



### VISION/MISSION STATEMENT

To transform the company into a modern and dynamic Textile products manufacturing company and to provide quality products to customers and explore new markets to promote/expand sales of the Company through Good Governance and foster a sound and dynamic team, so as to achieve optimum profitability for the Company for sustainable and equitable growth and prosperity of the Company, its employees and shareholders.

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BOARD OF DIRECTORS	MR.NOOR ELAHI -CHIEF EXECUTIVE MRS.PARVEEN ELAHI -CHAIR PERSON Directors: MRS. NAHEED JAVED MR. NABEEL JAVED MR. FAIZAN JAVED MR. SHARIQ JAVED MR.MANSOOB AHMED KHAN MR. GULZAR ALI
COMPANY SECRETARY	MR. MANSOOB AHMED KHAN -CHAIRMAN
AUDIT COMMITTEE	MRS.NAHEED JAVED -MEMBER MRS.FAIZAN JAVED -MEMBER
HUMAN RESOURCE & REMUNERATION COMMITTEE	MR. MANSOOB AHMED KHAN -CHAIRMAN MR.NABEEL JAVED -MEMBER MR. FAIZAN JAVED -MEMBER
BANKERS	M/S.MEEZAN BANK LTD M/S.BANK AL-HABIB LTD M/S.HABIB METROPOLITAN BANK LTD M/S.NATIONAL BANK OF PAKISTAN M/S.SONERI BANK LTD M/S. SILK BANK LTD M/S. FAYSAL BANK LTD M/S. MUSLIM COMMERCIAL BANK LTD M/S. HABIB BANK LTD M/S. BANK ALFALAH LTD
AUDITORS	M/S ARSHAD RAHEEM & CO Chartered Accountants, Yousaf Islam House,39-Link Farid Kot Road Near A.G Office,Lahore email:arshad.raheem@gmail.com Tel: 0427236167, 0427312590
INTERNAL AUDITOR	Mr. TAHIR ALI
LEGAL ADVISOR	M/S MOHSIN & WAHEED LAW ASSOCIATES Office#S-3, 2 <sup>nd</sup> Floor, West End Plaza, 72-The Mall Road Lahore.
HEAD OFFICE	35-Industrial Area, Gulberg-III, Lahore-54660,Pakistan Ph#(+92-42)3571-4601,3576-1243-4 Fax:(+92-42)3571-1400, 3576-1222 Email:info@rubytexile.com.pk
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MILLS	Raiwind -Manga Road, Raiwind, District Kasur-55050, Pakistan Phone:(+92-42) 3539-1031,3539-2651-2 Fax:(+92-42)3539-1032 Email:wasim@rubytexile.com.pk
SHARE REGISTRAR	M/S CORPLINK (PVT) LTD., 1-K, (Commercial) wings Arcade., Model Town, Lahore-54700, Pakistan. Phone:(+92-42) 35916714,35916719,35839182 Fax:(+92-42) 3586-9037 Email:corplink786@gmail.com/shares@corplink.com.pk

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 39th Annual General Meeting of the Shareholders of Ruby Textile Mills Limited will be held on 27th November, 2019 at 3:00 PM at Registered Office 203-Faiyaz Centre, 2nd Floor, 3-A, S.M.C.H.S., Shahrah-e-Faisal, Karachi to transact the following business:

**Ordinary Business: -**

- 1.To confirm the minutes of the 38th Annual General Meeting held on 27TH October 2018.
- 2.To consider, approve and adopt Annual Audited Accounts of the Company together with the Directors' and Auditors' Reports for the year ended June 30, 2019.
- 3.To appoint Statutory Auditors of the Company for the year ending June 30, 2020 and to fix their remuneration. The retiring auditors M/s Arshad Raheem & Co. Chartered Accountants, being eligible, have offered themselves for reappointment.

**Special Business:-**

To ratify and approve the following material transactions conducted during the year ended June 30, 2019 by passing the following special resolution with or without modification.

“Resolved that the following transactions conducted during the year ended June 30, 2019 be and are hereby ratified, approved and confirmed.”

<b>Name of Party</b>	<b>Description</b>	<b>Amount Rs.</b>	<b>Loan Obtained in Year</b>	<b>Loan Written Back On</b>
Mrs Parveen Elahi	Write back of Director loan obtained by the Company	100,000,000	During past several years	June 2019
Queenberg Ventures Limited	Write back of foreign Company's loan USD1,100,000 obtained by the Company and Mark up thereon USD57,719	171,921,272	2012	June 2019

**Other Business:-**

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

BY ORDER OF THE BOARD

**(Gulzar Ali)**  
Company SecretaryLAHORE  
Dated: 6-11-2019

**NOTES.****1. BOOK CLOSURE**

The share transfer books of the Company will remain closed from 20.11.2019 to 27.11.2019 (both days inclusive). Transfers received in order at the Company's Share Registrar, M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore, up to the close of business on 19.11.2019 will be considered in time for the purpose of attending the meeting / entitlement for the payment of cash dividend.

**2. FOR APPOINTING PROXIES**

A member entitled to attend and vote at the above meeting may appoint another member as his/her proxy to attend and vote on his behalf at the meeting. The instrument of the proxy duly executed in accordance with the Articles of Association of the Company must be received at the Registered office of the Company not less than 48 hours before the time of holding of the meeting.

**3. FOR ATTENDING MEETING**

Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport, Account and participant's I.D numbers, to prove his/her identity, and in case of proxy must enclose and attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose. The account/sub account holders of CDC will further have to follow the guidelines as laid down in Circular No.1 of 2000 dated January 26, 2000 issued by Securities Exchange Commission of Pakistan

**4. CNIC/NTN NUMBER & IBAN ON ELECTRONIC DIVIDEND (MANDATORY)**

All shareholders who had not yet submitted the valid copies of CNIC, NTN certificate(s) and IBAN are requested to send the same to the Share Registrar. Shareholders of the Company who holds shares in scrip-less form on Central Depository Company of Pakistan Ltd. (CDC) are requested to update their IBAN details directly to their CDC participant (brokers)/CDC Investor Account Services.

**5. AVAILABILITY OF ANNUAL AUDITED FINANCIAL STATEMENT**

In accordance with the provisions of section 223 and 237 of the Companies Act, 2017, the audited financial statements of the Company for the year ended on June 30, 2019 are available on the Company's website ([www.rubytextile.com.pk](http://www.rubytextile.com.pk)).

**6. VIDEO COFERENCING FACILITY**

Pursuant to provisions of SECP circular No.10 of 2014 dated May 21, 2014, if the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city.

**7. CHANGE OF ADDRESS**

Shareholders are requested to notify the change of their addresses, if any, to our Share Registrar M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore. Tele No. 042-35839182, 042-35916714-19.

**The statement of material facts under section 134(3) of the Companies Act, 2017 concerning the special business contained item no.4 of the Notice of Annual General meeting.****Item No:4**

During the year, two significant transactions took place, which are being placed before the shareholders for final approval/ratification in the 39th annual general meeting. Each transaction is discussed below separately:

**i. Director Loan**

Considering the financial position of the Company and the economic recession, Mrs.Parveen Elahi, the Chairperson of the Company has waived off her loan given to the Company amounting to Rs.100, 000,000 .The Board of Directors duly discussed and approved to write back the outstanding loan payable to Mrs.Parveen Elahi the Chairperson of the Company in their meeting held on 15th June, 2019. This has improved the financial position of the Company as the liabilities have decreased by Rs.100, 000,000.

**ii. Foreign Company Loan**

Queenberg Ventures Limited of Singapore had given a loan amounting to USD 1,100,000 on 8th February, 2012. Queenberg Ventures Limited intimated the Company in June 2019 that it had dissolved its operations and thus the outstanding loan and markup thereon is being written off. The Board of Directors duly discussed and approved to write back the outstanding loan and markup thereon payable to the foreign company in their meeting held on 15th June, 2019. This has improved the financial position of the Company as the liabilities have decreased by Rs.171, 921, 272.

**DIRECTOR'S REPORT**

The Directors of your company are pleased to present their 39th Annual Report together with the Company's Audited Accounts for the year ended 30th June, 2019.

**Operating Results**

The financial results are summarized here under

	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
			<i>(Restated)</i>
Sales	719,481,132	325,009,471	400,356,060
Gross profit/(Loss)	(101,632,274)	(89,938,199)	(111,205,336)
Administrative Expenses	(18,559,817)	(18,365,421)	(16,935,136)
Distribution Charges	-	(149,105)	(46,317)
Other Income	103,324,723	156,913,063	1,739,460
Financial Charges	(83,447,427)	(43,859,906)	(8,272,572)
Profit/ (Loss) Before Tax	(100,314,796)	(5,399,568)	(134,719,901)
Provision for Taxation	(9,480,237)	(317,648)	(3,586,800)
Profit/(Loss) after Taxation	(109,795,033)	(5,717,216)	(138,306,701)

During the year under review, the Company produced yarn 3.796 million kgs as compared with last year 2.434 million kgs converted into 20s count. Gross loss for the year is 14.125% of the sales as compared with last year gross loss was 27.67% of the sales.

During the year, unit -2 operated partially and unit-1 almost full year. The company increased production of yarn and next focus on improve the quality of yarn to get better rates to quit the company from losses. High costs of power and other manufacturing over heads adversely affected the textile business. Textile sector is facing very tough competition with the other regional countries where input costs are much lower than in Pakistan. Administrative expenses & finance cost have increased by Rs. 0.194 Million and Rs. 39.587 million respectively from preceding financial year. The Company earned loss before tax Rs. 100.314 million during the year as compared to loss before tax amounting Rs. 5.399 million in last financial year. Loss after tax is Rs. 109.795 million for the financial year as compared to loss after tax Rs. 5.717 million in last financial year.

Considering the health of the Company, the Chair person, Mrs. Parveen Elahi has agreed to waive off his loan amounting Rs.100million which resultantly reduced the liability of the company and improved debt equity ratio.

The Company had obtained a long term foreign loan from Messrs. Queenberg Ventures Limited of Singapore amounting to USD 1,100,000 on 8th February, 2012. Due to worldwide recession and continued losses, the Shareholders and Directors of the Messrs. Queenberg Ventures Limited decided to liquidate the Company. Eventually they applied for liquidation and the Messrs. Queenberg Ventures Limited was liquidated and removed from list on in June 2019. Since the Queenberg Ventures Limited was dissolved, its existence ceased to exist and operations were closed, there being no claimant to claim back the loan and interest thereon, thus the outstanding loan and markup thereon written off. The company written back the outstanding loan and mark up thereon payable to the foreign Company. This has improved the financial position of the Company as the liabilities have decreased by Rs.171,921,272.

**General Market Conditions and Company's Business**

Overall exports were expected to increase in the wake of currency depreciation, in contrary cost of imported raw materials, plant and machinery increased due to currency depreciation. Due to stiff competition and high cost of production the exports remained undervalued both in terms of value and quantity, which is an alarming sign for the country's economy and the Government has failed to take on serious steps to curb its repercussions on macro-economic situation. Earnest steps are needed from the Government to reverse this negative trend.

**Future Outlook**

Textile industry considering the backbone of economy is passing through difficult circumstances in the local as well as overseas markets. The current market situation is due to economic conditions of Pakistan has worsened over the past year with inflation peaking during the year and increasing the production cost of the industry. The selling prices have not increased with same trajectory as the rise in production cost resultantly consuming profitability of the company. However, management is cognizant of the situation and taking all measures to cope with these challenges.

**Composition of Board**

The composition of the Board is in compliance with the requirements of the Code of Corporate Governance regulations, 2017 applicable on listed entities' which is given below:

Total number of Directors

a) Male	5
b) Female	2

Composition:

i. Independent Directors	1
ii. Executive Directors	2
iii. Non-Executive Director	4

The names of the directors as at June 30, 2019 are as follows

1) Mr. NOOR ELAHI	Chief Executive
2) Mrs. PARVEEN ELAHI	Chairperson
3) Mrs. NAHEED JAVED	Director
4) Mr. NABEEL JAVED	Director
5) Mr. FAIZAN JAVED	Director
6) Mr. SHARIQ JAVED	Director
7) Mr. MANSOOB AHMED KHAN	Director

**Committees of the Board**

The Board has formed two sub committees namely Audit Committee and Human Resource & Remuneration Committee. The composition of both these committees is disclosed as follows:

**•Audit Committee**

Mr. MANSOOB AHMED KHAN	- Chairman (Independent)
Mrs. NAHEED JAVED	- Member
Mr. FAIZAN JAVED	-Member

**•Human Recourse and Remuneration Committee**

Mr. MANSOOB AHMED KHAN	- Chairman (Independent)
Mr. NABEEL JAVED	- Member
Mr. FAIZAN JAVED	- Member

**Compliance with the Best Practices of Corporate Governance**

As required under the Code of Corporate Governance incorporated in the Listing Rules of the Stock Exchange, the Board is pleased to state that the management of the Company is compliant with the best practices of corporate governance. The Board acknowledges its responsibility in respect of the corporate and financial reporting framework and thus states 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.
- International Accounting Standards/international financial reporting standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The highlights of operating and financial data for the last six years are presented in a summarized form in annexure.
- Information about taxes and levies is given in the notes to and forming part of financial statements.
- The company is operating an unfunded gratuity scheme funds of which are retained for business of the company.
- The statement of pattern of shareholding of the Company as at June 30, 2019 is annexed. This statement is prepared in accordance with the Code of Corporate Governance.



•During the year under review, five Board of Directors Meetings, four Audit Committee Meetings and one Human Resource and Remuneration Committee Meetings were held. The attendance of the Directors is as follows:

Name of Director	Number of Meeting Attended		
	Board Meeting	Audit Committee	Human Resource and Remuneration Committee
Mr. NOOR ELAHI	5		
Mrs.PARVEEN ELAHI	5		
Mrs.NAHEED JAVED	5	4	
Mr.JAVED USMAN	0		
Mr.NABEEL JAVED	5	0	1
Mr.FAIZAN JAVED	5	4	
Mr.SHARIQ JAVED	0		
Mr.MANSOOB AHMED KHAN	5	4	1

(Leave of absence was granted to the Directors who could not attend the Meetings due to their pre-occupations)

•No trading in Company's shares was carried out by its Directors, CEO, CFO, Company Secretary; Head of Internal Audit other Executives and their spouse(s) and minor children during the year.

