

# ANNUAL REPORT 2017



**MIAN TEXTILE  
INDUSTRIES LIMITED**



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## COMPANY INFORMATION

**Board of Directors:**

**Chairperson** : Mrs. Nargis Jehangir

**Chief Executive Officer** : Mian Muhammad Jehangir

**Directors** : Mian Waheed Ahmad  
: Mian Muhammad Nawaz  
: Mian Waqar Ahmad  
: Ms. Iram Salik  
: Ms. Ayesha Jehangir

**Nominee Director – NIT** : Mr. Muhammad Arshad

**Company Secretary** : Mr. Muhammad Masud Mufti

**Chief Financial Officer** : Mr. Muhammad Irfan

**Auditors** : Manzoor Hussain Mir & Co.  
Chartered Accountants

<b>Audit Committee</b>	: Mian Waqar Ahmad	Chairman
	: Mrs. Iram Salik	Member
	: Ms. Ayesha Jehangir	Member

<b>HR &amp; Remuneration Committee</b>	: Mrs. Nargis Jehangir	Chairman
	: Mian Waqar Ahmad	Member
	: Ms. Ayesha Jehangir	Member

**Bankers** : Habib Bank Limited  
: NIB Bank Ltd. (formerly PICIC)  
: National Bank of Pakistan  
: The Bank of Punjab

**Head Office & Registered Office** : 29-B/7, Model Town, Lahore.  
Phone: 35831804-5 (2 lines)  
Fax: 35830844  
Email: info@miantextile.com

**Mills** : 48.5 K.m. Multan Road,  
Bhai Pheru, Tehsil Chunian,  
District Kasur.  
Phone: (04943) 540384, 042-35834029

**Shares Registrar** : Hameed Majeed Associates (Pvt.) Ltd.  
H.M House 7-Bank Square, Lahore.  
Tel: 37235081-82 Fax: 37358817



## MISSION STATEMENT

*To provide quality products to customers and explore new markets to promote / expand sale of the company through good governance and foster a sound and dynamic team, so as to achieve optimum price of products of the Company for sustainable and equitable growth and prosperity of the company.*

## VISION STATEMENT

*To transform the Company into a modern and dynamic yarn & cloth manufacturing Company with highly professional and fully equipped to play meaningful role on sustainable basis in the economy of Pakistan.*



## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (the “CCG”) contained in listing regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

1. The Company has applied the principles contained in the CCG in the following manner :

The Company encourages the representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Name
Independent Directors	To be appointed yet.
Executive Directors:	Mian Muhammad Jehangir
	Mian Waheed Ahmad
Non-Executive Directors:	Mian Muhammad Nawaz
	Mian Waqar Ahmad
	Mrs. Nargis Jehangir
	Ms. Iram Salik
	Ms. Ayesha Jehangir

However, since the manufacturing operations of the mills are closed due to some irrepressible factors and company is facing financial crunch, so the appointment of independent director is being delayed. However, the management intends to appoint an independent director as soon as possible in future and is looking for a suitable person as per the requirement of PSX Regulations relating to the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding company where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI, or being a member of a stock exchange, has been declared as defaulter by that stock exchange.
4. A casual vacancy occurring on the board on January 09, 2017 was filled up by the directors within one day.
5. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairperson and, in her absence, by a director elected by the board for this purpose. The board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Having minimum 14 years of education by all of directors and minimum 15 years of experience by 5 out of 7 directors on the board make them exempt from any director's training program.

Since the company is facing financial crunch these days due to closure of its manufacturing operation because of some irrepressible factors, so the training program for remaining directors is being deferred. However, the company intends to arrange for orientation course for the remaining directors in future.



10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The director's report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an audit committee. It comprises (3) Members, of whom all (3) are non-executive directors, however, once an independent director is appointed, the re-arrangement of audit committee regarding appointment of Independent Director as Chairman/Member of the committee shall be fulfilled as per the requirement of the Code.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises (3) members of whom all (3) are non-executive directors and the chairperson of the committee is a non-executive director.
18. The board has set up an effective internal audit function, which has been effectively implemented.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, 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.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with except the appointment of Independent director as mentioned above, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year.

For and on behalf of the Board

Lahore:  
October 05, 2017

Mian Muhammad Jehangir  
Chief Executive Officer



**MANZOOR HUSSAIN MIR & CO.**  
CHARTERED ACCOUNTANTS

TELEPHONES: OFF. 37 32 48 39  
37 32 36 17  
FAX 37 35 38 65  
RES 35 86 82 87  
35 86 80 83  
E-mail: [mhmandco@gmail.com](mailto:mhmandco@gmail.com)  
AL-NOOR BUILDING, 43-BANK  
SQUARE, LAHORE.

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of MIAN TEXTILE INDUSTRIES LIMITED, (the Company) for the year ended June 30, 2017 to comply with the Code contained in Regulation Clause No. 5.19 of the Listing Regulations of the Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of 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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

Further, we highlight below an instance of non-compliance with the requirements of the Code as reflected in the paragraph reference where this is stated in the Statement of Compliance:

Paragraph Reference	Description
1	Non-appointment of independent Director

LAHORE.

(MANZOOR HUSSAIN MIR & CO.)  
CHARTERED ACCOUNTANTS  
Audit Engagement Partner: Manzoor Hussain Mir



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 31<sup>st</sup> Annual General Meeting of the Shareholders of **Mian Textile Industries Limited** will be held on **Tuesday October 31, 2017** at **10:30 AM** at the Registered Office of the Company at 29-B/7, Model Town, Lahore to transact the following business:-

**Ordinary Business:**

1. To confirm the minutes of the last Extra Ordinary General Meeting of the Shareholders of the Company held on April 29, 2017.
2. To receive, consider and adopt the audited financial statements of the company together with the Director's and Auditor's reports thereon for the year ended June 30, 2017.
3. To appoint Auditors and fix their remuneration for the year ending on June 30<sup>th</sup>, 2018.
4. To transact any other business with the permission of the Chairman.

By order of the Board

Lahore:

**Muhammad Masud Mufti**

**Dated: October 05, 2017**

**Company Secretary**

**Notes:**

- a) The share transfer books of the Company will remain closed from October 23, 2017 to October 31, 2017 (both days inclusive). Transfers received in order at the Registered Office of the Company up to the close of business on October 22, 2017 will be in time to affect the voting rights at the meeting.
- b) Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his/her CNIC with him/her to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC. Representatives of corporate members should bring the usual documents required for such purpose.
- c) The Shareholders are requested to notify the Company, the change in their address, if any, immediately to the Company's Registrar Hameed Majeed Associates (Pvt.) Ltd. – H. M. House 7, Bank Square, Lahore.
- d) Members are requested to provide by mail or fax, photocopy of their CNIC and email address to enable the Company to comply with the relevant laws.





DIRECTOR’S REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors of Mian Textile Industries Limited, I am pleased to welcome you to the 31<sup>st</sup> Annual General Meeting of the Company and submit their report together with audited financial statements of the Company and Auditor's Report thereon for the year ended June 30, 2017.

During the period, the company earned rental income from lease agreement of its weaving factory building; however, the party terminated the lease agreement on 31-01-2017. On the other hand the spinning unit remained closed.

The Financial results of the Company are summarized below:

	2017	2016
	(Rs. in ‘000’)	Restated (Rs. in ‘000’)
Rental income from investment property	17,179	27,399
Operating Loss	(30,518)	(12,160)
Finance cost	1,428	8,775
Profit before taxation	58,233	81,555
Taxation – earlier years	2,171	-
Profit after taxation	60,403	81,555
Comprehensive Income for the year	65,314	86,450
E.P.S	2.73	3.69

Future outlook

Despite adverse market condition, the Company has strived hard to survive in the inauspicious time through continued support by the lenders and sponsoring directors by providing funds/loans. Due to long outstanding litigations with the banks and in order to fulfil the commitments made through out of court settlement agreements with the banks, the Directors/family associates have also provided funds/loans to the company.

During the year, the management has succeeded in arriving at out of court settlements with the Bank of Punjab and National Bank of Pakistan amicably in August-2016 & March-2017 respectively.

In this connection, the company has managed to pay Rs. 38.827 million and Rs. 57.213 million against the total outstanding liability of The Bank of Punjab and National Bank of Pakistan respectively from the funds/loan provided by the Directors/family members. The Banks have issued Clearance certificates and waived off the balance outstanding amounts and the withdrawal of recovery suits against the company are under process.

Furthermore, the company has also managed to pay the full & final balance settlement amount of HBL in August-2017. Similarly, the bank has issued Clearance certificate in September-2017 and waived off the balance outstanding amounts and shall also withdraw the recovery suit against the company.

The overall condition of Textile Industry is getting more aggravated day by day and now the sponsoring directors & their family associates are finding it difficult to provide further funds to support the Company.

So in order to pay the loans to the remaining banks/Directors & Family Associates, the Shareholders of the Company have passed a resolution in the Extra ordinary meeting held on 29<sup>th</sup> April 2017 to dispose off the Land, Building and remaining plant & machinery/assets of the Company.

The Company intends to do trading business mainly in textile products. The Directors/family associates can also provide funds in the future (if needed) to do the trading business.



Dividend

In view of the brought forward losses and operational loss sustained, the directors have not recommended any dividend for the period ended as at June 30, 2017.

Notes

Furthermore, we give hereunder our comments on the observations recorded by the company's auditors in their report.

- A. Since the Company is not winding up and it intends to do trading business in future, so the office equipments, furniture & fixtures and vehicles with the book value of Rs. 5.035 million were not revalued and are not classified as held for sale.
- B. The management of the Company has diligently cooperated with the auditors to deliver the confirmation letters and subsequent reminders to the banks/parties as and when required by them, hence, the Company is not responsible if some of the banks/parties have not responded to their request letters, however, proper supporting documents were provided to the auditors for verification of outstanding balances of all the banks/parties.
- C. Since the Company is not being liquidated and it intends to do trading business in future, so the Non-Current assets and Non-Current liabilities are stated at Fair Market Value.
- D. As a result of settlement with HBL of outstanding balances of all the finance facilities, there are no foreign currency loans outstanding against the company, so there is no question for translation of any foreign currency loan into Pak Rupees.

Furthermore, the company has also managed to pay the full & final balance settlement amount of HBL in August-2017. After that, the bank has issued Clearance certificate in September-2017 and has also issued NOCs to SECP, Sub Registrar and IDBP to release the Charge/Mortgage/Security documents held with them and also the bank has waived off the balance outstanding amounts and the withdrawal of the recovery suit against the company is under process.

We have provided all the above documents to the auditors but they are still arguing to provide the liability in the books, which is totally unjustified because now the Company is not liable to pay anything to the bank.

(J) Other matter paragraph:  
The management is of the view that since the loan amount was not charged to the Profit & loss account at the time when it was availed, so its waiver should also not be booked through the Profit & loss account. However, the amount of Mark-up written off was classified as part of Profit & loss account.

