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Masood Textile Mills Ltd.



2018

Annual Report

www.masoodtextile.com

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COMPANY INFORMATION

CHAIRMAN	:	MR. NASEER AHMAD SHAH
CHIEF EXECUTIVE OFFICER	:	MR. SHAHID NAZIR AHMAD
DIRECTORS	:	MR. MATLOOB HUSSAIN
	:	MR. FAZAL AHMAD
	:	MISS CHEN YAN (Nominee-Shanghai Challenge Textile Co. Ltd.)
	:	MR. SHIBIN YANG (Nominee-Shanghai Challenge Textile Co. Ltd.)
	:	MR. SHOAIB AHMAD KHAN (Nominee-NIT)
COMPANY SECRETARY	:	MR. NISAR AHMAD ALVI
CHIEF FINANCIAL OFFICER	:	MR. MUHAMMAD SHAHID NAVEED
AUDIT COMMITTEE	:	MR. FAZAL AHMAD (Chairman)
	:	MR. NASEER AHMAD SHAH
	:	MR. MATLOOB HUSSAIN
HR & REMUNERATION COMMITTEE	:	MR. MATLOOB HUSSAIN (Chairman)
	:	MR. SHAHID NAZIR AHMAD
	:	MR. FAZAL AHMAD
AUDITORS	:	M/S. RIAZ AHMAD & COMPANY CHARTERED ACCOUNTANTS
SHARE REGISTRAR	:	ORIENT SOFTWARE & MANAGEMENT SERVICES (PVT) LIMITED 35-Z, AMEER PLAZA, OPP: MUJAHID HOSPITAL, COMMERCIAL CENTRE, MADINA TOWN, FAISALABAD. PHONE: 041-8711930-8715759 FAX: 041-8711930
REGISTERED OFFICE	:	UNIVERSAL HOUSE, P-17/1, NEW CIVIL LINES, BILAL ROAD, FAISALABAD. PHONE: 041-2600176-276 FAX: 041-2600976
MILLS	:	32-K.M., SHEIKHUPURA ROAD, FAISALABAD.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 34th Annual General Meeting of the members, holding Ordinary Shares of Masood Textile Mills Limited, will be held at its Registered Office, Universal House, 17/1 New Civil Lines, Bilal Road, Faisalabad on Saturday, 27th October, 2018 at 11.00 A.M. to transact the following business:

1. To confirm the minutes of the last Annual General Meeting held on 31st October, 2017.
2. To receive and adopt the Audited Accounts of the Company for the financial year ended 30th June, 2018.
3. To approve the payment of cash dividend @ 15.00% (Rs.1.50 per ordinary share), as recommended by the Board of Directors.
4. To appoint Auditors and to fix their remuneration for the financial year ending 30th June, 2019. M/s Riaz Ahmad & Company, Chartered Accountants, retire and being eligible offer themselves for their re-appointment.
5. To consider any other business that may be placed before the meeting with the permission of the chair.

FOR AND ON BEHALF OF THE BOARD

Faisalabad: 04th October, 2018

(COMPANY SECRETARY)

NOTES:

1. Share Transfer Books for Ordinary Shares of the Company will remain closed from 25th October to 01st November, 2018 (both days inclusive) for the determination of entitlement of cash dividend on Ordinary Shares. Physical transfers / CDS Transactions IDs, received in order at Registered Office of the Company or our Share Registrar, by the close of business on 24th October, 2018 will be treated in time.
2. Share Transfer Books for Preference Shares of the Company will remain closed from 25th October to 01st November, 2018 (both days inclusive) for determining the entitlement of Preferred Dividend calculated at average six months KIBOR+200 bps p.a. (Rs.0.82 per share). Physical transfers / CDS Transactions IDs, received in order at Registered Office of the Company or our Share Registrar, by the close of business on 24th October, 2018 will be treated in time.
3. A shareholder entitled to attend and vote at this meeting may appoint another shareholder as his/her proxy to attend and vote on his/her behalf. The instrument appointing a Proxy and Power of Attorney or other authority under which it is signed or notarially certified copy of the Power of Attorney must be received at the Registered Office of the Company, duly stamped, signed and witnessed not later than 48 hours before the meeting. An instrument of Proxy applicable for meeting is attached herewith. However, Preference Shareholders are not entitled to attend the meeting, since Preference Shares carry no voting rights
4. Share Holders whose shares are deposited with Central Depository System (CDS) are requested to bring their Computerized National Identity Card (CNIC) along with their Account Number in CDS for verification. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signatures of the nominee shall be produced (unless provided earlier) at the time of the meeting.
5. Pursuant to Finance Act, 2018, the Company is liable to withhold Income Tax @ 15 % from the Filers and 20 % from the Non-Filers under the provisions of Section 150 of the Income Tax Ordinance, 2001. Kindly ensure your status from Active Tax Payer's List, available at FBR's website, before disbursement of Dividend by the Company. Individuals without CNIC(s) will be treated Non-Filers, since their status cannot be verified from FBR.
6. Physical Share Holders are requested to notify any change in their addresses immediately. The share holders claiming exemption from Zakat are required to file their Declaration with our Share Registrar. Moreover, the share holders who have not yet submitted their Computerized National Identity Cards to the Company are requested once again to send attested copies thereof at their earliest. Otherwise, their Dividend will be withheld for lack of complete information.
7. Physical Share Holders who have not yet provided their "International Bank Account Number (IBAN)" are required to provide immediately their containing the title of account, along with Name of Bank, Branch Name and Address, since the Company is required to pay Cash Dividend through electronic mode, directly into the bank accounts of its share holders.

8. Shareholders who have not collected their Dividend/Physical shares so far are advised contact our Share Registrar to collect/enquire about their Unclaimed Dividend or Share, if any.
9. Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the AGM. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least (7) days prior to the date of the meeting on the Standard Form available on the Company's website: www.masoodtextile.com
10. Pursuant to the provision of Section 223(6) of the Companies Act, 2017, the Companies are permitted to Circulate their annual financial statements, alongwith the Auditor's report, director review report etc. ("Annual Report")_ and the notice of Annual General Meeting ("Notice") to its shareholders by email. Shareholders of the Company who wish to receive the Company's Annual Report and Notice of Annual General Meeting by E-mail are requested to provide the complete Electronic Communication Consent Form (available at the Company's Website) to the Company's Share Registrar.
11. Shareholders can exercise their right to demand a poll subject to meeting requirements of Section 143-145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

CHAIRMAN'S REVIEW

I am pleased to present the report on the overall performance of the Board and effectiveness of its role in achieving the Company's objectives as well as ensuring overall compliance of the Code of Corporate Governance and Companies Act 2017. The Board exercised its professional duties with integrity, honesty and diligence. I as Chairman of the Board, ensured that the board meetings are held in a congenial atmosphere focusing on achieving the goals in the best interest of the Company.

Despite difficulties faced by the textile sector, financial year 2017-18 was another celestial year for Masood Textile Mills Limited which performed better than its other industry competitors. The company has shown significant increase in turnover as compared to last year by increasing production capacity due to investment in BMR and capacity enhancements. Pakistan has qualified for The Generalized System of Preference (GSP) eligibility assessment and the said GSP facility help textile sector to increase its turnover. Country's trade economy has been integrated with global trade that operates on the principles of free and open international trade which will help textile units to grow.

During the year, the Board of Directors focused on the future strategy and set the financial and operational targets. The Board regularly tracked the progress against the set targets. The committees of the board worked diligently and focused on their terms of reference during the year under review. The Board has carried out a review of its effectiveness and performance which is satisfactory.

I would conclude by extending my gratitude to the Board for their earnest contribution towards the advancement of company. I always highly regard the interest of investors and cherish their care and unremitting support to the company. I acknowledge our Chief Executive Officer and his team for their enduring and diligent efforts and thank to all stakeholders, business partners as well as customers for their continued guide and support.

Faisalabad:
04th October, 2018

CHAIRMAN

چیمبر مین کی جائزہ رپورٹ

میں بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کو حاصل کرنے کیلئے ان کے موثر کردار کے ساتھ ساتھ مجموعی طور پر کوڈ آف کارپوریٹ گورننس اور کمپنی ایکٹ 2017ء کی تعمیل کرنے پر خوشی محسوس کر رہا ہوں۔ بورڈ نے اپنے پیشہ دارانہ فرائض کو صداقت، ایمانداری اور محنت کے ساتھ نافذ العمل کیا۔ بطور چیمبر مین میں نے اس بات کو یقینی بنایا کہ بورڈ کے اجلاس، کمپنی کے بہترین مفاد اور مقاصد کو حاصل کرنے پر توجہ مرکوز کرنے والے باہمی ماحول میں ہوں۔

ٹیکسٹائل کے شعبہ میں مشکلات کے باوجود مالی سال 2017-18 مسعود ٹیکسٹائل ملز لمیٹڈ کیلئے ایک آزمائشی سال تھا۔ جس میں اس کی کارکردگی دیگر صنعتی حریفوں سے بہتر تھی۔ کمپنی نے بی ایم آر اور پیداواری صلاحیت بڑھانے میں سرمایہ کاری کی وجہ سے پیداوار کی صلاحیت میں اضافہ کر کے گزشتہ سال کے مقابلے میں کاروبار میں نمایاں اضافہ دیکھا ہے۔

پاکستان نے مجموعی نظام کی ترجیحی (جی ایس پی) اہلیت کا تعین کرنے کیلئے خود کو اہل کیا ہے اور اس (جی ایس پی) سہولت سے ٹیکسٹائل سیکٹر میں TURNOVER کو بڑھانے میں مدد فراہم ہوگی۔ ملک کی تجارتی معیشت عالمی تجارت کے ساتھ مربوط ہے جو آزاد اور بین الاقوامی تجارت کے اصولوں پر چلتی ہے۔ جس سے ٹیکسٹائل یونٹس میں اضافہ ہوگا۔ سال کے دوران بورڈ آف ڈائریکٹرز نے مستقبل کی حکمت عملی پر توجہ مرکوز کرتے ہوئے مالی اور آپریشنل مقاصد کو حاصل کیا ہے۔ بورڈ نے باقاعدگی سے طے شدہ اہداف کو پورا کرنے میں دلچسپی لی ہے۔

بورڈ کی کمیٹیوں نے محنت سے کام کیا۔ اور زیر جائزہ سال کے دوران ان کے حوالہ جات کے حوالہ پر توجہ مرکوز کی۔ بورڈ نے اپنی موثر اندازگی اور کارکردگی کا جائزہ لیا جس کو اطمینان بخش سمجھا گیا۔ میں کمپنی کی ترقی میں بورڈ کی پوری شراکت کو سراہتا ہوں۔

میں ہمیشہ سرمایہ کاروں کے مفادات کو انتہائی اہمیت دیتا ہوں جس کی وجہ سے کمپنی کو غیر معمولی مدد فراہم ہوتی ہے۔ میں اپنے چیف ایگزیکٹو آفیسر اور ان کی ٹیم کی پائیدار اور بھرپور کوششوں کو تسلیم کرتا ہوں اور تمام اسٹیک ہولڈرز، کاروباری شراکت داروں کے ساتھ گاہکوں کو ان کی مسلسل رہنمائی اور حمایت کا شکر گزار ہوں۔

نصیر احمد شاہ

چیمبر مین / ڈائریکٹر

فیصل آباد

04 اکتوبر 2018ء

DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company takes pleasure in presenting before you our 34th annual report of the Company together with the audit report and the financial statements of the company for the year ended 30 June 2018 along with other required information prescribed under the Code of Corporate Governance and Companies Law.

For the financial year ended 30 June 2018, your company recorded turnover of Rs. 30.842 billion against Rs. 23.394 billion for the Same Period Last Year (SPLY); with an increase of Rs 7.448 billion (31.84%). Resultantly, the company earned a net profit of Rs. 1.113 billion (Earnings per share: Rs. 16.11 per share), as compared to net profit of Rs. 0.887 billion (Earnings per share: Rs. 12.76 per share) for the SPLY. Net profit earned showed a healthy increase of 25.48 % over the SPLY. Your company has successfully maintained its profitability due to consistent efforts of the management through effective cost management, better utilization of resources and by improving overall operating performance of the Company.

Although, currency devaluation has given an opportunity to the Company to regain their product footprints in the global markets, but it has also effected the raw material cost due to upward rise in prices of basic raw material. Despite the political instabilities, abrupt devaluation of currency, high competitive environment, growth in textile export is mainly attributed due to the rupee depreciation, which allowed the exporter to get more orders in international markets. The incentives provided to the textile sector under the P.M. incentive package have also provided a boost to the sector. The comparative financial results of the Company are reproduced hereunder:

	2018	2017
	(RUPEES IN THOUSAND)	
REVENUE	30,842,159	23,393,876
COST OF SALES	(26,990,855)	(20,008,592)
GROSS PROFIT	3,851,304	3,385,284
DISTRIBUTION COST	(2,063,381)	(1,478,067)
ADMINISTRATIVE EXPENSES	(549,235)	(480,722)
OTHER EXPENSES	(108,238)	(10,675)
OTHER INCOME	1,070,524	218,041
FINANCE COST	(896,395)	(640,673)
PROFIT BEFORE TAXATION	1,304,579	993,188
TAXATION	(191,531)	(106,187)
PROFIT AFTER TAXATION	1,113,048	887,001
EARNINGS PER SHARE - BASIC (RUPEES)	16.11	12.76
- DILUTED (RUPEES)	15.18	12.16

Key factors affecting the textile sector are unavailability of quality raw material due to short fall in quality cotton production, upward rise in prices of production inputs, high fuel prices coupled with energy crises escalated by low gas pressure and declining sales prices because of the tough competition have somewhat dampen margin accretion, thus the cost of doing the business may increase. However, we are optimistic about the policies of the newly elected government. The government has decided to exempt industrial units including textile from the increase in gas prices to reduce their cost of production by giving subsidy. In addition, the recently amended finance bill has also provided slashing of duties on different items which would provide relief to the local industry. We expect a business friendly policy and exploration of new avenues, by providing ease in doing business and immediate release of tax refunds and duty drawback claims of exporter from the new government. The Government should take noteworthy measures to promote the exports and develop the industrial sector of the country. The Company's future prospects look very promising. The Company is well placed to help achieve further success and provide value addition to all stakeholders.

Keeping in view the financial results of the company, the Board of Directors of the Company has recommended 15.00% Cash Dividend (Rs. 1.50 per share) for the holders of Ordinary Shares, for the financial year under review. It is a reward for the shareholders against their investment.

In order to meet the fund requirements, the Company had issued 60.000 million Preference Shares of the value of Rupees 600.000 million to the financial institutions. The process of their redemption, after expiry of their maturity continued at the option of the Company. However, during the financial year under review, no redemption of Preference Shares was affected. Under the agreed terms and conditions, Preferred Dividend of Rupee 0.82 per share has been computed against balance of 31 166 668 Preference Shares on the basis of average six months KIBOR+200 bps per annum.

The Directors of your Company are pleased to state that the Company is in compliance with the provisions of the Code of Corporate Governance as required by the Securities and Exchange Commission of Pakistan (SECP). As a part of the compliance with the requirements of the Code of Corporate Governance and the Companies Act, 2017, we confirm that The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity; Proper books of account of the Company have been maintained. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment. The board understand its responsibility to ensure that adequate and effective internal financial controls are in place. It evaluates the compliance of internal control by reviewing the internal audit reports of internal audit department, which regularly reviews the design and effectiveness of controls. Deficiencies, if any, are reported to the board and corrective actions are taken. IFRSs, as applicable in Pakistan, have been followed in preparation of financial statements; There is no significant doubt about the Company's ability to continue as a going concern; There has been no material departure from the best practices of corporate governance.

Four meetings of the Board of Directors were held during the financial year, with the following attendance:

<u>S.No.</u>	<u>Name of Directors</u>	<u>No. of Meetings Attended</u>
1.	Mr. Naseer Ahmad Shah	4
2.	Mr. Shahid Nazir Ahmad	1
3.	Mr. Matloob Hussain	4
4.	Mr. Fazal Ahmad	4
5.	Mr. Shoaib Ahmad Khan (Nominee-NIT)	4
6.	Miss Chen Yan (Nominee-Shanghai Challenge Tex.Co.Ltd.)	1
7.	Mr. Shibin Yang (Nominee-Shanghai Challenge Tex.Co.Ltd.)	0

Likewise, five meetings of the Audit Committee were held during the financial year, with the following attendance:

<u>S.No.</u>	<u>Name of Directors</u>	<u>No. of Meetings Attended</u>
1.	Mr. Fazal Ahmad	5
2.	Mr. Naseer Ahmad Shah	5
3.	Mr. Matloob Hussain	5

The auditors M/s Riaz Ahmad & Company, Chartered Accountants, retires and being eligible, has offered themselves for their re-appointment. The Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the Company for the next financial year ending 30th June, 2019.

The Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations in accordance with the Code of Corporate Governance is enclosed. Annexed to the Directors' Report, we are enclosing our comparative financial data for the last six years. We are also enclosing Form-34 containing the pattern of shareholding along with prescribed additional information, as on 30th June, 2018. Moreover, the Directors of the Company endorse the contents of the Chairman's Review which also covers the overall review of textile industry.

We feel ourselves responsible for the health and safety of not only our employees, but also the people near our factory premises. A dedicated clinic / dispensary is managed by the qualified team where genuine medicines are provided. We also ensure the compliance of our production facility with all the environmental standards. Our production facility does not discharge any harmful material. However, we have strict compliance towards wastage and disposal. We believe in serving the mankind of the country and ensure each of our CSR activity actually benefits people in need. We also appreciate and encourage our employees to dedicate their time and to take active participation in these activities.

The Directors are pleased to place on record their appreciation for the contribution made by the workers, staff and executives of the Company. Moreover, management of the company also acknowledges the role of the financial institutions, suppliers, customers and other stakeholders for the continued support.

Faisalabad
04th October, 2018

CHIEF EXECUTIVE OFFICER

DIRECTOR

ڈائریکٹرز رپورٹ برائے حصص یافتگان

آپ کی کمپنی کے ڈائریکٹرز، کمپنی کی 34 ویں سالانہ رپورٹ 30 جون 2018 کو اختتام پذیر ہونے والے مالی سال کے آڈٹ شدہ گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ اس کے ساتھ ساتھ آڈیٹرز رپورٹ، کوڈ آف کارپوریٹ گورننس اور کمپنیز لاء کے تحت مقرر کردہ دیگر مطلوبہ معلومات فراہم کر رہے ہیں۔

دوران مالی سال 30 جون 2018 میں آپ کی کمپنی کی آمدن 7.448 بلین (31.48 فیصد) اضافے کے ساتھ 30.842 بلین روپے ہے، جبکہ پچھلے مالی سال 30 جون 2017 میں آمدن 23.394 بلین روپے تھی۔ اس کے نتیجے میں کمپنی نے 1.113 بلین روپے کا صافی منافع حاصل کیا (نی حصص کمائی 16.11 روپے ہے) جبکہ پچھلے سال صافی منافع 0.887 بلین روپے تھا (نی حصص کمائی 12.76 روپے تھی)۔ اس طرح پچھلے سال کی نسبت 25.48 فیصد اضافی منافع حاصل ہوا۔ آپ کی کمپنی نے اپنی انتظامیہ کی کادشوں سے پیداواری لاگت کم کر کے، بہترین وسائل کو بروئے کار لاتے ہوئے پیداواری کارکردگی کو بہتر کر کے، کامیابی سے شرح منافع کو برقرار رکھا ہے۔

اگرچہ روپے کی قدر میں گراؤٹ نے کمپنی کو بین الاقوامی منڈی میں اپنی پیداوار کو متعارف کرانے کا موقع دیا ہے۔ لیکن اس کی وجہ سے خام مال کی قیمتوں میں اضافے نے خام مال کی لاگت میں اضافہ کر دیا ہے۔ سیاسی عدم استحکام، روپیہ کی قدر میں تیزی سے گراؤٹ، مقابلے کے ماحول کے باوجود روپے کی قدر میں کمی نے ٹیکسٹائل شعبے کو بین الاقوامی مارکیٹوں میں زیادہ آرڈر حاصل کرنے میں مدد کی ہے۔ وزیراعظم کی طرف سے ٹیکسٹائل شعبے کو دی جانے والی امداد کی وجہ سے بھی شعبے کو فروغ ملا ہے۔

کمپنی کے مالی نتائج کا موازنہ درج ذیل ہے۔

2017	2018	تفصیل
روپے ہزاروں میں	روپے ہزاروں میں	آمدنی
23,393,876	30,842,159	لاگت بیلز
(20,008,592)	(26,990,855)	مجموعی نفع
3,385,284	3,851,304	ترسیل کے اخراجات
(1,478,067)	(2,063,381)	کاروبار کے انتظامی اخراجات
(480,722)	(549,235)	دیگر اخراجات
(10,675)	(108,238)	دیگر آمدن
218,041	1,070,524	مالی لاگت
(640,673)	(896,395)	قبل از ٹیکس منافع
993,188	1,304,579	ادا کردہ ٹیکسز
(106,187)	(191,531)	بعد از ٹیکس منافع
887,001	1,113,048	آمدن فی حصص بنیادی (روپیہ)
12.76	16.11	آمدن فی حصص ڈائریکٹرز (روپیہ)
12.16	15.18	

ٹیکسٹائل شعبے کو متاثر کرنے والے بنیادی اہم عوامل میں سے ایک کپاس کی پیداوار میں کمی کی وجہ سے معیاری خام مال کا نہ ملنا، پیداواری لاگت میں اضافہ، گیس کے پریشر میں کمی کے ساتھ ساتھ ایندھن کی قیمتوں میں اضافہ، سخت مقابلہ کی وجہ سے قیمت فروخت میں کمی ہیں۔ جس کی وجہ سے کاروبار کی لاگت بڑھ سکتی ہے۔ تاہم ہم نئی منتخب حکومت کی پالیسیوں کے بارے میں پر امید ہیں۔ حکومت نے گیس کی قیمتوں میں اضافے سے ٹیکسٹائل سمیت صنعتی یونٹس کو مستثناء کرنے کا فیصلہ کیا ہے۔ اس کے علاوہ حال ہی میں ترمیم شدہ فنانس بل نے مختلف اشیاء پر ڈیوٹی میں کمی کی ہے۔ جس سے مقامی صنعت کو مدد ملے گی۔ ہم نئی حکومت سے کاروباری دوستانہ ماحول، نئے مواقع کی تلاش، کاروبار کو آسان بنانے، ٹیکسوں کے بقایا جات کی جلدی واپسی اور ڈیوٹی ڈرائیگ کی جلد واپسی کی امید کرتے ہیں۔ حکومت کو برآمدات کو فروغ دینے اور ملک کے صنعتی شعبے کی ترقی کے لئے قابل ذکر اقدامات کرنے چاہیے۔ کمپنی کے مستقبل کے امکانات بہت روشن نظر آ رہے ہیں۔ کمپنی کو مزید کامیابی حاصل کرنے اور تمام اسٹیک ہولڈر کو اضافی قیمت فراہم کرنے کے لئے اچھی طرح برقرار رکھا گیا ہے۔

کمپنی کے مالی نتائج کو دیکھتے ہوئے کمپنی کے بورڈ آف ڈائریکٹرز نے عام حصص کے حامل لوگوں کے لئے زیر جائزہ سال کے لئے 1.50 روپے فی حصص نقد ڈیویڈنڈ کا اعلان کیا ہے۔ یہ ان سرمایہ کاروں کیلئے کمپنی میں سرمایہ کاری کے عوض ایک انعام ہے۔ کمپنی کی مالی ضروریات کو پورا کرنے کے لئے کمپنی نے 600 ملین روپے لاگت کے 60 ملین ترجیاتی حصص مالیاتی اداروں کو جاری کئے تھے جن کی عرصہ پختگی کے بعد کمپنی کے اختیارات کے مطابق حصص کی واپسی کا عمل جاری ہے۔ تاہم زیر غور مالی سال کے دوران کسی بھی ترجیاتی حصص کی واپسی نہیں ہوئی ہے۔ ترجیاتی منافع باقی ماندہ 31,166,668 ترجیاتی حصص کو 0.82 روپے فی حصص کی شرح سے دیا گیا ہے، جس کی بنیاد 6 ماہ کا اوسط KIBOR+200 bps سالانہ ہے۔

آپ کی کمپنی کے ڈائریکٹرز اس بات سے خوش ہے کہ آپ کی کمپنی سیورٹی اینڈ ایکنج کمیشن آف پاکستان (SECP) کی کوڈ آف کارپوریٹ گورننس کی شرائط پر پورا اترتی ہے۔ کوڈ آف کارپوریٹ گورننس اور کمپنی ایکٹ 2017 کی شرائط کے مطابق ہم اس بات کی تصدیق کرتے ہیں کہ کمپنی کی انتظامیہ کے تیار کردہ مالی گوشوارے، کمپنی کے معاملات، کیش فلوز شیٹمنٹ، چھینجر ان ایکویٹی کو درست طریقے سے پیش کر رہی ہے۔ اور مناسب بکس آف اکاؤنٹس تیار کی گئی ہیں۔ مالی گوشواروں کی تیاری میں مناسب مستقل حکمت عملی اپنائی گئی ہے۔ بورڈ اس ذمہ داری کو سمجھتا ہے کہ اس بات کا تعین کرنے کیلئے مناسب اور موثر داخلی، مالیاتی کنٹرول موجود ہیں۔ جو داخلی آڈٹ رپورٹ کا تفصیلی جائزہ لے کر اپنے مالیاتی اندرونی کنٹرولز کا موازنہ کرتے ہیں۔ مالی گوشواروں کی تیاری میں پاکستان میں اطلاق شدہ بین الاقوامی مالیاتی رپورٹنگ کے معیار کو برقرار رکھا گیا ہے۔ اور اس میں کسی بھی انحراف کو مناسب طور پر افشاء کیا گیا ہے۔ ڈائریکٹرز مزید بیان کرتے ہیں کہ اندرونی کنٹرول کا نظام بھی ٹھیک ہے اور اسے موثر طریقے سے لاگو کیا گیا ہے۔ اگر بورڈ کے علم میں کوئی بات لائی گئی تو اس کے لئے اصلاحی اقدامات کیے گئے ہیں۔ پاکستان میں قابل اطلاق IFRS کو مالیاتی گوشواروں کی تیاری میں مد نظر رکھا گیا ہے۔ اور یہ کہ کمپنی کے جاری رہنے کی صلاحیت پر کوئی اہم شکوک نہیں ہیں۔ اور کارپوریٹ گورننس کے بہترین طریقوں سے کوئی انحراف نہیں ہے۔

ڈائریکٹرز کی چار میٹنگز مالی سال کیلئے منعقد ہوئی جو درج ذیل ہیں۔

نمبر شمار	ڈائریکٹر کا نام	حاضری کی تعداد
1	جناب نصیر احمد شاہ	4
2	جناب شاہد نذیر احمد	1
3	جناب مطلوب حسین	4
4	جناب فضل احمد	4
5	جناب شعیب احمد خان (منتخب NIT)	4
6	مس چن یان (منتخب شنگھائی چینج ٹیکسٹائل کمپنی لمیٹڈ)	1
7	جناب شیابن یا نگ (منتخب شنگھائی چینج ٹیکسٹائل کمپنی لمیٹڈ)	0

اسی طرح پانچ آڈٹ کمیٹی کے اجلاس مالی سال کے دوران منعقد ہوئے مندرجہ ذیل ارکان نے حصہ لیا

نمبر شمار	ڈائریکٹر کا نام	حاضری کی تعداد
1	جناب فضل احمد	5
2	جناب نصیر احمد شاہ	5
3	جناب مطلوب حسین	5

میسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائرڈ ہوئے اور اپنی دوبارہ تقرری کیلئے اپنی اہلیت کو پیش کیا۔ کمپنی میں اگلے مالی سال 30 جون 2019 تک آڈیٹر کی تقرری، آڈٹ کمیٹی کی ہدایات اور کمپنی کے بورڈ آف ڈائریکٹرز کی سفارشات پر کی گئی ہے۔

سٹیمینٹ آف کمپلائنس اور کوڈ آف گورننس لف ہے ڈائریکٹرز رپورٹ کے ساتھ ہم پچھلے 6 سال کے مالیاتی اعداد و شمار کا جائزہ لگا رہے ہیں ہم 30 جون 2018 تک اضافی معلومات کے ساتھ ساتھ فارم 34 شیئر ہولڈنگ کا طریقہ کار بھی لف کر رہے ہیں مزید برآں کمپنی کے ڈائریکٹرز صاحبان نے چیئر مین جائزہ رپورٹ مواد کی حمایت کی ہے جس میں ٹیکسٹائل انڈسٹری کا مجموعی جائزہ بھی شامل ہے۔

ہم اپنے ملازمین کے ساتھ ساتھ فیکٹری کے احاطہ کے قریب رہنے والے لوگوں کی بھی صحت اور حفاظت کی ذمہ داری محسوس کرتے ہیں۔ ایک ڈسپینسری قابل لوگوں کی ٹیم چلا رہی ہے۔ جہاں معیاری ادویات فراہم کی جاتی ہے۔ ہم اپنی پیداواری جگہ کو ماحولیاتی معیار کے مطابق یقینی بناتے ہیں۔ ہماری پیداواری جگہ کسی نقصان دہ مواد کو خارج نہیں کرتی تاہم ہم نے اخراج اور فضلہ کے بارے میں سخت حکمت عملی اپنائی ہوتی ہے۔ ہم ملک کی انسانیت کی خدمت پر یقین رکھتے ہیں اور اس بات کو یقینی بناتے ہیں کہ ہماری سماجی اور فلاحی سرگرمیوں سے لوگوں کو حقیقی فائدہ ہو۔ اور ہم اپنے ملازمین کو ان سرگرمیوں کیلئے وقت وقف کرنے اور فعال شرکت کرنے پر ان کی حوصلہ افزائی اور ان کو خراج تحسین پیش کرتے ہیں۔

ڈائریکٹرز اپنی کمپنی کے ملازمین کی مستقل کاوشوں، محنت اور اپنائیت پر اظہار مسرت کرتے ہیں ہم اپنے کسٹمرز، سپلائرز، بینکرز، ایڈوائزر اور حصص کنندگان کی مسلسل حمایت پر تہ دل سے مشکور ہیں۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

فیصل آباد 04 اکتوبر 2018ء

SIX YEARS FINANCIAL RESULTS

	(RUPEES IN THOUSAND)					
	2018	2017	2016	2015	2014	2013
REVENUE	30,842,159	23,393,876	23,183,485	26,702,735	24,371,128	22,744,589
COST OF SALES	(26,990,855)	(20,008,592)	(19,971,238)	(22,988,317)	(20,435,316)	(18,838,816)
GROSS PROFIT	3,851,304	3,385,284	3,212,247	3,714,418	3,935,812	3,905,773
DISTRIBUTION COST	(2,063,381)	(1,478,067)	(1,396,012)	(1,472,973)	(1,159,311)	(1,270,852)
ADMINISTRATIVE EXPENSES	(549,235)	(480,722)	(472,516)	(477,492)	(443,232)	(385,512)
OTHER EXPENSES	(108,238)	(10,675)	(48,644)	(54,498)	(61,996)	(59,613)
OTHER INCOME	1,070,524	218,041	341,212	325,588	45,327	45,486
FINANCE COST	(896,395)	(640,673)	(718,568)	(1,002,893)	(1,142,456)	(1,105,926)
SHARE OF LOSS FROM ASSOCIATE	-	-	-	-	-	(160)
PROFIT BEFORE TAXATION	1,304,579	993,188	917,719	1,032,150	1,174,144	1,129,196

VISION STATEMENT

- A leading producer of textile products by providing the highest quality of products and services to its customers.
- To strive excellence through commitment, integrity, honesty and team work.
- Highly ethical company and be respected corporate citizen to continue playing due role in the social and environmental sectors of the company.
- To develop and extremely motivated and professional trained work force, which would drive growth through innovation and renovation.
- Sustained growth in earning in real terms.

MISSION STATEMENT

Our mission is to be a dynamic, profitable and growth oriented company by providing good return on investment to its shareholders and investors, quality products to its customers, a secured and friendly environment place of work to its employees and to project Pakistan's image in the international market.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

Name of company	Masood Textile Mills Limited
Year Ended	June 30, 2018

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

1. The total number of directors are 7 including CEO as per the following:
 - a) Male 6
 - b) Female 1

2. The Names of the Directors:

1) Mr. Shahid Nazir Ahmad	Executive Director
2) Mr. Naseer Ahmad Shah	Non-Executive Director
3) Mr. Matloob Hussain	Non-Executive Director
4) Mr. Fazal Ahmad	Non-Executive Director
5) Miss Chen Yan	Non-Executive Director
6) Mr. Shibin Yang	Non-Executive Director
7) Mr. Shoaib Ahmad Khan	Non-Executive Director

There is no independent director in the Board of Directors of our Company, However, our Company shall include required independent directors in its Board of Directors in the next financial year.

