	202.66	180.83	160.41	140.7
Current assets	73.519	51.232	77.419	134.94	138.81	72.502
Paid up capital	126.01	126.01	126.01	126.01	126.01	126.01
Current liabilities	213.67	347.11	358.99	181.12	94.409	77.904
INCOME						
Sales	602.28	211.99	584.67	747.14	860.04	589.26
Other income	23.333	4.414	8.748	3.085	2.256	2.362
Pre-tax profit/(loss)	12.280	-34.93	-39.34	-69.12	46.292	11.72
Taxation charge/(credit)	9.707	7.483	-11.9	-26.07	17.299	10.323
STATISTICS AND RATIOS						
Pre-tax profit/(loss) to sales %	2.03	-6.73	-6.73	-9.25	5.38	1.99
Pre-tax profit/(loss) to capital %	9.74	-27.72	-32.77	-46.88	24.31	7.23
Current Ratio	01:00.2	01:00.2	01:00.2	01:00.7	01:01.5	01:00.9
Paid up value per share (Rs.)	10	10	10	10	10	10
Earning after tax per share (Rs.)	0.20	-3.37	-2.18	-3.42	2.25	0.11
Break-up value per share (Rs.)	9.66	6.16	9.52	11.7	15.11	12.87

Independent Auditor's Report To the members of J.A. Textile Mills Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **J.A textile Mills Limited ("the Company")**, which comprises the statement of financial position as at June 30, 2018, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Opinion

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

Material Uncertainty relating to Going Concern

we draw attention of the members to the contents of note 1.2 to the annexed financial statements, which indicates that its accumulated loss stands at Rs. 209.641 million against the paid up share capital of Rs. 126.012 as at June 30, 2018 and as of that date, the Company's current liabilities exceeded its current assets by Rs. 101.738 million. Although the Company has earned net profit of Rs. 30.964 million during the current year but these factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our audit report.

Following are the Key Audit Matter(s):

<table>
<tr><th>S. No</th><th>Key Audit Matter(s)</th><th>How the Matter was addressed in audit</th></tr>
<tr><td>1.</td><td colspan="2">Revenue recognition:</td></tr>
<tr><td></td><td>As per ISA 240, there is a presumed risk of material misstatement due to inappropriate revenue recognition. This may either result from an overstatement of revenues through premature revenue recognition or recording fictitious revenues or understatement of revenues through improperly shifting revenues to a later period.

This revenue may also be manipulated through the use of inappropriate rates for the overstatement of revenue to achieve desired financial results.

In view of significant doubt about the Company's ability to continue as a going concern and presumed risk of material misstatement involved, we have considered this as a key audit matter.

The policy related to recognition of revenue by the company is provided in note - 5.17 to the annexed financial statements.</td><td>In this regard, our audit procedures included:

• Understanding the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the company.

• Performing cut-off procedures for a sample of revenue transactions at year end in order to conclude on whether they were recognized at the moment the related transaction actually took place.

• Analyzing other adjustments and credit notes issued after the reporting date.

• Performing analytical procedures on entries in the daily ledger related to revenue made by the Company. These procedures were carried out paying special attention to accounting entries recorded close to the year end closing or subsequently, as well as those deemed unusual due, among other reasons, to their nature, amount, and date of occurrence.

• Reviewing disclosures included in the notes to the annexed financial statements.</td></tr>
</table>

2.	**Contingencies:**	
	The Company is subject to a legal, regulatory and tax matters, many of which are beyond its control. Consequently, the management make judgments about the incidence and quantum of such liabilities arising from litigation, tax and regulatory claims which are subject to the future outcome of legal or regulatory processes. There are a number of legal and regulatory matters for which no provision has been established, as discussed in note – 20 to the financial statements. There is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis. Importantly, the decision to recognize a provision and the basis of measurement are judgmental.	• We assessed and tested the design and operating effectiveness of the controls over the identification, evaluation, provisioning and reporting of legal, tax and regulatory matters. We determined that we could rely on these controls for the purposes of our audit. • In view of the significant judgements required, we evaluated the Company's assessment of the nature and status of litigation, claims and provision assessments, and discussed with management to understand the legal position and the basis of material risk positions. We received legal letters from the Company's external counsel setting out their views in major cases. • Specifically, we challenged the timing of recognition for cases where there was potential exposure but it was not clear that a provision should be raised e.g. where obtaining reliable estimates are not considered possible. • As set out in the financial statements, the outcome of litigation and regulatory claims are dependent on the future outcome of continuing legal and regulatory processes and consequently the calculations of the provisions are subject to inherent uncertainty.
3.	**Taxation:**	
	As described in Critical Accounting Estimates and Judgments note – 3 and Taxation note – 5.7 to the annexed financial statements, significant judgment is required in determining the provision for income tax, both current and deferred, as well as assessment of provision for uncertain tax positions including estimates of penalties / default surcharge,	• We evaluated the design and implementation of controls in respect of provisions for current tax and the recognition of deferred tax. • We discussed with management the adequate implementation of company policies and controls regarding current and deferred taxation as well as the

	where appropriate. The statement of financial position includes deferred taxation of Rs. 66.790 million. The tax expense recognized in statement of profit or loss of Rs. 8.732 million represent 22% of company's profit before tax. Detail of all current and deferred tax balances are disclosed in note 18 and 28 to the financial statements. Due to their significance to the financial statements as a whole, combine with the judgment and estimation required to determine their values, the evaluation of current and deferred tax balances is considered to be a key audit matter.	reporting of uncertain tax positions. • We examined the procedures in place for the current and deferred tax calculations for completeness and valuation and audited the related tax computations and estimates in the light of our knowledge of the circumstances. • We considered management assessment of the validity and adequacy of provision for uncertain tax provision, evaluating the basis of assessment and reviewing relevant correspondence and legal advice where available including any information regarding similar cases with the relevant tax authorities. • In respect of deferred tax assets and liabilities, we assessed the appropriateness of management assumptions and estimates. • We reviewed the disclosures in the note 18 and 28 to the annexed financial statements.
4.	**Inventories**	
	The company has significant levels of inventories amounting to Rs. 99.89 million as at the reporting date, being 19% of the total assets of the company. There is a risk in estimating the eventual NRV of items held, as well as assessing which items may be slow-moving or obsolete. The Company's principal accounting policy on stores and spares and stock in trade are disclosed in notes – 5.2 and 5.3 to the financial statements and the critical accounting estimates and judgments are disclosed in note – 3 to the financial statements.	Our audit focused on whether the valuation of year-end inventory was in line with IAS 2. This included challenging judgments taken regarding obsolescence and net realizable value provisions. We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventories by: • Attending the year end stock take to gain comfort over the existence and condition of inventories and internal controls designed by the company. • Obtaining the final valuation sheets of the inventories and tracing quantities