CORPORATE AND FINANCIAL REPORTING FRAME WORK

The directors also confirm compliance with Corporate and Financial Reporting Framework of the SECP's Code of Corporate Governance for the following:

- a) The financial statements prepared by the management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- b) Proper books of accounts have been maintained by the Company;
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from (if any) has been adequately disclosed;
- e) The system of internal control is sound in design and has been effectively implemented and monitored;
- f) There company has closed down its manufacturing operations and intends to do trading business in future mainly in textile products. The company being a non-going concern, the financial statements have been prepared under fair market value method against historical cost convention in earlier years.
- g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations of the stock exchange except, if any, as mentioned in the Statement of Compliance.
- h) Operating and financial data and key ratios of six years are annexed.
- I A statement showing pattern of shareholding is annexed.
- j) During the year, following shares of the Company were acquired by CEO. However, no trading was carried out by the other Directors, CFO, Company Secretary, their spouses & minor children:

Name of Transferee	No. of Shares
Mian Muhammad Jehangir	603,734

**BOARD MEETING**

During the financial year under consideration, four meetings were held and the attendance by the respective directors was as follows:

S.No.	Name of Directors	No. of meetings attended
1	Mian Muhammad Jehangir	4
2	Mian Waheed Ahmad	4
3	Mian Muhammad Nawaz	-
4	Mian Waqar Ahmad	-
5	Mian Khurram Jehangir	2
6	Mrs. Nargis Jehangir	-
7	Mrs. Iram Salik	-
8	Ms. Ayesha Jehangir	2
9	Mr. Muhammad Arshad (Nominee-NIT)	4

Leave of absence was granted to Directors who could not attend the Board meetings.

During the year, Mian Khurram Jehangir resigned from the directorship on January 09, 2017 and Ms. Iram Salik appointed as Director on January 10, 2017.

**AUDIT COMMITTEE**

The Board constituted an Audit Committee comprising the following Directors:

1.	Mian Waqar Ahmad	Chairman
2.	Mrs. Iram Salik	Member
3.	Ms. Ayesha Jehangir	Member

**HUMAN RESOURCES & REMUNERATION COMMITTEE**

The Board constituted an HR&R Committee comprising the following Directors:

1.	Mrs. Nargis Jehangir	Chairperson
2.	Mian Waqar Ahmad	Member
3.	Ms. Ayesha Jehangir	Member

**AUDITORS**

The present auditors M/s Manzoor Hussain Mir & Co. Chartered Accountants will retire at the conclusion of the Annual General Meeting. The auditors of the Company shall be appointed in the forthcoming AGM for the next year ending on 30<sup>th</sup> June 2018 and their remuneration shall be fixed.

**PATTERN OF SHAREHOLDINGS**

A statement-showing pattern of shareholding as on June 30, 2017 is annexed.

**ACKNOWLEDGEMENT**

We like to place on record our gratitude to the valued clients, regulatory authorities, banks and financial institutions and also the shareholders for their continued support. We also appreciate the efforts and dedication shown by the staff for managing the company's affairs during this tough time.

ON BEHALF OF THE BOARD

Lahore:  
October 05, 2017

Mian Muhammad Jehangir  
Chief Executive Officer

**بورڈ آف ڈائریکٹرز کے اجلاس:**

سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد کئے گئے تھے ہر ایک کی طرف سے حاضری کی تفصیل یہ ہے۔

4	جناب میاں محمد جہانگیر
4	جناب میاں وحید احمد
-	جناب میاں محمد نواز
-	جناب میاں وقار احمد
2	جناب میاں خرم جہانگیر
-	محترمہ مسز نرگس جہانگیر
-	مسز ارم سالک
2	محترمہ مسات عائشہ جہانگیر
4	جناب محمد ارشد

جو ڈائریکٹر بورڈ میں شرکت نہیں کر سکتے تھے ان کی رخصت دی گئی تھی۔

دوران سال 09 جنوری 2017 میاں خرم جہانگیر نے استعفیٰ دیا اور مسز ارم سالک 10 جنوری 2017 بطور ڈائریکٹر مقرر ہوئیں۔

**آڈٹ کمیٹی: بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی قائم کی ہے اور مندرجہ ذیل ڈائریکٹرز اس کے اراکین ہیں۔**

1	میاں وقار احمد	چیئر پرسن
2	مسز ارم سالک	رکن
3	مسات عائشہ جہانگیر	رکن

**HR کمیٹی: بورڈ آف ڈائریکٹرز نے HR کمیٹی قائم کی ہے اور مندرجہ ذیل ڈائریکٹرز اس کے اراکین ہیں۔**

1	مسز نرگس جہانگیر	چیئر پرسن
2	میاں وقار احمد	رکن
3	مسات عائشہ جہانگیر	رکن

**آڈیٹرز: میسرز منظور حسین میر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس میں ریٹائر ہو جائیں گے اور اہل ہونے کے ساتھ دوبارہ تعیناتی کے لئے اپنے آپ کو پیش کر رہے ہیں۔ بورڈ کی آڈٹ**

کمیٹی نے سال 2017-18 کے لئے میسرز منظور حسین میر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کیلئے بورڈ کو تجویز کیا ہے۔

**حصہ داران کی تفصیل: کمپنی آرڈیننس 1984 اور کارپوریٹ گورننس کے تحت 30 جون 2017 کو حصہ داران کی تفصیل لف ہے۔**

**اعتراف:** کمپنی کی انتظامیہ، ملازمین محنت اور لگن سے کام کرنے کیلئے تعریف کے مستحق ہیں ہم اپنے قابل قدر حصہ داران، گاہکوں سپلائرز اور مالیاتی اداروں کے تعاون، مدد، مسلسل حمایت اور اعتماد کے شکر گزار ہیں۔

میاں محمد جہانگیر

چیف ایگزیکٹو آفیسر

مورخہ 05 اکتوبر 2017



## نوٹس:

مزید برآں کمپنی کے آڈیٹر کی طرف سے آڈٹ رپورٹ میں اٹھائے گئے نکات کے حوالے سے ڈائریکٹران کے جوابات درج ذیل ہیں۔

- A.** جیسا کہ اوپر بیان کیا گیا کہ کمپنی مستقبل میں ٹریڈنگ کرنے کی نیت رکھتی ہے اور کمپنی کو بند نہیں کیا جا رہا، اس لئے کمپنی کے آفس ایکو پیمنٹ، فرنیچر اور گاڑیاں، جن کی کھاتے میں مالیت 5.035 ملین روپے ہے، کو فروخت ہونے والے اثاثہ جات میں شامل نہیں کیا گیا اور اس لئے ان کی دوبارہ سے مالیت کا تخمینہ نہیں لگوا یا گیا۔
- B.** کمپنی کی انتظامیہ نے آڈیٹرز کے ساتھ مکمل تعاون کرتے ہوئے اُن کی ہدایت کے مطابق بینکوں / پارٹنرز کو تصدیقی اور پھر یاد دہانی کے خطوط ارسال کئے، تاہم ان بینکوں / پارٹنرز کی طرف سے جواب موصول نہ ہونے کی صورت میں کمپنی ذمہ دار نہیں۔ جبکہ تمام بینکوں / پارٹنرز کی بقایا قوم کی تصدیق کے لیے آڈیٹرز کو تمام کاغذات اور ثبوت فراہم کر دیے گئے ہیں۔
- C.** جیسا کہ اوپر بیان کیا گیا کہ کمپنی مستقبل میں ٹریڈنگ کرنے کی نیت رکھتی ہے اور کمپنی کو بند نہیں کیا جا رہا، اس لئے کمپنی کے غیر موجودہ اثاثے اور غیر موجودہ واجبات کو مناسب مارکیٹ کی قیمت پر ظاہر کیا گیا ہے۔
- D.** حبیب بینک لمیٹیڈ کے ساتھ تمام قرضہ جات کے معاہدہ کے تحت، کمپنی کی طرف کوئی بھی قرض غیر ملکی کرنسی میں واجب الادا نہیں ہے، لہذا غیر ملکی کرنسی کے قرضہ جات کو ملکی روپے میں تبدیل / کنورٹ کرنے کا سوال پیدا نہیں ہوتا۔
- مزید برآں، اگست-2017 میں کمپنی حبیب بینک لمیٹیڈ کو سیٹلمنٹ ایگریمنٹ کے تحت مکمل ادائیگی کر چکی ہے، اور اس کے علاوہ بینک نے ایس ای سی پی، سب۔ رجسٹر اور آئی ڈی بی پی کو کمپنی کے سکیورٹی / پراپرٹی کے کاغذات واپس کرنے کے لیے این او سی بھی جاری کر دیے ہیں، جب کے بینک کی طرف سے کمپنی کے خلاف کیے گئے مقدمے سے دستبرداری کے لیے کارروائی کی جارہی ہے۔
- انتظامیہ نے اوپر بیان کئے گئے تمام دستاویزات آڈیٹرز کو بھی فراہم کئے لیکن پھر بھی آڈیٹرز کھاتوں میں حبیب بینک لمیٹیڈ کے مزید واجبات شامل کرنے پر بضد ہیں، جو کہ بالکل نامناسب ہے، کیونکہ کمپنی کی طرف بینک کی اب کوئی بھی رقم واجبالا دائیں۔
- J.** دیگر معاملہ:
- انتظامیہ کے خیال کے مطابق قرضے کی وہ رقم جو لیتے وقت پی اینڈ ایل کو چارج نہیں ہوئی تھی اس کے معاف کرتے وقت بھی پی اینڈ ایل میں نہیں لی جائے گی، تاہم مارک اپ کی معاف کی گئی رقم کو پی اینڈ ایل میں دکھایا گیا ہے۔

### کارپوریٹ اور فنانشل فریم ورک پر تعمیل کا بیان: انتظامیہ کارپوریٹ اور فنانشل فریم ورک پر عمل درآمد کے بارے میں بخوبی آگاہ ہے اور

بشمول درج ذیل نظم و ضبط کی تعمیل کرتی ہے۔

**A** مالیاتی گوشوارے واضح طور پر معاملات کی حالت، آپریشنوں کے نتائج، اثاثوں کے بہاؤ اور اکویتی میں تبدیلی بیان کرتے ہیں۔

**B** کمپنی کی طرف سے باقاعدہ اکاؤنٹ کی کتابوں کا بندوبست کیا گیا ہے۔

**C** مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ کی پالیسیاں مسلسل استعمال میں لائی گئی ہیں اور اکاؤنٹنگ کے تخمینے مناسب اور حقیقت پسندانہ سوچ رکھتے ہوئے لگائے گئے ہیں۔

**D** مالیاتی گوشواروں کی تکمیل انٹرنیشنل سٹینڈرڈز کو مد نظر رکھ کر کی گئی ہے۔

**E** کمپنی کی اندرونی کنٹرول کا نظام مضبوط ہے اور موثر طریقے سے لاگو کیا گیا ہے اور قابلیت رکھنے والے اندرونی آڈیٹر کی نگرانی میں ہیں۔

**F** کمپنی نے اپنا مینوفیکچرنگ آپریشن بند کر دیا ہے اور کمپنی مستقبل میں ٹریڈنگ کا کاروبار کرنے کی نیت رکھتی ہے نان گونگ کنسرن ہونے کی وجہ سے کمپنی کی

مالیاتی رپورٹس کو مناسب مارکیٹ کی قیمت کے تحت تیار کیا گیا ہے۔

**G** کورپوریٹ گورننس کی بہترین پریکٹس سے انہراف نہیں کیا گیا ماسوائے اُس کے جو کہ شیئرنٹ آف کمپلائنس میں درج کی گئی۔

**H** چھ سالہ کلیدی آپریشننگ اور مالیاتی اعداد و شمار لف ہیں۔

**I** شیئرز ہولڈنگ کے پیئرن کی سٹیمٹ لف ہے۔

**J** دوران سال سی ای او نے کمپنی کے درج ذیل شیئرز حاصل کیے، جب کے باقی ڈائریکٹرز، سی ایف او کمپنی سیکرٹری یا ان کی اہلیہ اور نابالغ بچوں نے کمپنی کے شیئرز میں