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The company stands complied with requirements of Director training program under the CCG.

Name of Director who obtained certificate of DTP / Exempted under the Regulations.

Mr. Shahid Nazir Ahmad	Executive
Mr. Naseer Ahmad Shah	Non Executive
Mr. Matloob Hussain	Non Executive
Mr. Fazal Ahmad	Non Executive

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
- a) Audit Committee
- | | |
|-----------------------|----------|
| Mr. Fazal Ahmad | Chairman |
| Mr. Naseer Ahmad Shah | Member |
| Mr. Matloob Hussain | Member |
- b) HR and Remuneration Committee
- | | |
|------------------------|----------|
| Mr. Matloob Hussain | Chairman |
| Mr. Fazal Ahmad | Member |
| Mr. Shahid Nazir Ahmad | Member |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
- | | |
|----------------------------------|---------------|
| a) Audit Committee | Every Quarter |
| b) HR and Remuneration Committee | Once a year |
15. The Board has set up an effective internal audit function and its members are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

For and on behalf of the Board

Naseer Ahmad Shah
Chairman of the Board

Shahid Nazir Ahmad
Chief Executive Officer

Faisalabad:
04th October, 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Masood 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 Masood Textile Mills Limited ("the Company") for the year ended 30 June 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 30 June 2018.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Paragraph Reference	Description
2	There is no independent director on the Board of Directors of the Company.
12	Independent director is not appointed either as Chairman or as a member of the Audit Committee.
12	Independent director is not appointed as a member of HR and Remuneration Committee.

RIAZ AHMAD & COMPANY
Chartered Accountants

FAISALABAD

Date: 04 October, 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Masood Textile Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Masood Textile Mills Limited ('the Company'), which comprise the statement of financial position as at 30 June 2018, and 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 purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the 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 accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics 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.

Key Audit Matters

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

Following are the key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Inventory existence and valuation</p> <p>Inventories as at 30 June 2018 amounting to Rupees 7,390.027 million represented a material position in the statement of financial position, break up of which is as follows:</p> <ul style="list-style-type: none"> - Stores, spare parts and loose tools of Rupees 1,579.156 million - Stock-in-trade of Rupees 5,810.871 million <p>The business is characterized by high volume serial production and the valuation and existence of inventories are significant to the business. Therefore, considered as one of the key audit matters.</p> <p>Inventories are stated at lower of cost and net realizable value. Cost is determined as per accounting policy disclosed in Note 2.6 to the financial statements.</p>	<p>Our procedures over existence and valuation of inventory included, but were not limited to:</p> <ul style="list-style-type: none"> • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice.

<p>At year end, the valuation of inventories is reviewed by management and the cost of inventories is reduced where it is forecasted to be sold below cost.</p> <p>Usable stores, spare parts and loose tools are valued at moving average cost, raw materials are valued at annual average basis whereas, costing of work-in-process and finished goods is considered to carry more significant risk as the cost of material, labor and manufacturing overheads is allocated on the basis of complex formulas and involves management judgment.</p> <p>The determination of whether inventories will be realized for a value less than cost requires management to exercise judgment and apply assumptions. Management undertake the following procedures for determining the level of write down required:</p> <ul style="list-style-type: none"> • Use inventory ageing reports together with historical trends to estimate the likely future salability of slow moving and older inventory items. • Perform a line-by-line analysis of remaining inventories to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognized, if required. <p>For further information on inventories, refer to the following:</p> <ul style="list-style-type: none"> - Summary of significant accounting policies, Inventories (Note 2.6 to the financial statements). - Stores, spare parts and loose tools (Note 16) and Stock-in-trade (Note 17) to the financial statements. 	<ul style="list-style-type: none"> • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. • We also made inquiries from management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required. • We also assessed the adequacy of the disclosures made in respect of the accounting policies and related notes to the financial statements.
<p>2. Revenue recognition</p> <p>The Company generates revenue from sale of goods to domestic as well as export customers.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period.</p> <p>For further information on revenue recognition, refer to the following:</p> <ul style="list-style-type: none"> - Summary of significant accounting policies, Revenue recognition (Note 2.10 to the financial statements). - Revenue (Note 23 to the financial statements). 	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of and assessed the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period. • We assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards. • We performed audit measures that included comparing sales transactions recognized at the turn of the financial period to documentation supporting revenue recognition, analysis of nominal ledger entries to identify uncommon entries and comparing outstanding sales receivables at the turn of the financial period with payment transactions.

<p>3. Preparation of financial statements under the Companies Act, 2017</p> <p>The Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The Act 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 statements.</p> <p>In case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements.</p> <p>The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.</p> <p>For further information, refer to Note 2.1(b) to the financial statements.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act. • We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. • We verified on test basis the supporting evidences for the additional disclosures and ensured appropriateness of the disclosures made.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Company and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted and deposited in Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Liaqat Ali Panwar.

RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 04 October, 2018

STATEMENT OF FINANCIAL

	NOTE	2018	2017	2016
(RUPEES IN THOUSAND)				
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital				
125 000 000 (2017: 125 000 000) ordinary shares of Rupees 10 each		1,250,000	1,250,000	1,250,000
60 000 000 (2017: 60 000 000) preference shares of Rupees 10 each		600,000	600,000	600,000
		<u>1,850,000</u>	<u>1,850,000</u>	<u>1,850,000</u>
Issued, subscribed and paid up share capital	3	986,666	986,666	948,333
Capital reserves				
Share premium	4	1,375,000	1,375,000	400,000
Redemption fund	4	128,333	128,333	128,333
Surplus on revaluation of freehold land		900,234	900,234	900,234
Revenue reserves	5	6,945,641	5,957,366	5,347,222
Total equity		<u>10,335,874</u>	<u>9,347,599</u>	<u>7,724,122</u>
LIABILITIES				
NON-CURRENT LIABILITIES				
Long term financing	6	4,650,568	5,119,282	1,105,335
Liabilities against assets subject to finance lease	7	6,816	22,657	52,468
Deferred liability for gratuity	8	724,353	609,886	566,816
		5,381,737	5,751,825	1,724,619
CURRENT LIABILITIES				
Trade and other payables	9	2,676,834	1,961,552	2,146,893
Unclaimed dividend		10,813	10,433	9,782
Accrued mark-up	10	191,768	126,698	91,040
Short term borrowings	11	11,962,878	8,907,948	10,056,494
Current portion of non-current liabilities	12	1,469,563	686,368	788,853
Provision for taxation		191,531	106,187	188,501
		<u>16,503,387</u>	<u>11,799,186</u>	<u>13,281,563</u>
TOTAL LIABILITIES		<u>21,885,124</u>	<u>17,551,011</u>	<u>15,006,182</u>
CONTINGENCIES AND COMMITMENTS	13			
TOTAL EQUITY AND LIABILITIES		<u>32,220,998</u>	<u>26,898,610</u>	<u>22,730,304</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

POSITION AS AT 30 JUNE 2018

	NOTE	2018	2017	2016
(RUPEES IN THOUSAND)				
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	14	10,028,337	8,377,317	6,713,395
Long term advances	15	1,814	8,149	289
Long term security deposits		47,110	47,387	45,802
		<u>10,077,261</u>	<u>8,432,853</u>	<u>6,759,486</u>
CURRENT ASSETS				
Stores, spare parts and loose tools	16	1,579,156	1,312,255	956,585
Stock in trade	17	5,810,871	6,916,511	5,277,633
Trade debts	18	9,276,084	5,618,714	6,067,959
Loans and advances	19	380,772	354,523	303,928
Short term deposits and prepayments	20	939,770	688,858	576,012
Other receivables	21	3,536,704	2,672,080	1,562,048
Cash and bank balances	22	620,380	902,816	1,226,653
		<u>22,143,737</u>	<u>18,465,757</u>	<u>15,970,818</u>
TOTAL ASSETS		<u><u>32,220,998</u></u>	<u><u>26,898,610</u></u>	<u><u>22,730,304</u></u>

CHIEF FINANCIAL OFFICER

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

	NOTE	2018 (RUPEES IN THOUSAND)	2017
REVENUE	23	30,842,159	23,393,876
COST OF SALES	24	<u>(26,990,855)</u>	<u>(20,008,592)</u>
GROSS PROFIT		3,851,304	3,385,284
DISTRIBUTION COST	25	(2,063,381)	(1,478,067)
ADMINISTRATIVE EXPENSES	26	(549,235)	(480,722)
OTHER EXPENSES	27	(108,238)	(10,675)
OTHER INCOME	28	1,070,524	218,041
FINANCE COST	29	<u>(896,395)</u>	<u>(640,673)</u>
PROFIT BEFORE TAXATION		1,304,579	993,188
TAXATION	30	<u>(191,531)</u>	<u>(106,187)</u>
PROFIT AFTER TAXATION		<u>1,113,048</u>	<u>887,001</u>
EARNINGS PER SHARE - BASIC (RUPEES)	31	<u>16.11</u>	<u>12.76</u>
- DILUTED (RUPEES)	31	<u>15.18</u>	<u>12.16</u>

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

 CHIEF EXECUTIVE OFFICER

 DIRECTOR

 CHIEF FINANCIAL OFFICER

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

	2018	2017
	(RUPEES IN THOUSAND)	
PROFIT AFTER TAXATION	1,113,048	887,001
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements arising on defined benefit obligation	18,821	17,798
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	18,821	17,798
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,131,869	904,799

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

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

SHARE CAPITAL	RESERVES							TOTAL	TOTAL EQUITY
	CAPITAL				REVENUE				
	Share premium	Redemption fund	Surplus on revaluation of freehold land	Sub total	General	Unappropriated profit	Sub total		

(RUPEES IN THOUSAND)

Balance as at 30 June 2016	948,333	400,000	128,333	-	528,333	714,500	4,632,722	5,347,222	5,875,555	6,823,888
Impact of restatement	-	-	-	900,234	900,234	-	-	-	900,234	900,234
Balance as at 30 June 2016 - restated	948,333	400,000	128,333	900,234	1,428,567	714,500	4,632,722	5,347,222	6,775,789	7,724,122
Transactions with owners:										
Preference shares repaid	(36,667)	-	-	-	-	-	-	-	-	(36,667)
Transferred from capital redemption reserve fund	-	-	(36,667)	-	(36,667)	-	36,667	36,667	-	-
Transferred to capital redemption reserve fund	-	-	36,667	-	36,667	-	(36,667)	(36,667)	-	-
Dividend at the rate of Rupees 4.40 per share (Ordinary shares)	-	-	-	-	-	-	(264,000)	(264,000)	(264,000)	(264,000)
Dividend at the rate of Rupees 0.88 per share (Preference shares)	-	-	-	-	-	-	(30,655)	(30,655)	(30,655)	(30,655)
Issue of 12.50 % right shares at premium of Rupees 130 per share	75,000	975,000	-	-	975,000	-	-	-	975,000	1,050,000
Profit for the year	-	-	-	-	-	-	887,001	887,001	887,001	887,001
Other comprehensive income for the year	-	-	-	-	-	-	17,798	17,798	17,798	17,798
Total comprehensive income for the year	-	-	-	-	-	-	904,799	904,799	904,799	904,799
Balance as at 30 June 2017	986,666	1,375,000	128,333	900,234	2,403,567	714,500	5,242,866	5,957,366	8,360,933	9,347,599
Transactions with owners:										
Dividend at the rate of Rupees 1.75 per share (Ordinary shares)	-	-	-	-	-	-	(118,125)	(118,125)	(118,125)	(118,125)
Dividend at the rate of Rupees 0.81 per share (Preference shares)	-	-	-	-	-	-	(25,470)	(25,470)	(25,470)	(25,470)
Profit for the year	-	-	-	-	-	-	1,113,048	1,113,048	1,113,048	1,113,048
Other comprehensive income for the year	-	-	-	-	-	-	18,821	18,821	18,821	18,821
Total comprehensive income for the year	-	-	-	-	-	-	1,131,869	1,131,869	1,131,869	1,131,869
Balance as at 30 June 2018	986,666	1,375,000	128,333	900,234	2,403,567	714,500	6,231,141	6,945,641	9,349,208	10,335,874

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 (RUPEES IN THOUSAND)	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	32	59,936	(606,581)
Finance cost paid		(831,325)	(605,016)
Income tax paid		(310,868)	(286,200)
Dividend paid to ordinary shareholders		(117,745)	(263,349)
Dividend paid to preference shareholders		(25,470)	(30,655)
Gratuity paid		(70,946)	(110,645)
Net decrease / (increase) in long term advances		6,335	(7,860)
Net decrease / (increase) in long term security deposits		277	(1,585)
Net cash used in operating activities		<u>(1,289,806)</u>	<u>(1,911,891)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		64,395	63,710
Capital expenditure on property, plant and equipment		(2,410,596)	(2,222,094)
Net cash used in investing activities		<u>(2,346,201)</u>	<u>(2,158,384)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,044,867	4,714,588
Repayment of long term financing		(715,941)	(791,753)
Repayment of preference shares		-	(36,667)
Proceeds from issue of right shares		-	1,050,000
Repayment of liabilities against assets subject to finance lease		(30,286)	(41,184)
Short term borrowings - net		3,054,930	(1,148,546)
Net cash from financing activities		<u>3,353,570</u>	<u>3,746,438</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(282,436)</u>	<u>(323,837)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		902,816	1,226,653
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 22)		<u><u>620,380</u></u>	<u><u>902,816</u></u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. THE COMPANY AND ITS OPERATIONS

Masood Textile Mills Limited is a public limited company incorporated under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). Its registered office is situated at Universal House, P-17/1, New Civil Lines, Bilal Road, Faisalabad. The main objects of the Company are manufacturing and sale of cotton / synthetic fiber yarn, knitted / dyed fabrics and garments.

Geographical location and addresses of all business units of the Company are as follows:

<u>Manufacturing Units</u>	<u>Address</u>
Spinning, Knitting and Dyeing Units	32-KM , Sheikhpura Road, Faisalabad
Spinning Unit	Satyana Road, Faisalabad
Stitching Unit	Sargodha Road, Faisalabad
Stitching Units	Nishatabad, Faisalabad
Stitching Unit	Chak Jhumra Road, Nishatabad, Faisalabad
Stitching Unit	Hajiabad, Sheikhpura Road, Faisalabad
Stitching Unit	Koh-i-Noor City, Jaranawla Road, Faisalabad
Stitching Unit	Faisalabad Garments City Company, Khurrianwala, Faisalabad
Stitching Unit	Small Scale Industrial Estate, Faisalabad
Stitching Unit	Khurrianwala Jaranwala Road, Faisalabad

1.1 Summary of significant transactions and events affecting the Company's financial position and performance

- The exchange rate of US Dollar to Pakistan Rupees (PKR) has increased from PKR 104.80 as at 30 June 2017 to PKR 121.40 as at 30 June 2018.
- Due to applicability of the Company's Act, 2017 to the financial statements of the Company, some of the amounts reported for the previous period have been reclassified and restated. For detailed information please refer to Note 2.1(b) and Note 2.5.
- For detailed discussion about the Company's performance please refer to the Director's Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

a) 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 (IFRSs) 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 IFRSs, the provisions of and directives issued under the Company's Act, 2017 have been followed.

b) Preparation of financial statements under the Companies Act, 2017

The fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for preparation of these financial statements. The Companies Act, 2017 (including its fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. Change in accounting policy of surplus on revaluation of freehold land (Note 2.5) and additional disclosures include but are not limited to, particulars of immovable assets of the Company (Note 14.1.3), disclosure of export sales debtors (Note 18.2), management's assessment of sufficiency of tax provision in the financial statements (Note 30.2), change in threshold for identification of executives (Note 34) etc.

c) Accounting convention

These financial statements have been prepared under the historical cost convention, except for the following:

- Deferred liability for gratuity which is recognized on the basis of actuarial valuation at present value (Note 8).
- Freehold land grouped in operating fixed assets which is carried at fair value (Note 14.1).

d) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Deferred liability for gratuity

Certain actuarial assumptions have been adopted as disclosed in Note 8 to the financial statements for determination of present value of gratuity. Any change in these assumptions in future years might affect the current and remeasurement gains and losses in those years.

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Provision for doubtful debts / receivables

The Company reviews its receivable balances against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

e) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2017:

International Accounting Standard (IAS) 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments have resulted in certain additional disclosures in the Company's financial statements.

IAS 12 (Amendments), 'Income Taxes' (effective for annual periods beginning on or after 01 January 2017). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments have no significant impact on the Company's financial statements.