#### **Statutory Auditors**

Auditors M/s Arshad Raheem & Company Chartered Accountants retire at the conclusion of the 39th Annual General Meeting and being eligible, they have offered themselves for re-appointment and the Board's audit committee has also recommended their re- appointment which has been endorsed by the Board.

#### **Corporate Social Responsibility**

Ruby Textile Mills Ltd. is committed to achieving tangible, sustainable fulfillment of its corporate social responsibility.

#### **Significant features of remuneration policy of non-executive directors**

Non-executive directors including the independent director are entitled only for fee for attending the meetings.

#### **Board Evaluation**

As required by the Listed Companies Code of Corporate Governance Regulations 2017 the Board has developed a mechanism for evaluation of performance of the Board of Directors. During the year a comprehensive questioner was circulated among all members of the Board for evaluation of performance of the Board of Directors.

#### **Auditors Report**

The auditors have qualified their report as under:

- Interest free loans from associates not amortized.
- Non-utilization of capital reserve
- Un-claimed dividend remained unpaid.
- Restatement of changes in equity Rs. 7 million not verified.

Loans from associates are interest free and repayment schedule of these loans are not confirmed. Therefore, the company has not amortized these loans.

Capital reserves were created many years ago for acquisition of Special National Funds Bonds as explained in note no. 14 to the financial statements

Unclaimed dividend will be deposited in Government Treasury as per direction of the Securities & Exchange Commission of Pakistan.

The amount Rs. 7.00 million has been deducted by Habib Metropolitan Bank directly from the personal account of Director against company's loan liability outstanding its books. On the basis of facts, the company adjusted above amount retrospective as per IAS-8 as fully disclosed in Note no. 3.22.



With reference to emphasis of matter paragraph by auditor in their report, the management is making its best efforts to make operation as efficient as possible.

**Earning / (Loss) Per Share**

Earning per share for the year amounted to Rs.( 2.10) and Rs. (0.11) for the corresponding year.

**Related Parties**

The Board of Directors has approved the policy for transaction/contract between Company and its related parties on an arm's length basis and relevant rates are to be determined as per the comparable un-controlled price method.

For and on behalf of the Board of Directors

(NOOR ELAHI)  
CHIEF EXECUTIVE

LAHORE  
November 04, 2019



**کارپوریٹ سماجی ذمہ داری**

روٹی ٹیکسٹائل ملز لمیٹڈ اپنی کارپوریٹ سماجی ذمہ داری کی ٹھوس، پائیدار تکمیل کے حصول کے لئے پرعزم ہے۔

**نان ایگزیکٹو ڈائریکٹرز کی معاوضہ پالیسی کی اہم خصوصیات**

آزاد ڈائریکٹرسٹیٹ غیر ایگزیکٹو ڈائریکٹرز فقط اجلاسوں میں شرکت کے لئے فیس کے مستحق ہیں۔

**بورڈ کی تشفیص**

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 کے تقاضہ کے مطابق بورڈ نے بورڈ آف ڈائریکٹرز کی کارکردگی کی جانچ کے لئے ایک طریقہ کار وضع کیا ہے۔ سال کے دوران بورڈ آف ڈائریکٹرز کی کارکردگی کی تشفیص کے لئے بورڈ کے تمام ممبروں کو ایک جامع سوالنامہ ترسیل کیا گیا۔

**آڈیٹرز کی رپورٹ**

آڈیٹرز نے حسب ذیل کے مطابق اپنی رپورٹ کی توثیق کی ہے:

(a) شراکت داروں سے بغیر سود کے قرض کو کم نہیں کیا گیا

(b) کیپٹل ریزرو کا غیر استعمال

(c) غیر دعوی شدہ منافع منقسمہ ادا نہیں کیا گیا۔

(d) 7 ملین روپے ایکویٹی میں تبدیلیوں کے اعادہ کی توثیق نہیں کی گئی۔

ڈائریکٹرز اور شریک کمپنیوں سے قرضے بلاسود ہیں اور ان قرضوں کی واپسی کی یقینی نہیں ہے۔ لہذا، کمپنی نے ان قرضوں کو کم نہیں کیا ہے۔

خصوصی نیشنل فنڈز بانڈز کے حصول کے لئے کیپٹل ذخائر بہت سال پہلے بنائے گئے تھے جیسا کہ مالی حسابات کے نوٹ نمبر 14 میں بیان کیا گیا ہے۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایت کے مطابق غیر دعوی شدہ منافع منقسمہ سرکاری خزانے میں جمع کرایا جائے گا۔

7.00 ملین روپے کی رقم حبیب میٹرو پولیٹن بینک نے کمپنی کے قرض کی واجب ادائیگی کے عوض براہ راست ڈائریکٹرز کے ذاتی اکاؤنٹ سے منہا کر لی ہے۔ حقائق کی بنیاد پر، کمپنی نے نوٹ نمبر 3.22

میں مکمل انکشاف کے مطابق، آئی اے ایس-8 کے مطابق مذکورہ بالا رقم کو ایڈجسٹ کیا۔

آڈیٹرز کی طرف سے اپنی رپورٹ میں پیراگراف پر زور دینے کے حوالے سے، انتظامیہ آپریشن کو ممکنہ طور پر موثر بنانے کی اپنی پوری کوششیں کر رہی ہے۔

**آمدنی / نقصان (نی شیر)**

سال کے لئے نی شیر نقصان (2.10) روپے جو کہ گزشتہ سال میں (0.11) روپے تھا۔

**متعلقہ پارٹیاں**

بورڈ آف ڈائریکٹرز نے کمپنی اور اس کی متعلقہ پارٹیوں کے درمیان لین دین / معاہدہ کے لئے قابل رسائی بنیاد پر پالیسی کی منظوری دی ہے اور بے قابو قیمتوں کے موازنہ کے طریقہ کار کے مطابق متعلقہ قیمتیں مقرر کی گئی ہیں۔

منجانب بورڈ آف ڈائریکٹرز

*(نورالحی)*

(نورالحی)

چیف ایگزیکٹو

لاہور

04 نومبر 2019ء



- ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ دائرہ کار کی بابت اپنی ذمہ داریوں کا اعتراف کرتا ہے اور چنانچہ بیان کرتا ہے کہ:
- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
  - کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
  - مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
  - مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات / بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے۔
  - اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
  - کمپنی کے رواں دواں رہنے کی صلاحیت بارے کوئی نمایاں شکوک و شبہات نہیں ہیں۔
  - فہرستی قواعد میں تفصیلی کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا۔
  - گزشتہ چھ سالوں کی آپریٹنگ جھلکیاں اور مالی اعداد و شمار کا مختصر خلاصہ منسلک ہے۔
  - ٹیکسوں اور لیویز کے بارے میں معلومات نوٹس میں دی گئی ہیں اور مالی حسابات کا حصہ بنایا گیا ہے۔
  - کمپنی ایک غیر فنڈڈ گریجویٹ اسکیم چلا رہی ہے جو کمپنی کے کاروبار کے لئے برقرار رکھی گئی ہے۔
  - 30 جون 2019 کے مطابق کمپنی کے نمونہ حصص داری کا بیان منسلک ہے۔ یہ بیان کوڈ آف کارپوریٹ گورننس کے مطابق تیار کیا گیا ہے۔
  - زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے پانچ اجلاس، آڈٹ کمیٹی کے چار اجلاس اور ہیومن ریسورس اینڈ ریمیزیشن کمیٹی کا ایک اجلاس منعقد ہوا۔ ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

تعداد حاضری اجلاس			نام ڈائریکٹر
ہیومن ریسورس اینڈ ریمیزیشن کمیٹی	آڈٹ کمیٹی	بورڈ کے اجلاس	
		5	جناب نور الہی
		5	محترمہ پروین الہی
	4	5	محترمہ ناہید جاوید
		0	جناب جاوید عثمان
1	0	5	جناب نبیل جاوید
	4	5	جناب فیضان جاوید
		0	جناب شارق جاوید
1	4	5	جناب منسوب احمد خان

(جو ڈائریکٹرز اپنی پیشہ ورانہ مصروفیت کی وجہ سے اجلاسوں میں شرکت نہیں کر سکتے تھے کو غیر حاضری کی رخصت عطا کی گئی)

سال کے دوران کمپنی کے حصص میں اس کے ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری، داخلی آڈٹ کے سربراہ، دیگر ایگزیکٹوز اور ان کے شریک حیات اور انابالغ بچوں کے ذریعہ کوئی تجارت نہیں کی گئی۔

### قانونی آڈیٹرز

آڈیٹرز میسرز ارشد رحیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس 39 ویں سالانہ جنرل اجلاس کے اختتام پر ریٹائر ہو گئے اور اہل ہونے کے سبب، انہوں نے خود کو دوبارہ تقرری کے لئے پیش کیا اور بورڈ کی آڈٹ کمیٹی نے بھی ان کی تقرری کی سفارش کی، جس کی بورڈ نے تائید کی ہے۔



### مستقبل کا نقطہ نظر

معیشت کی ریڑھ کی ہڈی خیال کی جانے والی ٹیکسٹائل انڈسٹری مقامی اور غیر ملکی منڈیوں میں مشکل حالات سے گزر رہی ہے۔ مارکیٹ کی موجودہ صورتحال کی بنیادی وجہ یہ ہے کہ گذشتہ ایک سال سے پاکستان کے معاشی حالات خراب ہیں جبکہ مہنگائی عروج پر ہے اور اس صنعت کی پیداواری لاگت میں اضافہ ہو گیا ہے۔ فروخت کی قیمتوں میں اسی رفتار کے ساتھ اضافہ نہیں ہوا ہے کیونکہ پیداواری لاگت میں اضافے کے نتیجے میں کمپنی کا منافع کم ہوتا ہے۔ تاہم، انتظامیہ اس صورتحال سے آگاہ ہے اور ان چیلنجوں سے نمٹنے کے لئے تمام ممکن اقدامات کر رہی ہے۔

### بورڈ کی تشکیل

بورڈ کی تشکیل لسٹڈ اداروں پر لاگو کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2017 کے تقاضوں کی تعمیل میں ہے جو ذیل میں دی گئی ہے:

### ڈائریکٹرز کی کل تعداد

(a)۔ مرد	5
(b)۔ عورت	2

### تفصیل:

i۔ آزاد ڈائریکٹرز	1
ii۔ ایگزیکٹو ڈائریکٹرز	2
iii۔ نان ایگزیکٹو ڈائریکٹرز	4

ڈائریکٹرز کے نام بمطابق 30 جون 2019 مندرجہ ذیل ہیں

(1) جناب نور الہی	چیف ایگزیکٹو
(2) محترمہ پروین الہی	چیئر پرسن
(3) محترمہ ناہید جاوید	ڈائریکٹر
(4) جناب نبیل جاوید	ڈائریکٹر
(5) جناب فیضان جاوید	ڈائریکٹر
(6) جناب شارق جاوید	ڈائریکٹر
(7) جناب منسوب احمد خان	ڈائریکٹر

### بورڈ کی کمیٹیاں

بورڈ نے آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریٹرنیشن کمیٹی نامی دو ذیلی کمیٹیاں تشکیل دی ہیں۔ ان دونوں کمیٹیوں کی تشکیل کی وضاحت اس طرح کی گئی ہے۔

### آڈٹ کمیٹی

جناب منسوب احمد خان۔ چیئر مین (آزاد)
محترمہ ناہید جاوید۔ ممبر
جناب فیضان جاوید۔ ممبر

### ہیومن ریسورس اینڈ ریٹرنیشن کمیٹی

جناب منسوب احمد خان۔ چیئر مین (آزاد)
جناب نبیل جاوید۔ ممبر
جناب فیضان جاوید۔ ممبر

### کارپوریٹ گورننس کے بہترین طریقوں پر عملدرآمد

پاکستان اسٹاک ایکسچینج کے فہرستی قوانین میں کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق، بورڈ، بخوشی بیان کرتا ہے کہ کمپنی کی انتظامیہ نے کارپوریٹ گورننس کے بہترین طریقوں پر عملدرآمد کیا



**ڈائریکٹرز رپورٹ**

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2019ء کو ختم ہونے والے سال کے لئے کمپنی کے نظر ثانی شدہ حسابات کے ہمراہ اپنی 39 ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

**آپریٹنگ نتائج**

مالیاتی نتائج کا خلاصہ درج ذیل ہے:-

2017 روپے	2018 روپے	2019 روپے	
400,356,060	325,009,471	719,481,132	فروخت
(111,205,336)	(89,938,199)	(101,632,274)	مجموعی منافع/(نقصان)
(16,935,136)	(18,365,421)	(18,559,817)	انتظامی اخراجات
(46,317)	(149,105)	-	تقسیم کی لاگت
1,739,460	156,913,063	103,324,723	دیگر آمدنی
(8,272,572)	(43,859,906)	(83,447,427)	مالیاتی اخراجات
(134,719,901)	(5,399,568)	(100,314,796)	ٹیکس سے پہلے نقصان
(3,586,800)	(317,648)	(9,480,237)	ٹیکس کی فراہمی
(138,306,701)	(5,717,216)	(109,795,033)	ٹیکس کے بعد نقصان

زیر جائزہ سال کے دوران، کمپنی نے گزشتہ سال 2.434 ملین کلوگرام کے مقابلے میں 3.796 ملین کلوگرام دھاگہ تیار کیا۔ موجودہ سال کے لئے مجموعی خسارہ فروخت کا 14.125 فیصد جبکہ گزشتہ سال مجموعی خسارہ فروخت کا 27.67 فیصد ہوا تھا۔

سال کے دوران، یونٹ 2 جزوی طور پر اور یونٹ 1 تقریباً مکمل طور پر چلایا گیا۔ کمپنی نے دھاگے کی پیداوار بڑھادی اور کمپنی کے خسارہ کو ختم کرنے کے لئے بہتر ریٹس کے حصول کے لئے دھاگہ کی کوالٹی کو بہتر بنانے پر توجہ مرکوز کی ہے۔ بجلی اور دیگر مینوفیکچرنگ کے زیادہ اخراجات نے ٹیکسٹائل کاروبار کو بری طرح متاثر کیا ہے۔ ٹیکسٹائل شعبے کو دیگر علاقائی ممالک کے ساتھ سخت مقابلہ کا سامنا ہے جہاں ان پٹ کے اخراجات پاکستان کے مقابلے بہت کم ہیں۔ انتظامی اخراجات اور مالی لاگت گزشتہ مالی سال سے بالترتیب 0.194 ملین روپے اور 5.399 ملین روپے تک بڑھ گئی ہے۔ کمپنی کو رواں سال کے دوران ٹیکس سے قبل 100.314 ملین روپے کا خسارہ ہوا جبکہ گزشتہ مالی سال میں ٹیکس سے قبل 5.399 ملین روپے کا خسارہ ہوا۔ گزشتہ مالی سال میں ٹیکس کے بعد خسارہ 5.717 ملین روپے کے مقابلے رواں مالی سال میں ٹیکس کے بعد خسارہ 109.795 ملین روپے ہوا۔