ٹریڈنگ نہیں کی۔

شیئرز کی تعداد	جس کو ٹرانسفر ہوئے
603,734	میاں محمد جہانگیر



## ڈائریکٹرز رپورٹ

میاں ٹیکسٹائل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں آپ کو کمپنی کی طرف سے اکتوبر 2017 سالانہ میٹنگ میں خوش آمدید کہتا ہوں اور کمپنی کے ڈائریکٹرز سالانہ عام

اجلاس کے سامنے 30 جون 2017 کو ختم ہونے والے سال کے لئے آڈٹ شدہ اکاؤنٹس کے ساتھ ساتھ اپنی رپورٹ پیش کرنا چاہیں گے۔

اس مدت کے دوران کمپنی نے اپنی ویولنگ بلڈنگ سے لیز کے معاہدے پر کرائے کا معاوضہ وصول کیا۔ جبکہ ٹھیکیدار نے معاہدہ جنوری 2017 میں ختم کر دیا۔ اگرچہ دوسری

طرف سپنگ یونٹ بند ہی رہا

### مالیاتی جائزہ

2017	2016	
(ملین روپے)	(ملین روپے)	ترمیم شدہ
17,179	27,399	سرمایہ کاری کی جائیداد سے حاصل کردہ کرایہ کی آمدنی
(30,518)	(12,160)	آپریٹنگ نقصان
1,428	8,775	مالی لاگت
58,233	81,555	منافع قبل از ٹیکس
2,171	-	ٹیکس
60,403	81,555	منافع بعد از ٹیکس
65,314	86,450	مجموعی منافع / نقصان (سالانہ)
2.73	3.69	فی شیئر آمدنی

### مستقبل کا تصور:

مارکیٹ کی منفی صورت حال کے باوجود، ڈائریکٹرز کی مسلسل مالی معاونت کی بدولت، کمپنی مشکل حالات کا مقابلہ کرتی رہی۔ مزید برآں سیٹلمنٹ ایگریمنٹ کے تحت کمپنی

کے ذمے بقایا قرضہ جات کی ادائیگی کے لئے ڈائریکٹرز / ریلیٹیووز نے کمپنی کو فنڈز / قرضہ جات فراہم کیے۔

رواں سال کمپنی کی انتظامیہ اگست-2016 میں بینک آف پنجاب اور مارچ-2017 میں نیشنل بینک آف پاکستان کے ساتھ آؤٹ آف کورٹ معاہدہ کرنے میں کامیاب

ہوئی۔ جس کے تحت، ڈائریکٹرز حضرات / خاندان کے اراکین کے مہیا کردہ فنڈز / قرضہ جات سے کمپنی نے 38.827 ملین روپے بینک آف پنجاب کو اور

57.213 ملین روپے نیشنل بینک آف پاکستان کو ادا کیے۔ جس کے بعد ان بینکوں نے کلیرنس سرٹیفیکیٹ جاری کیے، جب کے ان بینکوں کی طرف سے کمپنی کے خلاف

کئے گئے مقدمات سے دستبرداری کے لئے کارروائی کی جارہی ہے۔

مزید برآں، اگست-2017 میں کمپنی حبیب بینک لمیٹیڈ کو سیٹلمنٹ ایگریمنٹ کے تحت بقایا مکمل ادائیگی کرنے میں کامیابی ہوئی۔ جس کے بعد ستمبر-2017 میں

بینک نے کلیرنس سرٹیفیکیٹ جاری کیا، جب کے بینک کی طرف سے کمپنی کے خلاف کیا گیا مقدمہ بھی خارج دیا جائے گیا۔

ٹیکسٹائل انڈسٹری کی حالت دن بدن خراب ہو رہی ہے اور اب کمپنی کے ڈائریکٹرز اور خاندان کے اراکین کے لیے کمپنی کی مزید مال معاونت کرنا بہت مشکل ہو گیا ہے۔

اس لیے کمپنی کے بقایا بینکوں / ڈائریکٹرز اور خاندان کے اراکین کے قرضہ جات کی ادائیگی کے لئے، کمپنی کے شیئرز ہولڈرز نے 29 اپریل 2017 کو منعقد ہونے والے

غیر معمولی اجلاس عام میں کمپنی کے اثاثہ جات بشمول لینڈ، بلڈنگ اور بقایا مشینری / اثاثہ جات کو فروخت کرنے کی قرارداد منظور کی ہے۔

کمپنی مستقبل میں ٹریڈنگ (بالخصوص ٹیکسٹائل مصنوعات میں) کرنے کی نیت رکھتی ہے۔ ٹریڈنگ کا کاروبار کرنے کے لئے، ضرورت پرنے پر کمپنی کے ڈائریکٹرز

خاندان کے اراکین بھی فنڈز فراہم کر سکتے ہیں۔

### منافع میں حصہ:

پچھلے سالوں کے نقصان اور رواں مالی سال میں آپریٹنگ نقصان کی صورت میں ڈائریکٹرز نے ڈیویڈنڈ دینے کی سفارش نہیں۔





## PERFORMANCE OF LAST SIX YEARS AT GLANCE (RUPEES IN '000')

	2017	2016	2015	2014	2013	2012
	Restated					
<b>FINANCIAL DATA</b>						
<b>PROFIT &amp; LOSS ACCOUNT</b>						
Sales	-	-	-	151,926	233,662	92,965
Cost of sales	-	-	-	155,423	240,669	113,636
Gross profit/(loss)	-	-	-	(3,497)	(7,007)	(20,670)
Rental income from investment property	17,179	27,399	30,753	-	-	-
Operating profit/(loss)	(30,518)	(12,160)	(4,816)	(21,732)	(22,899)	(35,677)
Profit/(loss) before taxation	58,233	81,555	(30,631)	(50,143)	(46,423)	(52,438)
Profit/(loss) after taxation	60,403	81,555	(30,631)	(51,663)	(47,617)	(26,325)
Comprehensive income/(loss) for the year	65,314	86,450	(26,397)	(22,752)	(36,997)	(15,041)
<b>BALANCE SHEET</b>						
Paid up capital	221,052	221,052	221,052	221,052	221,052	221,052
Fixed assets	328,213	392,531	415,083	427,961	575,115	603,276
Current assets	27,707	24,176	30,913	22,696	68,366	81,573
Current liabilities	419,000	450,769	226,555	112,809	108,383	128,335
<b>KEY RATIOS</b>						
Gross profit/(loss) ratio	-	-	-	-2.30%	-3.00%	-22.23%
Operating profit/(loss) ratio	-177.65%	-44.38%	-15.66%	-14.30%	-9.80%	-38.38%
Net profit/(loss) ratio	351.61%	297.66%	-99.60%	-34.01%	-20.38%	-28.32%
Current ratio	1 : 0.07	1 : 0.05	1 : 0.14	1 : 0.20	1 : 0.63	1 : 0.64
Earning/(loss) per share (Rs.)	2.73	3.69	(1.39)	(2.34)	(2.15)	(1.19)



## PATTERN OF SHAREHOLDING (As on:- 30-Jun-2017)

No. of Share Holders	Shareholdings From	To	Total Number of Share Held	Percentage of Total Capital
308	1 -	100	23,716	0.11
769	101 -	500	332,465	1.50
233	501 -	1000	225,998	1.02
306	1001 -	5000	974,515	4.41
72	5001 -	10000	562,024	2.54
22	10001 -	15000	283,400	1.28
16	15001 -	20000	396,700	1.79
8	20001 -	25000	190,200	0.86
11	25001 -	30000	261,100	1.18
4	30001 -	35000	96,800	0.44
5	35001 -	40000	109,000	0.49
3	40001 -	45000	130,100	0.59
4	45001 -	50000	145,500	0.66
3	50001 -	55000	106,400	0.48
1	55001 -	60000	60,000	0.27
1	60001 -	65000	65,000	0.29
1	65001 -	70000	137,295	0.62
1	70001 -	75000	73,500	0.33
1	135001 -	140000	139,000	0.63
1	145001 -	150000	300,000	1.36
2	150001 -	155000	305,500	1.38
1	165001 -	170000	168,000	0.76
1	170001 -	175000	175,000	0.79
1	175001 -	180000	354,000	1.60
1	200001 -	205000	202,868	0.92
1	205001 -	210000	210,000	0.95
1	215001 -	220000	215,734	0.98
2	305001 -	310000	308,800	1.40
1	420001 -	425000	420,900	1.90
1	645001 -	650000	645,578	2.92
1	1425001 -	1430000	1,425,809	6.45
1	1950001 -	1955000	1,952,800	8.83
1	2180001 -	2185000	2,185,000	9.88
1	3565001 -	3570000	3,566,198	16.13
1	5355001 -	5360000	5,356,300	24.23
<b>1,787</b>			<b>22,105,200</b>	<b>100.00</b>

### FORM 34

#### Patten of Holding of Shares

#### Held by the Share Holders as at 30/06/2017

Categories of Share Holders	Numbers	Shares Held	%
- Individuals	1751	5,426,271	24.55
- Investment Companies	3	33,800	0.15
- Insurance Companies	1	420,900	1.90
- Financial Institution	3	54,715	0.25
- Joint Stock Companies	11	15,049	0.07
- Modaraba Companies	4	27,500	0.12
- Funds	2	69,656	0.32
- CEO, Directors, Spouses & Relatives	10	16,053,709	72.62
- Others	2	3,600	0.02

TOTAL: **1,787** **22,105,200** **100.00**



## CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2017

	No. of Shares	%
1 <b>ASSOCIATED COMPANY</b>	NIL	-
2 <b>NIT AND ICP</b>		
i) National Bank Of Pakistan, Trustee Department	728,549	
ii) Investment Corporation of Pakistan	12,900	
	<b>741,449</b>	<b>3.35</b>
3 <b>DIRECTORS</b>		
i) Mian Muhammad Jehangir	5,960,034	26.96
ii) Mian Muhammad Nawaz	202,868	0.92
iii) Mian Waheed Ahmad	2,185,000	9.88
iv) Mian Waqar Ahmad	154,000	0.70
v) Mrs. Nargis Jehangir	3,566,198	16.13
vi) Ms. Irum Salik	168,000	0.76
vii) Ms. Ayesha jehangir	1,575,809	7.13
	<b>13,811,909</b>	<b>62.48</b>
4 <b>DIRECTORS' SPOUSES &amp; MINOR CHILDRENS/RELATIVES</b>	2,241,800	10.14
5 <b>PUBLIC SECTOR COMPANIES AND CORPORATIONS</b>	741,884	3.36
6 <b>BANKS DEVELOPMENT FINANCIAL INSTITUTIONS NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS</b>	495,450	2.24
7 <b>GENERAL PUBLIC</b>	4,072,708	18.42
	<b>22,105,200</b>	<b>100.00</b>
8 <b>SHAREHOLDERS HOLDING FIVE PERCENT OR MORE:</b>		
Mian Muhammad Jehangir	5,960,034	26.96
Mrs. Nargis Jehangir	3,566,198	16.13
Mian Waheed Ahmad	2,185,000	9.88
Mian Khurram Jehangir	1,952,800	8.83
Ms. Ayesha Jehangir	1,575,809	7.13
9 <b>DURING THE FINANCIAL YEAR THE TRADING IN SHARES OF THE COMPANY BY THE CEO, DIRECTORS, CFO, COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN IS AS FOLLOW:</b>		
Mian Muhammad Jehangir acquired 603,734 shares		



## MANZOOR HUSSAIN MIR & CO.

CHARTERED ACCOUNTANTS

TELEPHONES: OFF. 37 32 48 39  
37 32 36 17  
FAX 37 35 38 65  
RES 35 86 82 87  
35 86 80 83  
E-mail: mhmandco@gmail.com  
AL-NOOR BUILDING, 43-BANK  
SQUARE, LAHORE.