The application of the above amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

f) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are other amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2017 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

g) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2018 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 July 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner as under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the de-recognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 July 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

Amendments to IFRS 9 (effective for annual periods beginning on or after 01 January 2019) clarify that for the purpose of assessing whether a prepayment feature meets the Solely Payments of Principal and Interest ('SPPI') condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments are not likely to have significant impact on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 July 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IAS 19 (Amendments), 'Employee Benefits' - Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period, and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 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 interpretation is not expected to have a material impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

On 12 December 2017, IASB issued Annual Improvements to IFRSs: 2015-2017 Cycle, incorporating amendments to four IFRSs more specifically in IAS 12 'Income Taxes' and IAS 23 'Borrowing Costs'. The amendments are effective for annual periods beginning on or after 01 January 2019. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 29 March 2018, the IASB issued a revised Conceptual Framework. The new Framework reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits - this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, de-recognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS and does not override any standard, so nothing will change in short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRSs. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 01 January 2020 for preparers that develop an accounting policy based on the Framework.

h) Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2018 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Staff retirement benefits

The Company operates an unfunded gratuity scheme for its permanent employees who have completed the minimum qualifying period of service as defined under the scheme. The Company's obligation under this scheme is determined through actuarial valuation carried under Projected Unit Credit Method. Latest actuarial valuation has been carried on 30 June 2018. The method involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of the benefit, such estimates are subject to certain uncertainties. Significant assumptions used to carry out the actuarial valuation have been disclosed in Note 8.4 to these financial statements.

Remeasurements changes which comprise actuarial gains and losses are recognized immediately in other comprehensive income.

2.3 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the reporting date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. The Company charges all the exchange differences to the statement of profit or loss.

2.4 Taxation

Current

The Company falls in the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax is made in the financial statements accordingly. However, provision for tax on other income is based on taxable income at the current rates after considering the rebates and tax credits available, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases 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.

2.5 Property, plant, equipment and depreciation

a) Owned

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss except freehold land which is stated at cost / revalued amount less any identified impairment loss. Capital work-in-progress is stated at cost less any identified impairment loss. Cost of property, plant and equipment signifies historical cost, revalued amount, borrowing cost pertaining to erection / construction period as referred in Note 2.7 and directly attributable cost of bringing the assets to working condition.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying 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 the item will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to statement of profit or loss during the period they are incurred.

Change in accounting policy

The specific provision in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of IAS 16, 'Property, Plant and Equipment', surplus on revaluation of fixed assets would now be presented under equity.

Following the application of IAS 16, the Company's accounting policy for surplus on revaluation of freehold land stands amended as follows:

Increases in the carrying amounts arising on revaluation of freehold land are recognised in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

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 summarized below:

	As at 30 June 2017			As at 30 June 2016		
	As perviously reported	As restated	Restatement	As perviously reported	As restated	Restatement
------(RUPEES IN THOUSAND)-----						
Effect on statement of financial position						
Surplus on revaluation of freehold land	900,234	-	(900,234)	900,234	-	(900,234)
Share capital and reserves	-	900,234	900,234	-	900,234	900,234
Effect on statement of changes in equity						
Surplus on revaluation of freehold land	-	900,234	900,234	-	900,234	900,234

There was no impact on the statement of profit or loss, on statement of comprehensive income and on statement of cash flows as a result of the retrospective application of change in accounting policy.

b) Leased – Finance Lease

Leases where the Company has substantially all the risk and rewards of ownership are classified as finance lease. Assets subject to finance lease are capitalized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

The related rental obligation net of finance cost is included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of payments.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to the statement of profit or loss over the lease term.

Gain on sale and lease back of operating fixed assets is deferred and amortized over the lease term and loss on sale and lease back of operating fixed assets is recognized in the statement of profit or loss.

c) Leased – Operating lease

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss over the lease term.

d) Depreciation

Depreciation on property, plant and equipment is charged to income on reducing balance method at the rates given in Note 14.1 to write off the cost over their expected useful life. The Company charges depreciation on additions from the date when the asset is available for use and on deletions up to the date when asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

e) De-recognition

An item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is de-recognized.

2.6 Inventories

Inventories, except for stock in transit and waste stock / rags, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. In transit stores, spare parts and loose tools are valued at cost comprising invoice value plus other charges paid thereon.

Stock in trade

Cost of raw materials, work-in-process and finished goods is determined as follows:

- i) For raw materials - Annual average basis.
- ii) For work-in-process and finished goods - Average manufacturing cost including a portion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags are valued at net realizable value.

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

2.7 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing cost, if any, is capitalized as part of the cost of that asset.

2.8 Provisions

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

2.9 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. 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. Impairment losses are recognized in the statement of profit or loss except for the property, plant and equipment stated under revaluation model in which case it is adjusted against the revaluation surplus. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss except for the property, plant and equipment stated under revaluation model in which case it is adjusted against the revaluation surplus.

2.10 Revenue recognition

Revenue from different sources is recognized as under:

- Revenue from sale of goods is recognized on dispatch of goods to customers. Related Government grant is recognized when there is reasonable assurance that the Company will comply with the conditions attached to it and grant will be received.
- Profit on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

2.11 Share capital

Ordinary and preference shares are classified as equity.

2.12 Financial instruments

Financial instruments carried on the statement of financial position include deposits, trade debts, loans and advances, other receivables, cash and bank balances, long term financing, liabilities against assets subject to finance lease, short term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are measured initially at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

2.13 Trade and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.14 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.15 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.16 Offsetting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.18 Dividend and transfer of reserves

Dividend to the shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its segments separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment results that are reported to management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has three reportable operating segments: i) Spinning (Producing different qualities of yarn), ii) Knitting (Producing knitted fabric from yarn), iii) Processing and Garments (Processing of greige fabric for production of dyed and white fabric and manufacturing of variety of garments from processed fabric).

Transactions among the operating segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2018 (NUMBER OF SHARES)	2017		2018 (RUPEES IN THOUSAND)	2017
67 500 000	67 500 000	Ordinary shares of Rupees 10 each fully paid in cash	675,000	675,000
31 166 668	31 166 668	Cumulative preference shares (non-voting) of Rupees 10 each fully paid in cash (Note 3.1)	311,666	311,666
<u>98 666 668</u>	<u>98 666 668</u>		<u>986,666</u>	<u>986,666</u>

- 3.1 The Company issued cumulative preference shares as at 30 June 2005, which are listed on Pakistan Stock Exchange Limited, to finance the working capital requirements and fixed capital expenditure.

Terms of redemption

a) Conversion option

Preference shareholders have the option to serve a notice to the Company to convert one third of the preference shares along with accumulated dividend into ordinary shares of the Company after the expiry of four years from the date of issuance in any conversion year at a discount of 15 percent to immediately preceding 30 calendar days' average market value. Upon receiving the conversion notice, the Company will have the option to repay the preference shares along with the accumulated dividend for which conversion notice has been issued within one month of receiving thereof or issue ordinary shares to preference shareholders.

b) Call option

The Company has the option to redeem the preference shares after four years of the issuance in part in multiples of 10 percent upto 100 percent from the preference shareholders. The call price would be Rupees 10 per share plus the entire accumulated preference share dividend, if any.

c) Rate of dividend

The preference dividend is payable at the average rate of six months KIBOR plus 2 percent per annum on cumulative basis. According to the terms of issuance, dividend to ordinary shareholders could only be paid after the payment of preference dividend to preference shareholders.

d) Sinking fund reserve

The Company has created a sinking fund reserve (capital redemption reserve fund) from the profits of the Company to make payments against any call option. The Company has built-up this sinking fund reserve to ensure that at the end of the fourth year from the issuance date, the reserve is equal to one third of the total amount of preference shares. This reserve account will subsequently be replenished to ensure that one third of the outstanding preference shares amount is available in the reserve account.

- 3.2 17 396 833 ordinary shares (2017: 17 396 833) of the Company are held by Shanghai Challenge Textile Company Limited - associated company.

	2018	2017
	(RUPEES IN THOUSAND)	
4. CAPITAL RESERVES		
Share premium (Note 4.1)	1,375,000	1,375,000
Capital redemption reserve fund (Note 4.2)	128,333	128,333
Surplus on revaluation of freehold land	900,234	900,234
	<u>2,403,567</u>	<u>2,403,567</u>
4.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.		
4.2 The Company has created this reserve from its profits to make payments against any call option of preference shares.		
5. REVENUE RESERVES		
General	714,500	714,500
Unappropriated profit	6,231,141	5,242,866
	<u>6,945,641</u>	<u>5,957,366</u>
6. LONG TERM FINANCING		
From banking companies - secured		
Long term loans (Note 6.1)	5,980,246	5,776,320
Diminishing musharika (Note 6.2)	125,000	-
	<u>6,105,246</u>	<u>5,776,320</u>
Less: Current portion shown under current liabilities (Note 12)	1,454,678	657,038
	<u>4,650,568</u>	<u>5,119,282</u>

6.1 Long term loans

LENDER	2018	2017	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
(RUPEES IN THOUSAND)						
Medium Term Loan / Demand Finances / Long Term Finances for Export Oriented Projects:						
MCB Bank Limited	263,019	358,663	3 Months KIBOR+1.50%	Twenty quarterly installments starting from 31 March 2016 and ending on 01 January 2021	Quarterly	First charge on specific machinery
MCB Bank Limited	-	2,159	3 Months KIBOR+1.50%	This facility was completely repaid on 24 August 2017	Quarterly	First charge on specific machinery
United Bank Limited	-	4,006	3 Months KIBOR+2.00%	This facility was completely repaid on 23 August 2017	Quarterly	First charge on specific machinery
National Bank of Pakistan	451,713	560,448	3 Months KIBOR+1.50%	Twenty quarterly installments starting from 28 March 2018 and ending on 28 December 2022	Quarterly	First charge on specific machinery
National Bank of Pakistan	2,500,000	2,500,000	3 Months KIBOR+1.00%	Twenty quarterly installments starting from 22 September 2018 and ending on 22 June 2023	Quarterly	First joint pari passu charge over fixed assets of the Company and personal guarantee of Chief Executive Officer of the Company
Standard Chartered Bank (Pakistan) Limited	800,000	1,000,000	6 Months KIBOR+1.25%	Ten equal semi annual installments starting from 31 July 2017 and ending on 31 January 2022	Semi Annually	Joint pari passu charge over fixed assets of the Company
Askari Bank Limited	-	708	3 Months KIBOR+1.50%	This facility was completely repaid on 16 August 2017	Quarterly	First charge on specific machinery
Samba Bank Limited	375,000	562,500	6 Months KIBOR+1.50%	Sixteen quarterly installments starting from 30 September 2016 and ending on 30 June 2020	Quarterly	Pari passu charge on fixed assets
United Bank Limited	82,878	116,029	5.00%	Sixteen quarterly installments starting from 22 February 2017 and ending on 22 November 2020	Quarterly	First charge on specific machinery
United Bank Limited	28,103	32,118	5.00%	Sixteen quarterly installments starting from 31 December 2017 and ending on 30 September 2021	Quarterly	First charge on specific machinery
United Bank Limited	16,383	-	5.00%	Sixteen quarterly installments starting from 11 May 2019 and ending on 11 February 2023	Quarterly	First charge on specific machinery
United Bank Limited	5,170	-	5.00%	Sixteen quarterly installments starting from 30 March 2019 and ending on 30 December 2022	Quarterly	First charge on specific machinery
United Bank Limited	13,125	-	5.00%	Sixteen quarterly installments starting from 25 July 2019 and ending on 25 April 2023	Quarterly	First charge on specific machinery
United Bank Limited	9,526	-	5.00%	Sixteen quarterly installments starting from 27 August 2019 and ending on 27 May 2023	Quarterly	First charge on specific machinery
United Bank Limited	71,610	-	5.00%	Sixteen quarterly installments starting from 26 August 2019 and ending on 26 May 2023	Quarterly	First charge on specific machinery
United Bank Limited	2,237	-	5.00%	Sixteen quarterly installments starting from 05 September 2019 and ending on 05 June 2023	Quarterly	First charge on specific machinery
United Bank Limited	37,041	-	5.00%	Sixteen quarterly installments starting from 19 September 2019 and ending on 19 June 2023	Quarterly	First charge on specific machinery
United Bank Limited	7,871	-	5.00%	Sixteen quarterly installments starting from 20 September 2019 and ending on 20 June 2023	Quarterly	First charge on specific machinery
MCB Bank Limited	6,078	8,104	5.00%	Twenty quarterly installments starting from 12 July 2016 and ending on 12 April 2021	Quarterly	First charge on specific machinery
MCB Bank Limited	2,439	3,252	5.00%	Twenty quarterly installments starting from 04 August 2016 and ending on 04 May 2021	Quarterly	First charge on specific machinery
MCB Bank Limited	868	1,157	5.00%	Twenty quarterly installments starting from 22 August 2016 and ending on 22 May 2021	Quarterly	First charge on specific machinery
MCB Bank Limited	40,835	52,503	5.00%	Twenty quarterly installments starting from 06 March 2017 and ending on 06 December 2021	Quarterly	First charge on specific machinery
MCB Bank Limited	32,478	41,757	5.00%	Twenty quarterly installments starting from 27 March 2017 and ending on 21 December 2021	Quarterly	First charge on specific machinery
MCB Bank Limited	50,638	65,105	5.00%	Nineteen quarterly installments starting from 30 June 2017 and ending on 30 December 2021	Quarterly	First charge on specific machinery
The Bank of Punjab	2,490	4,150	5.00%	Twenty quarterly installments starting from 12 July 2017 and ending on 12 April 2022	Quarterly	First charge on specific machinery

LENDER	2018	2017	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
(RUPEES IN THOUSAND)						
The Bank of Punjab	2,587	4,311	5.00%	Twenty quarterly installments starting from 05 August 2017 and ending on 05 May 2022	Quarterly	First charge on specific machinery
The Bank of Punjab	2,867	4,778	5.00%	Twenty quarterly installments starting from 11 August 2017 and ending on 11 May 2022	Quarterly	First charge on specific machinery
The Bank of Punjab	5,908	9,847	5.00%	Twenty quarterly installments starting from 11 August 2017 and ending on 11 May 2022	Quarterly	First charge on specific machinery
The Bank of Punjab	1,887	3,145	5.00%	Twenty quarterly installments starting from 08 September 2017 and ending on 08 June 2022	Quarterly	First charge on specific machinery
The Bank of Punjab	1,113	1,591	5.00%	Twenty quarterly installments starting from 31 January 2018 and ending on 31 October 2022	Quarterly	First charge on specific machinery
The Bank of Punjab	1,565	2,384	5.00%	Twenty quarterly installments starting from 06 February 2018 and ending on 06 November 2022	Quarterly	First charge on specific machinery
The Bank of Punjab	2,018	2,883	5.00%	Twenty quarterly installments starting from 06 February 2018 and ending on 05 November 2022	Quarterly	First charge on specific machinery
The Bank of Punjab	11,256	16,079	5.00%	Twenty quarterly installments starting from 16 February 2018 and ending on 16 November 2022	Quarterly	First charge on specific machinery
The Bank of Punjab	4,647	6,248	5.00%	Twenty quarterly installments starting from 05 March 2018 and ending on 05 December 2022	Quarterly	First charge on specific machinery
The Bank of Punjab	28,686	38,851	5.00%	Twenty quarterly installments starting from 14 March 2018 and ending on 14 December 2022	Quarterly	First charge on specific machinery
The Bank of Punjab	25,955	34,607	5.00%	Twenty quarterly installments starting from 29 April 2018 and ending on 29 January 2023	Quarterly	First charge on specific machinery
The Bank of Punjab	67,212	84,637	5.00%	Twenty quarterly installments starting from 27 May 2018 and ending on 27 February 2023	Quarterly	First charge on specific machinery
The Bank of Punjab	21,314	-	5.00%	Nineteen quarterly installments starting from 10 February 2018 and ending on 10 August 2022	Quarterly	First charge on specific machinery
The Bank of Punjab	165,103	-	5.00%	Twenty quarterly installments starting from 14 March 2018 and ending on 14 December 2022	Quarterly	First charge on specific machinery
The Bank of Punjab	29,234	-	5.00%	Twenty quarterly installments starting from 21 April 2018 and ending on 21 January 2023	Quarterly	First charge on specific machinery
The Bank of Punjab	5,928	-	5.00%	Twenty quarterly installments starting from 12 May 2018 and ending on 12 February 2023	Quarterly	First charge on specific machinery
The Bank of Punjab	41,788	-	5.00%	Twenty quarterly installments starting from 06 June 2018 and ending on 06 March 2023	Quarterly	First charge on specific machinery
Askari Bank Limited	19,386	25,848	5.00%	Sixteen quarterly installments starting from 01 October 2017 and ending on 01 July 2021	Quarterly	First charge on specific machinery
Askari Bank Limited	14,871	18,302	5.00%	Sixteen quarterly installments starting from 04 December 2017 and ending on 04 September 2021	Quarterly	First charge on specific machinery
Askari Bank Limited	12,498	15,235	5.00%	Sixteen quarterly installments starting from 01 January 2018 and ending on 01 November 2021	Quarterly	First charge on specific machinery
Askari Bank Limited	29,219	33,394	5.00%	Sixteen quarterly installments starting from 01 February 2018 and ending on 01 November 2021	Quarterly	First charge on specific machinery
Askari Bank Limited	98,388	104,947	5.00%	Sixteen quarterly installments starting from 10 April 2018 and ending on 10 January 2022	Quarterly	First charge on specific machinery
Askari Bank Limited	22,675	22,675	5.00%	Sixteen quarterly installments starting from 18 August 2018 and ending on 18 May 2022	Quarterly	First charge on specific machinery
Askari Bank Limited	28,811	28,811	5.00%	Sixteen quarterly installments starting from 15 September 2018 and ending on 15 June 2022	Quarterly	First charge on specific machinery
Askari Bank Limited	5,088	5,088	5.00%	Sixteen quarterly installments starting from 20 September 2018 and ending on 20 June 2022	Quarterly	First charge on specific machinery