کمپنی کی صحت پر غور کرتے ہوئے، چیئر پرسن، مسز پروین الہی نے 100 ملین روپے کا اپنا قرضہ معاف کر دیا ہے جس کے نتیجے میں کمپنی کے واجبات میں کمی اور ڈیبٹ ایکویٹی تناسب میں بہتری آئی ہے۔ کمپنی نے میسرز کوئین برگ وینچرز لمیٹڈ سنگاپور سے 8 فروری 2012 کو 1,100,000 امریکی ڈالر کی رقم طویل مدتی غیر ملکی قرض حاصل کیا تھا۔ پوری دنیا میں کساد بازاری اور مسلسل نقصانات کی وجہ سے، کوئین برگ وینچرز لمیٹڈ کے ڈائریکٹرز اور حصص داران نے کمپنی کو تحلیل کرنے کا فیصلہ کیا۔ انہوں نے تحلیل کے لئے درخواست گزاری اور جون 2019 میں کوئین برگ وینچرز لمیٹڈ کو تحلیل کر دیا گیا اور اسے فہرست سے ہٹا دیا گیا۔ چونکہ کوئین برگ وینچرز لمیٹڈ تحلیل ہو گئی، اس کا جو ختم ہو گیا اور اس کے آپریشن بند ہو گئے، کوئی دعویدار نہیں ہے کہ جو قرض اور اس پر سود کی واپسی کا دعویٰ کرے، اس طرح بقایا قرض اور اس پر سود ختم ہو گیا۔ کمپنی نے غیر ملکی کمپنی کو بقایا قرض اور اس پر قابل ادائیگی سود پر واپسی تحریر کا نشان لگا دیا۔ اس سے کمپنی کی مالی حیثیت میں بہتری آئی ہے کیونکہ واجبات میں 171,921,272 روپے کی کمی واقع ہوئی ہے۔

**عام مارکیٹ حالات اور کمپنی کا کاروبار**

کرنسی کی گراوٹ کے نتیجے میں مجموعی طور پر برآمدات میں اضافہ متوقع تھا، اس کے برعکس درآمد شدہ خام مال، پلانٹ اور مشینری کی قیمت میں کرنسی کی گراوٹ کے سبب اضافہ ہوا۔ سخت مسابقت اور پیداواری لاگت کی وجہ سے برآمدات قیمت اور مقدار دونوں کے لحاظ سے کم رہی، جو ملک کی معیشت کے لئے ایک خطرناک علامت ہے اور حکومت معاشی صورتحال پر اس کے اثرات کو روکنے کے لئے سنجیدہ اقدامات کرنے میں ناکام رہی ہے۔ اس منفی رجحان کو تبدیل کرنے کے لئے حکومت کی جانب سے بھرپور اقدامات کی ضرورت ہے۔

**PATTERN OF SHAREHOLDING**

1.1 Name of the Company	<b>RUBY TEXTILE MILLS LIMITED</b>
1.2 Incorporation Number	<b>00041215 Date 06052000</b>
2.1. Pattern of holding of the shares held by the shareholders as at	<b>30-06-2019</b>

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
73	1	100	2,852
693	101	500	334,710
83	501	1,000	77,898
106	1,001	5,000	278,983
21	5,001	10,000	162,400
6	10,001	15,000	77,500
2	15,001	20,000	34,500
2	20,001	25,000	49,000
2	25,001	30,000	53,751
1	30,001	35,000	33,500
1	35,001	40,000	40,000
1	45,001	50,000	49,000
1	55,001	60,000	55,829
1	85,001	90,000	90,000
2	95,001	100,000	197,000
1	105,001	110,000	105,500
1	135,001	140,000	139,179
1	270,001	275,000	272,164
1	295,001	300,000	300,000
1	3,870,001	3,875,000	3,873,500
1	6,495,001	6,500,000	6,500,000
1	8,655,001	8,660,000	8,655,900
1	13,170,001	13,175,000	13,173,834
1	17,655,001	17,660,000	17,657,400
<b>1,004</b>			<b>52,214,400</b>

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	43,609,313	83.5197%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	6,900,500	13.2157%
2.3.3 NIT and ICP	275,064	0.5268%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	343	0.0007%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Share holders holding 10% or more	50,105,313	95.9607%
2.3.8 General Public		
a. Local	1,343,492	2.5730%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	27,900	0.0534%
2- Pension Funds	55,829	0.1069%
3- others	1,959	0.0038%



**Catagories of Shareholding required under Code of Corporate Governance (CCG)  
As on June 30, 2019**

Sr. No.	Name	No. of Shares Held	Percentage
<b>Associated Companies, Undertakings and Related Parties (Name Wise Detail):</b>			
1	NAHEED NOOR ENTERPRISES LTD.	300,000	0.5746%
2	NAHEED NOOR (PVT) LTD.	100,500	0.1925%
3	SUNRISE BOTTLING CO. (PVT) LTD.	6,500,000	12.4487%
<b>Mutual Funds (Name Wise Detail)</b>			
		-	-
<b>Directors and their Spouse and Minor Children (Name Wise Detail):</b>			
1	MR. NOOR ELAHI	17,796,579	34.0837%
2	MRS. PARVEEN ELAHI	8,761,400	16.7797%
3	MRS. NAHEED JAVED	17,047,334	32.6487%
4	MR. MANSOOB AHMED KHAN	500	0.0010%
5	MR. NABEEL JAVED	1,000	0.0019%
6	MR. SHARIQ JAVED	1,000	0.0019%
7	MR. FAIZAN JAVED (CDC)	1,000	0.0019%
8	MR. JAVED USMAN H/O NAHEED JAVED	500	0.0010%
<b>Executives:</b>			
		-	-
<b>Public Sector Companies &amp; Corporations:</b>			
		-	-
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:</b>		56,172	0.1076%
<b>Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)</b>			
1	MR. NOOR ELAHI	17,796,579	34.0837%
2	MRS. NAHEED JAVED	17,047,334	32.6487%
3	MRS. PARVEEN ELAHI	8,761,400	16.7797%
4	SUNRISE BOTTLING CO. (PVT) LTD.	6,500,000	12.4487%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	NAME	SALE	PURCHASE
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NIL



**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017  
FOR THE YEAR ENDED 30 JUNE 2019**

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

1- The total number of directors is seven as per the following:

a. Male

i	Mr.NOOR ELAHI	iv	Mr.SHARIQ JAVED
ii	Mr.NABEEL JAVED	v	Mr.MANSOOB AHMED KHAN
iii	Mr.FAIZAN JAVED		

b. Female

i	Mrs.PARVEEN ELAHI	ii	Mrs.NAHEED JAVED
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2. The present composition of the board is as follows.

a.	Independent Director	Mr.MANSOOB AHMED KHAN
b.	Other Non Executive Directors	Mrs. PARVEEN ELAHI Mrs. NAHEED JAVED Mr. SHARIQ JAVED Mr. FAIZAN JAVED
c.	Executive Directors	Mr.NOOR ELAHI Mr.NABEEL JAVED

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 the 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. One director and Chief Executive are exempt from director's training programme due to 14 years of education and 15 years of experience on the Board of listed companies. Remaining directors will undergo director's training programme within the time allowed by CCG.
10. No new appointment of CFO, Company Secretary and Head of Internal Audit. However, the Board has endorsed their remuneration and terms and conditions of employment and complied with relevant requirements.
11. CFO and CEO dully endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:



AUDIT COMMITTEE		HR AND REMUNERATION COMMITTEE	
Mr.MANSOOB AHMED KHAN	CHAIRMAN	Mr.MANSOOB AHMED KHAN	CHAIRMAN
Mrs. NAHEED JAVED	MEMBER	Mr.FAIZAN JAVED	MEMBER
Mr.FAIZAN JAVED	MEMBER	Mr. NABEEL JAVED	MEMBER

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:
- (i) Audit Committee –four meetings held during the year ended 30 June 2019.
- (ii) HR and Remuneration Committee- one meeting held during ended 30 June 2019.
15. The Board has set up of an affective internal audit function who 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 programme of the Institute of Chartered Accountants of Pakistan (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 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 behalf of the Board

**(Mrs. PARVEEN ELAHI)**  
CHAIRPERSON

Lahore

Date: November 04, 2019

# ARSHAD RAHEEM & CO.

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ruby Textile Mills Limited

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

YOUSAF ISLAM HOUSE  
39-Link Farid Kot Road,  
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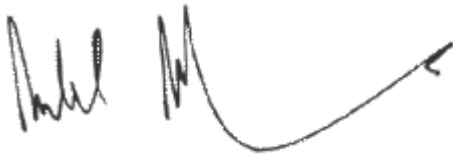
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Ruby Textile Mills Limited for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.



ARSHAD RAHEEM & CO.  
Chartered Accountants

Lahore: 04 NOV 2019

# ARSHAD RAHEEM & CO.

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

To the members of Ruby Textile Mills Limited  
Report on the Audit of the Financial Statements

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YOUSAF ISLAM HOUSE  
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Near A.G. Office, Lahore.  
Tel: (92-42) 7236167 - 7312590  
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#### Opinion

We have audited the annexed financial statements of **Ruby Textile Mills Limited**, which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss and other 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes 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 June 30, 2019 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### Basis for Qualified Opinion

As the Company's financial statements indicate that:

- a) The Company has not accounted for interest free long term financing from associates at amortized cost as required by the International Financial Reporting Standards (IFRS) 9 "Financial Instruments". Due to the non-availability of underlying repayment terms and conditions of interest free loans, we are unable to ascertain the effects on financial statements regarding amortized cost of interest free loans
- b) We could not verify the capital reserve amounting to Rs. 3.240 million as disclosed in Note 14.
- c) We could not verify compliance for payment of unpaid dividend amounting to Rs. 402,570
- d) We could not verify restatement for an amount of Rs. 7.0 million in statement of changes in equity as disclosed in Note 3.22

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

#### Material Uncertainty relating to Going Concern

We draw attention to note 1.1 to the financial statements which indicates that the company incurred a net loss of Rs.109.795 million during the year and has accumulated loss of Rs. 763.509 million as at June 30, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by Rs.217.814 million. These conditions, along with other matters as explained in note 1.1 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key Audit Matter(s)

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 matter(s):

S. Key audit matter(s) No.	How the matter was addressed in our audit
<p>(i) <b>Revenue</b> Refer note 3.19 and note 26 to the accompanying financial statements the Company generates revenue from sale of yarn to domestic customers. The Company recognized revenue of Rs. 719.481 million which was higher by 121.37% as compared to last year.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p>	<p>Our key audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period;</li> <li>• Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;</li> <li>• Checking the production data in line with increase in capacity;</li> </ul> <p>Comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and</p> <ul style="list-style-type: none"> <li>• Inspecting credit notes issued to record sales returns subsequent to year end, if any</li> </ul>
<p>(ii) <b>Loan From Queenberg Venture Limited Written Back</b></p> <p>During the year, the company has written back loan from Queenberg Venture Limited amounting Rs. 163.350 million as referred to note 30.1 to the financial statements of the company.</p> <p>We consider it as a key audit matter in view of significance of the transaction amount and its substantial effect on the company's financial position.</p>	<p>Our audit procedures inter-alia included:</p> <ul style="list-style-type: none"> <li>• Verification of documents of deregistration of company.</li> <li>• Examination of minutes of meeting of board of directors and its approval for written back of loan.</li> <li>• Tracing the entries in general ledger of loan in order to ensure that loan liability has duly been adjusted by the amount written back.</li> </ul>
<p>(iii) <b>Loan from Director Written Back</b></p> <p>During the year, the company has written back loan from director amounting Rs. 100 million as referred to note 30.1 to the financial statements of the company.</p> <p>We consider it as a key audit matter in view of significance of the transaction amount and its substantial effect on the company's financial position.</p>	<p>Our audit procedures inter-alia included:</p> <ul style="list-style-type: none"> <li>• Verification of deed.</li> <li>• Confirmation of balance outstanding in the books of account of loan of director through direct balance confirmation circulated.</li> <li>• Examination of minutes of meeting of board of directors and its approval for written back of loan.</li> <li>• Tracing the entries in general ledger of loan from director in order to ensure that loan liability has duly been adjusted by the amount written back.</li> </ul>
<p>(iv) <b>Stock in Trade</b></p> <p>We were appointed auditor of the company after the year end, so we were unable to attend the stock count at year end. The Company has stock in trade amounting to Rs. 6.382 million as at the reporting date. A number of estimates and judgments are involved in valuation of stock in trade, in determining the net realizable values of finished goods and intended use of raw materials.</p>	<p>Our audit procedures included the following:</p> <p>We perform stock count at 25th September, 2019, to gain comfort over the existence of inventories and internal controls designed by the company.</p> <p>We obtained record of production and sales from July 01, 2019 to September 25, 2019 to work back the stock at year end.</p>

The significance of the balance coupled with the estimates and judgments involved in their valuation has resulted in the stock in trade being considered as a key audit matter

- Obtaining understanding of internal controls designed by the Company over recording of purchases and valuation & costing of the inventories, and testing their operating effectiveness on sample basis.
- Assessing historical costs recorded in the inventory valuation by performing test of details on purchases. Re-calculation weighted average costs on sample basis.
- Obtaining the valuation sheets of the inventories and tracing / reconciling quantities from working papers of observation of physical stock taking.
- Evaluating valuation basis used are appropriate and consistently applied that includes analysis of costing of different items on sample basis.
- Assessing the management's determination of the net realizable values and expected use of raw material that included performing tests on the sales prices fetched by the Company before and after year end.
- Performing analytical and other relevant audit procedures.
- Considering the adequacy of the Company's disclosures in respect of inventories.

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

Management is responsible for the other information. The other information comprise the information included in the annual report, but does not include the financial statements 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:

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- The statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Arshad Raheem.