## AUDITORS' REPORT TO THE MEMBERS

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

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

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

- (A) All fixed assets held for sale at note (26) are presented at Fair value while Office equipments, Furniture & fixtures and Vehicles not revalued are appearing in Financial Statements at historical cost at note (17.1) amounting Rs. 5.034 million and Company has not followed its procedure for provision of impairment loss laid down at note (4.10) on assets not revalued.
- (B) Included in Advances from customers at note (12) are Rs. 5 million from Messer Sheikh Noor-ud-Din & Sons (Pvt) Ltd to whom letter for confirmation of balance followed by reminders was dropped but the matter was not responded by them. This amount remains unconfirmed.
- (C) Non-Current assets and Non-Current liabilities are stated at Fair Market Value but are not presented in their Liquidity order.
- (D) No provision is made in these financial statements for exchange rate difference Rs. 79.559 million and markup Rs 64.700 million aggregating to Rs. 144.259 million on foreign currency loan, provided by Habib Bank Limited. These amounts have not so far written off by the bank from its books up to June 30, 2017. Since the waiver is subject to approval as per settlement agreement dated 22-11-2013 by State Bank of Pakistan. This liability of Rs 144.259 million should have been provided and not shown in accounts as contingent liability at note (16.9) and be written off in the



year when the matter is finally approved by the State Bank of Pakistan. Profits for the year are overstated by Rs. 144.259 million and accumulated losses are understated by that extent.

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

(F) in our opinion—

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

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

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

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

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

(I) Emphasis of Matter

Attention is invited to note (3). In the Extra Ordinary meeting of shareholders held on 29<sup>th</sup> April 2017, it was resolved that operation of industrial unit is not viable and unit be closed down due to depressed market, uneconomical conditions, political upheavals and continuous losses sustained. Chief Executive has been authorized to sell out the fixed assets of the Company. The accounts for the year June 30, 2017 are prepared by the management as a Non-going Concern for the reason recorded at note (3). Fixed assets comprising of Land, Building, machinery spinning as well as left over weaving machinery were revalued by an independent valuer as at June 30, 2017 vide report dated August 3, 2017. Basis of preparation of financial statements are appropriate except that indicated otherwise at note (A to D). Our report is not qualified in respect of this matter.

(J) Other matter paragraph

The Financial statement for the year 2016 were audited by another auditor



(Sarwars chartered accountants) and they issued adverse report dated October 5, 2016 and observed that short terms loans and liabilities were wrongly classified as long term and financial liabilities written off were credited to statement of Other-comprehensive income instead of profit and loss account as required by IFRS-9 etc. All such Errors have been rectified and figures of the year 2016 have been rectified and restated for comparison purposes. Other matters are also stands resolved as a result of settlement with banks with exception of Habib Bank Limited (Refer to Para 'D').

LAHORE.

(MANZOOR HUSSAIN MIR & CO.)  
CHARTERED ACCOUNTANTS  
Audit Engagement Partner: Manzoor Hussain Mir

**BALANCE SHEET**

Equity and Liabilities	Note	2017 Rupees	2016 Rupees Restated
<b>Share capital and reserves</b>			
Share capital	5	221,052,000	221,052,000
Accumulated loss		(533,106,929)	(598,420,827)
		(312,054,929)	(377,368,827)
<b>Surplus on revaluation of Property, plant &amp; equipment held for sale</b>	6	208,561,891	225,890,806
<b>Non-current liabilities</b>			
Director's bridge finance & loan	7	38,563,713	96,563,713
Long term financing	8	-	-
Liabilities against assets subject to finance lease	9	-	20,949,639
Deferred liabilities	10	3,333,548	3,507,770
Long term deposits	11	-	1,111,111
<b>Current liabilities</b>			
Trade and other payables	12	20,047,520	37,007,583
Accrued mark-up	13	44,245,366	133,942,711
Short term borrowings from banks and others	14	354,707,299	270,929,669
Current and overdue portion of non-current securities	15	-	8,888,889
		419,000,185	450,768,852
<b>Contingencies and commitments</b>	16	-	-
		357,404,408	421,423,064

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

MIAN MUHAMMAD JEHANGIR  
Chief ExecutiveMIAN WAHEED AHMED  
Director**AS AT JUNE 30, 2017**

Properties and assets	Note	2017 Rupees	2016 Rupees
<b>Non-current assets</b>			
Property, plant and equipment	17	5,034,746	293,509,327
Investment property	18	-	99,021,428
<b>Long term deposits</b>	19	781,577	3,648,244
<b>Current assets</b>			
Stores and spares	20	-	504,878
Trade debts	21	345,600	3,646,794
Loans and advances	22	425,915	597,120
Trade deposits and short term prepayments	23	6,555,099	6,167,980
Tax refunds due from Government	24	11,047,478	6,217,595
Cash and bank balances	25	9,332,629	7,041,286
		27,706,721	24,175,653
<b>Assets held for sale</b>	26	323,881,364	1,068,412
		357,404,408	421,423,064

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

MIAN MUHAMMAD JEHANGIR  
Chief ExecutiveMIAN WAHEED AHMED  
Director





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

	Note	2017 Rupees	2016 Rupees Restated
Rental income from investment property	27	17,178,932	27,399,187
<b>Operating Profit</b>		<b>17,178,932</b>	27,399,187
Fair value loss of investment property	18	(14,904,428)	-
<b>Operating expenses</b>			
Rental expense of investment property	28	1,901,200	4,507,459
Distribution cost	29	1,083,205	1,044,542
Administrative expenses	30	29,808,102	34,006,709
		<b>32,792,507</b>	39,558,710
<b>Operating loss</b>		<b>(30,518,003)</b>	(12,159,523)
Other operating charges	31	12,492,842	15,972,769
Other operating income	32	102,671,690	118,461,659
Finance cost	33	1,428,101	8,774,647
<b>Profit before taxation</b>		<b>58,232,744</b>	81,554,720
Taxation - earlier years	34	2,170,670	-
<b>Total profit for the year after taxation</b>		<b>60,403,414</b>	81,554,720
<b>Earning per share - basic &amp; diluted</b>	35	2.73	3.69

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

MIAN MUHAMMAD JEHANGIR  
Chief Executive

MIAN WAHEED AHMED  
Director



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

	2017 Rupees	2016 Rupees Restated
<b>Profit for the year after taxation</b>	<b>60,403,414</b>	81,554,720
Other comprehensive income		
Transferred from surplus on Revaluation of Fixed assets on account of:		
Incremental depreciation charged during the year	2,678,716	3,870,305
Disposal of Plant and Machinery	2,231,768	1,024,668
<b>Total comprehensive income for the year</b>	<b>65,313,898</b>	86,449,693

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

MIAN MUHAMMAD JEHANGIR  
Chief Executive

MIAN WAHEED AHMED  
Director



## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

Note	2017 Rupees	2016 Rupees Restated
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	58,232,738	81,554,720
<b>Adjustments for non-cash and other items:</b>		
Depreciation	10,618,162	14,118,439
Gratuity net of provision related to school	548,435	442,184
Loss/(Gain) on disposal of property, plant and equipment	5,090,265	926,660
Un-claimed balances written back	(101,249,536)	(118,054,803)
Profit on security deposit (SNGPL)	(1,422,154)	(384,250)
Provision raised for Doubtful debts	2,779,802	15,046,109
Impairment loss on property held for sale	4,622,775	-
Fair value changes of investment property	14,904,428	-
Excess provision written off	-	(22,606)
Finance cost	1,428,101	8,774,647
	<u>(62,679,722)</u>	<u>(79,153,620)</u>
	(4,446,984)	2,401,100
<b>Operating profit before working capital changes</b>		
<b>Adjustments for Working Capital Changes</b>		
(Increase) / decrease in current assets:		
Stores and spares	554,299	132,447
Trade debts	521,392	15,391,346
Loans and advances	357,366	(4,414)
Trade deposits, prepayments and other receivables	1,035,035	113,433
Tax refunds due from Government	(163,877)	416,099
(Decrease) / increase in current liabilities:		
Trade and other payables	(1,352,046)	(11,441,017)
<b>Net working capital changes</b>	952,169	4,607,894
Finance cost paid	(5,399,828)	(963,657)
Gratuity paid	(722,657)	(127,043)
Income tax paid	(2,495,336)	(4,162,127)
	<u>(8,617,821)</u>	<u>(5,252,827)</u>
	(12,112,636)	1,756,167
<b>Net cash generated from/ (used in) operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(322,680)	(822,872)
Long term deposits	2,866,667	-
Proceeds from disposal of property, plant and equipment	17,032,001	12,522,127
<b>Net cash (used in) / generated from investing activities</b>	19,575,988	11,699,255
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Director's bridge finance loan	(58,000,000)	58,000,000
Long term financing	-	-
Deferred liabilities	-	(12,807,000)
Short term bank borrowings	(111,372,571)	(66,158,686)
Short term related party loans	195,150,201	20,993,189
Liabilities against assets subject to finance lease	(20,949,639)	-
Long term deposits	(10,000,000)	(3,333,333)
Liabilities associated with Non-Current assets held for sale	-	(5,000,000)
<b>Net cash (used in) / generated from financing activities</b>	(5,172,009)	(8,305,830)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,291,343	5,149,592
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	7,041,286	1,891,694
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	9,332,629	7,041,286

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

MIAN MUHAMMAD JEHangIR  
Chief Executive

MIAN WAHEED AHMED  
Director



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

Particulars	Share Capital	Accumulated Loss	Shareholders' Equity
	-----Rupees-----		
<b>Balance as at June 30, 2015</b>	221,052,000	(684,870,520)	(463,818,520)
Total comprehensive income for the year - Restated	-	86,449,693	86,449,693
<b>Balance as at June 30, 2016</b>	221,052,000	(598,420,827)	(377,368,827)
Total comprehensive income for the year	-	65,313,898	65,313,898
<b>Balance as at June 30, 2017</b>	221,052,000	(533,106,929)	(312,054,929)

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

MIAN MUHAMMAD JEHangIR  
Chief Executive

MIAN WAHEED AHMED  
Director



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2017

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Mian Textile Industries Limited, "the Company", was incorporated in Pakistan on December 01, 1986 as a Public Limited Company under the Companies Ordinance, 1984. Its shares are quoted on Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at 29-B/7, Model Town, Lahore and its manufacturing facilities are located at 48.5 K.M. Multan Road, Bhai Pheru, Tehsil Chunian, District Kasur. The Company was principally engaged in the business of manufacturing, sale and export of textile products. It is resolved by share-holders in their extra-ordinary meeting held on 29th April, 2017 that operation of manufacturing unit is not viable and unit be closed down. The Chief Executive has been authorised to sell all the fixed assets comprising of Land, Building and other remaining spinning Plant and Machinery so as to pay out the outstanding loans of banks and directors and their family members. During the year 2017 the company has earned rental income of Rs. 16.682 million from leasing out of weaving building for seven months from July 16 to 31st January 2017 as compared to Rs. 24.736 million for full year (2016). Leasing agreement was suspended by the tenant i.e Style Textile (Pvt) Limited where after the property remained vacant till the date of audit report.

### 2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and directives issued by the Securities and Exchange Commission of Pakistan, and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Accounting Standards (IASs) / International Financial Reporting Standards (IFRSs) as notified under the provisions of the Ordinance. In case the requirements of the Ordinance or directives issued by the Securities and Exchange Commission of Pakistan differs with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives shall prevail.