LENDER	2018	2017	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
(RUPEES IN THOUSAND)						
Askari Bank Limited	14,908	-	5.00%	Sixteen quarterly installments starting from 17 April 2019 and ending on 17 January 2023	Quarterly	First charge on specific machinery
Askari Bank Limited	5,075	-	5.00%	Sixteen quarterly installments starting from 15 July 2019 and ending on 15 April 2023	Quarterly	First charge on specific machinery
Askari Bank Limited	13,227	-	5.00%	Sixteen quarterly installments starting from 11 September 2018 and ending on 11 June 2023	Quarterly	First charge on specific machinery
Askari Bank Limited	6,486	-	5.00%	Sixteen quarterly installments starting from 27 September 2019 and ending on 27 June 2023	Quarterly	First charge on specific machinery
Askari Bank Limited	2,868	-	5.00%	Sixteen quarterly installments starting from 22 September 2019 and ending on 22 June 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	113,160	-	5.00%	Twenty quarterly installments starting from 28 March 2018 and ending on 28 December 2022	Quarterly	First charge on specific machinery
National Bank of Pakistan	24,955	-	5.00%	Twenty quarterly installments starting from 08 April 2018 and ending on 08 January 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	18,753	-	5.00%	Twenty quarterly installments starting from 22 April 2018 and ending on 22 January 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	39,266	-	5.00%	Twenty quarterly installments starting from 30 April 2018 and ending on 30 January 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	13,470	-	5.00%	Twenty quarterly installments starting from 01 June 2018 and ending on 01 March 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	747	-	5.00%	Twenty quarterly installments starting from 12 June 2018 and ending on 12 March 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	11,666	-	5.00%	Twenty quarterly installments starting from 20 June 2018 and ending on 20 March 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	49,606	-	5.00%	Twenty quarterly installments starting from 26 June 2018 and ending on 26 March 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	61,099	-	5.00%	Twenty quarterly installments starting from 16 August 2018 and ending on 16 May 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	18,906	-	5.00%	Twenty quarterly installments starting from 24 August 2018 and ending on 24 May 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	36,862	-	5.00%	Twenty quarterly installments starting from 25 April 2018 and ending on 25 January 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	42,017	-	5.00%	Twenty quarterly installments starting from 03 July 2018 and ending on 03 April 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	13,219	-	5.00%	Twenty quarterly installments starting from 07 August 2018 and ending on 07 May 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	13,110	-	5.00%	Twenty quarterly installments starting from 29 August 2018 and ending on 29 May 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	7,924	-	5.00%	Twenty quarterly installments starting from 06 September 2018 and ending on 06 June 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	7,443	-	5.00%	Twenty quarterly installments starting from 14 September 2018 and ending on 14 June 2023	Quarterly	First charge on specific machinery
National Bank of Pakistan	15,973	-	5.00%	Twenty quarterly installments starting from 03 October 2018 and ending on 03 July 2023	Quarterly	First charge on specific machinery
	<u>5,980,246</u>	<u>5,776,320</u>				

6.2 Diminishing Musharika:

Orix Modaraba	75,000	-	Base Rate+2.95%	Twenty four monthly installments starting from 30 May 2019 and ending on 30 April 2021	Monthly	First charge on specific machinery
Orix Modaraba	50,000	-	Base Rate+2.95%	Twenty four monthly installments starting from 25 July 2019 and ending on 25 June 2021	Monthly	First charge on specific machinery
	<u>125,000</u>	<u>-</u>				

	2018	2017
	(RUPEES IN THOUSAND)	
7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future rentals and year during which they fall due are as under:		
2018	-	31,470
2019	15,750	16,190
2020	6,924	7,450
	<u>22,674</u>	<u>55,110</u>
Less: Financial charges	973	3,123
Present value of minimum lease rental payments	21,701	51,987
Less: Current portion shown under current liabilities (Note 12)	14,885	29,330
	<u>6,816</u>	<u>22,657</u>

7.1 The value of minimum lease payments has been discounted using implicit interest rate of 7.50 percent to 8.50 percent per annum (2017: 7.47 percent to 8.12 percent per annum). Balance rentals are payable in monthly and quarterly installments. In case of default in any payment, an additional charge at the rate of 0.1 percent per day shall be paid. Taxes, repairs and insurance costs are to be borne by the Company. In case of termination of the agreement, the Company shall pay entire amount of rentals for unexpired period of lease agreement. Lease agreement is renewable at the option of the lessor on such terms as may be agreed upon. Liabilities are secured against deposits of Rupees 1.988 million (2017: Rupees 5.305 million) included in long term security deposits and Rupees 3.100 million (2017: Rupees 6.858 million) included in short term deposits and prepayments.

7.2 Minimum lease payments and their present values are regrouped as under:

	2018		2017	
	Not later than one year	Later than one year but not later than five years	Not later than one year	Later than one year but not later than five years
	----- (RUPEES IN THOUSAND) -----			
Future minimum lease payments	15,750	6,924	31,470	23,640
Less: Un-amortized finance charge	865	108	2,139	984
Present value of future minimum lease payments	<u>14,885</u>	<u>6,816</u>	<u>29,331</u>	<u>22,656</u>

	2018	2017
	(RUPEES IN THOUSAND)	
8. DEFERRED LIABILITY FOR GRATUITY		
Opening balance	609,886	566,816
Add:		
Provision for the year (Note 8.1)	211,782	172,337
Remeasurement recognized in other comprehensive income (Note 8.2)	(18,821)	(17,798)
Closing Balance	<u>802,847</u>	<u>721,355</u>
Less:		
Payments made during the year	(70,946)	(110,645)
Increase in current liability - net	(7,548)	(824)
	<u>(78,494)</u>	<u>(111,469)</u>
	<u>724,353</u>	<u>609,886</u>

	2018	2017
	(RUPEES IN THOUSAND)	
8.1 Provision for the year:		
Current service cost	167,557	135,284
Interest cost	44,225	37,053
	<u>211,782</u>	<u>172,337</u>
8.2 Remeasurements recognized in other comprehensive income		
Actuarial gain from changes in financial assumptions	(2,039)	(714)
Experience adjustment	(16,782)	(17,084)
	<u>(18,821)</u>	<u>(17,798)</u>
8.3 Reconciliation of present value of defined benefit obligation as at 30 June is given below:		
Present value of defined benefit obligation as at 01 July	609,886	566,816
Current service cost	167,557	135,284
Interest cost	44,225	37,053
Benefits paid during the year	(70,946)	(110,645)
Increase in current liability - net	(7,548)	(824)
Remeasurements:		
Actuarial gain from changes in financial assumptions	(2,039)	(714)
Experience adjustment	(16,782)	(17,084)
	<u>(18,821)</u>	<u>(17,798)</u>
Present value of defined benefit obligation as at 30 June	<u>724,353</u>	<u>609,886</u>
8.4 Principal actuarial assumptions used		
Discount rate for interest cost in profit or loss charge (per annum)	7.75%	7.25%
Discount rate for year end obligation (per annum)	9.00%	7.75%
Expected rate of increase in salary (per annum)	8.00%	6.75%
Average duration of the benefit (years)	8	8
Mortality rates	SLIC 2001-05 set back 1 year	SLIC 2001-05 set back 1 year
Withdrawal rate	Age based	Age based
Retirement assumption	Age 60	Age 60
8.5 Sensitivity analysis for actuarial assumptions:		
The sensitivity of the defined benefit obligation as at reporting date to changes in the weighted principal assumption is:		
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(51,469)	(43,278)
Decrease in assumption (Rupees in thousand)	59,823	50,418
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	57,613	48,489
Decrease in assumption (Rupees in thousand)	(50,300)	(42,237)
8.6 Expected Maturity Profile		
Followings are the expected distribution and timing of benefit payments at year end:		
Description	2018	
	(RUPEES IN THOUSAND)	
2019	133,467	
2020	133,514	
2021	122,961	
2022	117,897	
2023	111,763	
2024 to 2028	553,963	
2029 and onwards	6,261,129	

8.7 Amounts for the current and previous four years:

	2018	2017	2016	2015	2014
	------(RUPEES IN THOUSAND)-----				
Present value of defined benefit obligations	724,353	609,886	566,816	431,923	426,889
Remeasurement arising on defined benefit obligation	(18,821)	(17,798)	58,426	(19,014)	(332)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit plan to significant actuarial assumptions, the same method (present value of the defined benefit plan calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year except for certain changes as given in Note 8.4.

8.8 The estimated expenses to be charged to the statement of profit or loss for the year ending on 30 June 2019 are Rupees 243.437 million.

8.9 Risk associated with the scheme**Final salary risk**

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

	2018	2017
	(RUPEES IN THOUSAND)	
9. TRADE AND OTHER PAYABLES		
Creditors	1,362,914	1,143,581
Advances from customers	15,494	28,498
Accrued liabilities	1,192,818	754,077
Income tax deducted at source	12,969	6,016
Sales tax deducted at source	23,943	18,705
Workers' profit participation fund (Note 9.1)	68,696	10,675
	<u>2,676,834</u>	<u>1,961,552</u>
9.1 Workers' Profit Participation Fund		
Balance as at 01 July	10,675	48,644
Add: Provision for the year (Note 27)	68,696	10,675
Interest for the year (Note 29)	653	5,831
	<u>80,024</u>	<u>65,150</u>
Less: Payments during the year	11,328	54,475
Balance as at 30 June	<u>68,696</u>	<u>10,675</u>

9.1.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

	2018	2017
	(RUPEES IN THOUSAND)	
10. ACCRUED MARK-UP		
Long term financing	113,597	71,313
Liabilities against assets subject to finance lease	256	413
Short term borrowings	77,915	54,972
	<u>191,768</u>	<u>126,698</u>
11 SHORT TERM BORROWINGS - SECURED		
These represent the finances obtained from banking companies which are secured by way of first, second and third equitable mortgage on fixed assets of the Company, first joint pari passu charge over current assets of the Company, pledge and personal guarantee of directors. Mark-up is paid at the rate of 2.75% per annum to 9.43% per annum (2017: 2.75% per annum to 8.63% per annum). The sanctioned credit facilities are Rupees 13,645 million (2017: Rupees 12,945 million).		
12. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 6)	1,454,678	657,038
Liabilities against assets subject to finance lease (Note 7)	14,885	29,330
	<u>1,469,563</u>	<u>686,368</u>
13. CONTINGENCIES AND COMMITMENTS		
a) Contingencies		
i) Guarantees of Rupees 244.995 million (2017: Rupees 107.045 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections and Total Parco Pakistan Limited against fuel cards.		
ii) The Company has challenged, before Lahore High Court, Lahore, the provisions of SRO 491(1)/2016 dated 30 June 2016 issued under section 8(1)(b) of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(1) / 2011 dated 31 December 2011, claim of input sales tax in respect of packing material has been disallowed. Lahore High Court, Lahore has issued stay order in favour of the Company on 18 January 2017. Consequently, the Company has accounted for input sales tax amounting to Rupees 151.862 million (2017: 51.994 million) paid on such items as receivable balance. The Company is confident on positive outcome of the appeal, on the advice of legal counsel.		
iii) Provision for Gas Infrastructure Development Cess (GIDC) and cost of supply charges thereon amounting to Rupees 9.429 million (2017: Rupees Nil) and 20.118 million (2017: Rupees Nil) respectively for the period from November 2017 has not been recognized in the books of account as the Company has obtained stay orders from Lahore High Court, Lahore on 15 November 2017 and from Islamabad High Court, Islamabad on 15 December 2017. Post dated cheques amounting to Rupees 7.413 million (2017: Rupees Nil) are issued to SNGPL against GIDC. Company is confident of favorable outcome of the matter, on the advice of legal counsel.		
b) Commitments		
i) Contracts for capital expenditure are amounting to Rupees 267.754 million (2017: Rupees 508.558 million) and other than capital expenditure are of Rupees 830.887 million (2017: Rupees 208.687 million).		
ii) Ijarah (operating lease) commitments - Company as lessee		
The Company obtained vehicles under ijarah (operating lease) agreement. The lease terms are three to five years. The Company has given undertaking to purchase the leased vehicles on agreed purchase price at maturity.		
The future aggregate minimum lease payments under ijarah (operating lease) are as follows:		
Not later than one year	27,863	24,236
Later than one year and not later than five years	43,200	36,062
	<u>71,063</u>	<u>60,298</u>
14. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets		
-Owned (Note 14.1)	9,282,929	7,796,407
-Leased (Note 14.1)	59,848	108,022
Capital work-in-progress (Note 14.2)	685,560	472,888
	<u>10,028,337</u>	<u>8,377,317</u>

14.1 OPERATING FIXED ASSETS

	OWNED										LEASED			
	Freehold land	Buildings on freehold land	Plant and machinery	Electric and gas installations	Factory equipment	Telephone installations	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Total	Plant and machinery	Vehicles	Total
(RUPEES IN THOUSAND)														
At 30 June 2016														
Cost / revalued amount	1,462,233	1,735,712	5,728,521	458,238	93,662	21,420	196,194	10,388	259,169	216,881	10,182,438	127,460	67,739	195,199
Accumulated depreciation	-	(391,055)	(2,622,342)	(211,052)	(54,426)	(15,715)	(121,529)	(3,406)	(178,634)	(133,771)	(3,731,930)	(25,185)	(32,540)	(57,725)
Net book value	1,462,233	1,344,657	3,106,179	247,186	39,236	5,705	74,665	6,982	80,535	83,110	6,450,508	102,275	35,199	137,474
Year ended 30 June 2017														
Opening net book value	1,462,233	1,344,657	3,106,179	247,186	39,236	5,705	74,665	6,982	80,535	83,110	6,450,508	102,275	35,199	137,474
Additions	-	176,430	1,489,892	121,078	7,035	547	24,425	147	25,223	29,842	1,874,619	-	-	-
Transfer:														
Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals:														
Cost	-	(9,518)	(10,255)	(5,288)	(1,450)	-	(19,644)	-	(3,404)	(41,593)	(91,162)	-	-	-
Accumulated depreciation	-	3,519	5,156	2,487	826	-	12,188	-	2,719	17,747	44,642	-	-	-
Depreciation charge	-	(5,999)	(5,109)	(2,801)	(624)	-	(7,456)	-	(685)	(23,846)	(46,520)	-	-	-
Closing net book value	1,462,233	1,446,288	4,245,960	337,373	41,366	5,358	79,125	6,073	86,584	86,047	7,796,407	92,175	15,847	108,022
At 30 June 2017														
Cost / revalued amount	1,462,233	1,902,624	7,208,148	574,028	99,267	21,967	200,975	10,535	280,968	242,890	12,003,655	127,460	29,979	157,439
Accumulated depreciation	-	(456,336)	(2,962,188)	(236,655)	(57,901)	(16,609)	(121,850)	(4,462)	(194,404)	(156,843)	(4,207,248)	(35,285)	(14,132)	(49,417)
Net book value	1,462,233	1,446,288	4,245,960	337,373	41,366	5,358	79,125	6,073	86,584	86,047	7,796,407	92,175	15,847	108,022
Year ended 30 June 2018														
Opening net book value	1,462,233	1,446,288	4,245,960	337,373	41,366	5,358	79,125	6,073	86,584	86,047	7,796,407	92,175	15,847	108,022
Additions	-	208,839	1,690,672	139,342	13,670	673	79,320	598	39,027	25,783	2,197,924	-	-	-
Transfer:														
Cost	-	-	60,650	-	-	-	-	-	-	10,097	70,747	(60,650)	(10,097)	(70,747)
Accumulated depreciation	-	-	(24,468)	-	-	-	-	-	-	(6,070)	(30,536)	24,466	6,070	30,536
Disposals:														
Cost	-	(36,004)	(50,477)	(15,339)	-	-	-	-	(66)	(33,687)	(135,573)	-	-	-
Accumulated depreciation	-	7,918	30,590	8,368	-	-	-	-	44	21,227	68,147	-	-	-
Depreciation charge	-	(28,086)	(19,887)	(6,971)	-	-	-	-	(22)	(12,460)	(87,426)	-	-	-
Closing net book value	1,462,233	1,548,884	5,449,340	429,396	50,276	5,176	141,375	5,732	104,505	66,012	9,282,929	50,392	9,456	59,846
At 30 June 2018														
Cost / revalued amount	1,462,233	2,075,459	8,908,993	698,031	112,937	22,640	280,295	11,133	319,949	245,083	14,136,753	66,810	19,882	86,692
Accumulated depreciation	-	(526,575)	(3,459,653)	(268,635)	(62,661)	(17,464)	(138,920)	(5,401)	(215,444)	(159,071)	(4,859,824)	(16,418)	(10,426)	(26,844)
Net book value	1,462,233	1,548,884	5,449,340	429,396	50,276	5,176	141,375	5,732	104,505	86,012	9,282,929	50,392	9,456	59,846
Annual rate of depreciation (%)														
		5	10	10	10	15	15	15	20	20	20	10	20	20

14.1.1 Freehold land of the Company was revalued as at 30 June 2016 by an independent valuer using market value method and stated in Note 14.1 at appreciated value. Previously, it was revalued by an independent valuer as at 28 June 2013, 30 June 2007 and 30 September 1995. Had there been no revaluation, the value of freehold land would have been lower by Rupees 900,234 million (2017: Rupees 900,234 million). The book value of freehold land on cost basis is Rupees 561,999 million (2017: Rupees 561,999 million).