**ARSHAD RAHEEM & CO.**  
Chartered Accountants

Lahore: 04 NOV 2019



**STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees Restated	2017 Rupees Restated
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment	4	900,269,654	868,457,835	902,017,774
Long term deposits	5	4,397,945	5,735,445	7,952,894
		<u>904,667,599</u>	<u>874,193,280</u>	<u>909,970,668</u>
<b>CURRENT ASSETS</b>				
Stores and spares	6	108,223,667	115,559,079	130,602,704
Stock in trade	7	6,382,808	333,342,716	384,738,058
Trade debts	8	108,318,355	14,659,943	13,037,658
Advances and prepayments	9	26,068,788	17,630,164	21,573,157
Balance with statutory authorities	10	4,066,678	12,119,163	15,881,820
Cash and bank balances	11	680,281	1,339,905	1,754,436
		<u>253,740,576</u>	<u>494,650,970</u>	<u>567,587,833</u>
		<u>1,158,408,175</u>	<u>1,368,844,250</u>	<u>1,477,558,501</u>
<b>SHARE CAPITAL AND RESERVES</b>				
<b>Authorized capital</b>				
70,000,000 ordinary shares of Rs.10 each	13	<u>700,000,000</u>	<u>700,000,000</u>	<u>700,000,000</u>
<b>Issued, subscribed and paid up capital</b>				
52,214,400 ordinary shares of Rs. 10 each, fully paid in cash		522,144,000	522,144,000	522,144,000
Capital reserves	14	3,240,000	3,240,000	3,240,000
Accumulated loss		(763,509,523)	(662,018,427)	(666,208,704)
Surplus on revaluation of property plant and equipment	15	<u>355,691,923</u>	<u>316,787,467</u>	<u>323,759,003</u>
		<u>117,566,400</u>	<u>180,153,040</u>	<u>182,934,299</u>
Long term loan from chief executive and directors	16	<u>386,951,554</u>	<u>317,021,554</u>	<u>467,101,554</u>
		<u>504,517,954</u>	<u>497,174,594</u>	<u>650,035,853</u>
<b>NON CURRENT LIABILITIES</b>				
Long term financing from banking		-	-	2,500,002
Long term financing from others	17	-	79,420,000	83,015,625
Long term financing from associates	18	78,492,812	52,651,676	51,575,312
Deferred liabilities	19	103,843,029	80,992,510	88,191,136
<b>CURRENT LIABILITIES</b>				
Trade and other payables	20	258,134,587	275,381,114	255,643,562
Accrued mark up	21	9,482,630	11,217,986	5,716,498
Unclaimed dividend		402,570	402,570	402,570
Loan from banking companies	22	26,365,818	175,934,149	198,832,154
Loan from related party	23	11,869,000	12,869,000	-
Current portion of non current liabilities				
Long term financing from banking companies		807,999	4,166,665	4,166,665
Long term financing from others	17	164,491,776	175,933,921	137,479,125
Provision for taxation	24	-	2,700,065	-
		<u>471,554,380</u>	<u>658,605,470</u>	<u>602,240,574</u>
<b>CONTINGENCIES AND COMMITMENTS</b>				
	25	-	-	-
		<u>1,158,408,175</u>	<u>1,368,844,250</u>	<u>1,477,558,502</u>

The annexed notes 1 to 43 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees	2017 Rupees
Sales	26	719,481,132	325,009,471	400,356,060
Cost of sales	27	821,113,406	414,947,670	511,561,396
<b>Gross loss</b>		(101,632,274)	(89,938,199)	(111,205,336)
<b>Operating expenses</b>				
Distribution cost	28	-	149,105	46,317
Administrative expenses	29	18,559,817	18,365,421	16,935,136
Other operating expenses- <i>Obsolete stock</i>		-	10,000,000	-
		18,559,817	28,514,526	16,981,453
		(120,192,091)	(118,452,725)	(128,186,790)
Other operating income	30	103,324,723	156,913,063	1,739,460
		(16,867,368)	38,460,338	(126,447,330)
Finance cost	31	83,447,427	43,859,906	8,272,572
<b>Loss before taxation</b>		(100,314,796)	(5,399,568)	(134,719,901)
Taxation	32	(9,480,237)	(317,648)	3,586,800
<b>Loss for the year</b>		(109,795,033)	(5,717,216)	(138,306,701)
Loss per share - basic and diluted	33	(2.10)	(0.11)	(2.65)

The annexed notes 1 to 43 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Loss before taxation</b>		(100,314,796)	(5,399,568)	(134,719,901)
<b>Adjustments for non cash and other items:</b>				
Depreciation		36,501,592	38,450,623	40,344,172
Provision for staff retirement benefit-gratuity		2,442,348	1,367,726	1,615,683
Loan written back		(263,350,000)	(155,288,893)	-
Exchange gain		-	-	(598,661)
Finance cost		80,349,019	43,859,906	8,272,572
<b>Cash used in before changes in working capital</b>		(244,371,836)	(77,010,206)	(85,086,135)
<b>Changes in working capital</b>				
<b>(Increase) / decrease in current assets</b>				
Stores and spares		7,335,412	15,043,625	2,001,510
Stock in trade		326,959,908	51,395,342	(21,482,776)
Receivable from associated companies		-	1,072,062	110,500
Trade debts		(93,658,412)	(1,622,285)	6,777,433
Advances and prepayments		(8,438,626)	2,695,932	(4,859,596)
Balance with statutory authorities		(843,612)	(780,524)	(1,007,647)
<b>Increase / (decrease) in current liabilities</b>				
Trade and other payables		(17,739,025)	24,611,550	5,949,016
		213,615,645	92,415,702	(12,511,560)
<b>Cash generated from operations</b>		(30,756,191)	15,405,495	(97,597,695)
Finance cost paid		(9,596,520)	(2,355,272)	(4,903,566)
Taxes paid		(2,819,870)	2,694,121	(2,030,588)
Staff retirement gratuity paid		(668,682)	(809,023)	(435,729)
		(13,085,072)	(470,174)	(7,369,883)
<b>Net cash generated from operating activities</b>		(43,841,263)	14,935,321	(104,967,578)
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Addition in property, plant and equipment		-	(4,890,684)	-
Sale proceeds from the disposal of assets		-	-	700,000
Long term deposits		1,337,500	2,217,449	(962,789)
<b>Net cash used in operating activities</b>		1,337,500	(2,673,235)	(262,789)
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Long term financing from banking companies		(3,358,666)	(2,500,002)	(3,412,808)
Long term financing from associates		25,841,136	-	-
Long term financing from directors and associates		168,930,000	(1,143,975)	52,169,403
Long term financing from others		-	13,865,364	34,075,049
<b>Net cash generated from financing activities</b>		191,412,470	10,221,387	82,831,644
<b>Net increase in cash and cash equivalents</b>		148,908,706	22,483,473	(22,398,723)
<b>Cash and cash equivalents at the beginning of the year</b>		(174,594,244)	(197,077,717)	(174,678,994)
<b>Cash and cash equivalents at the end of the year</b>	12	(25,685,537)	(174,594,244)	(197,077,717)

The annexed notes 1 to 43 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2019**

	Share capital	Capital reserves	Revenue reserve		Revaluation surplus on property, plant and equipment	Sub Total	Long term loan from chief executive and directors	Total
			Accumulated loss					
<b>Balance as at June 30, 2017 - Restated</b>	522,144,000	3,240,000	(659,208,704)		323,759,003	189,934,299	460,101,554	650,035,853
Impact of restatement - note 3.22	-	-	(7,000,000)		-	(7,000,000)	7,000,000	-
<b>Balance as at June 30, 2017 - Adjusted</b>	522,144,000	3,240,000	(666,208,704)		323,759,003	182,934,299	467,101,554	650,035,853
Total comprehensive loss for the year	-	-	(5,378,498)		-	(5,378,498)	-	(5,378,498)
Loan received during the year	-	-	-		-	-	10,000	10,000
Loan paid during the year	-	-	-		-	-	(90,000)	(90,000)
Loan written back during the year	-	-	-		-	-	(150,000,000)	(150,000,000)
Transferred from surplus on revaluation of property, plant and equipment on account of deferred tax attributable to surplus	-	-	-		-	-	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred taxation	-	-	9,568,775		(9,568,775)	-	-	-
	-	-	-		2,597,239	2,597,239	-	2,597,239
<b>Balance as at June 30, 2018 - Restated</b>	522,144,000	3,240,000	(662,018,427)		316,787,467	180,153,040	317,021,554	497,174,594
Total comprehensive profit / (loss) for the year	-	-	(109,795,033)		-	(109,795,033)	-	(109,795,033)
Revaluation surplus arised during the year	-	-	-		68,313,411	68,313,411	-	68,313,411
Loan received during the year	-	-	-		-	-	170,130,000	170,130,000
Loan paid during the year	-	-	-		-	-	(200,000)	(200,000)
Written back during the year	-	-	-		-	-	(100,000,000)	(100,000,000)
Remeasurement of staff retirement benefits-net of deferred tax	-	-	(610,994)		-	(610,994)	-	(610,994)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred taxation	-	-	-		(8,914,931)	-	-	-
Revaluation surplus on property, plant and equipment - Deferred tax impact	-	-	-		(20,494,023)	(20,494,023)	-	(20,494,023)
<b>Balance as at June 30, 2019</b>	522,144,000	3,240,000	(763,509,523)		355,691,924	117,566,401	386,951,554	504,517,955

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

*Muzamir*

**CHIEF EXECUTIVE**

*Muzamir*

**DIRECTOR**

*Sajjad*

**CHIEF FINANCIAL OFFICER**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>2019 Rupees</b>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
<b>Loss for the year</b>	(109,795,033)	(5,717,216)	(138,306,701)
<b>Other comprehensive income :</b>			
Items that will not be reclassified subsequently to profit or loss			
Revaluation surplus on property, plant and equipment	68,313,411	-	-
Deffered tax on revaluation surplus on property, plant and equipment	(20,494,023)	-	-
	47,819,388	-	-
Remeasurement of staff retirement benefits	(872,848)	469,291	1,636,020
Deffered tax on remeasurement of staff retirement benefits	261,854	(130,573)	(435,169)
	(610,994)	338,718	1,200,851
Total other comprehensive income - net of tax	47,208,394	338,718	1,200,851
<b>Total comprehensive loss for the year</b>	<b>(62,586,639)</b>	<b>(5,378,498)</b>	<b>(137,105,850)</b>

The annexed notes 1 to 43 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019**

### **1 STATUS AND NATURE OF BUSINESS**

The company was incorporated in Pakistan on October 18, 1980 as a private limited company and was subsequently converted into public limited company. The registered office of the company is located at 3-A, SMC Housing Society, Shakra-e-Faisal, Karachi and head office of the company is located at 35-Industrial area, Gulberg III, Lahore. The shares of the company are quoted on the Pakistan stock exchange limited. The principal business of the company is manufacturing and sale of yarn. The manufacturing units are located at Manga Road, Raiwind in the province of Punjab.

#### **1.1 Going concern assumption**

The company has been incurring gross losses for the last six years due to under utilization of production capacity. During the year ended June 30, 2019, the company has incurred a net loss amounting Rs. 109.795 million and has accumulated loss Rs.763.509 million as of that date. During the year, unit-1 of the company was operated almost full year and unit-2 operated partially. Due to unsustained supply of gas, the company was unable to produce electricity from its own electricity generation plant. Consequently, production of yarn is considerably less as compared with the installed capacity. All these factors impede the company to achieve the optimal production.

These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements, however, have been prepared under the going concern assumptions based on the following mitigating factors narrated below;

During the year, Sponsoring Directors of the company have injected further funds amounting Rs. 170.130 million along with written commitment to the company stating that they would inject funds as and when required by the company. The Sponsoring Directors also put on record that they have enough liquid fund to fulfill their commitments. Further, during the year the one of the director has waived off the loan payable to him amounting Rs. 100.00 million. Based on these factors, the management of the company has also developed a financial plan which, inter-alia, includes cost cutting measures that would be taken to achieve the objects of the company.

### **2 BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### **2.2 Basis of measurement**

- 2.2.1** These financial statements have been prepared under the historical cost convention, except for Property plant and equipment's and recognition of certain staff retirement benefits at present value. These financial statements have been prepared following accrual basis of accounting except for cash flow information.



The preparation of these financial statements in conformity with approved accounting standards requires the management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in subsequent years.

### **2.2.2 Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

### **2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED Effective in current year and are relevant to the Company**

The Company has adopted all the new standards and amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year:

#### **2.3.1 IFRS 9: Financial Instruments**

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

#### **i Classification and measurement of financial assets and financial liabilities**

The revised provisions on the classification and measurement of financial assets (applicable mainly to trade receivables and other receivables) and financial liabilities (mainly trade creditors and interest-bearing debt) have not affected company's financial information. Consequently, the comparative figures have not been restated on the introduction of IFRS 9.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at July 1, 2018.

<b>Financial assets</b>	<b>Note</b>	<b>Original classification under IFRS 9</b>	<b>Original carrying amount under IAS 39</b>	<b>New carrying amount under IFRS 9</b>
Trade debts	8	Amortized cost	108,318,355	108,318,355
Long term deposits	5	Amortized cost	4,397,945	4,397,945
Cash and bank balances	11	Amortized cost	680,281	680,281

**ii Impairment of financial assets**

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognized as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement basis:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Company's financial assets include mainly trade debts, deposits, advances, other receivables and bank balances.

The Company's trade receivables do not contain financing component (as determined in terms of the requirements of IFRS 15 "Revenue from Contracts with Customers"), therefore, the Company is using simplified approach, that does not require the Company to track the changes in credit risk, but, instead, requires to recognize a loss allowance based on lifetime ECLs at each reporting date.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Company's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Company has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors.

**iii Transition**

The Company has used the exemption not to restate comparative periods and any adjustments on adoption of IFRS 9 are to be recognized in statement of changes in equity as on July 1, 2018. However, the adoption of IFRS 9 did not have any impact on opening retained earnings as on July 1, 2018. Accordingly, the comparative information is presented as per the requirements of IAS 39.

**2.3.4 IFRS 15 'Revenue from Contracts with Customers'**

IFRS 15 'Revenue from Contracts with Customers' is effective for accounting period beginning on or after July 1, 2018. This standard has replaced IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers.

The IFRS 15 establish a five-steps mode to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires the entities to exercise judgment, taking in to consideration all of the relevant facts and circumstances when applying each step of the model to contracts with the customers. Hence, the Company has concluded that the impact of adoption of revenue recognition model as laid down in IFRS 15 is not material.

There is no material impact of transition to IFRS 15 on the financial position of the Company and there is no effect on the accounting policies of the Company in respect of revenue from contracts with Customers.