	Further, the company has also changed its accounting policy relating to valuation of packing materials from weighted average to moving average cost. The impact of said change in accounting policy has been disclosed in note - 5.18.1 to the annexed financial statements. The significance of the balance coupled with the judgments and estimates involved on their valuation and change in accounting policy has resulted in the inventories being considered as a key audit matter.	from working papers of observation of physical stock taking. • Obtaining understanding of internal controls designed by the company over recording of purchases and valuation of the inventories, and testing their operating effectiveness on sample basis. • Assessing historical costs recorded in the inventory valuation by performing test of details on purchases. Evaluating that the valuation basis used are appropriate and consistent except for change in policy as disclosed in note 5.18.1, including analysis of costing of different items on sample basis. • Assessing the management's determination of the net realizable values and intended use of the inventories including performing tests on the sales prices fetched by the company before and after year end. • Performing analytical and other relevant audit procedures. • Considering the adequacy of the company's disclosures in respect of inventories.
5.	**First time application of third and fourth schedules to the Companies Act, 2017**	
	As referred to in note 4.1 to the annexed financial statements, the Companies Act, 2017 (Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended June 30, 2018. The Companies Act, 2017 (including third and fourth schedules) forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial	Our audit procedures included the following: • Considering the management's process to identify the necessary amendments required in the Company's financial statements. • Evaluating the results of management's analysis and key decisions taken in respect of the transition, using our knowledge of the relevant requirements of the third and fourth schedules to the Companies Act, 2017

	statements. As part of this transition to the requirements of the said third and fourth schedules, the management performed a gap analysis to identify differences between the previous reporting framework and the current reporting framework and as a result assessed the amendments (as specified in the said note 4.1) relating to disclosures required in the Company's financial statements. Further, the company has also changed its accounting policy relating to preparation and measurement of surplus on revaluation of fixed assets as a consequence of the application of the Act with retrospective effect. The impact of said change in accounting policy has been disclosed in note - 5.18.2 to the annexed financial statements. The above changes and enhancements in the financial statements are considered as a key audit matter in view of the extensive impacts in the financial statements due to the Companies Act, 2017.	and our understanding of the Company's operations and business. • Assessing the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures made in the annexed financial statements based on the new requirements.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information; we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Board of directors is responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements:

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

a) proper books of account have been kept by the Company/branches as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows (together with the notes thereon have been drawn up in conformity with the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were in accordance with for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Khan Muhammad - FCA.

Date: October 05, 2018
Place: Faisalabad

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

J. A . TEXTILE MILLS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	Note	2018 Rupees	Restated 2017 Rupees	Restated 2016 Rupees
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	6	398,352,788	401,952,657	420,915,619
Long term deposits	7	17,427,380	17,422,380	16,805,880
		415,780,168	419,375,037	437,721,499
CURRENT ASSETS				
Stores and spares	8	9,125,475	6,960,094	9,305,185
Stock in trade	9	90,766,858	46,582,264	7,469,096
Trade debts	10	6,056,856	1,079,569	373,662
Advances, prepayment and other receivables	11	1,365,325	5,825,788	3,414,994
Short term investment	12	341,529	372,294	351,997
Tax refunds due from government	13	6,838,519	8,921,314	12,576,581
Cash and bank balances	14	3,012,176	3,777,508	17,741,044
		117,506,738	73,518,831	51,232,559
TOTAL ASSETS		533,286,906	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	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	126,011,600
Accumulated loss		(209,641,063)	(247,875,140)	(258,035,889)
(Deficit)/Surplus on remeasurement of investments available for sale to fair value		(30,951)	128,989	108,692
Surplus on revaluation of property, plant and equipment	15	204,986,679	201,952,923	209,539,941
Loan from related parties	16	125,926,743	127,097,279	136,268,501
		247,253,008	207,315,651	213,892,845
NON CURRENT LIABILITIES				
Long term financing	17	-	4,000,000	
Deferred liabilities	18	66,789,618	67,906,860	64,222,596
		66,789,618	71,906,860	64,222,596
CURRENT LIABILITIES				
Trade and other payables	19	214,800,560	202,116,887	173,252,272
Unclaimed dividend		443,720	443,720	443,720
Accrued mark up/interest		-	-	22,031,875
Short term borrowings		-	-	15,110,750
Current portion of long term financing	17	4,000,000	11,110,750	-
		219,244,280	213,671,357	210,838,617
CONTINGENCIES AND COMMITMENTS	20	-	-	-
TOTAL EQUITY AND LIABILITIES		533,286,906	492,893,868	488,954,058

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

J. A . TEXTILE MILLS LIMITED

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
Sales - net	21	1,141,797,358	602,288,354
Cost of sales	22	(1,116,069,214)	(607,033,081)
Gross profit/(Loss)		25,728,144	(4,744,727)
Operating expenses			
Distribution cost	23	(185,542)	(400,790)
Administrative expenses	24	(9,550,613)	(5,888,246)
Other operating expenses	25	(2,088,329)	-
		(11,824,484)	(6,289,036)
Profit/(Loss) from operations		13,903,660	(11,033,763)
Finance cost	26	(40,396)	(19,309)
Other income	27	25,814,988	23,333,951
Profit before taxation		39,678,252	12,280,879
Taxation	28	(8,731,783)	(9,707,148)
Profit for the year		30,946,469	2,573,731
Earnings per share - basic and diluted	29	2.46	0.20

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

J. A . TEXTILE MILLS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	2018 Rupees	2017 Rupees
Profit for the year	30,946,469	2,573,731
Other comprehensive income for the year:		
Items that may be subsequently reclassified to profit or loss:		
Unrealized (loss)/income on changes in fair value of investment	(30,951)	20,297
Gain realised on disposal of short term investments	(128,989)	-
	(159,940)	20,297
Items that will not be reclassified subsequently to profit or loss		
Surplus on revaluation of property, plant and equipment - net of deferred tax	24,709,391	-
Impairment of revalued property, plant and equipment - net of deferred tax	(14,388,027)	-
	10,321,364	-
Total Comprehensive income for the year	41,107,893	2,594,028

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

J. A. TEXTILE MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

	Share Capital	Accumulated loss	Surplus/(Deficit) on remeasurement of investments available for sale to fair value	Surplus on revaluation of property, plant and equipment	Loan from related parties	Total
	[R u p e e s]					
Balance as at July 01, 2016 - as reported	126,011,600	(258,035,889)	108,692	-	-	(131,915,597)
Impact of change in accounting policy (note 5.18)	-	-	-	209,539,941	-	209,539,941
Loan from related parties reclassified as equity (note 16)	-	-	-	-	136,268,501	136,268,501
Balance as at July 01, 2016 - as restated	126,011,600	(258,035,889)	108,692	209,539,941	136,268,501	213,892,845
Total comprehensive income 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-restated (note 15)	-	10,838,599	-	(10,838,599)	-	-
Tax effect on incremental depreciation-restated (note 15)	-	(3,251,581)	-	3,251,581	-	-
Repayment of loan during the year	-	-	-	-	(9,171,222)	(9,171,222)
Balance as at June 30, 2017 - as restated	**126,011,600**	**(247,875,140)**	**128,989**	**201,952,923**	**127,097,279**	**207,315,651**
Total comprehensive income for the year						
Profit for the year	-	30,946,469	-	-	-	30,946,469
Other comprehensive income	-	-	(159,940)	10,321,364	-	10,161,424
	-	30,946,469	(159,940)	10,321,364	-	41,107,893
Incremental depreciation on revalued property, plant and equipment for the year (note 15)	-	10,410,869	-	(10,410,869)	-	-
Tax effect on incremental depreciation (note 15)	-	(3,123,261)	-	3,123,261	-	-
Repayment of loan during the year	-	-	-	-	(1,170,536)	(1,170,536)
Balance as at June 30, 2018	**126,011,600**	**(209,641,063)**	**(30,951)**	**204,986,679**	**125,926,743**	**247,253,008**