2018
(RUPEES IN THOUSAND) 2017

14.1.2 Depreciation charge for the year has been allocated as follows:

Owned:		
Cost of sales (Note 24)	626,854	446,193
Distribution cost (Note 25)	645	635
Administrative expenses (Note 26)	<u>56,688</u>	<u>49,143</u>
	<u>684,187</u>	<u>495,971</u>
Leased:		
Cost of sales (Note 24)	5,599	10,100
Distribution cost (Note 25)	1,050	2,090
Administrative expenses (Note 26)	<u>1,314</u>	<u>3,491</u>
	<u>7,963</u>	<u>15,681</u>
	<u>692,150</u>	<u>511,652</u>

14.1.3 Particulars of immovable properties (i.e. land and buildings) in the name of the Company are as follows:

Particulars	Location	Area	Covered area
		Acres	Sq. ft.
Apparel Unit	Sargodha Road, Faisalabad.	2.56	175 936 *
Spinning, Knitting and Dyeing Units	32- KM, Sheikhpura Road, Faisalabad	96.40	1 563 992
Spinning Unit	Satyana Road, Faisalabad	1.50	35 114
Office	New Civil Lines, Bilal Road, Faisalabad	0.225	52 484 *

* Covered area at these locations consists of multi - storey buildings.

14.1.4 Forced sales value of freehold land as per the last revaluation carried out on 30 June 2016 was Rupees 1,242.899 million.

14.1.5 Detail of operating fixed assets, exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Cost	Accumulated	Book value	Sale proceeds	(Loss)/ gain	Mode of disposal	Particulars of purchasers
-----RUPEES IN THOUSAND-----							
Buildings on free hold land							
Dismantalling of Building (Walls, soiling, foundation etc)	35,981	7,902	28,079	11,470	(16,609)	Negotiation	Mr. Nasir Ali, Islam Nagar, Faisalabad.
Plant and machinery							
Auto Cone Winder	22,641	20,309	2,332	411	(1,921)	Negotiation	Mr. Muhammad Amir Khan, Ghulam Muhammad Abad, Faisalabad.
Joint Air Aqua Splicers (06 Nos.)	2,274	64	2,210	2,585	375	Negotiation	Beacon Impex (Pvt.) Ltd., Faisalabad.
Ring Frame (02 Nos.)	2,050	27	2,023	2,399	376	Negotiation	Beacon Impex (Pvt.) Ltd., Faisalabad.
Air Compressor Worthington Rollar 220B	2,500	1,587	913	495	(418)	Negotiation	Master Saleem, Partab Nagar, Faisalabad.
Air Compressor Worthington Rollair 220B	1,260	417	843	350	(493)	Negotiation	Master Saleem, Partab Nagar, Faisalabad.
Industrial Extractor	828	170	658	310	(348)	Negotiation	Mr. Muneer Ahmad, Jameelabad, Faisalabad.
Multi Fuel Furnace With Water Valves	1,650	249	1,401	835	(566)	Negotiation	Mr. Muhammad Abdullah, G- Block, Gulistan Colony, Faisalabad
Vertical Turbine 8" X 8"	1,075	360	715	365	(350)	Negotiation	Mr. Ghulam Mustafa, Abdullah Garden, Faisalabad.
Winch Dyeing Machine	13,512	9,185	4,327	2,500	(1,827)	Negotiation	Naveed Trading, Jhang Road, Faisalabad.
Electric and gas installations							
Change Over Panel 11KV VCB	2,278	812	1,466	1,100	(366)	Negotiation	Mr. Abdul Razaq, Mansoorabad, Faisalabad.
Distribution Transformer 2500KVA	2,300	1,195	1,105	920	(185)	Negotiation	Mr. Jameel Ahmad, Nisar Colony, Faisalabad.
Distribution Transformer 2500KVA	3,100	1,005	2,095	1,250	(845)	Negotiation	Mr. Jameel Ahmad, Nisar Colony, Faisalabad.
Incoming Outgoing Panel 11KV	1,147	408	739	355	(384)	Negotiation	Mr. Zakir Hussain, Jalwi Market, Jaranwala Road, Faisalabad.
Spectra Light Colour Viewing Booth	700	164	536	275	(261)	Negotiation	Mr. Zakir Hussain, Jalwi Market, Jaranwala Road, Faisalabad.
Transformer 150 KVA	1,055	256	799	220	(579)	Negotiation	Mr. Bashir Ahmad, Gulfashan Colony, ABC Road, Faisalabad.
Transformer 2500KVA	3,100	1,170	1,930	1,400	(530)	Negotiation	Mr. Bashir Ahmad, Gulfashan Colony, ABC Road, Faisalabad.
Vehicles							
Toyota Corolla, FD-15-70	1,253	32	1,221	1,252	31	Company Policy	Mr. Muhammad Shahid Naveed (Company's Employee)
Honda City, FDA-12-257	715	213	502	1,278	776	Company Policy	Mr. Muhammad Rashid Sadiq (Company's Employee)
BMW, LEE-07-034	5,595	4,931	664	700	36	Negotiation	Mr. Ahmad Akram, MubarakPura, Tandilanwala

	2018	2017
	(RUPEES IN THOUSAND)	
14.2 CAPITAL WORK-IN-PROGRESS		
Buildings on freehold land	242,947	92,290
Plant and machinery	146,477	75,901
Advances against purchase of land	55,688	45,688
Advances against purchase of machinery	240,448	259,009
	<u>685,560</u>	<u>472,888</u>
14.3 Borrowing cost of Rupees 5.753 million (2017: Rupees 9.252 million) was capitalized during the year using the capitalization rate of 5.00% to 8.89% per annum (2017: 5.00% to 7.62% per annum).		
15. LONG TERM ADVANCES		
Considered good - secured		
Executives (Note 15.1)	3,850	9,720
Other employees	274	645
	<u>4,124</u>	<u>10,365</u>
Less : Current portion shown under current assets (Note 19)	2,310	2,216
	<u>1,814</u>	<u>8,149</u>
15.1 Reconciliation of advances given to executives:		
Balance as at 01 July	9,720	720
Add: Disbursements	4,900	10,000
	<u>14,620</u>	<u>10,720</u>
Less: Repayments	10,770	1,000
Balance as at 30 June	<u>3,850</u>	<u>9,720</u>
15.1.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 12.050 million (2017: Rupees 10.560 million).		
15.2 Comparative figures have been amended because as per definition of executive in accordance with the Companies Act, 2017, some of the executives who have taken loans, been excluded.		
15.3 These include the interest free advances given to Company's executives and other employees recoverable in equal monthly installments and secured against the gratuity payable of these employees.		
15.4 The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of advances to employees is not considered material and hence not recognized.		
16. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores (Note 16.1)	1,169,524	836,249
Spare parts (Note 16.2)	405,102	474,318
Loose tools	4,530	1,688
	<u>1,579,156</u>	<u>1,312,255</u>
16.1 These include stores in transit of Rupees 225.761 million (2017: Rupees 80.918 million)		
16.2 These include spare parts in transit of Rupees 6.242 million (2017: Rupees Nil)		
17. STOCK IN TRADE		
Raw materials (Note 17.1 and Note 17.2)	1,783,689	2,559,226
Work-in-process (Note 17.3)	1,913,300	1,471,451
Finished goods (Note 17.4)	2,113,882	2,885,834
	<u>5,810,871</u>	<u>6,916,511</u>
17.1 These include stock in transit of Rupees 31.223 million (2017: 47.144 million).		
17.2 These include stock of Rupees 105.381 million (2017: Rupees 86.682 million) sent to third parties for conversion.		
17.3 These include stock of Rupees 84.775 million (2017: Rupees 95.358 million) sent to third parties for processing.		
17.4 These include stock of Rupees 59.949 million (2017: Rupees 217.185 million) sent to third parties for processing.		
17.5 Stock in trade includes stocks amounting to Rupees 129.016 million (2017: Rupees 91.938 million) valued at net realizable value.		

	2018	2017
	(RUPEES IN THOUSAND)	
18. TRADE DEBTS		
Considered good:		
Secured (against letters of credit)	699,029	951,998
Unsecured	8,577,055	4,666,716
	<u>9,276,084</u>	<u>5,618,714</u>
Considered doubtful:		
Others - unsecured	61,343	24,832
Less: Provision for doubtful debts		
As at 01 July	24,832	24,832
Add: Provision for the year	36,511	-
As at 30 June	<u>61,343</u>	<u>24,832</u>
	<u>-</u>	<u>-</u>

18.1 As at 30 June 2018, trade debts of Rupees 61.343 million (2017: Rupees 24.832 million) were impaired and provided for. The ageing of these trade debts was more than three years. These trade debts do not include amounts due from related parties.

18.2 As on 30 June 2018, disclosure in respect of outstanding export debtors along with type of arrangements are as follows:

Name of Country	Type of arrangements		
	Against Contract	Against confirmed letters of credit	Total
	-----RUPEES IN THOUSAND-----		
Algeria	-	10,466	10,466
Australia	10,504	-	10,504
Bangladesh	-	16,380	16,380
Belgium	94,707	377,281	471,988
Canada	55,243	-	55,243
China	3,236	-	3,236
Denmark	778	-	778
Egypt	3,855	-	3,855
France	139,224	26,147	165,371
Germany	-	28,297	28,297
Hong Kong	-	34,593	34,593
India	457	-	457
Indonesia	14,022	-	14,022
Malaysia	-	3,767	3,767
Netherlands	1,399,407	-	1,399,407
Peru	3,275	-	3,275
Russia	-	5,670	5,670
Spain	10,860	34,954	45,814
Sri Lanka	15,507	47,019	62,526
Taiwan	2,600	-	2,600
Turkey	-	76,851	76,851
UAE	1,796,812	-	1,796,812
UK	70,364	-	70,364
USA	3,962,891	33,203	3,996,094
	<u>7,583,742</u>	<u>694,628</u>	<u>8,278,370</u>

- 18.3 As on 30 June 2017, disclosures in respect of outstanding export debtors along with type of arrangements are as follows:

Name of Country	Type of arrangements		
	Against Contract	Against confirmed letters of credit	Total
-----RUPEES IN THOUSAND-----			
Belgium	98,443	355,733	454,176
Canada	102,250	-	102,250
China	605	-	605
Czech Republic	483	-	483
Denmark	5,243	-	5,243
France	89,275	-	89,275
Germany	60,646	89,556	150,202
Hong Kong	77	56,744	56,821
Indonesia	-	2,323	2,323
Jordan	306	219	525
Netherlands	970,049	-	970,049
Russia	-	3,604	3,604
Spain	-	15,335	15,335
Sri Lanka	-	21,696	21,696
Taiwan	76	-	76
Turkey	-	45,028	45,028
USA	2,526,735	361,760	2,888,495
	<u>3,854,188</u>	<u>951,998</u>	<u>4,806,186</u>

2018
(RUPEES IN THOUSAND)

19. LOANS AND ADVANCES

Considered good:

Employees - Interest free:

Against expenses

27,020

27,948

Against salary

49,200

41,865

76,220

69,813

Current portion of long term advances (Note 15)

2,310

2,216

Advances to suppliers

302,242

282,494

380,772

354,523

20. SHORT TERM DEPOSITS AND PREPAYMENTS

Letters of credit

4,308

5,462

Prepayments

2,605

20,289

Margin deposits

73,034

8,832

Security deposits including current portion

30,673

29,806

Income tax

829,150

624,469

939,770

688,858

21. OTHER RECEIVABLES

Considered good:

Sales tax refundable

1,226,801

1,337,608

Export rebate

436,986

369,715

Duty draw back claims

1,836,295

613,436

Others

36,622

351,321

3,536,704

2,672,080

	2018	2017
	(RUPEES IN THOUSAND)	
22. CASH AND BANK BALANCES		
With banks :		
On current accounts	9,742	292,699
On saving accounts including US\$ 61,279 (2017: US\$ 61,171) (Note 22.1)	608,501	608,040
	<u>618,243</u>	<u>900,739</u>
Cash in hand	<u>2,137</u>	<u>2,077</u>
	<u><u>620,380</u></u>	<u><u>902,816</u></u>
22.1 Rate of profit on saving accounts ranges from 2.40% to 5.85% (2017: 2.40% to 6.00%) per annum.		
23. REVENUE		
Local sales	1,751,860	1,008,845
Export sales	28,060,574	21,775,633
Waste sales	559,224	341,816
Knitting / dyeing income	530,003	295,574
	<u>30,901,661</u>	<u>23,421,868</u>
Less: Sales tax	59,502	27,992
	<u><u>30,842,159</u></u>	<u><u>23,393,876</u></u>
24. COST OF SALES		
Raw materials consumed	11,253,192	8,515,987
Salaries, wages and other benefits	4,901,368	3,833,044
Staff retirement benefit	170,006	145,638
Fuel and power	1,648,245	1,492,115
Dyes and chemicals consumed	1,590,329	1,147,407
Stores, spare parts and loose tools consumed	701,562	431,316
Packing materials and other charges	2,747,913	2,129,873
Outside knitting, dyeing and CMT charges	1,345,854	1,281,851
Repair and maintenance	566,558	443,330
Insurance	85,341	64,481
Other factory overheads (Note 24.1)	1,017,931	862,376
Depreciation - owned assets (Note 14.1.2)	626,854	446,193
Depreciation - leased assets (Note 14.1.2)	5,599	10,100
	<u>26,660,752</u>	<u>20,803,711</u>
Work-in-process:		
Opening stock	1,471,451	1,408,214
Closing stock	(1,913,300)	(1,471,451)
	<u>(441,849)</u>	<u>(63,237)</u>
Cost of goods manufactured	26,218,903	20,740,474
Finished goods:		
Opening stock	2,885,834	2,153,952
Closing stock	(2,113,882)	(2,885,834)
	<u>771,952</u>	<u>(731,882)</u>
	<u><u>26,990,855</u></u>	<u><u>20,008,592</u></u>
24.1 This includes Ijarah (operating lease) rentals amounting to Rupees 23.618 million (2017: Rupees 18.386 million) of vehicles.		