#### 2.1 Standards, amendments or interpretations that became effective during the year

During the year certain amendments to Standards or new interpretations became effective, however, the amendments or interpretation were either not relevant to the Company's operations or were not expected to have any significant impact on the Company's financial statements.

#### 2.2 New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

Standard or Interpretation		Effective Date Periods Beginning on or After
- IFRS 2	Share Based payments	January 1, 2018
- IAS 12	Clarification of Deductible Temporary Differences and Tax Base of Assets	January 1, 2017
- IFRIC 22	Clarifies which date should be used for translation when a foreign currency transactions involves payment or receipt in advance of the item it relates to	January 1, 2018
- IFRIC 23	Accounting treatment when there is uncertainty over income tax treatment under IAS 12	January 1, 2019
- IAS 7	Amendments about the changes in liabilities arising from financing activities	January 1, 2017
- IAS 40	Clarification that an entity shall transfer property to or from investment property when there is a change in use	January 1, 2018

The management anticipates that adoption of above new standards and amendments of the standards will have no material impact on the Company's financial statements in the period of initial application.

The following new standards have been issued by the International Accounting Standards Board (IASB), which have not been notified up to June 30, 2017 by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

Standard		IASB Effective Date Periods Beginning on or After
- IFRS 12	Clarify the requirements of apply to an entity's interest that are classified as held for sale or discontinued Operations in accordance with IFRS 5	January 1, 2017
- IFRS 16	Leases	January 1, 2019
- IFRS 17	Insurance contracts	January 1, 2021
- IAS 28	A venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment	January 1, 2018



### 3 BASIS OF PREPARATION OF FINANCIAL STATEMENTS ON NON-GOING CONCERN ASSUMPTION

- 3.1** The company being a Non-going concern, the financial statements have been prepared under fair market value method against historical cost convention in earlier years. Assets and liabilities are stated at fair value except for furniture and fixture, office equipment and vehicles are stated on historical cost convention. Refer to Note No. 4.8 & 17.1.
- 3.2** In the Extra Ordinary meeting of shareholders held on 29th April 2017, it was resolved that operation of industrial unit is not viable and unit be closed down due to depressed market, uneconomical conditions, political upheavals and continuous losses sustained. Chief Executive has been authorized to sell out the fixed assets of the Company. Fixed assets comprising of land, building, plant and machinery re-valued by the approved consultants are shown at the fair market value and adjustment wherever necessary have been made in the current assets and current liabilities and shown at their fair value.

The company has taken the following steps to facilitate this scheme.

- 3.2.1** During the year 2017 the company has made settlement almost with all the banks and has made payments amounting to Rs. 111.372 million, including Rs. 18 million of Habib Bank Limited. However, the suit filed by HBL before court is yet not withdrawn and waiver being subject to approval by State Bank of Pakistan.

- 3.2.2** The company in 2017 earned Rs. 60.403 million against profit of Rs. 81.554 million in 2016. The profit in 2017 is mainly on account of un-claimed balances written off at Rs. 15.524 million and deferred mark up waived by the banks Rs. 85.725 million aggregating to Rs. 101.249 million. Accumulated losses in last year were Rs. 598.421 million as compared to Rs. 533.107 million in 2017. Reduction in losses is on account of write back of the expenses stated below.

The following is the detail of mark-up waived by the banks:

Note	2017 Rupees	2016 Rupees
Long term financial liabilities written back - Restated		
Deferred mark-up written back:		
The Bank of Punjab	42,036,358	-
National Bank of Pakistan DF-I	2,371,340	-
National Bank of Pakistan DF-II	26,607,309	-
National Bank of Pakistan DF-III	614,167	-
First National Bank Modaraba	14,096,444	-
National Investment Bank (NIB)	-	24,925,710
Industrial Development Bank of Pakistan	-	10,651,000
32	85,725,618	117,302,117

- 3.2.3** Adverse balance of equity as at 30th June 2017 is amounting to Rs. 312.054 million against Rs. 377.369 million in 2016.

- 3.2.4** In the year 2017 current liabilities of Rs. 419.000 million have exceeded current assets of Rs. 27.707 million by Rs. 391.293 million against Rs. 426.593 million on 30th June, 2016 when the current assets amounted to Rs. 24.175 million and current liabilities were Rs. 450.768 million.

- 3.1.5** The management after close of manufacturing unit has decided to do trading business of all kinds of textile products. The company vide object clauses No. 6 and 27 of Memorandum of Association is authorised to conduct trading business of all kinds of cloth or carry on any other trade or business whether manufacturer or other-wise.

### 4 SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

#### 4.2 Significant estimates and judgments

The preparation of financial statements in conformity with approved International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The accounting estimates and underlying assumptions are reviewed on an ongoing basis except for change in assumption stated above at Note No. 3.1. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Useful life of depreciable assets (note. 4.8)
- Investment property (note. 4.9)



- Provisions for doubtful receivables (note. 4.13)
- Slow moving inventory (note. 4.11, 4.12)
- Taxation (note. 4.7)
- Impairment (note. 4.10)
- Fair value measurement (note. 4.21)

However, the management believes that the change in outcome of the estimates has been disclosed with effect on the amount disclosed in the financial statements as stated above in Note 3.1.

#### 4.3 Provisions

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle these obligations and a reliable estimate of the amounts can be made.

#### 4.4 Staff retirement benefits

The Company operates an un-funded gratuity scheme for all its employees according to the terms of their employment. Under this scheme, gratuity is paid to the retiring employees on the basis of their last drawn basic salary for each completed year of service.

#### 4.5 Trade and other payables

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

#### 4.6 Contingencies

The Company has disclosed significant contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the balance sheet date.

#### 4.7 Taxation

##### Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, or minimum tax at the rate of 1% of the turnover under section 113 of the Income Tax Ordinance, 2001, whichever is higher.

##### Deferred

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

Deferred tax is calculated at the rates that are expected to apply to the period when the asset is to be realized or liability is to be settled. Refer to Note No. 34.

#### 4.8 Property, plant and equipment

##### 4.8.1 Operating fixed assets Owned assets

Property, plant and equipment are stated at cost/revalued amounts less accumulated depreciation and identified impairment losses, if any. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable cost of bringing the assets to working condition.

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Revalued amount has been determined by an independent professional valuer on the basis of open market value of the asset based on estimated gross replacement cost, depreciated to reflect the residual service potential of the asset having paid due regard to age, condition and obsolescence. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Cost in relation to self constructed assets includes direct cost of material, labor and other allocable expenses.

Increases in the carrying amount arising on revaluation of plant and equipment are credited to surplus on revaluation of fixed assets. Decreases that offset available surplus are charged against this surplus, all other decreases are charged to profit or loss. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the profit or loss) and depreciation based on the asset's original cost - incremental / decremental depreciation on revalued assets is transferred to/from surplus on revaluation of fixed assets from/to retained earnings (accumulated loss). All transfers to/from surplus on revaluation are net of applicable deferred taxation.



Depreciation is charged to income by applying reducing balance method without taking into account any residual value at the rates specified in Note 17.1. The remaining useful life of the depreciable assets and depreciation method are reviewed periodically to ensure that the depreciation method and periods of depreciation are consistent with the expected pattern of economic benefits from property, plant and equipment. Full month's depreciation is charged on additions to fixed assets during the month, where as no depreciation is charged on the assets disposed off during the month. The Company reviews the value of the assets for possible impairment on annual basis. 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 or losses on disposal of property, plant and equipment are included in current year's income.

Normal repairs and maintenance are charged to income 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.

During the year under audit all the fixed assets have been offered for sale in pursuance of extra-ordinary meeting of the share-holders held on 29th April 2017 and these assets are accordingly classified as "Assets held for sale" as on 30-06-2017. Also refer to Note.26.

##### 4.8.2 Leased assets Finance lease

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligations of lease are accounted for as liabilities. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of financial cost on the remaining balance of principal liability for each period.

Depreciation is charged on the basis similar to operating fixed assets applying reducing balance method at the rates specified in Note 17.1 to write off the cost of the asset over its estimated remaining useful life in view of certainty of ownership of assets at the end of the lease periods.

Insurance and other maintenance costs are borne by the Company.

Finance cost and depreciation on leased assets are charged to current year's income.

##### Operating leases

Lease rentals payable under the operating leases are charged to profit and loss account on a straight line basis over the term of the relevant leases.

##### 4.8.3 Non-Current assets held for sale

Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less cost to sell, if their carrying value is to be recovered principally through a sale transaction with in one year of the date of balance sheet rather than through continuing use and depreciation on such assets cease. Refer to Note No. 26.

#### 4.9 Investment property

Properties which are held to earn rentals or for capital appreciation or for both are classified as investment properties. Investment properties are initially recognized at cost, being the fair value of the consideration given. Subsequently these are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. Also refer to Note No. 4.21.

Any gain or loss arising from a change in fair value is charged to profit or loss. Rental income from investment properties is accounted for as described in note 4.19.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Latest fair market valuation was carried out by the independent valuer on 30th June 2017 vide report dated 3rd August 2017 and there is no material change in the recorded valuation.





For the purpose of subsequent measurement, the Company determines with sufficient regularity the fair value of the items of investment property based on available active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Valuations wherever needed are performed as of the reporting date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of fixed assets. Upon disposal of the item, the related surplus on revaluation is transferred to retained earnings (accumulated loss). Any loss arising in this manner is immediately charged to profit or loss.

If an investment property becomes owner - occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

An item of Investment property is derecognized either when disposed of or permanently withdrawn from use and no future economic benefits is expected from its disposal.

All the fixed assets as stated above are being offered for sale therefore, the investment property is transferred to "Assets held for sale" as on 30-06-2017.

#### 4.10 Impairment

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

Since the fixed assets have been revalued by the approved consultant therefore there is no impairment loss raised on revalued assets. Impairment loss is charged to other assets including generator accessories held for sale which were not revalued having zero fair value. Refer to Note No. 26.1.

#### 4.11 Stores and spares

These are valued at lower of moving average cost and net realizable value except for items in transit that are valued at cost comprising the invoice value plus incidental charges paid thereon till the balance sheet date. Provision is made against obsolete and slow moving items.

#### 4.12 Stock in trade

Basis of valuation are as follows:

Particulars	Mode of valuation
Store & spares	At moving average cost.

There was no raw material, stocks of finished goods and stocks-in-process either in earlier year or the year under report.

#### 4.13 Trade debts and other receivables

Receivables are carried at original invoice amount less an estimate made for doubtful receivable balances based on review of outstanding amounts at year end. Bad debts are written off when identified.

#### 4.14 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and at banks.

#### 4.15 Borrowings

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on the accrual basis. 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 in which these are incurred.



#### 4.16 Foreign currency translations

Transactions in foreign currencies are accounted for in Pak rupees at the rates of exchange prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at rates of exchange prevailing at the balance sheet date and in case of forward exchange contracts at the committed rates. Gains or losses on exchange are charged to income.

#### 4.17 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments and are remeasured at fair value. Any gain/loss on de-recognition and on remeasurement of such financial instruments other than investments available for sale, is charged to income for the period in which it arises.

#### 4.18 Related party transactions

All transactions with related parties are measured at arm's length prices determined in accordance with the Comparable Un-controlled Price Method except in circumstances where it is not in the interest of the Company to do so.

#### 4.19 Revenue recognition

- (i) Local sales are recorded when goods are delivered to customers and invoices raised.
- (ii) Export sales are booked on shipment basis on receipt of bill of lading.
- (iii) Processing charges are recorded when goods are delivered to customers and invoices raised.
- (iv) Gain on 'sale and lease-back' transactions that result in finance lease, is deferred and amortized over the lease term.
- (v) Dividend income is recognized when the right to receive payment is established.
- (vi) Profits on short term deposits is accounted for on time apportioned basis on the principal outstanding and at the rate
- (vii) Rental income from investment properties is credited to profit or loss on accrual basis.