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

J. A . TEXTILE MILLS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		39,678,252	12,280,879
Adjustments for non cash and other items:			
Depreciation		19,188,721	20,188,332
Profit on deposit accounts		(496,249)	(363,189)
Exchange gain on foreign currency retranslation		(16,102)	(194)
Profit on deposit with SNGPL		(530,921)	(723,323)
Profit on short term investment		(129,175)	-
Gain on disposal of vehicle		-	(215,370)
Balances written back		(24,642,541)	-
Remission of markup / interest on settlement with MCB Bank Limited		-	(22,031,875)
Workers' profit participation fund		2,088,329	-
Reversal of profit on deposit with SNGPL		447,053	-
Finance cost		40,396	19,309
Operating cash flows before working capital changes		35,627,763	9,154,569
Changes in working capital			
(Increase)/decrease in current assets			
Stores and spares		(2,165,381)	2,345,091
Stock in trade		(44,184,594)	(39,113,168)
Trade debts		(4,977,287)	(705,907)
Advances, prepayment and other receivables		4,181,338	(2,575,719)
Tax refunds due from Government		(1,746,483)	(332,835)
Increase in current liabilities			
Trade and other payables		38,025,344	50,896,490
		(10,867,063)	10,513,952
Cash generated from operations		24,760,700	19,668,521
Profit on deposit accounts received		446,178	695,731
Profit on deposit with SNGPL received		413,063	555,706
Finance cost paid		(40,396)	(19,309)
Remission of markup / interest on settlement with MCB Bank Limited		-	(22,031,875)
Exchange gain on foreign currency retranslation		16,102	194
Income tax paid		(12,258,478)	(2,034,782)
Security deposit paid		(5,000)	(616,500)
Net cash generated from/(used) in operating activities		13,332,169	(3,782,314)
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(1,816,215)	(1,320,000)
Sale proceeds from the disposal of vehicle		-	310,000
Net cash used in investing activities		(1,816,215)	(1,010,000)
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(11,110,750)	-
Repayment of loan from related parties		(1,170,536)	(9,171,222)
Net cash used in financing activities		(12,281,286)	(9,171,222)
Net decrease in cash and cash equivalents	(a+b+c)	(765,332)	(13,963,536)
Cash and cash equivalents at the beginning of the year		3,777,508	17,741,044
Cash and cash equivalents at the end of the year	14	3,012,176	3,777,508

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

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 repealed Companies Ordinance, 1984 (now Companies Act 2017). 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 Going concern assumption

The Company has accumulated loss of Rs. 209.641 million (2017: Rs. 247.875 million) as against issued, subscribed and paid up capital of Rs. 126.012 million and its current liabilities exceeded its current assets by Rs. 101.738 million (2017: Rs.140.153 million) as at June 30, 2018. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and the Company may be unable to realize its assets and discharge its obligations in the normal course of business.

Inspite of the huge accumulated losses and negative 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 balancing and modernization of plant and machinery in previous years, improvement in future industry situation and better production efficiency has resulted in profit for the year. 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 as it is also evident from the current period results. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going concern basis.

1.3 SIGNIFICANT TRANSACTIONS AND EVENTS

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

1.3.1 During the year the Company's operating fixed assets has been revalued causing a revaluation surplus of Rs. 10,321,364 net of deferred tax. Detail disclosed in note. 15 to the financial statements.

1.3.2 The amounts of surplus on revaluation of property, plant and equipment for the previous years have been restated due to change in accounting policy resulting from applicability of the Companies Act, 2017 as detailed in note 5.18.2.

1.3.3 During the year loan from chief executive, directors and members amounting to Rs. 125,926,743/- has been reclassified as part of equity. Detail disclosed in note 16 to the financial statements.

1.3.4 For a detailed discussion about the Company's performance please refer to the Directors' report.

All other significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for 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 the statement of cash flows.

2.3 Functional and presentation currency

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

3. CRITICAL ACCOUNTING 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 5.7
- Provisions - note 5.10
- Contingencies - note 5.11
- Impairment losses - note 5.16

4. NEW AND REVISED STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

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

- The Companies Act, 2017:

The Companies Act, 2017 (the Act) has brought certain changes with regard to preparation and presentation of financial statements of the Company. The third and fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements and prescribes the nature and content of disclosures in relation to various elements of the financial statements. These changes and additional disclosures include but are not limited to change in nomenclature of primary statements, change in respect of recognition criteria of revaluation surplus of property, plant and equipment (refer note 5.18.2), forced sales value of revalued assets (refer note 6.6), immovable assets of the Company (refer note 6.7), disclosure of factory employees (refer note 35) and management assessment of sufficiency of tax provision in the financial statements (refer note 81.3) etc.

- Amendment to IAS 7 'Cash flow statements':

Amendment in this standard 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 covers only the items of financial position 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 separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. This amendment has resulted an additional disclosure in these financial statements (refer note 30).

- Amendment to IAS 12 'Income Taxes':

This amendment on the recognition of deferred tax assets for unrealized losses clarify how to account for deferred tax assets related to debt instruments measured at fair value. It is unlikely that the amendment will have any impact on the Company's financial statements.

The other amendments to published standards and interpretations that are mandatory for the financial year are considered not to be relevant or to have any significant impact on the Company's financial reporting and operations and are therefore not disclosed in these financial statements.

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

- 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. The amendments are not likely to have an impact on Company's financial statements.

- Amendment to IAS 19 'Employee Benefits'-Plan Amendment, Curtailment or Settlement (effective for annual period beginning on or after January 01, 2019).

The amendments to IAS 19 specify that an entity must:

(i) determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event and determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using:

(a) the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and

(b) the discount rate used to remeasure that net defined benefit liability (asset); and

(ii) determine any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is to be recognised in profit or loss. An entity then determine the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in net interest, is recognised in other comprehensive income.

The amendments are not likely to have an impact on company's financial statements.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long term investment in Associates and Joint Ventures (effective for annual period beginning on or after January 01, 2019).

The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendment is not likely to have an impact on the Company's financial statements.

- **Amendment to 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.

- **Amendment to IFRS 4 'Insurance Contract'- Applying IFRS 9 'Financial Instruments' with IFRS 4 (effective for annual period beginning on or after 1 July 2018).**

The amendment address issue arising from the different effective dates of IFRS 9 and the forthcoming new insurance contract standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to reclassify the effects of some of the accounting mismatches, from profit or loss to other comprehensive income, that may occur from applying IFRS 9 before IFRS 17 is applied. 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 July 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.

- **Amendment to IFRS 9 'Financial Instrument'- prepayment Features with Negative Compensation and modifications of financial liabilities (effective for annual period beginning on or after January 01, 2019).**

The amendment allow debt instruments with negative compensation prepayment features to be measured at amortized cost or fair value through other comprehensive income. The amendment also clarified that any adjustment arising on modifications of financial liabilities that do not result in derecognition should be recognized in profit or loss at the date of modification or change. The amendment is not likely to have an impact on the Company's financial statements.

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

This standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes (if any) on adoption of the standard.

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

IFRS 16 introduces a single accounting model for lessee and requires a lessee to recognize 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 recognize 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 amendment is not likely to have an impact on the Company's financial statements.

- **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 recognized. 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 recognized. 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. The amendment is not likely to have an impact on the Company's financial statements.

- **IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 01, 2019).**

IFRIC 23 clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The full impact of the future adoption is currently under review.

- **Annual improvements to IFRS standards 2014-2016 cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after January 01, 2018).**

Amendments to IAS 28 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. The amendments are not likely to have an impact on Company's financial statements.