	2018	2017
	(RUPEES IN THOUSAND)	
25. DISTRIBUTION COST		
Salaries and other benefits	117,820	84,067
Staff retirement benefit	8,551	6,144
Commission to selling agents	985,583	748,558
Insurance	8,190	6,728
Travelling and conveyance	36,004	37,306
Vehicles' running	8,914	7,454
Printing and stationery	554	457
Communication	21,645	14,630
Outward freight and distribution	874,425	569,998
Depreciation - owned assets (Note 14.1.2)	645	635
Depreciation - leased assets (Note 14.1.2)	1,050	2,090
	<u>2,063,381</u>	<u>1,478,067</u>
26. ADMINISTRATIVE EXPENSES		
Salaries and other benefits	322,089	298,483
Staff retirement benefit	33,225	20,555
Rent, rates and taxes (Note 26.1)	21,181	13,818
Travelling and conveyance	20,282	17,961
Entertainment	9,706	7,750
Repair and maintenance	3,034	4,843
Vehicles' running	19,474	13,494
Printing and stationery	7,838	5,381
Communication	16,998	15,890
Legal and professional	2,237	1,685
Newspapers and periodicals	72	54
Electricity and sui gas	12,781	10,417
Auditors' remuneration (Note 26.2)	2,610	2,110
Subscription and fee	4,256	4,649
Advertisement	2,521	1,100
Insurance	12,616	9,376
Miscellaneous	313	522
Depreciation - owned assets (Note 14.1.2)	56,688	49,143
Depreciation - leased assets (Note 14.1.2)	1,314	3,491
	<u>549,235</u>	<u>480,722</u>
26.1	This includes Ijarah (operating lease) rentals amounting to Rupees 5.101 million (2017: Rupees 4.285 million) of vehicles.	
26.2 Auditors' remuneration		
Annual audit fee	2,000	1,500
Half yearly review fee	350	350
Other certifications	175	175
Reimbursable expenses	85	85
	<u>2,610</u>	<u>2,110</u>
27. OTHER EXPENSES		
Loss on sale of property, plant and equipment	3,031	-
Provision for doubtful debts	36,511	-
Workers' profit participation fund (Note 9.1)	68,696	10,675
	<u>108,238</u>	<u>10,675</u>

	2018	2017
	(RUPEES IN THOUSAND)	
28. OTHER INCOME		
Income from financial assets		
Profit on deposits with banks	37,273	47,271
Net exchange gain	1,004,105	132,541
	<u>1,041,378</u>	<u>179,812</u>
Income from non-financial assets		
Sale of stores and scrap	11,931	10,840
Gain on sale of property, plant and equipment	-	17,190
Others	17,215	10,199
	<u>29,146</u>	<u>38,229</u>
	<u>1,070,524</u>	<u>218,041</u>
29. FINANCE COST		
Mark-up on:		
Long term financing	406,448	164,835
Short term borrowings	367,884	328,767
Liabilities against assets subject to finance lease	1,635	3,430
Interest on workers' profit participation fund (Note 9.1)	653	5,831
Bank charges and commission	119,775	137,810
	<u>896,395</u>	<u>640,673</u>
30. TAXATION		
Current (Note 30.1)	204,501	206,925
Prior year adjustments	(12,970)	(100,738)
	<u>191,531</u>	<u>106,187</u>

30.1 The Company falls in the ambit of final tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax is made accordingly. Further, provision for tax on other income is made at current tax rates after considering the rebates and tax credits, if any, and accumulated tax losses. This amount includes super tax of Rupees 28.031 million (2017: Rupees 24.832 million) imposed for rehabilitation of temporarily displaced persons under section 4B and tax on undistributed profits under section 5A of the Income Tax Ordinance, 2001. No provision for deferred taxation is required due to final tax on exports. Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of final tax on export.

30.2 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purposes of taxation is available which can be analysed as follows:

	Financial years		
	2017	2016	2015
	(RUPEES IN THOUSAND)		
Provision for taxation	206,925	261,644	277,943
Tax assessed	206,096	260,792	263,287
31. EARNINGS PER SHARE			
	2018		2017
Basic earnings per share			
Profit after taxation	1,113,048		887,001
Dividend on preference shares	(25,494)		(25,470)
	<u>1,087,554</u>		<u>861,531</u>
Weighted average number of ordinary shares	67 500 000		67 500 000
Earnings per share - Basic	16.11		12.76
Diluted earnings per share			
Profit after taxation	1,113,048		887,001
Dividend on preference shares	(25,494)		(25,470)
	<u>1,087,554</u>		<u>861,531</u>
Weighted average number of shares	71 628 664		70 868 925
Earnings per share - Diluted	15.18		12.16

	2018	2017
	(RUPEES IN THOUSAND)	
32. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit before taxation	1,304,579	993,188
Adjustments for non-cash charges and other items:		
Depreciation	692,150	511,652
Provision for gratuity	211,782	172,337
Provision for doubtful debts	36,511	-
Loss / (gain) on sale of property, plant and equipment	3,031	(17,190)
Finance cost	896,395	640,673
Working capital changes (Note 32.1)	(3,084,512)	(2,907,241)
	<u>59,936</u>	<u>(606,581)</u>
32.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(266,901)	(355,670)
Stock in trade	1,105,640	(1,638,878)
Trade debts	(3,693,881)	449,245
Loans and advances	(26,249)	(50,595)
Short term deposits and prepayments	(46,231)	(15,146)
Other receivables	(864,624)	(1,110,032)
	(3,792,246)	(2,721,076)
Decrease / (increase) in trade and other payables	707,734	(186,165)
	<u>(3,084,512)</u>	<u>(2,907,241)</u>

32.2 Reconciliation of movements of liabilities to cash flows from financing activities:

	Long term financing	Short term borrowings	Liabilities against assets subject to finance lease	Total
	----- RUPEES IN THOUSAND -----			
Balance as at 01 July 2017	5,776,320	8,907,948	51,987	14,736,255
Loans obtained	1,044,867	-	-	1,044,867
Short term borrowings obtained - net	-	3,054,930	-	3,054,930
Repayment of financing / finance lease	(715,941)	-	(30,286)	(746,227)
Balance as at 30 June 2018	<u>6,105,246</u>	<u>11,962,878</u>	<u>21,701</u>	<u>18,089,825</u>

33. EVENTS AFTER THE REPORTING PERIOD

Board of Directors of the Company has proposed a cash dividend for the ordinary shareholders of the Company for the year ended 30 June 2018 amounting to Rupees 1.50 (2017: Rupees 1.75) per share and preference dividend for the preference shareholders of the Company amounting to Rupees 0.82 (2017: Rupees 0.81) per share at their meeting held on 04th October, 2018. However, these events have been considered as non-adjusting events under IAS-10 and have not been recognized in these financial statements.

34. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Aggregate amount charged in these financial statements for remuneration including all benefits to the Chief Executive Officer, Directors and Executives of the Company are as follows:

DESCRIPTION	2018			2017		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	----- RUPEES IN THOUSAND -----					
Managerial remuneration	4,000	1,451	73,259	3,800	1,451	77,579
Allowances						
House rent	1,600	580	29,304	1,520	580	31,031
Other allowances	400	145	7,326	380	145	7,758
	<u>6,000</u>	<u>2,176</u>	<u>109,889</u>	<u>5,700</u>	<u>2,176</u>	<u>116,368</u>
Number of persons	<u>1</u>	<u>2</u>	<u>38</u>	<u>1</u>	<u>2</u>	<u>41</u>

34.1 The Chief Executive Officer, some of the directors and some of the executives are provided free use of Company maintained vehicles.

34.2 Meeting fee amounting to Rupees 0.120 million (2017: Rupees 0.150 million) has been paid to three directors (2017: three directors).

34.3 Comparative figures have been amended to reflect changes in the definition of executive as per the Companies Act, 2017.

35. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated company, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements are as follows:

	2018	2017
	(RUPEES IN THOUSAND)	
Associated company		
Shanghai Challenge Textile Company Limited		
Dividend paid	30,444	64,334
Right Shares issued	-	388,578
Other related parties		
Dividend paid	2,899	6,480
Right Shares issued	-	25,773

35.1 Shanghai Challenge Textile Company Limited (SCTCL) is the associated company due to 25.77% shareholding in the Company. SCTCL is incorporated in China and its registered address is 1918, Tingfeng Road, Tinglin, District Jin Shan, Shanghai, China. SCTCL is operational and its Principal Officer is Miss Chen Yen. The auditors' report of SCTCL as at 31 December, 2017 showed an un-qualified opinion.

35.2 Detail of compensation of key management personnel comprising of Chief Executive Officer, Directors and Executives which is disclosed in Note 34.

	2018	2017
	(NUMBER OF PERSONS)	
36. NUMBER OF EMPLOYEES		
Number of employees as on 30 June (Note 36.1)	13 890	13 672
Average number of employees during the year (Note 36.1)	15 106	12 976

36.1 These include number of employees 13 579 (2017: 13 499) and average number of employees 14 834 (2017: 12 804) employed at factory.

	2018	2017
	(FIGURES IN THOUSAND)	
37. PLANT CAPACITY AND ACTUAL PRODUCTION		
SPINNING		
Production at normal capacity converted to 20s count based on three shifts per day	(Kgs.) 5 387	4 762
Actual production converted to 20s count based on three shifts per day	(Kgs.) 4 811	4 398
KNITTING		
Production at normal capacity based on three shifts per day	(Kgs.) 45 517	43 414
Actual production based on three shifts per day	(Kgs.) 23 924	18 059
DYEING / FINISHING		
Production at normal capacity on reactive dyeing basis at three shifts per day	(Kgs.) 41 004	34 703
Actual production converted on reactive dyeing basis at three shifts per day	(Kgs.) 22 683	18 939
GARMENTS		
Production at normal capacity of normal / average garments capacity based on single shift per day	(Dzn.) 6 291	6 012
Actual production of normal / average garments capacity basis on single shift per day	(Dzn.) 3 985	3 688

37.1 REASONS FOR LOW PRODUCTION

Under utilization of available capacity is due to normal maintenance. Knitting machines are available for different types of fabric for which orders are based on seasonal basis resulting under utilization of actual knitting capacity.

38. SEGMENT INFORMATION

	Spinning		Knitting		Processing & Garments		Elimination of inter-segment transactions		Total-Company	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(RUPEES IN THOUSAND)									
Revenue										
External	1,377,947	872,728	135,914	87,508	29,328,298	22,433,640	-	-	30,842,159	23,393,876
Intersegment	1,880,917	1,825,371	10,714,213	8,262,138	17,134	29,202	(12,612,264)	(9,916,711)	-	-
	3,258,864	2,498,099	10,850,127	8,349,646	29,345,432	22,462,842	(12,612,264)	(9,916,711)	30,842,159	23,393,876
Cost of sales	(3,158,225)	(2,425,111)	(10,539,395)	(8,036,752)	(25,905,499)	(19,463,440)	12,612,264	9,916,711	(26,990,855)	(20,008,592)
Gross profit	100,639	72,988	310,732	312,894	3,439,933	2,999,402	-	-	3,851,304	3,385,284
Distribution cost	(44,436)	(33,390)	(126,729)	(111,631)	(1,892,216)	(1,333,046)	-	-	(2,063,381)	(1,478,067)
Administrative expenses	(36,186)	(26,476)	(102,564)	(79,647)	(410,485)	(374,599)	-	-	(549,235)	(480,722)
	(80,622)	(59,866)	(229,293)	(191,278)	(2,302,701)	(1,707,645)	-	-	(2,612,616)	(1,958,789)
Profit before taxation and unallocated income and expenses	20,017	13,122	81,439	121,616	1,137,232	1,291,757	-	-	1,238,688	1,426,495
Unallocated income and expenses:										
Other expenses									(108,238)	(10,675)
Other income									1,070,524	218,041
Finance cost									(896,395)	(640,673)
Taxation									(191,531)	(106,187)
Profit after taxation									1,113,048	887,001

38.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Knitting		Processing & Garments		Total-Company	
	2018	2017	2018	2017	2018	2017	2018	2017
	(RUPEES IN THOUSAND)							
Segment assets	1,613,093	1,978,453	2,590,938	2,810,236	13,224,089	11,819,798	17,428,120	16,608,487
Unallocated assets							14,792,878	10,290,123
Total assets as per statement of financial position							32,220,998	26,898,610
Segment liabilities	109,893	118,635	562,085	328,189	2,933,614	2,261,746	3,605,592	2,708,570
Unallocated liabilities							18,279,532	14,842,441
Total liabilities as per statement of financial position							21,885,124	17,551,011

38.2 Geographical Information

38.2.1 The Company's revenue from external customers by geographical location is detailed below:

	2018	2017
	(RUPEES IN THOUSAND)	
America and Canada	15,631,096	13,886,425
Europe	9,120,389	6,693,673
Asia, Africa and Australia	3,309,089	1,195,535
Pakistan	2,781,585	1,618,243
	30,842,159	23,393,876

38.2.2 All non-current assets of the Company as at reporting dates are located and operating in Pakistan.

38.3 Revenue from major customers

Revenue from major customers of the Company's Garments segment includes four customers (2017: four) representing Rupees 16.667 million (2017: Rupees 14,802 million). Revenue from other segments of the Company does not include any major customer.

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

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

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, investment of excess liquidity and use of non-derivative financial instruments.

(a) Market risk

(i) Currency risk

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

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2018	2017
Cash at banks - USD	61,279	61,171
Trade debts - USD	68,101,371	45,095,009
Trade debts - Euro	76,845	609,722
Trade and other payable - USD	(33,556)	(339,412)
Trade and other payable - Euro	-	(19,748)
Net exposure - USD	68,129,094	44,816,768
Net exposure - Euro	76,845	589,974

Following significant exchange rates were applied during the year:

Rupees per US Dollar

Average rate	109.74	104.41
Reporting date rate	121.40	104.80

Rupees per Euro

Average rate	131.10	113.82
Reporting date rate	141.33	119.91

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 392.886 million (2017: Rupees 223.097 million) and Rupees 0.516 million (2017: Rupees 3.360 million) higher / lower respectively, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

(iii) Interest rate risk

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

The Company's interest rate risk arises from long term financing, liabilities against assets subject to finance lease, short term borrowings and bank balances in saving accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2018	2017
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial liabilities		
Long term financing	1,590,514	787,836
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	608,501	608,040
Financial liabilities		
Long term financing	4,514,732	4,988,484
Liabilities against assets subject to finance lease	21,701	51,987
Short term borrowings	11,962,878	8,907,948

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates, at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 150.963 million (2017: Rupees 127.362 million) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming that amounts of liabilities outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

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

Trade debts	9,276,084	5,618,714
Loans and advances	53,324	52,230
Deposits	127,106	66,545
Other receivables	36,622	351,321
Bank balances	618,243	900,739
	<u>10,111,379</u>	<u>6,989,549</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate. The external credit rating of Company's bankers is given below:

	Rating			2018	2017
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	247,009	46,538
Allied Bank Limited	A1+	AA+	PACRA	103	1,514
Askari Bank Limited	A1+	AA+	PACRA	17,908	19,025
Bank Alfalah Limited	A1+	AA+	PACRA	44	10,144
First Women Bank Limited	A2	A-	PACRA	1,348	16,172
Habib Bank Limited	A-1+	AAA	JCR-VIS	20,487	18,314
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	139,498	208,059
Bank Al-Habib Limited	A1+	AA+	PACRA	6,508	4,392
MCB Bank Limited	A1+	AAA	PACRA	14,961	17,803
The Bank of Punjab	A1+	AA	PACRA	27,435	131,490
Dubai Islamic Bank Pakistan Limited	A-1	AA-	JCR-VIS	3,040	1,182
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	719	6,394
United Bank Limited	A-1+	AAA	JCR-VIS	21,555	99,499
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	1,553	191
Summit Bank Limited	A-1	A-	JCR-VIS	65,955	117,532
Soneri Bank Limited	A1+	AA-	PACRA	1,478	42,784
Samba Bank Limited	A-1	AA	JCR-VIS	8,972	61,748
Industrial and Commercial Bank of China	P-1	A1	Moody's	674	1,720
Meezan Bank Limited	A-1+	AA+	JCR-VIS	38,946	96,237
The Bank of Khyber	A-1	A	JCR-VIS	50	-
				<u>618,243</u>	<u>900,739</u>

As at 30 June 2018, trade debts of Rupees 897.983 million (2017: Rupees 894.181 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2018	2017
	(RUPEES IN THOUSAND)	
Upto 1 month	790,103	631,957
1 to 6 months	90,182	203,354
More than 6 months	17,698	58,870
	<u>897,983</u>	<u>894,181</u>

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

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2018, the Company had Rupees 1,682.122 million (2017: Rupees 4,037.052 million) available borrowing limits from financial institutions and Rupees 620.380 million (2017: Rupees 902.816 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows.