#### 4.20 Off setting of financial assets and liabilities

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

#### 4.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. When applicable, the Company measures the fair value of an instrument and non-financial assets carried at fair value, using the quoted price in an active market for that instrument and non-financial assets carried at fair value. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

#### 5 SHARE CAPITAL

##### Authorized capital

22,500,000 (2016: 22,500,000) ordinary  
shares of Rupees 10 each

2017 Rupees	2016 Rupees
<b>225,000,000</b>	225,000,000

##### Issued, subscribed and paid up share capital

22,105,200 (2016: 22,105,200) ordinary  
shares of Rupees 10 each fully paid up in cash

<b>221,052,000</b>	221,052,000
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**6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**

	Land	Building	Plant & Machinery	Generator & Other assets	Investment property	Total	2016
	-----Rupees-----						
Opening balance	74,876,611	44,455,645	29,765,165	233,152	76,560,233	<b>225,890,806</b>	230,785,779
Revaluation adjustment as at 1-11-2016	32,000,000	12,916,025	(31,695,924)	-	-	<b>13,220,101</b>	-
Revaluation 30-06-2017	-	(2,873,360)	(16,727,286)	(6,037,886)	-	<b>(25,638,532)</b>	-
Total fresh revaluation adjustments during the year	32,000,000	10,042,665	(48,423,210)	(6,037,886)	-	<b>(12,418,431)</b>	-
	106,876,611	54,498,310	(18,658,045)	(5,804,734)	76,560,233	<b>213,472,375</b>	230,785,779
- Incremental depreciation charged during the year	-	(2,056,819)	(621,897)	-	-	<b>(2,678,716)</b>	(3,870,305)
- Disposal during the year			(2,231,768)			<b>(2,231,768)</b>	(1,024,668)
	106,876,611	52,441,491	(21,511,710)	(5,804,734)	76,560,233	<b>208,561,891</b>	225,890,806

- 6.1 As a result of revaluations of property, plant and equipment carried out in May 2008, April 2004 and September 1995, surplus of Rs. 762.469 million was raised that was credited to 'surplus on revaluation of property, plant and equipment' in terms of Section 235 of the Companies Ordinance, 1984.

In 2014 the Land, Building and Plant & Machinery were revalued by approved Independent Valuer- Hamid Mukhtar & Co. (Pvt) Ltd.,

In November, 2016 and on 30 June 2017, the fixed assets comprising of Land, Building, Plant and machinery and Gas generators were revalued by the approved consultant M/s Hamid Mukhtar & Co. (Pvt) Ltd. and revaluation loss of Rs. 27.683 million was determined. Refer to Note No. 4.9, 17.1, 18.1 & 26.

- 6.2 Revaluation loss related to Investment property for changes in fair value under IAS-40 of Rs. 12.418 million is charged to profit and loss account and revaluation loss related to Property, plant and equipment under IAS-16 of Rs. 14.904 million is charged against surplus on revaluation. Remaining fair value loss of Rs. 0.361 million is charged to impairment loss under IFRS-5.

	Note	2017 Rupees	2016 Rupees
<b>7 DIRECTORS' BRIDGE FINANCE &amp; LOAN</b>			
Interest bearing loan		-	58,000,000
Non-interest bearing loan	7.1	<b>38,563,713</b>	38,563,713
		<b>38,563,713</b>	96,563,713

- 7.1 This represents interest-free and unsecured long term loans obtained from the directors of the Company. The repayment terms of the loan have yet not been finalized.

**8 LONG TERM FINANCING - Restated**

Short term loans from banks amounting to Rs. 146.385 million in 2016 were wrongly classified as Long term loans. These loans are reclassified as Short term loans by restating the figures of 2016. Short term loans amounted to Rs. 35.013 million as at 30-06-2017 and details are given at Note.14.

**9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

- 9.1 Movement in finance lease liability is as follows:

Opening balance	<b>20,949,639</b>	20,949,639
Paid/adjustment during the year	<b>(20,949,639)</b>	-
	<b>-</b>	20,949,639



- 9.2 The future minimum lease payments and their present value, to which the company is committed under lease agreements are as follows:

	Due not later than one year	Due over one year and up to five years	Due over five years	2017	2016
	-----Rupees-----				
Minimum lease payments	28,888,277	-	-	<b>28,888,277</b>	28,888,277
Security deposits adjustable on expiry of lease term	2,866,667	-	-	<b>2,866,667</b>	2,866,667
Gross minimum lease payments	31,754,944	-	-	<b>31,754,944</b>	31,754,944
Financial charges allocated to future periods	(10,805,305)	-	-	<b>(10,805,305)</b>	(10,805,305)
Present value of minimum lease payments	20,949,639	-	-	<b>20,949,639</b>	20,949,639
Paid/adjustment during the year	-	-	-	<b>(20,949,639)</b>	-
	20,949,639	-	-	<b>-</b>	20,949,639

- 9.2.1 First National Bank Modaraba vide letter No. FNBM/LHR/08-17/369 dated 18-08-2017 has informed that Mian Textile Industries Limited has submitted us total settlement of Rs. 19.387 million vide cheque No. 18089927 dated 30-06-2017 on Albaraka Bank (Pakistan) Limited.

The account of Mian Textile Industries Limited now stands fully adjusted in our books and all the litigations pending between FNBM and MTIL will be withdrawn from the relevant courts shortly.

10 DEFERRED LIABILITIES	Note	2017 Rupees	2016 Rupees Restated
Staff retirement benefits - unfunded gratuity scheme	10.1	<b>3,333,548</b>	3,507,770
		<b>3,333,548</b>	3,507,770
10.1 Staff retirement benefits - unfunded gratuity scheme			
Reconciliation of payable to defined benefit plan: The amounts recognized in balance sheet are as follows: Present value of defined benefit obligation		<b>3,333,548</b>	3,507,770
		<b>3,333,548</b>	3,507,770
Movement in net liability recognized is as follows: Opening balance at July 01, Service cost recognized during the year Benefits paid during the year Closing balance as at June 30,		<b>3,507,770</b> <b>548,435</b> <b>(722,657)</b> <b>3,333,548</b>	3,065,586 569,227 (127,043) 3,507,770

**11 LONG TERM DEPOSITS**

Security deposits of lease: Style Textile (Pvt) Limited Less: current portion shown under current liabilities		- - -	10,000,000 (8,888,889) 1,111,111
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**12 TRADE AND OTHER PAYABLES**

Creditors for: Goods Expenses Accrued expenses Advances from customers Income tax deducted at source Unclaimed dividend Others (School)		<b>2,652,260</b> <b>1,319,534</b> <b>9,190,852</b> <b>6,453,294</b> <b>16,247</b> <b>415,333</b> -	5,816,646 2,659,792 14,635,366 6,218,609 105,667 415,333 7,156,170
		<b>20,047,520</b>	37,007,583

**13 ACCRUED MARK UP**

Mark up accrued on: The Bank of Punjab Habib Bank Limited National Bank of Pakistan First National Bank Modaraba		- - - -	42,036,355 44,245,366 32,260,475 15,400,515
	13.1	<b>44,245,366</b>	133,942,711

- 13.1 Total unprovided mark up as at 30-06-2017 is amounting to Rs. 64.700 million(2016: 95.151 million). Refer to Note. 14.5.1.

**14 SHORT TERM BORROWINGS**

Financing from banking companies:

		2017 Rupees	2016 Rupees Restated
The Bank of Punjab	14.1	-	38,827,229
National Bank of Pakistan - DF-I	14.2	-	45,000,000
National Bank of Pakistan - DF-II	14.3	-	8,000,000
National Bank of Pakistan - DF-III	14.3	-	1,545,342
Habib Bank Limited	14.4	35,012,633	53,012,633
		<b>35,012,633</b>	146,385,204
<b>From related parties - unsecured</b>		<b>35,012,633</b>	146,385,204
Loan from family associates	14.6	99,694,666	104,544,465
Other related parties	14.7	220,000,000	20,000,000
		<b>354,707,299</b>	270,929,669

**14.1 The Bank of Punjab**

This represents Demand Finance obtained from The Bank of Punjab. It is repayable in 17 equal quarterly instalments commencing from July 2010 and carries mark-up at 3 Months KIBOR + 100 bps with no floor to be paid quarterly. It is secured against collaterals and equitable mortgage on industrial land in the name of directors of the Company, personal guarantees of the owners of the property and directors of the Company and ranking charge of Rs. 53.773 million over all the present and future current and fixed assets of the Company. Sanctioned limit originally is Rs. 38.827 million valid up to 31-07-2014.

This loan stands paid in last year, however we dropped letters to the bank for confirmation of Nil balance but the matter was not responded by the bank.

As confirmed by the legal advisors named "Lawyers & Lawyers" vide their letter dated September 14, 2017 a settlement has been effected amongst the parties, in terms whereof, withdrawal application has been filed and this suit is going to be withdrawn within few days.

**14.2 National Bank of Pakistan DF-I**

This represents Demand Finance sanctioned by the National Bank of Pakistan. It is repayable in 16 equal quarterly instalments commencing from February 2011 and carries mark-up at 3 Months KIBOR + 3.5% p.a. with no floor / cap to be paid quarterly. It is secured against ranking charge of Rs. 45 million on fixed assets of the Company including 40% margin and personal guarantees of all sponsoring directors.

According to the letter # NBP/SAMW/ARD-N/17/1984 of the said bank dated 07-07-2017, referred to above, this demand finance also stands fully settled and there is no amounts outstanding against the company.

**14.3 (a) National Bank of Pakistan DF-II**

This represents Demand Finance sanctioned by the National Bank of Pakistan. It is repayable in 4 equal quarterly instalments of Rs. 2 million each commencing from February 2015 and carries no mark-up. It is secured against ranking charge of Rs. 13.333 million on fixed assets of the Company and personal guarantees of all sponsoring directors.

**(b) National Bank of Pakistan DF-III**

Cash Finance facility of Rs. 75 million (reduced from Rs. 150 million) sanctioned by the bank for meeting the working capital requirements of the Company. This facility carries mark-up at 3 Months KIBOR plus 2% per annum without floor/cap payable quarterly. It is secured against pledge of raw materials and personal guarantees of all the sponsoring directors of the Company. This facility has expired on September 30, 2009.

The National Bank of Pakistan has filed a suit against company for recovery of Rs. 77.252 million as confirmed by the legal advisor named as "Lawyers & Lawyers" vide their letter dated 08, August 2016. This suit is also presently pending adjudication before Lahore High Court Lahore and is being vigorously and diligently contested by the company.

Legal advisors named "Lawyers & Lawyers" vide their letter dated September 14, 2017 has confirmed that a petition under section 284 & 285 of the companies ordinance 1984 for enforcing compromise amongst the company and all of its creditor banks has filed by the company before the Lahore High Court Lahore vide CO No. 24/2013 that this suit has been withdrawn by the bank on October 04,2016.



It is confirmed by the bank vide letter # NBP/SAMW/ARD-N/17/1984 dated 07-07-2017 referred to above that there is no amount outstanding either against principle or any mark up.

**14.4 Habib Bank Limited**

This represents certain utilized portion of finance against packing credit FAPC (Pledge) of Rs. 62.874 million (utilized) from Habib Bank Limited as of 15-10-2009 to meet the working capital requirements of the company that carries mark-up at 3 Months KIBOR plus 2% subject to a floor rate of 12% per annum & (LIBOR plus 2.5% per annum with floor of 5.50% per annum in case of foreign finance). All the facilities expired on 31-12-2009.