- **Annual Improvements to IFRS Standards 2015–2017 Cycle. The new cycle of improvements addresses improvements to following approved accounting standards (effective for annual period beginning on or after January 1, 2019).**

  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangements. The amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
  - IAS 12 Income Taxes. The amendment clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
  - IAS 23 Borrowing Costs. The amendment clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

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 - 14 'Regulatory Deferral Accounts'.
IFRS - 17 'Insurance Contracts'.

5. SUMMERY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparation of these financial statements are set out below and have been applied consistently to all periods presented in these financial statements, except as mentioned in note 5.18 below:

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 the statement of profit or loss during the period in which they are incurred.

Depreciation is charged to statement of profit or loss 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 the statement of profit or loss for the year.

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 reporting 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	Moving average cost
Work in process and finished goods	Prime cost including a proportion of production overheads.

Wastes are valued 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 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 reporting date. All exchange differences arising from foreign currency transactions / translations are charged to the statement of profit or loss.

5.6 **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.

5.7 **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.

Deferred Taxation

Deferred tax is accounted for using the balance sheet 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 reporting date. Deferred tax is charged or credited in the statement of profit or loss, 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.

5.8 **Staff retirement benefits**

Defined Contribution Plan

There is a contributory provident fund for all employees of the Company for which contributions are charged to profit or 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.

5.9 **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.

5.10 **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 reporting date and adjusted to reflect current best estimate.

5.11 **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).

5.12 **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.

5.13 **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 the statement of profit or loss in the period of incurrence.

5.14 **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.

5.15 **Financial instruments**

5.15.1 **Financial assets**

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

The investments made by the Company are classified for the purpose of measurement into the following categories:

Financial assets at fair value through profit or loss

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, in which case they are classified as non-current assets.

Held to maturity

Held to maturity are financial assets with fixed or determinable payments and fixed maturity that are quoted in an active market, where management has the intention and ability to hold till maturity .

Available for sale

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose off the investment within 12 months of the reporting date. Available for sale financial assets in such case are classified as short term investments in the statement of financial position.

All financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit and loss. Financial assets carried at fair value through profit and loss are initially recognized at fair value and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. The Company uses published net asset value (NAV) to determine the fair value of investments. Loans and receivables and held to maturity investments are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit and loss' category are presented in the profit and loss account within 'other income/other operating expenses' in the period in which they arise.

When securities classified as available for sale, gains or losses 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 or loss as re-classification adjustment.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transaction, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity – specific inputs.

5.15.2 Financial liabilities

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

Interest bearing borrowings are recognized initially at fair value less attributable transaction cost, if any. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the profit and loss over the period of the borrowings on an effective interest basis. All other financial liabilities are initially recognized at fair value minus directly attributable cost, if any, and subsequently at amortized cost using effective interest rate method.

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

5.15.3 Offsetting of financial asset and financial liability

A financial asset and a financial liability is offset and the net amount reported in the financial statements, if the Company has a legal enforceable right to offset the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.16 Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Losses are recognised as an expense in the profit and loss account. When a subsequent event causes the amount of impairment loss to decrease, this reduction is reversed through the statement of profit or loss.

Non financial assets

The carrying amounts of the Company's non-financial assets, other than stock in trade and stores and spares, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognised in profit and loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets of the unit on a pro-rata basis. Impairment losses on goodwill shall not be reversed.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

5.17 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.

5.18 CHANGE IN ACCOUNTING POLICIES

5.18.1 The Company has changed its accounting policy for valuation of packing material. Previously, in recognizing the consumption and valuation of packing material, the Company used weighted average cost, however, the Company has now adopted the moving average basis for recognizing consumption and valuation as the management considers that this change gives a better presentation of the results and financial position of the Company. This change in accounting policy has been applied prospectively in accordance with International Accounting Standard 8 (IAS-8) "Accounting Policies, Changes in Accounting Estimates and Errors" as resulting impact is considered to be immaterial.

5.18.2 During the year the Company has changed its accounting policy for the revaluation surplus on property, plant and equipment, in accordance with requirements of the accounting and reporting standards as applicable in Pakistan under the Companies Act, 2017. Previously, the Company's accounting policy for surplus on revaluation of property, plant and equipment was in accordance with the provisions of section 235 of the repealed Companies Ordinance, 1984. Further, the revaluation surplus on property, plant and equipment was shown as a separate line item below equity, in accordance with the presentation requirement of the repealed Companies Ordinance, 1984.

The Companies Act, 2017 has not retained the above mentioned specific accounting and presentation requirements of repealed Companies Ordinance, 1984. Accordingly, accounting policy has been changed in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment as provided below:

"Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading 'Surplus on revaluation of property, plant and equipment'. However the increase is recognised in statement of profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in statement of profit or loss.

Decreases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in profit or loss. However revaluation decrease that reverse previous increases of the same asset is recognised in other comprehensive income to the extent of the remaining surplus attributable to that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading 'Surplus on revaluation of property, plant and equipment'.

Following amounts are transferred directly to retained earnings from equity under the heading 'Surplus on revaluation of property, plant and equipment' through the Statement of Changes in Equity:

- an amount equal to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the original cost of that asset; or
- an amount equal to carrying amount of revaluation surplus of the asset on its disposal.

All transfers to / from the account of 'surplus on revaluation of property, plant and equipment' are net of applicable deferred income tax. Surplus on revaluation of property, plant and equipment reported under equity is not available for distribution of dividend."

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The effect of change in accounting policy is summarised below:

	30-06-2017		30-06-2016	
	As Reported	As Restated	As Reported	As Restated
	Rupees			
Effect on Statement of Financial Position				
Surplus on revaluation of property, plant and equipment (separate heading)	201,952,923	-	209,539,941	-
Surplus on revaluation of property, plant and equipment (under heading of equity)	-	201,952,923	-	209,539,941
Effect on Statement of Changes in Equity				
Surplus on revaluation of property, plant and equipment	-	201,952,923	-	209,539,941
Effect on Statement of Comprehensive Income				
Surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-

There was no cash flow impact as a result of the retrospective application of change in accounting policy.

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2018 Rupees	2017 Rupees
Operating fixed assets	6.1	398,352,788	400,980,487
Capital work in progress	6.5	-	972,170
		398,352,788	401,952,657

6.1 OPERATING FIXED ASSETS

2018

DESCRIPTION	COST / REVALUED AMOUNT					ACCUMULATED DEPRECIATION				W.D.V	
	As at July 1, 2017	Addition	Revaluation Surplus/ (Impairment)	Revaluation Adjustment	As at June 30, 2018	As at July 1, 2017	For the year	Revaluation Adjustment	As at June 30, 2018	As at June 30, 2018	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	-	28,412,241	(65,849,476)	115,130,180	63,625,939	5,157,380	(65,849,476)	2,933,843	112,196,337	5
- residential	29,130,889	-	6,886,889	(12,839,378)	23,178,400	12,421,647	1,007,634	(12,839,378)	589,903	22,588,497	5
Plant and machinery	277,452,531	1,438,000	(14,307,952)	(117,682,580)	146,900,000	113,550,645	7,907,733	(117,682,580)	3,775,798	143,124,202	5
Power Generators	60,356,217	378,215	(6,002,305)	(23,232,126)	31,500,001	21,271,591	3,633,562	(23,232,126)	1,673,027	29,826,974	10
Electric installations	16,621,598	-	(34,083)	(13,087,515)	3,500,000	12,901,511	370,305	(13,087,515)	184,301	3,315,699	10
Factory equipments	14,979,075	-	(209,984)	(7,769,091)	7,000,000	7,389,618	748,447	(7,769,091)	368,974	6,631,026	10
Electric appliances	940,688	-			940,688	814,089	12,660	-	826,749	113,939	10
Office equipments	2,875,855	-			2,875,855	2,201,233	67,462	-	2,268,695	607,160	10
Furniture and fixtures	290,516	-			290,516	260,907	2,961	-	263,868	26,648	10
Vehicles	10,188,344	-			10,188,344	8,785,461	280,577	-	9,066,038	1,122,306	20
Total	**644,203,128**	**1,816,215**	**14,744,807**	**(240,460,166)**	**420,303,984**	**243,222,641**	**19,188,721**	**(240,460,166)**	**21,951,196**	**398,352,788**	