**2.4 Amendments to standards effective in current year and not relevant to the Company**

Effective date (annual periods ' beginning on or after)

IFRS 2	Share-based payments	January 1, 2018
IFRS 4	Insurance contract	January 1, 2018
IAS 40	Investment property	January 1, 2018

**2.5 Standards / Amendments not yet effective**

The following amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards:

IFRS 3	Business Combinations - Amendment requiring an entity to remeasure its previously held interest at fair value when it obtains control of a business that is a joint operation.	January 1, 2019
IFRS 3	Business Combinations - The amendments clarify the definition of a business, the amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test.	January 1, 2020
IFRS 9	Financial Instruments - Prepayment Features with Negative Compensation and modifications of financial liabilities. The amendment allow debt instruments with negative compensation prepayment features to be measured at amortized cost or fair value through other comprehensive income. The amendment also clarified that gains and losses arising on modifications of financial liabilities that do not result in derecognition should be recognized in profit or loss.	January 1, 2019
IFRS 11	Joint Arrangement - The proposed amendments is to eliminate diversity in practice in the accounting for previously held interests in the assets and liabilities of a joint operation in transactions in which an entity obtains control, or joint control, of a joint operation that meets the definition of a business.	January 1, 2019
IFRS 16	Leases - IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.	January 1, 2019
IFRS 17	Insurance Contracts - address the principles for the recognition, measurement, presentation and disclosure of Insurance contracts. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.	January 01,2021
IAS 1	Presentation of Financial Statements - amendments to its definition of material to make it easier for companies to make materiality judgements. The materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.	January 01,2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - The amendments are intended to make the definition of material easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing general purpose financial statements in accordance with IFRS.	January 01,2020



- IAS 12 Income tax - Recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized. The amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits. January 1, 2019
- To use the updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after plan amendment, curtailment and settlement when entity measure its net defined benefit liability, and; January 1, 2019
- To recognize in profit or loss as part of past service cost, or gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of impact of the asset ceiling.
- IAS 23 Borrowing Costs - to clarify that when a qualifying asset is ready for its intended use or sale, an entity treats any outstanding borrowings made specifically to obtain that qualifying asset as part of the funds that it has borrowed. January 1, 2019
- IAS 28 Investment in Associates and Joint Ventures - Clarification that an entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture measuring an associate or joint venture at fair value. January 1, 2019
- The amendment clarifies that an entity applies IFRS 9 'Financial Instruments' long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Share capital**

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

#### **3.2 Taxation**

##### **Current**

Company's export sales fall under presumptive tax regime under Section 169 of the Income Tax Ordinance, 2001. Charge for current taxation other than export is based on taxable income at the current rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

##### **Deferred**

The company accounts for deferred taxation using the liability method on all timing differences which are considered reversible in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred tax is calculated at the rates expected to apply to the period when the related temporary differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

**3.3 Staff retirement benefits - gratuity**

The Company operates an unfunded Gratuity Scheme covering all the employees of the Company with qualifying service period of six months. Provision is made annually on the basis of actuarial valuation. The most recent actuarial valuation was carried out as at June 30, 2019 using the Projected Unit Credit Method. Actuarial gains and losses are recognized in accordance with the recommendations of the actuary. Further, the management of the company could not determine the expected payments in next period reasonably.

<b>Principal Actuarial Valuation</b>	<b>2019</b>	<b>2018</b>
Discount rate	12.5%	9%
Expected rate of eligible salary increase in future years	12.5%	9%

**3.4 Foreign Currency Translations**

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses on translation are included in income currently.

**3.5 Trade and Other Payables**

Liabilities for trade creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

**3.6 Dividends**

Dividend distribution to company's shareholders is recognized as a liability in the period in which dividend is approved.

**3.7 Contingencies and Commitments**

Capital commitments and contingencies, unless those are actual liabilities, are not incorporated in the financial statements.

**3.8 Provisions**

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event; it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

**3.9 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation except freehold land ,building and plant and machinery. Freehold land ,building and plant and machinery is stated at revalued amount. Borrowing costs pertaining to erection / construction period are capitalized as part of the historical cost.

Depreciation is charged to income applying reducing balance method to write-off the cost, capitalized exchange fluctuations and borrowing costs over estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of fixed assets.

Depreciation on additions is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

The company assesses at each balance sheet date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income currently. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.



Gains/losses on disposal of fixed assets are taken to Profit and Loss Account.

Minor repairs and maintenance are charged to profit & loss, as and when incurred. Major renewals and replacements are capitalized and the assets so replaced, if any, other than those kept as stand by, are retired.

**3.10 Intangible assets**

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each balance sheet date.

**3.11 Capital Work in Progress**

Capital work in progress is stated at cost less any identified impairment loss.

**3.12 Long Term Deposits and Loans**

These are stated at cost which represents the fair value of consideration given.

**3.13 Stores, Spares and Loose Tools**

Useable stores and spares are valued principally at moving average cost, while items considered obsolete are carried at nil value. In transit stores and spares are valued at cost comprising invoice value plus other charges paid thereon.

**3.14 Stocks in trade and stores, spares and loose tools**

These are valued at lower of cost or net realizable value except stock in transit which are valued at cost comprising invoice values plus other charges incurred up to the balance sheet date. Cost is determined as under;

Raw material	Weighted average cost
Packing material	Moving average cost
Work in process	Raw material cost and appropriate manufacturing overheads
Finished goods	Raw material cost, packing material cost and appropriate manufacturing overheads
Waste	Net realizable value

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

**3.15 Trade debts and other receivables**

Trade debts and other receivables are recognized initially at invoice value, which approximates fair value, and subsequently measured at amortized cost using the effective interest method, less provision for doubtful debts. A provision for doubtful debts is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable. The provision is recognized in the profit and loss account. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account. Exchange gains and losses arising in respect of trade and other receivables in foreign currency are added to the carrying amount of receivables.

**3.16 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in cash flow statement comprise of cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term running finances under mark up arrangements.

**3.17 Financial instruments****3.17.1 Financial assets**

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

**Amortized cost**

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Impairment**

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**3.17.2 Financial liabilities**

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

**3.17.3 Recognition and measurement**

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

**3.17.4 Derecognition**

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

**3.18 Off setting of financial assets and liabilities**

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**3.19 Revenue recognition**

Export sales are booked on shipment basis.

Other sales are recorded when significant risks and rewards of ownership of the goods have passed to the customers which coincides with dispatch of goods to customers.

Return on deposits with banks is recognized on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

Dividend is recognized as income when the right to receive dividend is established.

Other revenues are recorded, as and when due, on accrual basis.

**3.20 Borrowings and borrowing costs**

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

**3.21 Basic and diluted earnings per share**

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

**3.22 Correction of fundamental error**

During the year ended June 30, 2016, Habib Metropolitan Bank Limited had deducted Rs.7.00 million against its loan liability outstanding in its books from the bank account maintained by Mrs. Naheed Javed, a director of the company. During the previous year, the company had settled the loan liability with Habib Metropolitan Bank Limited. However, the bank has not reversed the above deduction amounting Rs.7.00 million. Further, the bank confirmed that above deduction was made as adjustment of loan obtained by the company. This error has been adjusted retrospectively in accordance with the requirement of International Accounting Standards (IAS-8) "Accounting Policies, Changes in Accounting Estimates and Errors" and the resulting adjustments had been made retrospectively. Consequently, long term loan from chief executive and directors and accumulated loss as at June 30, 2016 has increased by Rs. 7.00 million respectively.



**4 PROPERTY, PLANT AND EQUIPMENT**

PARTICULARS	COST / REVALUED AMOUNTS				DEPRECIATION			BOOK VALUE		Rate %
	As at July 01, 2018	Additions/transfers during the Year	Revaluation /devaluation during the period	As at June 30, 2019	As at July 01, 2018	Deletion during the year	For the Year	As at June 30, 2019	As at June 30, 2019	
	Rupees									
Land - freehold	146,650,000	-	73,325,000	219,975,000	-	-	-	-	219,975,000	
Building on freehold land	199,550,901	-	16,976,500	216,527,401	19,456,213	-	9,004,734	28,460,947	188,066,454	5
Plant and machinery	593,115,184	-	(21,988,089)	571,127,095	57,555,669	-	26,777,976	84,333,645	486,793,450	5
Electric installations	16,141,875	-	-	16,141,875	14,312,081	-	182,979	14,495,060	1,646,815	10
Fire fighting equipment	834,897	-	-	834,897	679,786	-	15,511	695,297	139,600	10
Tube well	1,026,623	-	-	1,026,623	821,186	-	20,546	841,732	184,891	10
Office equipment	5,753,490	-	-	5,753,490	3,976,652	-	177,684	4,154,336	1,599,154	10
Furniture and fixtures	2,085,607	-	-	2,085,607	1,089,957	-	99,565	1,189,522	896,085	10
Vehicles	8,429,112	-	-	8,429,112	7,393,942	-	207,034	7,600,976	828,136	20
Weigh bridge	1,602,508	-	-	1,602,508	1,446,878	-	15,563	1,462,441	140,067	10
<b>Rupees: June 2019</b>	<b>975,190,197</b>	<b>-</b>	<b>68,313,411</b>	<b>1,043,503,608</b>	<b>106,732,362</b>	<b>-</b>	<b>36,501,592</b>	<b>143,233,954</b>	<b>900,269,654</b>	

PARTICULARS	COST / REVALUED AMOUNTS				DEPRECIATION			BOOK VALUE		Rate %
	As at July 01, 2017	Additions/transfers during the Year	Revaluation during the period	As at June 30, 2018	As at July 01, 2017	Deletion during the year	For the Year	As at June 30, 2018	As at June 30, 2018	
	Rupees									
Land - freehold	146,650,000	-	-	146,650,000	-	-	-	-	146,650,000	
Building on freehold land	199,550,901	-	-	199,550,901	9,977,545	-	9,478,668	19,456,213	180,094,688	5
Plant and machinery	588,224,500	4,890,684	-	593,115,184	29,411,225	-	28,144,444	57,555,669	535,559,515	5
Electric installations	16,141,875	-	-	16,141,875	14,108,770	-	203,311	14,312,081	1,829,794	10
Fire fighting equipment	834,897	-	-	834,897	662,551	-	17,235	679,786	155,111	10
Tube well	1,026,623	-	-	1,026,623	798,360	-	22,826	821,186	205,437	10
Office equipment	5,753,490	-	-	5,753,490	3,779,225	-	197,427	3,976,652	1,776,838	10
Furniture and fixtures	2,085,607	-	-	2,085,607	979,329	-	110,628	1,089,957	995,650	10
Vehicles	8,429,112	-	-	8,429,112	7,135,150	-	258,792	7,393,942	1,035,170	20
Weigh bridge	1,602,508	-	-	1,602,508	1,429,586	-	17,292	1,446,878	155,630	10
<b>Rupees: June 2018</b>	<b>970,299,513</b>	<b>4,890,684</b>	<b>-</b>	<b>975,190,197</b>	<b>68,281,739</b>	<b>-</b>	<b>38,450,623</b>	<b>106,732,362</b>	<b>868,457,835</b>	

4.1 Depreciation charged for the year has been allocated as under:

	2019 Rupees	2018 Rupees
Cost of sales	36,017,309	37,883,776
Administrative expenses	484,283	566,847
	<u>36,501,592</u>	<u>38,450,623</u>



	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>5 LONG TERM DEPOSITS</b>				
Deposit against bank guarantees		3,687,500	5,034,000	5,034,000
Security deposits		710,445	701,445	2,918,894
		<u>4,397,945</u>	<u>5,735,445</u>	<u>7,952,894</u>
<b>6 STORES, SPARES AND LOOSE TOOLS</b>				
Stores		59,523,017	69,056,806	71,830,800
Spares		48,700,650	56,501,023	58,770,654
Loose tools		-	1,250	1,250
		<u>108,223,667</u>	<u>125,559,079</u>	<u>130,602,704</u>
Less: Provision for obsolete stock		-	(10,000,000)	-
		<u>108,223,667</u>	<u>115,559,079</u>	<u>130,602,704</u>
<b>7 STOCK IN TRADE</b>				
Raw material		2,173,760	324,449,453	376,094,648
Work in process		3,329,523	3,310,418	3,634,035
Finished goods		879,525	5,582,845	5,009,375
		<u>6,382,808</u>	<u>333,342,716</u>	<u>384,738,058</u>
<b>8 TRADE DEBTS</b>				
<b>Considered good</b>				
Local yarn debtors	8.1	103,644,785	13,163,591	12,779,277
Local waste debtors		4,673,570	1,496,352	258,381
		<u>108,318,355</u>	<u>14,659,943</u>	<u>13,037,658</u>
<b>8.1</b>				
These are unsecured but considered good by the management of the Company.				
<b>9 ADVANCES AND PREPAYMENTS</b>	Note	2019 Rupees	2018 Rupees	2017 Rupees
Advances-considered good				
- Advances to employees against salaries		908,594	758,294	997,452
- Advances to suppliers		23,974,041	16,335,393	18,436,285
- Advances to employees against purchases		841,479	536,477	1,062,433
Prepayments		344,674	-	4,925
Receivable from associated companies		-	-	1,072,062
		<u>26,068,788</u>	<u>17,630,164</u>	<u>21,573,157</u>
<b>10 BALANCE WITH STATUTORY AUTHORITIES</b>				
Sales tax		2,631,783	1,788,171	1,007,647
Income tax - <i>net</i>		1,434,895	10,330,992	14,874,173
		<u>4,066,678</u>	<u>12,119,163</u>	<u>15,881,820</u>
<b>11 CASH AND BANK BALANCES</b>				
Cash in hand		328,151	690,141	411,793
Cash at bank- <i>current accounts</i>		352,130	649,764	1,342,643
		<u>680,281</u>	<u>1,339,905</u>	<u>1,754,436</u>
<b>12 CASH AND CASH EQUIVALENTS</b>				
Cash and bank balances	11	680,281	1,339,905	1,754,436
Loan from banking companies	22	26,365,818	175,934,149	198,832,154
		<u>(25,685,537)</u>	<u>(174,594,244)</u>	<u>(197,077,718)</u>