This represents short term facility (FAPC-Hypo) of Rs. 56.442 million (utilized) & Running finance of Rs. 2.98 million (utilized), obtained from the bank that carries mark up at 3 Months KIBOR plus 2% with floor of 12% per annum (LIBOR plus 2.5% per annum with floor 5.5% per annum in case of foreign finance). The loan is secured against ranking hypothecation and 1st pari passu/ranking charges on current and fixed assets of the company. All the facilities expired on 31-12-2009.

This represents certain utilized portion of finance against packing credit FAPC (Pledge) of Rs. 62.874 million (utilized), cash finance of Rs. 15.445 million (utilized), running finance of Rs. 5.000 million (utilized), and FAPC of Rs. 8.920 million (utilized) to meet the working capital requirements of the company obtained from the bank that carries mark up at 3 Months KIBOR plus 2% with floor of 12% per annum (LIBOR plus 2.5% per annum with floor 5.5% per annum in case of foreign finance). The loan is secured against ranking hypothecation and 1st pari passu/ranking charges on current and fixed assets of the company. All the facilities were expired on 31-12-2009.

The Company as per Settlement agreement dated 22 November 2013 agreed to pay entire liability of Habib Bank Limited by a total payment of Rs. 114.700 Million (Settlement Amount) through sale of assets/machinery to prospective buyer. A sum of Rs. 40 million was paid against a sum of 68.820 Million within eight months from the date of agreement and the balance payment of Rs. 45.880 Million within twelve months from the date of the agreement. In case of delay/refusal from prospective buyer in making payment as per schedule then the Company will pay the Settled Amount from their own pocket through sale of assets/machinery. Any waiver of the amounts mentioned in the suit i.e. Rs. 210.650 Million shall only be granted once the Company pay the entire Settlement Amount as mentioned above.

- (a) The Company could not make payment of Rs. 68.820 million by due date 22-07-2014 and accordingly vide a Supplement agreement dated 10 September 2014 agreed that balance amount of first settlement of Rs. 68.820 million would be paid in the manner of an amount of Rs. 8.820 Million by 22-10-2014 and balance amount of first installment of Rs. 20.0 Million by 22-11-2014.

The second installment of Rs. 45.880 Million shall be paid as per terms of the compromise agreement by or before 22-11-2014 i.e. 12 months from the date of main compromise agreement dated 23-11-2013 and decree dated 2-12-2013. That subject to this agreement all the terms and conditions of the Settlement agreement dated 23-11-2013 as well as decree dated 02-12-2013 shall be valid and are in field and shall be enforceable at the option of Bank in accordance with law.

- (b) However the company has paid 18 million in 2017 towards the outstanding balance agreed with HBL as per settlement.
- (c) It is confirmed by the bank vide its letter # HA/RA/107-17 dated 26-09-2017 that up to 30-06-2017 the company has made payments amounting to Rs. 103.00 million as per the settlement dated 2013.
- (d) Against the outstanding amount appearing in the books Rs. 35.012 million, the company has made payments in August 2017 amounting to Rs. 11.200 million in full and final. Balance of loan liability amounting to Rs. 23.812 million and the mark-up recorded in the books amounting to Rs. 44.245 million are to be adjusted in the books of the company. The approved waiver of mark-up and principal as per bank confirmations dated 22-09-2017 and 25-09-2017 are subject to approval by the State Bank of Pakistan. The waiver of amounting to Rs. 68.057 million is not given effect in the books of the company, the matter being pending with State Bank of Pakistan.

Also refer to Note No. 41 & 16.9.

- 14.5 Followings are dues loans, overdues mark-up, mark-up accrued & unprovided mark-up.

Note no.	Overdues loans	Unprovided markup	Overdues markup
	2017 -----Rupees in million-----		
14.5.1 Financing from banking companies:			
Habib Bank Limited	14.4	35.012	64.700
		35.012	64.700
		35.012	64.700
		35.012	64.700





## 14.5.2 Financing from banking companies:

The Bank of Punjab  
National Bank of Pakistan  
Habib Bank Limited

Leasing: First National Bank Modaraba

Overdues loans	Unprovided markup	Overdues markup
2016 -----Rupees in million-----		
38.827	20.039	42.036
54.545	6.684	32.260
53.013	64.700	44.245
146.385	91.423	118.541
20.950	3.728	15.401
167.335	95.151	133.942

14.6 This represents interest-free and unsecured loan obtained from family associates of the Company. The repayment terms of the loan have yet not been finalized.

14.7 Loan amounting to Rs. 200 millions obtained from related parties carrying no markup. It is treated as short term with mutual consent. No terms and conditions / repayment period are settled yet.

2017  
Rupees

2016  
Rupees

## 15 CURRENT AND OVERDUE PORTION OF NON-CURRENT LIABILITIES

Security deposits of lease

-	8,888,889
-	8,888,889

## 16 CONTINGENCIES AND COMMITMENTS

16.1 Cotton claims of Rs. 29.851 million (US \$ 500,186) are lodged against foreign cotton suppliers and their agents in the Pakistan (Ralli Brothers) for weight shortage, bad quality supplied and late shipments. As per legal advisor confirmation, the suit is filed in the court of Civil Judge, Lahore and is presently at the stage of arguments and is still subjudice. However, this was considered bad of recovery and amount was written off.

16.2 Claims filed by M/s Cargill and others for Rs. 7.873 million have been awarded in exparte arbitration proceedings. These claims have not been admitted by the Company. The management is hopeful that no loss is expected to arise. The application filed in the court of Civil Judge, Lahore is still pending adjudication. This year no confirmation from legal advisor is available.

16.3 Writ petition filed against WAPDA on refusal of request for reduction of load was disposed off by the court with the direction to approach WAPDA authorities. The matter is still pending with the said authority.

16.4 Electricity duty case is pending with Honourable High Court. No confirmation from legal advisor of the company is available.

16.5 Appeal filed by Company to ATIR for tax year 2010 against various curtailment & add backs confirmed by CIR(A) made by DCIR vide Order u/s 122(5A) is pending. Demand of Rs. 0.173 million is illegal and not provided.

16.6 DCIR while making revised assessment vide Order u/s 124/161/205(3) dated 23-06-2014 levied tax of Rs. 1.957 million for tax year 2006 u/s 161 and Rs. 4.533 million for additional tax u/s 205(3) on said disputed demand Appeal before CIR(A) is yet not decided. However rectification was carried out by the taxation officer u/s 221 vide Order dated 17-09-2015 and all demand was reduced to Rs. 3.695 million.

Legal advisor named "Lawyers & Lawyers" vide their letter dated September 09, 2013 had confirmed that a suit has been filed by Habib Bank Limited against the company and others, wherein the Bank has claimed recovery of Rs. 66.350 million along USD\$ 2,228,527.90. This suit is presently pending adjudication before the Lahore high Court Lahore, wherein reply in the shape of PLA has been filed and the case has to proceed further. Refer to note. 14.4 & 13.

16.7 Amount due from J.S Textile Rs. 8.287 million against which the debtor issued cheques of Rs. 7.400 million out of which cheques of Rs. 3.900 million were dishonoured. As per legal advisor named "Lawyers & Lawyers" vide their letter dated September 14, 2017 suit for recovery of Rs. 7.400 million was filed. The Company is vigilantly pursuing this case. There is no scope of any loss to the Company. The legal advisor also stated that nothing can be anticipated for future. It is fully provided in the books.

16.8 FIR lodged against Green Corporation for damages claims of Rs. 25.802 million because of termination of lease agreement before the expiry date without giving prior notice. A suit has been filed against the said Corporation and as per legal advisor "Lawyers & Lawyers" vide letter dated September 14, 2017, there is no scope of loss. However this amount is fully provided in accounts.

16.9 Habib Bank Limited while making compromise settlement agreement with Company dated 23-11-2013 has allowed relief amounting to Rs. 144.259 million comprising of unprovided exchange rate difference Rs. 79.559 million and unprovided markup Rs. 64.700 million regarding Foreign Currency loan given to Company subject to approval by State Bank of Pakistan. Liability may arise in case the matter is not approved by said banking authority. Refer to note. 14.4.



17.1														
17.1														
PROPERTY, PLANT AND EQUIPMENT														
Particulars	COST / FAIR VALUE					Rate	DEPRECIATION			Revaluation Surplus				
	As at 01-07-2016	Additions during the year	Disposals	Revaluation Adjustment	Transfer to / from Investment property		As at 30-06-2017	Accumulated as at 01-07-2016	Charge for the year		Adjustments / on disposals	Transfers	Accumulated as at 30-06-2017	Written Down Value as at June 30, 2017
Rupees														
%														
Owned assets:														
Freehold land	80,000,000	-	-	32,000,000	(112,000,000)	-	-	-	-	-	-	-	32,000,000	
Factory building on freehold land	88,473,967	-	-	2,127,033	(90,601,000)	-	-	3	5,715,002	2,740,630	-	(7,915,632)	10,042,665	
Plant and Machinery	117,200,000	-	(22,600,000)	(70,140,000)	(24,460,000)	-	-	7.5	16,655,580	5,252,710	(552,500)	(21,355,790)	(48,423,210)	
Generator	24,865,422	-	-	(18,603,647)	(6,261,775)	-	-	7.5	13,237,192	857,582	-	(14,094,774)	(4,508,873)	
Office equipment	3,726,749	-	-	-	-	-	-	3,726,749	2,790,591	93,616	-	2,884,207	842,542	
Furniture and fixtures	6,899,145	322,680	-	-	-	-	-	7,221,825	10	5,090,092	189,328	-	1,942,405	
Vehicles	8,456,870	-	(309,900)	-	-	-	-	8,146,970	20	5,611,346	566,332	(280,507)	2,249,799	
	329,622,153	322,680	(22,909,900)	(54,616,614)	(23,322,775)	-	-	19,095,544	48,559,803	9,700,198	(833,007)	(43,366,196)	14,060,798	
Transferred from leased to own											5,034,746	(10,889,418)		
Gas generators	28,666,667	-	-	(18,666,667)	(10,000,000)	-	-	7.5	14,119,433	917,964	-	(17,137,654)	(1,529,013)	
	28,666,667	-	-	(18,666,667)	(10,000,000)	-	-	7.5	16,219,690	917,964	-	(17,137,654)	(1,529,013)	
2017	358,288,820	322,680	(22,909,900)	(73,283,281)	(24,322,775)	-	-	19,095,544	64,779,493	10,618,162	(833,007)	(60,303,850)	14,060,798	
													5,034,746	
													(12,418,431)	