Following are the contractual maturities of financial liabilities as at 30 June 2018:

Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
-----------------	------------------------	------------------	-------------	-----------	-------------------

(RUPEES IN THOUSAND)

Non-derivative financial liabilities:

Long term financing	5,980,246	7,186,432	985,142	976,221	1,819,454	3,405,615
Liabilities against assets subject to finance lease	21,701	22,674	9,793	5,957	6,924	-
Short term borrowings	11,962,878	12,040,792	8,935,792	3,105,000	-	-
Trade and other payables	2,555,732	2,555,732	2,499,411	55,721	-	-
Accrued mark-up	191,768	191,768	191,768	-	-	-
	<u>20,712,325</u>	<u>21,997,398</u>	<u>12,621,906</u>	<u>4,142,899</u>	<u>1,826,378</u>	<u>3,405,615</u>

Following are the contractual maturities of financial liabilities as at 30 June 2017:

Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
-----------------	------------------------	------------------	-------------	-----------	-------------------

(RUPEES IN THOUSAND)

Non-derivative financial liabilities:

Long term financing	5,776,320	5,844,724	424,919	586,291	2,944,591	1,888,923
Liabilities against assets subject to finance lease	51,987	55,110	21,523	9,947	16,190	7,450
Short term borrowings	8,907,948	9,029,085	8,194,085	835,000	-	-
Trade and other payables	1,908,091	1,908,091	1,830,631	77,460	-	-
Accrued mark-up	126,698	126,698	126,698	-	-	-
	<u>16,771,044</u>	<u>16,963,708</u>	<u>10,597,856</u>	<u>1,508,698</u>	<u>2,960,781</u>	<u>1,896,373</u>

Short term borrowings and trade and other payables are financial liabilities of revolving nature which will get renewed as part of working capital management. The rates of interest / mark-up have been disclosed in Note 6, Note 7 and Note 11 of these financial statements.

(d) Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue new shares.

39.2 Financial instruments by categories

	Loans and receivables	
	2018	2017
	(RUPEES IN THOUSAND)	
As at 30 June		
Financial assets		
Trade debts	9,276,084	5,618,714
Loans and advances	53,324	52,230
Deposits	127,106	66,545
Other receivables	36,622	351,321
Cash and bank balances	620,380	902,816
	<u>10,113,516</u>	<u>6,991,626</u>
	At amortized cost	
	2018	2017
	(RUPEES IN THOUSAND)	
Financial liabilities		
Long term financing	5,980,246	5,776,320
Liabilities against assets subject to finance lease	21,701	51,987
Short term borrowings	11,962,878	8,907,948
Trade and other payables	2,555,732	1,908,091
Accrued mark-up	191,768	126,698
	<u>20,712,325</u>	<u>16,771,044</u>

39.3 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

40. RECOGNIZED FAIR VALUE MEASUREMENTS

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

41. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS**(i) Fair value hierarchy**

The judgements and estimates made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

	Level 1	Level 2	Level 3	Total
-----RUPEES IN THOUSAND-----				
At 30 June 2018				
Freehold land	-	1,462,233	-	1,462,233
At 30 June 2017				
Freehold land	-	1,462,233	-	1,462,233

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfer between level 1 and 2 for recurring fair value measurement during the year. Further, there was no transfer in and out of level 3.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land (classified as property, plant and equipment) at least after every three years. The management updates the assessment of the fair value of freehold land, taking into account the most recent independent valuation. The management determines freehold land's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land.

Changes in fair values are analyzed at the reporting date during the annual valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

42. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 04 October, 2018 by the Board of Directors of the Company.

43. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant reclassifications have been made in these financial statements except for as mentioned below:

Reclassification from statement of financial position	Reclassification to statement of financial position	Rupees in thousand
Trade and other payables	Unclaimed dividend	10,433

44. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

FORM 34

PATTERN OF SHAREHOLDING AS ON 30 JUNE, 2018

1. Incorporation Number **0012223**
 2. Name of the Company **MASOOD TEXTILE MILLS LIMITED**
 3. Pattern of holding of the shares held by the shareholders as at **30.06.2018**

4. No. of shareholders	Shareholdings	Total shares held
ORDINARY SHARES:		
647	Shareholding from 1 to 100 Shares	46,395
497	Shareholding from 101 to 500 Shares	113,666
94	Shareholding from 501 to 1000 Shares	72,793
113	Shareholding from 1001 to 5000 Shares	264,133
12	Shareholding from 5001 to 10000 Shares	83,360
3	Shareholding from 10001 to 15000 Shares	41,600
5	Shareholding from 15001 to 20000 Shares	85,900
3	Shareholding from 20001 to 25000 Shares	69,836
1	Shareholding from 25001 to 30000 Shares	25,900
3	Shareholding from 30001 to 35000 Shares	100,000
2	Shareholding from 35001 to 40000 Shares	76,400
1	Shareholding from 40001 to 45000 Shares	42,187
3	Shareholding from 45001 to 50000 Shares	146,300
1	Shareholding from 55001 to 60000 Shares	55,350
1	Shareholding from 65001 to 70000 Shares	66,001
1	Shareholding from 85001 to 90000 Shares	88,900
2	Shareholding from 90001 to 95000 Shares	184,742
1	Shareholding from 100001 to 105000 Shares	104,962
1	Shareholding from 105001 to 110000 Shares	110,000
1	Shareholding from 115001 to 120000 Shares	120,000
1	Shareholding from 120001 to 125000 Shares	121,374
1	Shareholding from 390001 to 395000 Shares	392,750
1	Shareholding from 415001 to 420000 Shares	419,625
1	Shareholding from 690001 to 695000 Shares	692,050
1	Shareholding from 785001 to 790000 Shares	785,100
1	Shareholding from 1555001 to 1560000 Shares	1,556,718
1	Shareholding from 1725001 to 1730000 Shares	1,726,400
1	Shareholding from 2210001 to 2215000 Shares	2,214,169

1	Shareholding from 3370001 to 3375000 Shares	3,373,987
1	Shareholding from 4385001 to 4390000 Shares	4,387,500
1	Shareholding from 4535001 to 4540000 Shares	4,536,019
1	Shareholding from 7635001 to 7640000 Shares	7,636,550
1	Shareholding from 17395001 to 17400000 Shares	17,396,833
1	Shareholding from 20360001 to 20365000 Shares	20,362,500
1406	Total	67,500,000

PREFERENCE SHARES:

1	Shareholding from 245001 to 250000 Shares	250,000
1	Shareholding from 2495001 to 2500000 Shares	2,500,000
1	Shareholding from 3665001 to 3670000 Shares	3,666,668
3	Shareholding from 4995001 to 5000000 Shares	15,000,000
1	Shareholding from 9745001 to 9750000 Shares	9,750,000
7	Total	31,166,668

5. Categories of shareholders	Shares held	Percentage
-------------------------------	-------------	------------

ORDINARY SHARES:

5.1 Directors, Chief Executive Officer, etc.	1,656,842	2.45
5.2 Associated Companies, undertakings and related parties.	17,396,833	25.77
5.3 NIT and ICP	2,215,019	3.28
5.4 Banks, Development Financial Institutions, Non Banking Financial Institutions.	4,565,738	6.76
5.5 Insurance Companies	400,444	0.59
5.6 Modarabas and Mutual Funds	3,100	0.00
5.7 Share holders holding 10%	27,999,050	41.48
5.8 General Public		
a. Local	2,631,531	3.90
b. Foreign		
5.9 Others - Joint Stock Companies/Co-operative Societies.	10,631,443	15.75
Total Ordinary Shares	67,500,000	100.00

PREFERENCE SHARES:

5.3 Banks, Development Financial Institutions, Non Banking Financial Institutions.	31,166,668	100.00
--	------------	--------

6. Signature of Chief Executive/ Secretary

7. Name of Signatory

NISAR AHMED ALVI

8. Designation

COMPANY SECRETARY

9. NIC Number

3 3 1 0 4 - 2 6 9 3 4 6 0 - 9

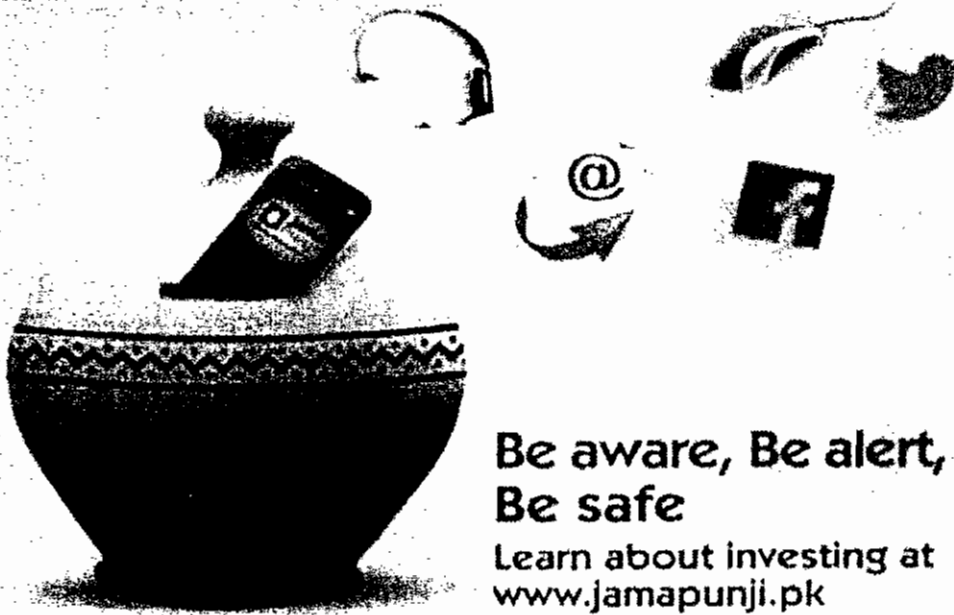
10. Date

Day	Month	Year
0 4	1 0	2 0 1 8

NAMEWISE CATEGORIES OF SHAREHOLDERS AS ON 30-06-2018

Name	Shares Held	Total Shares	Percentage
<u>ORDINARY SHARES</u>			
<u>Directors:</u>			
MR. SHAHID NAZIR AHMAD	Chief Executive Officer	1,556,718	
MR. NASEER AHMAD SHAH	Chairman	42,187	
MR. FAZAL AHMAD	Director	33,750	
MR. MATLOOB HUSSAIN	Director	24,187	
MR. SHOAIB AHMAD KHAN (NIT Nominee)	Director	-	
MR. SHIBIN YANG (Shanghai Challenge - Nominee)	Director	-	
MISS CHEN YAN (Shanghai Challenge - Nominee)	Director	-	
		1,656,842	2.45
<u>Shareholders Holding 10% or More:</u>			
MRS. NAZIA NAZIR		20,362,500	
ZHEJIANG XINAO INDUSTRY COMPANY LIMITED		7,636,550	27,999,050
			41.48
<u>Associated Undertakings:</u>			
SHANGHAI CHALLENGE TEXTILE CO., LIMITED		17,396,833	17,396,833
			25.77
<u>Investment Companies:</u>			
INVESTMENT CORPORATION OF PAKISTAN		850	850
			0.00
<u>Financial Institutions:</u>			
<u>Banks:</u>			
HABIB METROPOLITAN BANK LIMITED		25,900	
IDBP (ICP UNIT)		3,250	
NATIONAL BANK OF PAKISTAN		4,536,588	4,565,738
			6.77
<u>Insurance Companies</u>			
AGRO GENERAL INSURANCE COMPANY LIMITED		7,594	
DELTA INSURANCE COMPANY LIMITED		100	
STATE LIFE INSURANCE CORPORATION OF PAKISTAN		392,750	400,444
			0.59
<u>Modarabas</u>			
THIRD PRUDENTIAL MODARABA		2,900	
UNICAP MODARABA		200	3,100
			0.00
<u>Mutual Fund</u>			
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		2,214,169	2,214,169
			3.28

Name	Shares Held	Total Shares	Percentage
<u>Joint Stock Companies And Others</u>			
BEACON IMPEX (PVT.) LIMITED	3,373,987		
FORTRESS TEXTILE (PVT.) LIMITED	2,616,462		
H M INVESTMENTS (PVT.) LIMITED	4,900		
HAJI MUHAMMAD ISMAIL MILLS LIMITED	8,500		
KOHISTAN CORPORATION (PVT.) LIMITED	4,387,500		
LIBERTY MILLS LIMITED	13,000		
M/S RANG COMMODITIES (PVT) LIMITED	1,000		
MAPLE LEAF CAPITAL LIMITED	1		
NH SECURITIES (PVT.) LIMITED	5		
PASHA SECURITIES (PVT.) LIMITED	100		
PEARL SECURITIES LIMITED - MF	3,500		
PRUDENTIAL CAP.MANAGEMENT LIMITED	1,600		
PAKISTAN KUWAIT INVESTMENT (PVT.) LIMITED	2,600		
SAVARI (PVT.) LIMITED	900		
SOFTWARE CREATIONS (PVT.) LIMITED	121,374		
TRUSTEE NBP EMP BENEVOLENT FUND TRUST	3,249		
TRUSTEE NBP EMPLOYEES PENSION FUND	92,605		
Y.S. SECURITIES & SERVICES (PVT.) LIMITED	160	10,631,443	15.76
General Public:		2,631,531	3.90
TOTAL ORIDINANRY SHARES		67,500,000	100.00
<u>PREFERENCE SHARES</u>			
<u>Banks:</u>			
ASKARI BANK LIMITED	-	2,500,000	
HABIB BANK LIMITED	-	9,750,000	
MCB BANK LIMITED	-	5,000,000	
NATIONAL BANK OF PAKISTAN	-	5,000,000	
UNITED BANK LIMITED	-	3,666,668	
		25,916,668	83.16
<u>Investment Companies:</u>			
PAKISTAN KUWAIT INVESTMENT CO. (PVT.) LIMITED	-	5,000,000	16.04
KOHISTAN CORPORATION (PVT.) LIMITED	-	250,000	0.80
TOTAL PREFERENCE SHARES		31,166,668	100.00



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- 📖 Online Quizzes



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FORM OF PROXY

No. of Ordinary Shares Held. _____ Folio No. _____ CDC A/c No. _____

I/We, _____

of _____

being a member of MASOOD TEXTILE MILLS LIMITED hereby appoint _____

_____ (NAME)
of _____

(being a member of the Company) as my/our proxy to vote for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held at its Registered Office at Universal House, P-17/1, New Civil Lines, Bilal Road, Faisalabad, on Saturday, the 27th day of October, 2018 at 11.00 A.M. or any adjournment thereof.

As witnessed my hands this _____ day of _____ 2018

Signed by me in the presence of witness: _____

(Signature of witness)

CNIC. _____

(Member's Signature)

CNIC. _____

*Five Rupees
Revenue
Stamp*

Note: Proxies, in order to be effective, must be received at the Company's Registered Office not later than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

پراکسی فارم

حصص کی تعداد _____ فولیو نمبر _____ سی ڈی سی کھاتہ نمبر _____

میں / ہم مسمی / مسماة _____ ساکن _____

نکشیث ممبر کمپنی، مسمی / مسماة _____ ساکن _____

کمپنی ممبر کو بطور (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے کمپنی کا 34 واں سالانہ اجلاس عام منعقدہ بروز ہفتہ بتاریخ 27 اکتوبر 2018 بوقت صبح 11:00 بجے بشمول التواء سالانہ اجلاس عام بابت مسعود ٹیکسٹائل ملز لمیٹڈ یونیورسل ہاؤس 1/1، نیوسول لائنز بلال روڈ فیصل آباد میں ووٹ ڈال سکے۔

دستخط بتاریخ _____ دن _____ 2018

ہا موجودگی گواہ مسمی / مسماة _____

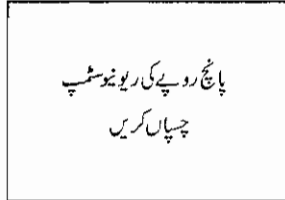
نام _____

ولدیت / زوجیت _____

ساکن / سکند _____

دستخط گواہ _____

کمپیوٹر آئزڈ قومی شناختی کارڈ نمبر _____



دستخط _____

کمپیوٹر آئزڈ قومی شناختی کارڈ نمبر _____

گواہ کی موجودگی میں دستخط شدہ

(دستخط کمپنی میں موجود رجسٹرڈ کے مطابق ہونے چاہیں)

اہم نوٹ:

پراکسی فارم رجسٹرڈ آفس مسعود ٹیکسٹائل ملز لمیٹڈ یونیورسل ہاؤس، 1/1، نیوسول لائنز بلال روڈ، فیصل آباد میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کرانا لازمی ہے۔ بشمول رسیدی ٹکٹ، دستخط شدہ ممبر اور گواہ شدہ۔ بصورت دیگر وہ قابل قبول نہ ہوگا۔