13 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	Note	2019 Rupees	2018 Rupees	2017 Rupees	
52,214,400 (2018: 52,214,400) Ordinary shares of Rs. 10 each allotted for consideration fully paid in cash					
		<u>522,144,000</u>	<u>522,144,000</u>	<u>522,144,000</u>	
<b>13.1 Ordinary shares of the company held by the associated companies at the year end are as follows:</b>					
Associated companies	Basis of Relationship	2019	2018	2017	
-----Number of shares-----					
Naheed Noor Enterprises Limited	Common directorship	300,000	300,000	300,000	
Naheed Noor (Pvt.) Limited	Common directorship	100,500	100,500	100,500	
Sunrise Bottling Company (Pvt.) Limited	Common directorship	6,500,000	6,500,000	6,500,000	
		<u>6,900,500</u>	<u>6,900,500</u>	<u>6,900,500</u>	
<b>13.2 Reconciliation of number of ordinary shares of Rs. 10 each fully paid in cash</b>					
At the beginning of the year		52,214,400	52,214,400	52,214,400	
Issued during the year		-	-	-	
At the end of the year		<u>52,214,400</u>	<u>52,214,400</u>	<u>52,214,400</u>	
<b>13.3</b> The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry 'one vote' per share without restriction.					
<b>14 CAPITAL RESERVES</b>					
The balance on this account represents reserves created on acquisition of special national fund bonds.					
<b>15 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT-NET OF TAX</b>					
	Note	2019 Rupees	2018 Rupees	2017 Rupees	
Balance as at July 01,		392,107,397	405,777,076	544,511,084	
Add: Provided during the year		68,313,411	-	(128,818,179)	
		460,420,808	405,777,076	415,692,905	
Transferred to accumulated loss in respect of incremental depreciation charged during the year		(8,914,931)	(9,568,775)	(9,915,829)	
Related deferred tax liability		(3,820,685)	(4,100,904)	-	
		<u>(12,735,616)</u>	<u>(13,669,679)</u>	<u>(9,915,829)</u>	
		447,685,192	392,107,397	405,777,076	
Less: Related deferred tax liability					
- at beginning of the year		75,319,930	82,018,073	-	
- on surplus arising on revaluation during the year		20,494,023	-	82,018,073	
- on incremental depreciation charged during the year		(3,820,685)	(4,100,904)	-	
- on adjustment due to change in tax rate		-	(2,597,239)	-	
		<u>91,993,269</u>	<u>75,319,930</u>	<u>82,018,073</u>	
		<u>355,691,923</u>	<u>316,787,467</u>	<u>323,759,003</u>	
<b>15.1</b> This represents surplus on revaluation of property, plant and equipment carried out on June 30, 2019 (previously these were revalued on September 30, 2001, September 30, 2004, June 30, 2008, June 30, 2013 and June 30, 2016) adjusted by surplus realized on disposal of revalued assets, incremental depreciation arising out of revaluation and deferred taxation.					
<b>15.2</b> Based on the latest revaluation report, the forced sale value of above said land, building and plant and machinery is amounting Rs. 186,978,750, Rs. 141,049,569 and Rs. 365,095,087 respectively.					
<b>16 LONG TERM LOAN FROM CHIEF EXECUTIVE AND DIRECTORS</b>					
	Aggregate % of shareholding	Note	2019 Rupees	2018 Rupees Restated	2017 Rupees Restated
<b>Chief Executive</b>					
Mr. Noor Elahi	34.08%		167,591,878	19,601,878	169,601,878
<b>Directors</b>					
Mrs. Parveen Elahi	16.78%		93,048,121	180,023,121	180,103,121
Mr. Nabeel Javed	0.0019%		1,965,000	-	-
Mrs. Naheed Javed	32.65%		124,346,555	117,396,555	117,396,555
		<b>16.1</b>	<u>386,951,554</u>	<u>317,021,554</u>	<u>467,101,554</u>
<b>16.1</b> These loans are unsecured and do not bear any interest or other profit. The loan is repayable at the discretion of the company. Company has no intention to repay director loan within next twelve months from the balance sheet date. Therefore, no portion has been classified under current liabilities.					



**17 LONG TERM FINANCING FROM OTHERS**

	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>Unsecured</b>				
- from Queenberg Venture Limited	17.1	-	133,760,000	115,500,000
- from Messi Capital Investment Limited	17.2	164,491,776	121,593,921	104,994,750
		164,491,776	255,353,921	220,494,750
<b>Less: Current maturity</b>	17.1 & 17.2	(164,491,776)	(175,933,921)	(137,479,125)
		-	79,420,000	83,015,625
<b>17.1 Unsecured - from QueenBerg Venture Limited</b>				
Opening/Transferred from share application money	17.3 & 17.4	99,363,000	99,363,000	99,363,000
Accumulated exchange loss on foreign loan		63,987,000	34,397,000	16,137,000
		163,350,000	133,760,000	115,500,000
Loan written back during the year		(163,350,000)	-	-
		-	133,760,000	115,500,000
<b>17.2 Unsecured - from Messi Capital Investment Ltd</b>				
Foreign loan I	17.5	52,369,763	52,369,763	52,369,763
Foreign loan II	17.6	52,395,000	52,395,000	52,395,000
Accumulated exchange loss on foreign loan		59,727,013	16,829,158	229,987
		164,491,776	121,593,921	104,994,750
Current portion		(164,491,776)	(121,593,921)	(104,994,750)
		-	-	-

**17.3** During the year ended June 30, 2012, the company had received an amount of Rs. 99,363,000 from Queenberg Venture Limited for issue of shares in future subject to the compliance of all legal requirements. However, shares had not been issued against share deposit money and during the year 2014 this amount was converted into Foreign Currency Loan (At foreign currency amount originally received for issue of shares) as disclosed. During the year Queenberg Venture Limited was dissolved on 18th of June ,2019 so outstanding loan has been written back.

**17.4** The Share deposit money referred above was received from Queenberg Venture Limited (a company incorporated under British Virgin Island Business companies Act, 2004, Singapore) as advance payment towards "Share Application Money" on 8th February 2012 for participation in the share equity of the company at agreed number of shares at the time of deposit of money. Shares had not been issued by the company against the share deposit money and investor decided to convert their investment (at originally disbursed foreign currency amount i.e. US. \$ 1,100,000) into repatriable foreign currency loans on basis in term of paragraph 17 (ii) of Chapter XIX of foreign Exchange Manual 2002 of State Bank of Pakistan and through negotiations, party agreed to convert their "Equity Participation Fund" into Long term financing for a period of 10 years. The loan is repayable in 32 equal quarterly installments of \$ 34,375 which commencing from June 2016 including grace period of two years. The loan was subject to markup at the rate of 1.8494% (applicable 6 month LIBOR plus 1.5% at the time of signing agreement) to be payable six monthly.

**17.5** During the year ended June 30, 2016, the Company had received an amount of Rs. 52,369,763 ( US \$ 499,950) from Messi Capital Investment Limited (a company incorporated under British Virgin Island Business companies Act 2004, Singapore) as loan. The loan of US \$ 499,950 is against the limit of US \$ 1,000,000 on repatriable basis in terms of paragraph 17 (ii) of Chapter XIX of foreign Exchange Manual 2002 of State Bank of Pakistan (thereinafter referred to as the Exchange Control regulation) for the a period of 10 years. The loan shall be repayable on the of first occurrence of (i) December 2025 or (ii) on the second business day of following the demand for repayment thereof by the lender. The loan is repayable in 16 equal half yearly installments of \$ 31,250 which commences from June 2018 including the first two years as grace period for principal payment. The loan is subject to markup at 6 month LIBOR plus 1% spread to payable six monthly. Although the loan is of long term nature, but due to conditions regarding repayment mentioned in (ii) above, the whole outstanding amount had been transferred to current maturity.



**17.6** During the year ended June 30, 2017, the Company has received amounting Rs. 52,395,000 ( US \$ 500,000) from Messi Capital Investment Limited against above mentioned limit of US \$ 1,000,000 (a company incorporated under British Virgin Island Business companies Act 2004, Singapore) as loan. The loan is on repatriable basis in terms of paragraph 17 (ii) of Chapter XIX of foreign Exchange Manual 2002 of State Bank of Pakistan (thereinafter referred to as the Exchange Control regulation) for the a period of 10 years. The loan shall be repayable on the of first occurrence of (i) December 2025 or (ii) on the second business day of following the demand for repayment thereof by the lender. The loan is repayable in 16 equal half yearly installments of \$ 31,250 which commences from June 2019 including the first two years as grace period for principal payment. The loan is subject to markup at 6 month LIBOR plus 1% spread to payable six monthly. Although the loan is of long term nature, but due to conditions regarding repayment mentioned in (ii) above, the whole outstanding amount has been transferred to current maturity.

<b>18 LONG TERM FINANCING FROM ASSOCIATES</b>		<b>Aggregate % of shareholding</b>	<b>2019 Rupees</b>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
<b>Associated companies</b>	<b>Basis of relationship</b>				
Naheed Noor (Pvt) Limited	Common directorship	.192%	3,848,844	3,848,844	3,848,844
Naheed Noor Enterprises (Pvt) Ltd.	Common directorship	0.57%	43,051,270	43,051,270	43,051,270
Pure Drinks (Pvt) Limited	Common directorship	Nil	1,044,656	1,044,656	1,044,656
Aroma Drinks (Pvt) Limited	Common directorship	Nil	30,548,042	4,208,042	3,630,542
Sunrise Bottling Co. (Pvt) Limited	Common directorship	12.45%	-	498,864	-
			<u>78,492,812</u>	<u>52,651,676</u>	<u>51,575,312</u>

**18.1** These loans are unsecured and do not bear any interest or other profit. The loan is repayable at the discretion of the company. Company has no intention to repay director loan within next twelve months from the balance sheet date. Therefore, no portion has been classified under current liabilities.

<b>19 DEFERRED LIABILITIES</b>	<b>Note</b>	<b>2019 Rupees</b>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
Staff retirement benefits - gratuity	19.1	7,826,595	5,672,580	6,173,063
Deferred taxation	19.2	96,016,434	75,319,930	82,018,073
		<u>103,843,029</u>	<u>80,992,510</u>	<u>88,191,136</u>

<b>19.1 Staff retirement benefits - gratuity</b>	<b>Note</b>	<b>2019 Rupees</b>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
<b>19.1.1 Movement in the net liability recognized in the balance sheet</b>				
Opening net liability		5,672,580	6,173,063	6,206,400
Expense recognized in profit and loss account	19.1.5	2,442,348	1,367,726	1,615,683
Recognized in other comprehensive income		872,848	(469,291)	(1,636,020)
		<u>8,987,776</u>	<u>7,071,498</u>	<u>6,186,063</u>
Benefits paid during the year		(668,682)	(393,758)	(13,000)
Liability transferred to current liabilities		(492,499)	(1,005,160)	-
Closing net liability		<u>7,826,595</u>	<u>5,672,580</u>	<u>6,173,063</u>
<b>19.1.2 Movement in present value of defined benefit obligation</b>				
Present value of defined benefit obligation - opening		5,672,580	6,173,063	6,206,400
Current service cost		1,944,507	904,572	1,099,231
Interest cost		497,841	463,154	516,452
Re-measurements gain		872,848	(469,291)	(1,636,020)
Benefits paid during the year		(668,682)	(393,758)	(13,000)
Transferred to trade and other payables		(492,499)	(1,005,160)	-
Present value of defined benefit obligation - closing		<u>7,826,595</u>	<u>5,672,580</u>	<u>6,173,063</u>

<b>19.1.3 Historical information</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	-----Rupees-----				
Present value of defined benefit obligation	7,826,595	5,672,580	6,173,063	6,206,400	14,085,200

<b>19.1.4 Liability recognized in Balance Sheet</b>	<b>2019 Rupees</b>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
Present value of obligation	7,826,595	5,672,580	6,173,063
	<u>7,826,595</u>	<u>5,672,580</u>	<u>6,173,063</u>



**19.1.5 Expense recognized**

**In Profit and Loss Account**

Current service cost	1,944,507	904,572	1,099,231
Interest cost	497,841	463,154	516,452
	<u>2,442,348</u>	<u>1,367,726</u>	<u>1,615,683</u>

**In Other Comprehensive Income**

Re-measurements in the year	872,848	(469,291)	(1,636,020)
	<u>872,848</u>	<u>(469,291)</u>	<u>(1,636,020)</u>

**19.1.6 Principle actuarial assumptions**

	2019	2018	2017
Discount factor used	12.50%	9.00%	7.75%
Expected rate of salary increase	12.50%	9.00%	7.75%

**19.1.7 General description**

The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charge is made on the basis of actuarial valuation carried on using Projected Unit Credit Method.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in Percentage	Increase in assumption Rupees	Decrease in assumption Rupees
Discount Rate	1.00%	7,353,058	8,537,408
Salary growth rate	1.00%	8,793,084	7,342,154

The average duration of the defined benefit obligation is 9 years (2018: 7 years).

19.2 Deferred taxation	Note	2019 Rupees	2018 Rupees	2017 Rupees
The net liability for deferred taxation comprises of temporary differences.				
<b>Taxable temporary difference</b>				
Accelerated tax depreciation allowance		81,572,894	103,060,128	102,295,299
Surplus on revaluation of property, plant and equipment		91,993,269	75,319,930	82,018,073
		173,566,163	178,380,058	184,313,372
<b>Deductible temporary differences</b>				
Provision for doubtful debts		-	(388,611)	(371,512)
Staff retirement benefits - gratuity		(5,049,729)	(4,108,518)	(3,903,951)
Unused tax losses carried forward		(72,500,000)	(98,562,999)	(98,019,836)
		<u>(77,549,729)</u>	<u>(103,060,128)</u>	<u>(102,295,299)</u>
		<u>96,016,434</u>	<u>75,319,930</u>	<u>82,018,073</u>

**20 TRADE AND OTHER PAYABLES**

	2019 Rupees	2018 Rupees	2017 Rupees
Creditors	116,264,204	135,609,345	132,587,090
Accrued	87,960,596	69,164,952	81,335,152
Liability against staff retirement benefits - gratuity	9,586,264	9,093,765	8,503,870
Advance from customers	15,416,430	35,187,767	33,217,450
Income tax payable	28,816,373	26,325,285	-
Sales tax payable	90,720	-	-
	<u>258,134,587</u>	<u>275,381,114</u>	<u>255,643,562</u>

**21 ACCRUED MARK UP / INTEREST**

Long term financing from banking companies	8,709,823	10,047,439	5,045,899
Short term financing from banking companies	772,807	1,170,547	670,599
	<u>9,482,630</u>	<u>11,217,986</u>	<u>5,716,498</u>



22 LOAN FROM BANKING COMPANIES	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>Secured</b>				
Running finance	22.1	24,999,474	24,967,108	24,991,630
Cash finance	22.1	-	967,041	23,528,000
Bank overdrafts	22.2	1,366,344	-	312,523
Payable to Habib Metropolitan Bank Limited		-	150,000,000	150,000,000
		<u>26,365,818</u>	<u>175,934,149</u>	<u>198,832,153</u>

**22.1** Short term running finances are available from commercial banks under mark up arrangements amounting Rs. 50 million (2018: Rs. 50 million). These are secured against pledge / hypothecation of raw material, cotton and yarn, lien on export bills sent for collection against confirmed LCs, current assets, receivables and personal guarantees of chief executive and sponsoring directors. These carries mark up ranging from 8.43% to 14.47% per annum (2018: 7.64% to 11.00% per annum). The company has forwarded request to the financial institutions for the renewal of credit limits which are under process.