2017

DESCRIPTION	COST / REVALUED AMOUNT					ACCUMULATED DEPRECIATION				W.D.V	
	As at July 1, 2016	Addition/ (deletion)	Revaluation Surplus	Revaluation Adjustment	As at June 30, 2017	As at July 1, 2016	For the year	Adjustment	As at June 30, 2017	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
Total	**642,800,266**	**1,402,862**	**-**	**-**	**644,203,128**	**223,848,447**	**20,188,132**	**(814,138)**	**243,222,641**	**400,980,487**	

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	Gain/(Loss)
			[R U P	E E S]		
2018	-	-	-	-	-	-
2017	Mr. Muhammad Sultan Ahmed Chak # 109/12L, PO Box Khass, Tehsil Chichawatni, Dist. Sahiwal	Negotiation	908,768	94,630	150,000	55,370

	Note	2018 Rupees	2017 Rupees
6.3 Depreciation charge for the year has been allocated as under			
Cost of sales		18,837,721	19,738,119
Administrative expenses		351,000	450,213
		19,188,721	20,188,332

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:

	2018		
	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	29,034,607	3,484,517
- Residential	6,147,674	5,227,468	920,206
Plant and machinery	306,872,818	213,999,798	92,873,020
Power Generators	46,907,500	18,726,535	28,180,965
Electric installations	12,569,808	11,375,018	1,194,790
Factory equipments	2,905,074	2,491,182	413,892
	411,770,873	280,854,608	130,916,265

	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

	Note	2018 Rupees	2017 Rupees
6.5 Capital work in progress			
Advances for capital expenditure		-	972,170

6.6 Forced sale values of revalued assets are:

	Assessed Value	Forced Sales Value
	(Rupees)	
Freehold land	78,800,000	66,980,000
Building on freehold land		
- factory	115,130,180	92,104,144
- residential	146,900,000	18,542,720
Plant and machinery	146,900,000	117,520,000
Power generators	31,500,000	25,200,000
Electric installations	3,500,000	2,800,000
Factory equipments	7,000,000	5,600,000
	529,730,180	328,746,864

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

Description	Area	Location
Freehold Land	98 - Kanal & 10 - Marlas = 98.50 - Kanal	Chak # 70 - R.B. 29 - KM, Link Mair Sheikhupura Road, Tehsil Jaranwala, District Faisalabad.
Building on Freehold Land		
- factory	Covered Area - 129,574 (S.ft)	Chak # 70 - R.B. 29 - KM, Link Mair Sheikhupura Road, Tehsil Jaranwala, District Faisalabad.
- residential	Covered Area - 33,112 (S.ft)	Chak # 70 - R.B. 29 - KM, Link Mair Sheikhupura Road, Tehsil Jaranwala, District Faisalabad.

		Note	2018 Rupees	2017 Rupees
7.	**LONG TERM DEPOSITS**			
	Security deposits	7.1	17,427,380	17,422,380

7.1 This includes Rs. 14,466,500/- (2017: Rs. 14,466,500/-) 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 3 months KIBOR minus 3% at the start of the financial year.

		Note	2018 Rupees	2017 Rupees
8.	**STORES AND SPARES**			
	Stores		931,986	875,342
	Spares		8,193,489	6,084,752
			9,125,475	6,960,094
9.	**STOCK IN TRADE**			
	Raw material		56,869,352	26,421,193
	Packing material		1,241,793	1,407,404
	Work in process		6,293,971	9,648,040
	Finished goods	9.1	26,361,742	9,105,627
			90,766,858	46,582,264

9.1 It includes waste stock amounting to Rs. 2,907,282 (2017: Rs. 1,789,037) measured at net realizable value.

		Note	2018 Rupees	2017 Rupees
10.	**TRADE DEBTS**			
	Considered good			
	Local - unsecured		6,056,856	1,079,569
11.	**ADVANCES, PREPAYMENT AND OTHER RECEIVABLES**			
	Advances-considered good:			
	Advances to suppliers		83,693	4,409,713
	Advances to employees		82,760	-
	Prepayment			
	Prepaid insurance		296,186	234,264
	Other receivables			
	Accrued profit		782,912	1,062,037
	Others	20.1.2	119,774	119,774
			1,365,325	5,825,788
12.	**SHORT TERM INVESTMENT**			
	Available for sale			
	NAFA Government Securities Liquid Fund	12.1	-	372,294
	NAFA Islamic Asset Allocation Fund		341,529	-
			341,529	372,294

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 22,015.9670 units (2017: 36,630.0920 units).

		Note	2018 Rupees	2017 Rupees
13.	**TAX REFUNDS DUE FROM GOVERNMENT**			
	Sales tax receivable		5,829,778	4,083,295
	Income tax refundable		1,008,741	4,838,019
			6,838,519	8,921,314
14.	**CASH AND BANK BALANCES**			
	Cash in hand		953,260	326,516
	Cash at bank			
	In current accounts			
	Local currency		1,746,656	3,150,075
	Foreign currency		117,758	101,656
	In deposit accounts	14.1	194,502	199,261
			2,058,916	3,450,992
			3,012,176	3,777,508

14.1 The rate of profit on deposit accounts is ranging from 5 % to 5.55% per annum (2017: ranging from 3.75% to 3.80% per annum).

		Note	2018 Rupees	2017 Rupees
15.	**SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**			
	Balance as on July 01,		201,952,923	209,539,941
	Add: Surplus arisen on revaluation of property, plant and equipment		35,299,130	-
	Less: Related effect of deferred tax liability		(10,589,739)	-
			24,709,391	-
	Less: Impairment of revalued property, plant and equipment		(20,554,324)	-
	Add: Related effect of deferred tax liability		6,166,297	-
			(14,388,027)	-
	Less: Incremental depreciation on revalued property, plant and equipment transferred to accumulated loss		10,410,869	10,838,599
	Add: Related effect of deferred tax liability		(3,123,261)	(3,251,581)
			7,287,608	7,587,018
	Balance as on June 30,		204,986,679	201,952,923

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 and M/S Amir Evaluators & Consultants as on 31th December, 2017. 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 2 valuation based on significant 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 neighbourhood and adjoining areas. Neighbouring 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	2018 Rupees	2017 Rupees
16. LOAN FROM RELATED PARTIES			
Chief executive, directors and members	16.1	125,926,743	127,097,279

16.1 This represents interest free loan from chief executive, directors and members of the Company, repayable at the discretion of the Company. During the year terms of the loan has been changed from payable on demand to payable at the discretion of the Company. However, in light of guidance provided in Technical Release -32 ("Accounting Directors' Loan") issued by the Institute of Chartered Accountants of Pakistan, this loan has been reclassified as part of equity.

17. LONG TERM FINANCING

From banking companies - secured

	Note	2018 Rupees	2017 Rupees
IBRD foreign currency	17.1	164,509	164,509
Demand finance		3,835,491	14,946,241
		4,000,000	15,110,750
Less: Current portion shown under current liabilities		(4,000,000)	(11,110,750)
		-	4,000,000

17.1 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 instalment of principal and/or mark up on due date, additional mark up @ 5% per annum was payable on the amount of default.