**22.2** This represented cheques issued by the company in excess of balance at banks which remained unrepresented as at June 30, 2019.

**23 LOAN FROM RELATED PARTY**

	Aggregate % of shareholding	Note	2019 Rupees	2018 Rupees	2017 Rupees
<b>Unsecured</b>					
From Mr. Noor Elahi-Chief Executive	34.08%	23.1	<u>11,869,000</u>	<u>12,869,000</u>	<u>-</u>

**23.1** This represents interest free and un-secured loan obtained from Chief Executive of the company to meet the working capital requirements of the company. It was being utilized for the said purpose.

**24 PROVISION FOR TAXATION**

Opening balance		2,700,065	-	10,763,419
Provision for the year	32	9,015,902	4,082,921	4,021,969
		11,715,967	4,082,921	14,785,387
Less: Adjusted against available tax/ tax deducted at source		<u>(11,715,967)</u>	<u>(1,382,856)</u>	<u>(14,785,387)</u>
		<u>-</u>	<u>2,700,065</u>	<u>-</u>

**25 CONTINGENCIES AND COMMITMENTS**

**25.1 Contingencies**

**25.1.1** Letter of guarantee issued by bank on behalf of the Company amounting Rs. 22.683 million (2018: Rs. 22.683 million).

**25.1.2** Mr. Khurram Shahzad Mughal, ex-employee of the company has filed a suit dated March 5, 2018 against the company before the compensation Commissioner/ wages Authority Lahore for compensation amounting Rs. 510,000 for lost of eye sight. Legal counsel of the company is hopeful that there is no scope of any fiscal loss to the company in this case.

**26.1.2** Muhammad afzal , ex-employee of the company has filed a suit dated March 5, 2018 against the company before the compensation Commissioner/ wages Authority Lahore for compensation amounting Rs. 103,576 for pending wages. Legal counsel of the company is hopeful that there is no scope of any fiscal loss to the company in this case.

**25.2 Commitments**

**25.2.1** There are no commitments as at year end. (2018: nil).



<b>26 SALES - NET</b>	<b>Note</b>	<b>2019 Rupees</b>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
Local:				
Yarn sales		708,108,867	320,585,663	392,102,967
Waste sales		11,372,265	4,708,945	8,253,093
		<u>719,481,132</u>	<u>325,294,608</u>	<u>400,356,060</u>
Gross sales		719,481,132	325,294,608	400,356,060
Sales tax		-	285,137	-
		<u>719,481,132</u>	<u>325,009,471</u>	<u>400,356,060</u>
<b>27 COST OF SALES</b>				
Raw material consumed	27.1	566,608,376	238,344,307	311,590,994
Stores, spare parts and loose tools consumed		11,691,750	8,980,644	12,991,278
Packing materials consumed		14,693,380	4,052,440	5,415,530
Salaries, wages and other benefits	27.2	97,603,905	62,161,750	64,757,481
Fuel and power		82,362,618	56,179,816	70,342,623
Vehicle running and maintenance		299,900	433,519	512,789
Repair and maintenance		4,513,551	3,514,211	1,678,004
Telephone, postage and telegrams		98,428	89,766	92,264
Traveling and conveyance		387,014	408,690	393,630
Printing and stationery		74,190	27,040	50,730
Entertainment		328,445	338,897	259,570
Insurance		974,763	703,482	2,575,230
Depreciation	4.1	36,017,309	37,883,776	39,678,397
Miscellaneous		775,562	2,079,185	1,129,138
		<u>816,429,191</u>	<u>415,197,523</u>	<u>511,467,658</u>
Work in process				
Balance as on July 01,		3,310,418	3,634,035	2,703,264
Balance as on June 30,		(3,329,523)	(3,310,418)	(3,634,035)
		<u>(19,105)</u>	<u>323,617</u>	<u>(930,771)</u>
Cost of goods manufactured		816,410,086	415,521,140	510,536,887
Finished goods				
Balance as on July 01,		5,582,845	5,009,375	6,033,884
Balance as on June 30,		(879,525)	(5,582,845)	(5,009,375)
		<u>4,703,320</u>	<u>(573,470)</u>	<u>1,024,509</u>
		<u>821,113,406</u>	<u>414,947,670</u>	<u>511,561,396</u>
<b>27.1 RAW MATERIAL CONSUMED</b>				
Balance as on July 01,		324,449,453	376,094,648	354,518,133
Purchases		412,138,129	184,909,693	330,010,969
Purchase expenses		4,382,128	1,789,419	3,156,540
Fire loss		(172,187,574)	-	-
		<u>244,332,683</u>	<u>186,699,112</u>	<u>333,167,509</u>
Balance as on June 30,		(2,173,760)	(324,449,453)	(376,094,648)
		<u>566,608,376</u>	<u>238,344,307</u>	<u>311,590,994</u>

**27.2** This includes a sum of Rs.610,587 (2018: Rs. 448,707/-) in respect of defined contribution plan.



	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>28 DISTRIBUTION COST</b>			
Commission on local sales	-	139,605	43,817
Freight and carriage on local sales	-	9,500	2,500
	<u>-</u>	<u>149,105</u>	<u>46,317</u>
<b>29 ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration	2,400,000	2,400,000	800,000
Salaries, allowances and other benefits 29.1	10,725,400	9,763,710	9,228,369
Fees and subscription	894,207	984,183	624,359
Traveling and conveyance	380,029	222,512	142,014
Vehicle running	515,949	232,336	252,951
Telephone, postage and telegram	526,763	602,681	579,589
Printing and stationery	305,022	265,540	251,883
Repair and maintenance	196,218	260,418	83,074
Electricity, gas and water	-	-	163,668
Insurance	59,257	-	458,814
Rent, rates and taxes	117,408	174,405	235,717
Entertainment	109,598	50,519	151,250
Legal and professional charges	256,568	1,288,860	1,366,391
Auditors' remuneration 29.2	796,000	796,000	796,000
Depreciation	484,283	566,847	665,775
Advertisement	25,080	97,430	97,930
Others	768,035	659,980	1,037,352
	<u>18,559,817</u>	<u>18,365,421</u>	<u>16,935,136</u>
<b>29.1</b>	This includes a sum of Rs.1,831,761/- (2018: Rs. 919,019/-) in respect of defined contribution plan.		
<b>29.2 AUDITORS' REMUNERATION</b>			
Statutory audit fee	625,000	625,000	625,000
Half yearly review and other certifications	121,000	121,000	121,000
Review of code of corporate governance	50,000	50,000	50,000
	<u>796,000</u>	<u>796,000</u>	<u>796,000</u>
<b>30 OTHER OPERATING INCOME</b>			
<b>Income from financial assets</b>			
Weigh bridge income	1,608,000	1,608,000	1,013,000
Scrap sales	183,025	16,170	127,799
Stock lost- <b>fire loss</b>	(170,387,574)	-	-
Balances written back- net 30.1	271,921,272	155,288,893	-
Gain on disposal of fixed assets	-	-	598,661
	<u>103,324,723</u>	<u>156,913,063</u>	<u>1,739,460</u>
<b>30.1</b>	This includes written back of loan amounting to Rs. 100 million obtained from Mrs. Perveen Elahi (director of the company) , loan from Queenberg Venture Limited amounting to Rs.163,350,000 and Rs 8,571,272 mark up on loan from Queenberg Venture Limited.		
<b>31 FINANCE COST</b>			
Interest / mark up on:			
Long term financing	4,504,797	4,406,342	4,087,571
Short term borrowings	2,654,598	2,645,400	2,589,052
Bank charges and commission	345,738	432,747	348,136
Guarantee commission fee	356,031	372,271	437,231
Exchange loss on foreign currency loan	75,586,263	36,003,146	810,582
	<u>83,447,427</u>	<u>43,859,906</u>	<u>8,272,572</u>



<b>32 TAXATION</b>		<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Current</b>		<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
-	For the year	9,015,902	4,082,921	4,021,969
-	Prior year	-	466,204	-
<b>Deferred</b>		464,335	(4,231,477)	(435,169)
		<u>9,480,237</u>	<u>317,648</u>	<u>3,586,800</u>

This represents minimum tax u/s 113 of Income Tax Ordinance 2001. This also includes tax credit available on installation of plant and machinery u/s 65(B) of the said ordinance.

Provision for current taxation has been made as minimum tax u/s 113 of Income Tax Ordinance 2001.

Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not meaningful in view of application of minimum tax regime u/s 113 of Income tax Ordinance 2001.

<b>33 LOSS PER SHARE-BASIC AND DILUTED</b>			
<b>Loss for the year</b>			
	(109,795,033)	(5,717,216)	(138,306,701)
Weighted average number of ordinary shares outstanding during the year			
	52,214,400	52,214,400	52,214,400
Loss per share-basic and diluted			
	(2.10)	(0.11)	(2.65)

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

**34 TRANSACTIONS WITH RELATED PARTIES**

Transactions with related parties have been disclosed in the relevant notes to the financial statements except the following:

**Transactions with related parties**

Loan received from Mr. Noor Elahi, Chief Executive of the company	147,990,000	14,600,000	72000
Loan received from Mrs. Parveen Elahi, Director of the company	13,125,000	10,000	33,191,048
Loan received from Mrs. Naheed Javed, Director of the company	6,950,000	-	-
Loan received from Mr. Nabeel Javed, Director of the company	2,065,000	-	-
Loan repaid to Mr. Mr. Nabeel Javed, Director of the company	100,000	-	-
Loan repaid to Mr. Noor Elahi, Chief Executive of the company	1,000,000	1,731,000	25,833
Loan repaid to Mrs. Parveen Elahi, Director of the company	100,000	90,000	-
Loan written back- Mrs. Parveen Elahi, Director of the company	100,000,000	-	-
Adjustment of loan of Mrs.Naheed Javed against litigation	7,000,000	-	-
Loan written back- Mr. Noor Elahi, Chief Executive of the company	-	150,000,000	-
Loan received from Aroma Drinks (Pvt) Limited, Associated	26,340,000	577,500	309,884
Loan received from Pure Drinks (Pvt) Limited, Associated company	-	-	600,000
Loan received from Sunrise Bottling Co. (Pvt) Limited, Associated	150,000	800,000	110,500
Loan repaid to Sunrise Bottling Co. (Pvt) Limited, Associated company	648,864	301,136	-
Loan received from Yasir Food Industires (Pvt) Limited, Associated	-	933,926	-

**35 FINANCIAL INSTRUMENTS BY CATEGORY**

<b>Financial assets and financial liabilities</b>			
	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>Financial assets</b>			
<b>Loans and receivables</b>			
Long term deposits	4,397,945	5,735,445	7,952,894
Trade debts	108,318,355	14,659,943	13,037,658
Receivables from associated companies		-	1,072,062
Tax refund due from Government	2,631,783	1,788,171	1,007,647
Cash and bank balances	680,281	1,339,905	1,754,436
	<u>116,028,364</u>	<u>23,523,464</u>	<u>24,824,697</u>



	2019 Rupees	2018 Rupees	2017 Rupees
<b>Financial liabilities</b>			
<b>Financial liabilities at amortized cost</b>			
Long term financing from banking companies	-	-	2,500,000
Long term financing from others	-	79,420,000	83,015,625
Long term financing from associates	78,492,812	52,651,676	51,575,312
Trade and other payables	258,134,587	240,193,347	222,426,112
Accrued interest and markup	9,482,630	11,217,986	5,716,498
Unclaimed dividend	402,570	402,570	402,570
Loan from banking companies	26,365,818	175,934,149	198,832,153
Loan from related party	11,869,000	12,869,000	-
Current portion of non current liabilities			
Long term financing from banking companies	807,999	4,166,665	4,166,665
Long term financing from others	26,365,818	175,933,921	137,479,125
Provision for taxation	-	2,700,065	-
	<u>411,921,234</u>	<u>755,489,379</u>	<u>706,114,060</u>

**36 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk). Financial risk management is carried out under risk policies established and approved by the Board of Directors. The management administers all aspects of risk management involving currency and interest rate risk, and cash management, in accordance with the risk policy.

The company's exposure to financial risks, the way these risks affect revenues, expenses, assets, liabilities and forecast transactions of the company and the manner in which each of these risks are managed is as follows:

**36.1 Credit risk**

**36.1.1 Exposure to credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade debts, advances and deposits, interest accrued, other receivables and margin on letter of guarantee. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2019 Rupees	2018 Rupees	2017 Rupees
Long term deposits	4,397,945	5,735,455	7,952,894
Trade debts	108,318,355	14,659,943	13,037,658
Receivables from associated companies	-	-	1,072,062
Bank balances	352,130	649,764	1,342,643
	<u>113,068,430</u>	<u>21,045,162</u>	<u>23,405,257</u>

**36.1.2** Geographically there is no concentration of credit risk.

**36.1.3** The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

	2019 Rupees	2018 Rupees	2017 Rupees
Yarn	103,644,785	13,163,591	12,779,277
Waste	4,673,570	1,496,352	258,381
	<u>108,318,355</u>	<u>14,659,943</u>	<u>13,037,658</u>

**36.1.4** The aging of trade debtors at the balance sheet is as follows:

	<b>Gross debtors</b>		
	2019 Rupees	2018 Rupees	2017 Rupees
Upto 1 month	101,109,259	2,709,160	10,605,006
1 to 6 months	4,415,190	9,341,873	452,659
More than 6 months	2,793,906	2,608,910	1,979,993
	<u>108,318,355</u>	<u>14,659,943</u>	<u>13,037,658</u>



Based on the past experience, sales volume, consideration of financial position, past track records and recoveries and economic conditions, the company believes that there is no need for provision of balance outstanding more than six months.