18. DEFERRED LIABILITIES

	Note	2018 Rupees	2017 Rupees
Deferred taxation	18.1	66,789,618	67,906,860
18.1 DEFERRED TAXATION			
18.1.1 Balance as on July 01,		67,906,860	64,222,596
Provided during the year		(1,117,242)	3,684,264
Balance as on June 30,	18.1.2	66,789,618	67,906,860

	Note	2018 Rupees	2017 Rupees
18.1.2 This comprise of following:			
Deferred tax liability:			
Taxable temporary differences relating to operating assets		19,149,613	18,858,973
Taxable temporary differences relating to surplus on revaluation of property, plant and equipment		60,579,788	59,279,607
Deferred tax assets:			
Deductible temporary differences on tax losses		(12,791,915)	(10,083,852)
Deductible temporary difference related to minimum tax		(147,868)	(147,868)
		66,789,618	67,906,860

19. TRADE AND OTHER PAYABLES

	Note	2018 Rupees	2017 Rupees
Trade creditors		203,356,837	184,419,012
Accrued expenses		8,754,220	15,106,696
Advances from customers		-	1,609,673
Withholding tax payable		71,595	478,702
Provident fund trust	19.1	529,058	457,110
Sales tax payable		521	45,694
Workers' profit participation fund		2,088,329	-
		214,800,560	202,116,887

19.1 This represents amount due to provident fund trust for the month of June of which payment was made at July 20, 2018 (July 14, 2017).

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 The Faysal Bank Limited filed a suit against the Company for recovery of Rs. 48.560 million on 21 September 2001 before Banking Court - II, Faisalabad . The Company made the payment of principal amount of Rs 44.510 million as against the purchase price of 48.560 million so the banking court directed the Faysal bank to recover only 4.05 million vide judgment dated 4 November 2002. The bank filed an appeal before the Lahore High Court (LHC), Lahore, against the decision of Banking Court - II, Faisalabad for recovery of Rs. 18.726 Million (principal 45.616 minus payment as per bank 26.890). The High court enhanced the liability at Rs. 56.845 million and allowed to adjust Rs. 26.890 million already paid by the Company as per statement of accounts of the bank and established Rs. 29.955 million as recoverable from the Company after adjustment of already paid amount alongwith cost of funds vide judgment dated 6 July 2010. Regarding contention of payment between bank and Company the LHC has remitted this matter to the banking court for deputation of chartered accountants for verification of payment by the company to the bank.

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 management of the company has optimistic opinion 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 vide order dated 29 October 2009. 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 vide order dated 27 April 2015 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 management of the Company has optimistic opinion 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.

20.1.3 By virtue of Finance Act, 2017, Section 5A of the Income Tax Ordinance, 2001 (the "Ordinance") was amended. As per the revised provision, a tax equal to 7.5 percent of accounting profit for the year is required to be levied on every listed company, other than a scheduled bank and modaraba, if distribution of cash dividend or bonus shares of at least 40 percent of the accounting profit after tax for the year is not made within six months of its end of the year. The management of the Company is of the view that this amendment is opposed to the principles of economic growth and therefore, has intention to challenge the amendment before the Honorable Lahore High Court, Lahore. It is worthwhile to mention here that constitutional Petitions on this issue have already been filed by various companies before the Honorable Sindh High Court, challenging the tax and the Honorable Court has granted stay orders to those companies in respect of levy of the aforesaid tax. Accordingly, a provision amounting to Rs. 921,066/- for the year ended June 30, 2017 has not been made in these financial statements in respect of the additional tax liability for non-compliance of the provisions of section 5A of the Ordinance. The management expects a favourable outcome in this respect. Further, through the Finance Act, 2018 the said rate of 7.5% has been reduced to 5% and limit of 40% has been reduced to 20%. However, such distribution has to be made only through cash as the words "bonus shares" have also been omitted.

20.2 Commitments

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

21. SALES -NET

	Note	2018 Rupees	2017 Rupees
Local			
Yarn sales		1,125,597,609	595,982,406
Waste sales		16,199,749	6,305,948
		1,141,797,358	602,288,354

		Note	2018 Rupees	2017 Rupees
22.	**COST OF SALES**			
	Raw material consumed	22.1	795,164,420	428,673,600
	Stores and spares consumed		20,472,141	13,130,619
	Packing material consumed		18,660,269	10,438,452
	Salaries, wages and benefits		101,413,757	58,909,230
	Provident fund contribution		2,640,054	1,117,517
	Fuel and power		170,055,163	92,498,540
	Repairs and maintenance		1,249,045	339,840
	Postage and telecommunication		100,830	72,866
	Vehicles running and maintenanc		422,238	202,922
	Depreciation	6.3	18,837,721	19,738,119
	Others		955,622	593,612
			1,129,971,260	625,715,317
	Work in process			
	Balance as on July 01,		9,648,040	-
	Balance as on June 30,		(6,293,971)	(9,648,040)
			3,354,069	(9,648,040)
	Finished goods			
	Balance as on July 01,		9,105,627	71,431
	Balance as on June 30,		(26,361,742)	(9,105,627)
			(17,256,115)	(9,034,196)
			1,116,069,214	607,033,081
22.1	**RAW MATERIAL CONSUMED**			
	Balance as on July 01,		26,421,193	6,706,479
	Purchases		825,612,579	448,388,314
			852,033,772	455,094,793
	Balance as on June 30,		(56,869,352)	(26,421,193)
			795,164,420	428,673,600
23.	**DISTRIBUTION COST**			
	Selling commission		185,542	400,790
24.	**ADMINISTRATIVE EXPENSES**			
	Staff salaries and benefits		5,107,100	2,993,375
	Provident fund contribution		185,168	260,519
	Postage and telecommunication		265,807	273,246
	Electricity, gas and water		343,027	143,600
	Printing and stationery		83,125	49,552
	Traveling and conveyance		664,578	430,381
	Fee and subscriptions		352,117	276,213
	Legal and professional		849,790	350,215
	Repairs and maintenance		19,670	14,535
	Auditors' remuneration	24.1	320,000	320,000
	Insurance		484,078	68,670
	Depreciation	6.3	351,000	450,213
	Others		525,153	257,727
			9,550,613	5,888,246
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.	**OTHER OPERATING EXPENSES**			
	Workers' profit participation fund		2,088,329	-
26.	**FINANCE COST**			
	Bank charges and commission		40,396	19,309
27	**OTHER INCOME**			
	Income from financial assets			
	Profit on deposit accounts		496,249	363,189
	Exchange gain on foreign currency retranslation		16,187	194
	Profit on deposit with SNGPL		530,921	723,323
	Realized gain on disposal of short term investments		129,175	-
	Income from non-financial assets			
	Gain on disposal of vehicle		-	215,370
	Balances written back		24,642,541	-
	Remission of markup / interest on settlement with MCB Bank Limited		-	22,031,875
			25,814,988	23,333,951

28. TAXATION	Note	2018 Rupees	2017 Rupees
Current year	28.1	14,272,467	6,022,884
Deferred tax			
Deferred tax relating to the origination and reversal of temporary differences		(3,277,122)	3,684,264
Deferred tax income resulting from reduction in tax rate		(2,263,562)	-
		(5,540,684)	3,684,264
		8,731,783	9,707,148

28.1 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.