**36.1.5 Cash at banks**

Bank Name	Rating		Rating Agency	2019 Rupees	2018 Rupees	2017 Rupees
	Short Term	Long Term				
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	15,585	204,082	214,357
Bank Alfalah Limited	A1+	AA+	PACRA	23,895	75,065	-
Meezan Bank Limited	A-1+	AA	JCR-VIS	52,628	24,989	76,211
Habib Bank Limited	A-1+	AAA	JCR-VIS	119,930	82,949	11,978
MCB Bank Limited	A1+	AAA	PACRA	14,576	14,576	-
National Bank of Pakistan	A1+	AAA	PACRA	995	81,438	30,197
United Bank	A-1+	AAA	JCR-VIS	4,652	11,836	10,783
The Bank Of Punjab	A1+	AA	PACRA	6,569	8,354	9,024
Samba Bank	A-1	AA	JCR-VIS	-	-	4,198
Soneri Bank	A1+	AA-	PACRA	33,312	33,312	33,312
Faysal Bank Limited	A1+	AA	PACRA	28,882	20,661	10,372
Silk Bank Limited	A-2	A-	JCR-VIS	34,197	74,952	78,464
Nib Bank Limited	A1+	AA-	PACRA	-	-	14,576
Bank Al-Habib	A1+	AA+	PACRA	-	-	-
Al Baraka Bank	A-1	A+	JCR-VIS	16,909	17,550	849,172
				<u>352,130</u>	<u>649,764</u>	<u>1,342,643</u>

**Credit Risk Management**

In respect of trade receivables, the company does not have significant concentration of credit risk with a single customer. Formal policies and procedures of credit management and administration of receivables are established and executed. In monitoring customer credit risk, the ageing profile of total receivables balances and individually significant balances, along with collection activities are reported to the Board of Directors on a monthly basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis of confirmed letters of credit. These actions are also reported to the Board on a monthly basis.

**36.2 Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements;



<b>2019</b>				
Carrying amount	Contractual cash flows	Maturity within one year	Two to five years	More than five years
<b>Rupees</b>				

**Non - derivative Financial liabilities**

Long term financings from banking companies	807,999	807,999	807,999	-	-
Long term financings from associates	78,492,812	78,492,812	-	-	78,492,812
Long term financings from others	164,491,776	164,491,776	164,491,776	-	-
Trade and other payables	258,134,587	258,134,587	258,134,587	-	-
Loan from banking companies	26,365,818	26,365,818	26,365,818	-	-
Accrued mark up / interest	9,482,630	9,482,630	9,482,630	-	-
Unclaimed dividend	402,570	402,570	402,570	-	-
Loan from related party	11,869,000	11,869,000	11,869,000	-	-
	550,047,192	550,047,192	471,554,380	-	78,492,812

<b>2018</b>				
Carrying amount	Contractual cash flows	Maturity within one year	Two to five years	More than five years
<b>Rupees</b>				

**Non - derivative Financial liabilities**

Long term financings from banking companies	4,166,665	4,166,665	4,166,665	-	-
Long term financings from associates	52,651,676	52,651,676	-	-	52,651,676
Long term financings from others	255,353,921	255,353,921	69,540,000	131,480,000	54,333,921
Trade and other payables	275,381,114	275,381,114	275,381,114	-	-
Accrued mark up / interest	11,217,986	11,217,986	11,217,986	-	-
Unclaimed dividend	402,570	402,570	402,570	-	-
Loan from banking companies	175,934,149	175,934,149	175,934,149	-	-
<b>Total</b>	775,108,081	775,108,081	536,642,484	131,480,000	106,985,597

**36.2.1** The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at June 30. The rates of mark up have been disclosed in relevant notes to these financial statements.

**36.2.2 Liquidity Risk Management**

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.



The company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the company ensures that it has sufficient cash on demand to meet expected operational cash flows, including serving of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. Further, the company has the support of its sponsors in respect of any liquidity shortfalls.

**36.3 Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the company's net profit or the fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

**36.3.1 Currency risk**

**Exposure to currency risk**

The company is exposed to currency risk on trade debts, borrowing and import of raw material and stores that are denominated in a currency other than the respective functional currency of the company, primarily in US Dollar and Euro. The currencies in which these transactions primarily are denominated is US Dollar and Euro.

	US Dollar	Rupees	Others
<b>Financial liabilities</b>			
Foreign currency loan 2019	999,950	164,491,775	-
Foreign currency loan 2018	2,099,950	255,353,921	-

The following significant exchange rates applied during the year.

	Reporting date rates	
	2019	2018
<b>Financial assets</b>		
US Dollar to Rupee	164.5	121.4
<b>Financial liabilities</b>		
US Dollar to Rupee	164.5	121.6
<b>Sensitivity analysis</b>		
10% strengthening of Pak Rupee against the following currencies at June 30, would have increased / (decreased) equity		
US Dollar	16,449,178	25,535,392

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the company.

**36.3.2 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arises from short and long term borrowings from bank and term deposits and deposits in PLS saving accounts with banks. At the balance sheet date the interest rate profile of the company's interest bearing financial instrument is as follows:

	2019 Rupees	2018 Rupees
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	164,491,775	255,353,921
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	27,173,817	180,100,814

**Fair value sensitivity analysis for fixed rate instruments**

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

**Cash flow sensitivity analysis for variable rate instruments**

The effective interest / mark-up rates in respect of financial instruments are mentioned in respective notes to the financial statements.



**36.3.3 Price Risk**

The company is not exposed to any price risk as it does not hold any significant investments exposed to price risk.

**36.4 Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically repriced.

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2) ; and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Currently there are no financial assets or financial liabilities which are measured at their fair value.

**36.5** Certain categories of property, plant and equipment (freehold land, buildings on freehold land and plant and machinery) are carried at revalued amounts (level 2 measurement) determined by a professional valuer based on their assessment of the market values as disclosed in note 5 to these financial statements.

<b>36.6 Off balance sheet items</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	.....Rs. (millions).....		
Bank guarantees	<u>22.683</u>	<u>22.683</u>	<u>22.683</u>

**36.7** The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

**37 CAPITAL RISK MANAGEMENT**

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term and short term financing from financial institutions and others. Total capital employed includes total equity as shown in the statement of financial position plus borrowings.

	<b>2019</b>	<b>2018</b>
	<b>Rupees</b>	<b>Rupees</b>
Borrowings	282,027,405	500,975,411
Total equity	<u>504,517,954</u>	<u>497,174,594</u>
Total capital employed	<u>786,545,359</u>	<u>998,150,005</u>
Gearing ratio	Percentage <u>35.86%</u>	<u>50.19%</u>

**38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

The directors have waived their remuneration and meeting fees for the previous year. The chief executive is entitled to free use of company maintained car. Following is the detail of managerial remuneration paid to directors and executive with their numbers:

	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	-----Directors-----		-----Executives-----	
Remuneration and other benefits	<u>2,400,000</u>	<u>2,400,000</u>	<u>5,871,091</u>	<u>4,524,353</u>
Number of persons	<u>1</u>	<u>1</u>	<u>3</u>	<u>3</u>

**38.1** The Chief Executive and Directors are also provided with free use of company maintained cars.

**38.2** No remuneration is paid to any other director.

**39 CORRESPONDING FIGURES**

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purposes of comparison and better presentation.

**40 NUMBER OF EMPLOYEES**

Employees as at year end- numbers

Factory employees

Other employees

	2019	2018
	210	205
	13	12
	<u>223</u>	<u>217</u>

Average employee during the year- numbers

Factory employees

Other employees

	192	188
	13	12
	<u>205</u>	<u>200</u>

**41 CAPACITY AND PRODUCTION**

Spindles installed (numbers)

Spindles worked (numbers)

Installed capacity converted in to 20/s (Kgs.)

Actual production of yarn converted in to 20/s (Kgs.)

Number of shifts worked per day

	33,072	33,072
	10,560	12,480
	10,266,624	10,266,624
	3,796,277	2,434,316
	3	2

- 41.1** It is difficult to determine precisely described production capacity and the resultant production converted into single count in the textile industry, since it fluctuates widely depending on various factors such as type of yarn produced and raw material used etc. It would also vary according to the trend of production adopted in a particular period. There was shortage of gas supply during winter season which resulted in reduced production during the year 2019. Both of the units were not consecutively operational for the whole year as explained in note 1.1.

**42 DATE OF AUTHORIZATION FOR ISSUE**

The financial statements were authorized for issue on 04 November, 2019 by the board of directors of the company.

**43 GENERAL**

Figures have been rounded off to the nearest of Rupee.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



**KEY OPERATION AND FINANCIAL DATA  
FOR THE LAST SIX YEARS**  
Rs. ( '000's)

	2019	2018	2017	2016	2015	2014
<b>PARTICULARS</b>						
<b>BALANCE SHEET SUMMARY</b>						
Paid up Capital	522,144	522,144	522,144	522,144	522,144	522,144
Reserves & Accumulated Losses	(760,270)	(651,778)	(655,969)	(535,259)	(284,476)	(111,782)
Share Application money	-	-	-	-	-	-
Surplus on Revaluation of Fixed Assets	355,692	316,787	323,759	415,693	463,318	465,914
Long Term Liabilities	465,444	442,093	597,192	580,610	567,000	421,587
Deferred Liabilities	103,843	80,993	88,191	6,206	14,085	53,669
Current Liabilities	471,554	658,605	602,241	515,347	371,510	384,952
	<b>1,158,408</b>	<b>1,368,844</b>	<b>1,477,558</b>	<b>1,504,742</b>	<b>1,653,581</b>	<b>1,736,484</b>
<b>REPRESENTED BY</b>						
Fixed Assets	900,270	868,458	902,018	942,463	1,037,951	1,086,328
Long Term Deposit	4,398	5,735	7,953	6,990	5,710	5,464
Current Assets	253,741	494,651	567,587	561,768	609,920	644,692
	<b>1,158,408</b>	<b>1,368,844</b>	<b>1,477,558</b>	<b>1,511,221</b>	<b>1,653,581</b>	<b>1,736,484</b>
<b>PROFIT AND LOSS - SUMMARY</b>						
Sales	719,481	325,010	400,356	292,888	508,026	927,881
Cost of Sales	(821,113)	(414,948)	(511,561)	(418,265)	(673,626)	(1,073,673)
<b>Gross Profit</b>	<b>(101,632)</b>	<b>(89,938)</b>	<b>(111,205)</b>	<b>(125,377)</b>	<b>(165,600)</b>	<b>(145,792)</b>
Other Operating Expenses	(18,560)	(28,514)	(16,981)	(21,758)	(30,327)	(45,450)
Financial Charges	(83,447)	(43,860)	(8,273)	(10,787)	(15,799)	(24,187)
Other Income	103,325	156,913	1,739	851	872	1,503
<b>Profit / ( Loss ) Before Taxation</b>	<b>(100,315)</b>	<b>(5,399)</b>	<b>(134,720)</b>	<b>(157,071)</b>	<b>(210,853)</b>	<b>(213,926)</b>
Provision for Taxation	(9,480)	(318)	(3,587)	(18,616)	21,025	71,265
<b>Profit / ( Loss ) After Taxation</b>	<b>(109,795)</b>	<b>(5,717)</b>	<b>(138,307)</b>	<b>(175,687)</b>	<b>(189,828)</b>	<b>(142,661)</b>
<b>Earning Per Share</b>	<b>(2.10)</b>	<b>(0.11)</b>	<b>(2.65)</b>	<b>(3.37)</b>	<b>(3.64)</b>	<b>(2.73)</b>
<b>Dividend</b>	-	-	-	-	-	-



**FORM OF PROXY**

The Company Secretary,  
**RUBY TEXTILE MILLS LIMITED,**  
203-Faiyaz Centre, 2<sup>nd</sup> Floor,  
3-A, S.M.C. Housing Society  
Shahrah-e-Faisal,  
Karachi-74400.

PLEASE QUOTE:

Folio No.	No. of Shares held

I/We of \_\_\_\_\_

being a member of Ruby Textile Mills Limited hereby appoint \_\_\_\_\_

of \_\_\_\_\_

who is also member if Company vide Registered Folio No.....as my / our proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held at 203-Faiyaz Centre, 2<sup>nd</sup> Floor, 3-A, S.M.C. Housing Society, Shahrah-e-Faisal, Karachi-74400 on Wednesday November 27th, 2019 at 03:00 p.m.

In witness whereof I have set my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Date: \_\_\_\_\_

Place: \_\_\_\_\_



\_\_\_\_\_  
Member's Signature:

Notes:

1. This proxy form must be deposited duly completed in the Company's Registered Office at least 48 hours before the meeting.
2. A proxy must be member of the Company.
3. Member's Signature should agree with the specimen registered with the Company.



# پراکسی فارم (مختار نامہ)

کمپنی سیکٹری

روبی ٹیکسٹائل ملز لمیٹڈ

203- فیاض سنٹر، دوسری منزل،

3-A، S.M.C. ہاؤسنگ سوسائٹی شاہراہ فیصل کراچی۔ 74400

براہ مہربانی تحریر کریں:

فولیو نمبر:

ملکیتی حصص کی تعداد:

میں / ہم

ساکن

بجٹیت رکن روبی ٹیکسٹائل ملز لمیٹڈ

بذریعہ بذمہ / محترم

ساکن

جو بروئے رجسٹرڈ فولیو نمبر کمپنی کا ممبر بھی ہے کو اپنے / ہمارے ایما پر 203- فیاض سنٹر، دوسری منزل، 3-A، S.M.C. ہاؤسنگ سوسائٹی شاہراہ فیصل کراچی۔ 74400 بروز بدھ 27 نومبر 2019 کو سہ پہر 3:00 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

2019ء کو میرے / ہمارے دستخط اور گواہوں کی تصدیق سے جاری ہوا۔

آج بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_

5/- روپے کارسیدی ٹکٹ



تاریخ: \_\_\_\_\_

مقام: \_\_\_\_\_

دستخط رکن

## نوٹ:

1- یہ پراکسی فارم باقاعدہ مکمل شدہ کمپنی کے رجسٹرڈ دفتر میں اجلاس سے کم از کم 48 (اٹھتالیس) گھنٹے قبل لازماً جمع کرایا جانا چاہئے۔

2- پراکسی لازماً کمپنی کارکن ہونا چاہئے۔

3- رکن کے دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخط سے لازماً مطابقت رکھتے ہوں۔