28.2 Reconciliation of tax expense and accounting profit has not been presented in these financial statements due to the reason discussed in note 28.1 above.

28.3 As per the management's assessment, sufficient tax provision has been made in the Company's financial statements. The comparison of tax provision as per the financial statements viz-a-viz tax assessment for last three years is as follows:

	2017 Rupees	2016 Rupees	2015 Rupees
Provision as per financial statements	6,022,884	-	-
Tax assessment	6,022,884	-	-

29. EARNINGS PER SHARE-BASIC AND DILUTED

29.1 Earnings per share - Basic

	2018	2017
Profit for the year (Rupees)	30,946,469	2,573,731
Weighted average number of ordinary shares outstanding during the year	12,601,160	12,601,160
Earnings per share-basic (Rupees)	2.46	0.20

29.2 Earnings per share - Diluted

A diluted earnings per share have not been presented as the company does not have any convertible instruments in issue as at June 30, 2018 and June 30, 2017 which would have any effect on the earnings per share if the option to convert is exercised.

30. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Balance as on July 01, 2017	Non Cash Changes	Cash Flows	Balance as on June 30, 2018
	[Rupees]			
Long term financing	15,110,750	-	(11,110,750)	4,000,000
Loan from related parties	127,097,279	-	(1,170,536)	125,926,743
	142,208,029	-	(12,281,286)	129,926,743

31. 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. 122,675/- (2017: Rs. 182,405/).

No employee of the Company falls within the definition of executive as defined in the 4th schedule to the Companies Act, 2017.

32. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors, members, key management personnel and retirement benefit fund. The Company in the normal course of business carries out transactions with various related parties. 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 31. Transactions with related parties other than specifically mentioned in related notes were as follows:

Party	Nature of relationship	Nature of transactions	2018 Rupees	2017 Rupees
Employees provident fund trust	Retirement benefit fund	Company's contribution to the fund	2,825,222	1,378,036
CEO/directors/members	Related party	Loan repayments	1,170,536	9,171,222

32.1. Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

Company Name	Basis of Relationship	Common Directorship / Percentage of shareholding	Address and Country of Incorporation
Asim Textile Mills limited	Associated undertaking	Common Directors	JK House, 32-W, Susan Road, Madina Town, Faisalabad, Pakistan.
Zeeshan Energy Limited	Associated undertaking	Common Directors	JK House, 32-W, Susan Road, Madina Town, Faisalabad, Pakistan.
Employees provident fund trust	Trustees	N/A	JK House, 32-W, Susan Road, Madina Town, Faisalabad, Pakistan.

	Note	2018 Rupees	Restated 2017 Rupees
33. PLANT CAPACITY AND PRODUCTION			
Installed capacity after conversion into 20/s count (Kgs)		**11,162,729**	11,162,729
Actual production of yarn after conversion into 20/s count (Kgs)		**8,646,217**	4,888,354

Actual production was sufficient to meet the demand.

34. EMPLOYEES PROVIDENT FUND TRUST

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

	2018	2017
Size of the fund (Rupees)	7,570,939	5,708,346
Cost of investment made (Rupees)	6,719,332	3,966,078
Percentage of investment made (%)	88.75	69.48
Fair value of investment (Rupees)	6,654,717	4,176,320

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

	2018		2017	
	Rupees	% of fund	Rupees	% of fund
Bank balances	4,597,348	69.08	1,934,070	46.31
NBP Fund Management Limited	2,057,369	30.92	2,242,250	53.69
	6,654,717	100.00	4,176,320	100.00

34.2 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and conditions specified thereunder.

35. NUMBER OF EMPLOYEES

	2018	2017
Average number of employees during the year	506	406
Average number of factory employees during the year	495	396
Number of employees as at June 30	534	502
Number of factory employees as at June 30	523	492

36. ISLAMIC INDEX DISCLOSURE

	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, 2018	Rupees
	Placed under interest arrangement	144,936
	Placed under Shariah permissible arrangement	49,566
vi)	Interest income on bank deposits for the year	
	Placed under interest arrangement	493,317
	Placed under Shariah permissible arrangement	2,932
vii)	Unrealized gain on short term investments	
	Placed under Shariah non-compliant arrangement	(30,951)
viii)	Realized gain on short term investments	
	Placed under Shariah non-compliant arrangement	129,175
ix)	All sources of other income	Disclosed in note 27
x)	Exchange gain	16,102

Disclosures other than above are not applicable to the Company.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks, market risk (including interest rate risk, currency risk, other price risk risks relating to fair value measurements), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available. Market risks are managed by the Company through the adoption of appropriate policies to cover currency risks and interest rate risks.

	2018 Rupees	2017 Rupees
FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets :		
Maturity upto one year		
Trade debts	6,056,856	1,079,569
Advances and other receivables	985,446	1,181,811
Short term investment	341,529	372,294
Cash and bank balances	3,012,176	3,777,508
Maturity after one year		
Long term deposits	17,427,380	17,422,380
	27,823,387	23,833,562
Financial Liabilities :		
Maturity upto one year		
Trade and other payables	212,640,115	199,982,818
Unclaimed dividend	443,720	443,720
Current portion of long term financing	4,000,000	11,110,750
Maturity after one year		
Long term financing	-	4,000,000
	217,083,835	215,537,288

37.1 Market risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings, long term financing and liabilities against assets subject to finance lease. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates.

37.1.1 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:

	2018	2017
Floating rate instruments:		
Financial assets		
Security deposit with SNGPL	14,466,500	14,466,500
Bank balance-deposit accounts	194,502	199,261

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 2018 would have been effected as follows:

	2018	2017
Effect of increase on security deposit with SNGPL	144,665	144,665
Effect of increase on deposit accounts	99,250	96,082
	243,915	240,747

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.

37.1.2 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 (2017: US$ 970) which are subject to currency risk.

The following significant exchange rate is applied during the year:

	2018	2017
Rupees per USD		
Reporting date rate	121.40	104.80

At June 30, 2018 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. 5,476/- (2017: Rs.4,727/-) higher / lower, mainly as a result of foreign exchange gains / losses on translation of foreign currency in foreign currency bank accounts.

37.1.3 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.

37.2 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	2018 Rupees	2017 Rupees
Long term deposits	17,427,380	17,422,380
Trade debts	6,056,856	1,079,569
Advances and other receivables	985,446	1,181,811
Short term investment	341,529	372,294
Bank balances	2,058,916	3,450,992
	26,870,127	23,507,046

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. Moreover, the management regularly monitors and reviews customers' credit exposure. Accordingly, the company is not exposed to any significant credit risk.

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.

Short term investments are investments in NAFA securities. The credit risk on liquid funds is limited because counter party is Government with reasonably high credit ratings.

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			2018	2017
	Short term	Long term	Agency	Rupees	Rupees
Bank balances					
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	63,964	66,953
Bank Al-Habib Limited	A1+	AA+	PACRA	3,761	3,761
Faysal Bank Limited	A1+	AA	PACRA	20,889	20,889
JS Bank Limited	A1+	AA-	PACRA	109,519	52,884
National Bank of Pakistan	A1+	AAA	PACRA	1,574,951	3,067,247
United Bank Limited	A-1+	AAA	JCR-VIS	274,768	228,537
Dubai Islamic Bank (Pakistan) Limited	A-1	AA-	JCR-VIS	11,064	10,721
				2,058,916	3,450,992
		Rating			
Short term investments					
NBP Fund Management Limited		AM1	PACRA	341,529	372,294

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.

37.3 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, 2018 and 2017 based on contractual undiscounted payments date and present market interest rates.

	2018			
	Within 6 months	More than 6 months and less than 1 year	More than 1 year and up to 5 years	Total
Financial Liabilities	[R U P E E S]			
Trade and other payables	212,640,115	-	-	212,640,115
Unclaimed dividend	443,720	-	-	443,720
Long term financing	4,000,000	-	-	4,000,000
	217,083,835	-	-	217,083,835

	2017			
	Within 6 months	More than 6 months and less than 1 year	More than 1 year and up to 5 years	Total
Financial Liabilities	[R U P E E S]			
Trade and other payables	199,982,818	-	-	199,982,818
Unclaimed dividend	443,720	-	-	443,720
Long term financing	5,110,750	6,000,000	4,000,000	15,110,750
	205,537,288	6,000,000	4,000,000	215,537,288

37.4 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, 2018 and June 30, 2017 were as follows:

	2018 Rupees	Restated 2017 Rupees
Total Debts	4,000,000	15,110,750
Less: Cash and bank balances	(3,012,176)	(3,777,508)
Net debt	987,824	11,333,242
Total equity (including surplus on revaluation of property, plant and equipment)	247,253,008	207,315,651
Total capital employed	248,240,832	218,648,893
Gearing ratio	0.40	5.18

37.5 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.

	2018							
	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
		[	R U	P E	E	S]		
Financial assets measured at fair value								
Short term investment	341,529	-	-	341,529	341,529	-	-	341,529
Financial assets not measured at fair value								
Long term deposits	17,427,380	-	-	17,427,380	-	-	-	-
Trade debts	6,056,856	-	-	6,056,856	-	-	-	-
Advances and other receivables	985,446	-	-	985,446	-	-	-	-
Cash and bank balances	-	3,012,176	-	3,012,176	-	-	-	-
	24,811,211	3,012,176	-	27,823,387	341,529	-	-	341,529
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	-	212,640,115	212,640,115	-	-	-	-
Unclaimed dividend	-	-	443,720	443,720	-	-	-	-
Long term financing	-	-	4,000,000	4,000,000	-	-	-	-
	-	-	217,083,835	217,083,835	-	-	-	-

	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
		[	R U	P E	E	S]		
Financial assets measured at fair value								
Short term investment	372,294	-	-	372,294	372,294	-	-	372,294
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	-	-	-	-
Cash and bank balances	-	3,777,508	-	3,777,508	-	-	-	-
	20,056,054	3,777,508	-	23,833,562	372,294	-	-	372,294
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	-	-	199,982,818	199,982,818	-	-	-	-
Unclaimed dividend	-	-	443,720	443,720				
Long term financing			15,110,750	15,110,750	-	-	-	-
	-	-	215,537,288	215,537,288	-	-	-	-

38. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 0 5 OCT 2018 by the Board of Directors of the Company.

39. GENERAL

39.1 Corresponding figures

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

Particulars	Reclassification		2017
	From	To	Rupees
Loan from related parties	Short term borrowings	Equity	127,097,279
Unclaimed dividend	Trade and other payable	Unclaimed dividend	443,720

39.2 Rounding

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

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 | 8 |

4. No of Sharesholders	Shareholding		Total Shares Held
150	1	100	12,612
1,364	101	500	652,280
66	501	1,000	65,200
87	1,001	5,000	240,064
23	5,001	10,000	170,500
9	10,001	15,000	111,603
5	15,001	20,000	94,100
3	20,001	25,000	69,000
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	105,001	110,000	107,500
1	120,001	125,000	122,500
1	125,001	130,000	127,361
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
1721			12,601,160

	Shares Held	Percentage
Directors, and their spouse(s) and minor children	9117760	72.36
Associated Companies, undertaking and Related parties	0	0.00
NIT and ICP	131861	1.05
Banks Development Financial Institutions,	95914	0.76
Insurance Companies	1000	0.01
Modarabas and Mutual Funds	26001	0.21
General Public		0.00
a. Local	3146924	24.97
b. Foreign	81100	0.64
Others (to be Specified)	600	0.00
Total Shares	**12601160**	**100**

S.No.	Share Holder	Share Held	%
1	**Director and their spouse(s) and minor children**		
	Mr. Zahid anwar	6993010	55.49
	Mrs. Rukhsana Begum	1154850	9.16
	Mr. Imran Zahid	636900	5.05
	Ms. Quratul Ain Zahid	325500	2.58
	. Anwar Ul Haq	2500	0.02
	Mr. Muhammad Yousaf	2500	0.02
	Mr. Muhammad Ali	2500	0.02
		9117760	**72.36**
2	**NIT and ICP**		
	Trustee National Investment (Unit) Trust	127561	1.01
	Investment Corporation of Pakistan	4300	0.03
		131861	**1.05**
3	**Bank Development Financial Intitution**		
	Altowfeek Inv. Bank Ltd	20000	0.16
	National Development Finance Corporation	1000	0.01
	National Bank of Pakistan	64480	0.51
	The Bank of Punjab, Treasury Division	434	0.00
	Islamic Investment Bank Ltd	10000	0.08
		95914	**0.76**
4	**Insurance Companies**		
	Adamjee Insurance Company Ltd	**1000**	**0.01**
5	**Modraba and Mutual Funds**		
	Market 786 (Private) Limited - MF	25000	0.20
	Pasha Securities (Pvt) Ltd.,	1000	0.01
	Maple Leaf Capital Ltd	1	0.00
		26001	**0.21**
6	**Shareholders holding 5% or more voting rights**		
	Mr. Zahid Anwar	**6,993,010**	55.49
	Mrs. Rukhsana Begum	**1,154,850**	9.16
	Mr. Imran Zahid	**636,900**	5.05
	Mr. Zeeshan Zahid	**631,000**	5.01
	Ms. Noorul Ain Zahid	**933,253**	7.41
7	**Others**		
	Ghulaman-E-Abbas Educational & Medical	500	0.00
	J. K. Exports (Pvt) Limited	100	0.00
		600	**0.00**

J A TEXTILE MILLS LTD

ANNUAL GENERAL MEETING

FORM F 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 before 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 27.10.2018 at 9.30 am or at any adjournment thereof.

as witness my/our hand this ____________________ day of ____________________ 2018

signed by the said ______________________________ in the presence o f

____

____

Date: (Member's Signature)

____

Place (Witness's Signature)

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 __________ پارٹیسپنٹ آئی ڈی نمبر __________)
بذریعہ ہذا
محترم / محترمہ __________ ساکن __________
جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فولیو نمبر __________ یا (انکی غیر موجودگی میں محترم / محترمہ __________
ساکن __________ جو کمپنی کا ہے بمطابق شیئر رجسٹر فولیو نمبر __________ کو
مورخہ 27 اکتوبر 2018ء صبح 09:00 (بروز ہفتہ) کو منعقد ہونے والے کمپنی کے صدر دفتر W-32 سوساں روڈ مدینہ ٹاؤن فیصل آباد میں اکتیسویں اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے کیلئے اپنا / ہمارا بطور مختار نامہ یا پراکسی فارم مقرر کرتا ہوں / کرتے ہیں۔
بطور گواہ میرے دستخط---------- آج بروز---------- تاریخ---------- 2018

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

نوٹ:
1۔ پراکسیاں تاکہ موثر ہوسکیں 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 پاس رجسٹرڈ نمونہ دستخطوں کے مطابق ہونے چاہئیں۔

5 روپے کا رسیدی
ٹکٹ چسپاں کریں