PROPERTY, PLANT AND EQUIPMENT											
Particulars	COST / FAIR VALUE				Rate	DEPRECIATION				Revaluation Surplus	
	As at 01-07-2015	Additions during the year	Disposals	Revaluation Adjustment		Transfer to Investment property	Transfer to Held for sale	Rupees			
								Accumulated as at 01-07-2015	Change for the year		Adjustments on disposals
% Rupees											
Owned assets:											
Freehold land	80,000,000	-	-	-	-	-	-	-	-	80,000,000	
Factory building on freehold land	88,303,550	170,417	-	-	-	88,473,967	2,571,425	-	-	83,298,965	
Plant and Machinery	128,000,000	-	(10,800,000)	-	-	117,200,000	8,609,158	(1,553,578)	-	100,544,420	
Generator	24,865,422	-	-	-	-	24,865,422	942,830	-	-	13,237,192	
Office equipment	3,642,749	84,000	-	-	-	3,726,749	74,718	-	-	11,628,230	
Furniture and fixtures	6,740,690	158,455	-	-	-	6,899,145	274,554	-	-	936,158	
Vehicles	8,373,254	410,000	-	-	-	8,456,870	636,540	(315,820)	-	5,090,092	
									-	2,845,524	
									-	-	
Assets held under finance lease:											
	339,925,665	822,872	(10,800,000)	-	-	329,622,153	13,109,225	(1,869,398)	-	48,559,803	
									-	281,062,350	
									-	-	
Gas generators	28,666,667	-	-	-	-	28,666,667	1,009,214	-	-	16,219,690	
	28,666,667	-	-	-	-	28,666,667	1,009,214	-	-	12,446,977	
									-	-	
2016	368,592,332	822,872	(10,800,000)	-	-	358,288,820	14,118,439	(1,869,398)	-	293,509,327	
									-	-	





## 17.2 Depreciation for the year has been allocated as under:-

	Note	2017 Rupees	2016 Rupees
Administrative expenses	30	849,276	985,812
Administrative expenses - Non operational	30.3	9,768,886	13,132,627
		<b>10,618,162</b>	<b>14,118,439</b>

## 17.3 Revaluations of land, buildings, plant and machinery was carried out in May 2008, April 2004 and September 1995 by an independent valuers. In 2014 the Land, Building and Plant &amp; Machinery are revalued by approved Independent Valuer- Hamid Mukhtar &amp; Co. (Pvt) Ltd., Lahore. In November, 2016 and on June 30, 2017, the fixed assets comprising Land, Building, Plant and Machinery and Gas generator were revalued by the approved consultant M/s Hamid Mukhtar &amp; Co. (Pvt) Ltd. Had there been no revaluations, the cost, accumulated depreciation and book values of the revalued assets as on June 30, 2017 would have been as follows:

Cost of assets as at June 30, 2017	Accumulated depreciation as at June 30, 2017	Book value as at June 30, 2017
-----Rupees-----		

**Assets held for sale:**

Land - freehold	10,165,625	-	10,165,625
Buildings on freehold land	107,308,963	61,597,707	45,711,256
Plant and machinery	349,659,837	313,266,869	36,392,968

## 17.4 Detail of property, plant and equipment disposed off during the year:

Particulars	Cost/ Revalued Amount	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (loss)	Sold to	Mode of Disposal
-----Rupees-----							
<b>Plant and Machinery</b>							
Comber & Uni Lap	4,000,000	(75,000)	3,925,000	2,842,000	(1,083,000)	Idrees Textile Mills Ltd.	Negotiation
Ring frame with inverter	2,000,000	(37,500)	1,962,500	1,914,545	(47,955)	Yousaf Weaving Mills Ltd.	Negotiation
Ring frame with inverter	2,000,000	(37,500)	1,962,500	1,832,728	(129,772)	Ideal Trading Company	Negotiation
Crosrol Cards	7,650,000	(191,250)	7,458,750	5,400,000	(2,058,750)	MEQ Engineering Co.	Negotiation
Crosrol Cards	2,550,000	(63,750)	2,486,250	1,800,000	(686,250)	Pakistan Spinning Mills	Negotiation
Air compressor	400,000	(10,000)	390,000	200,000	(190,000)	Pakistan Spinning Mills	Negotiation
Drawing frames	2,000,000	(62,500)	1,937,500	1,000,000	(937,500)	Green House Limited	Negotiation
Ring frame with inverter	2,000,000	(75,000)	1,925,000	1,832,728	(92,272)	Ideal Trading Company	Negotiation
<b>Stores and spares</b>							
Store consumed	-	-	45,373	-	(45,373)		
<b>Vehicles</b>							
Mehran LRE-388	309,900	(280,507)	29,393	210,000	180,607	Zafar Iqbal - LHR	Negotiation
<b>2017</b>	<b>22,909,900</b>	<b>(833,007)</b>	<b>22,122,266</b>	<b>17,032,001</b>	<b>(5,090,265)</b>		

## 18 INVESTMENT PROPERTY

	Note	2017 Rupees	2016 Rupees
Opening balance		99,021,428	99,021,428
Loss on fair value changes charged to profit and loss account:			
Freehold land		8,000,000	-
Factory building on freehold		(22,904,428)	-
		(14,904,428)	-
Carrying value		84,117,000	99,021,428
Transfer to assets held for sale	26	(84,117,000)	-
Fair value - Closing balance		-	99,021,428

As of reporting date, investment properties comprise of land and building. Latest fair value of investment properties is determined by an independent professional valuer. Latest valuation of these properties was carried out on 30th June 2017 by an approved Independent Valuer- Hamid Mukhtar & Co. (Pvt) Ltd., Lahore. The table below analyses the non- financial assets carried at fair value, by valuation method. The different levels have been defined as follows:



- 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the investment properties that are measured at fair value as at June 30, 2017.

	2017 Rupees	2016 Rupees
<b>Recurring fair value measurements</b>		
Investment properties	84,117,000	99,021,428

There are no level 1 and level 3 assets during 2017.

**Valuation techniques used to derive level 2 fair values**

Level 2 fair values of investment property have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location, size, nature and condition of the property. The most significant input into this valuation approach is price per square foot.

## 18.1 Latest fair market valuation was carried out by the independent valuer on 30th June 2017.

Refer to note. 4.9, 4.21 & 6.

Leasing agreement was suspended by the tenant after 31st January 2017 i.e Style Textile (Pvt) Limited where after the vacant property was transferred to assets held for sale as on 30-06-2017. See Note. 26.

19 LONG TERM DEPOSITS	Note	2017 Rupees	2016 Rupees
Deposits against leased assets		-	2,866,667
Deposits with Utility Companies		658,317	658,317
Others		123,260	123,260
		<b>781,577</b>	<b>3,648,244</b>

## 20 STORES AND SPARES

Stores		973,207	1,022,015
Disposed during the year		-	(48,808)
Less: Provision for obsolete stores		(921,097)	(921,098)
		52,110	52,109
Spares		764,359	914,037
Less: Provision for obsolete spares		(311,591)	(311,590)
		452,768	602,447
Less: Transferred to held for sale	26.1	(504,878)	(149,678)
		-	504,878

## 21 TRADE DEBTS

<b>Local</b>			
Considered good - unsecured	21.1	345,600	2,134,687
Considered doubtful		995,475	995,475
		1,341,075	3,130,162
Less: Provision for doubtful debts		(995,475)	(995,475)
		345,600	2,134,687
<b>Rent recoverable</b>			
Considered good - unsecured	21.1	-	1,512,107
Considered doubtful		17,295,398	14,519,196
		17,295,398	16,031,303
Less: Provision for doubtful debts		(17,295,398)	(14,519,196)
		-	1,512,107
		345,600	3,646,794

21.1 Also refer to Note. 16.7 & 16.8.

**22 LOANS AND ADVANCES**

	Note	2017 Rupees	2016 Rupees
Advances to suppliers and contractors:			
- Considered good		6,645	61,460
- Considered doubtful		3,600	189,761
		10,245	251,221
Less: Provision for doubtful advances		(3,600)	(189,761)
		6,645	61,460
Advances to employees		419,270	535,660
		425,915	597,120

**23 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**

Security deposit (SNGPL)	23.1	6,458,093	6,053,697
Guarantee margin		48,756	48,756
Prepayments		48,250	65,527
		6,555,099	6,167,980

23.1 These accounts are subject to return @ 3.50% (2016: 5.0%) per annum.

**24 TAX REFUNDS DUE FROM GOVERNMENT**

Income tax refundable	24.1	10,794,183	6,128,177
Sales tax refundable		741,057	577,180
Less: Provision for doubtful of recovery		(487,762)	(487,762)
		253,295	89,418
		11,047,478	6,217,595

24.1 **INCOME TAX REFUNDABLE** comprises of:

Balance as at Ist July,		6,128,177	1,966,050
Add/(Less) : (Deducted)/Collected during the Year		2,495,336	4,162,127
Add/(Less) : Earlier year refund	24.1.1	2,170,670	-
		10,794,183	6,128,177

24.1.1 The company has moved the Deputy Commissioner Inland Revenue, Enforcement-II, Zone-II vide letter dated 14-07-2017 for appeal effect of court's judgement vide PTR No. 228/07 of tax years 2000/2001 and 2001/2002. The Honourable Lahore High Court vide its judgment cited above has held that in loss cases the tax liability cannot be more than minimum tax payable on turnover from all the sources. In tax years 2000/2001 and 2001/2002 the tax refundable works out Rs. 1,157,795/- and Rs. 1,012,875/- aggregating to Rs. 2,170,670/-. The appeal effect however is yet pending. Refund claimed being as per court's judgment is recorded in books. Even this matter stands resolved the Honourable Supreme Court of Pakistan in a case reported as ((2016) 113 Taxation 369) CIT Legal Division Lahore Vs Khurshid Ahmed etc. Also refer to Note No. 34.3.

**25 CASH AND BANK BALANCES**

		2017 Rupees	2016 Rupees
Cash in hand		57,695	144,021
Cash with banks:			
In current accounts		3,786,309	4,185,614
In saving accounts		5,488,625	2,711,651
		9,274,934	6,897,265
		9,332,629	7,041,286

**26 ASSETS HELD FOR SALE AND DISCONTNUED OPERATION****26.1 Non current asset held for sale**

Opening balance		361,000	4,142,983
Transfer during the year:			
Investment property held for sale	18	84,117,000	-
Property, plant and equipment	17.1	243,322,775	-
		327,439,775	-
		327,800,775	4,142,983
Disposed off during the year		-	(3,781,983)
		327,800,775	361,000
Disposal group impairment loss		(4,622,775)	-
		323,178,000	361,000

**Weaving store & spares held for sale**

Opening balance		707,412	557,734
Transfer during the year	20	504,878	149,678
		1,212,290	707,412
Disposed off / written off during the year		(508,926)	-
		703,364	707,412
		323,881,364	1,068,412

In view of the un-healthy and un-economical conditions of the country the management anticipate that they will be hardly able to realize the fair market value of Rs. 323.881 million disclosed by financial statements resulting in no profit or loss. Selling expenses will also be very nominal. It is expected that sales transactions will be completed within next 12 months from the date of announcement. Also refer to Note No. 4.10 & 6.2

**27 RENTAL INCOME FROM INVESTMENT PROPERTY**

Style Textile (Pvt) Limited	27.1	16,682,832	24,736,836
Miscellaneous Colony rent		496,100	2,662,348
		17,178,932	27,399,184

27.1 During the year 2017 the company has earned rental income of Rs. 16.682 million from leasing out of weaving building for seven months from July 16 to 31st January 2017 as compared to Rs. 24.736 million for full year (2016). Leasing agreement was suspended by the tenant i.e Style Textile (Pvt) Limited where after the property remained vacant till the date of report.

**28 RENTAL EXPENSES OF INVESTMENT PROPERTY**

Salaries, wages and benefits	28.1	1,441,960	3,702,682
Rent, rate and taxes		11,420	123,750
Repair and maintenance		214,028	169,451
Insurance		70,335	79,761
Telecommunication		33,752	43,339
Others expenses		129,705	388,476
		1,901,200	4,507,459

28.1 These include Rupees 0.193 million (2016: Rupees 0.195 million) in respect of staff retirement benefits.

**29 DISTRIBUTION COST**

Staff salaries and benefits		1,080,705	1,020,467
Miscellaneous		2,500	24,075
		1,083,205	1,044,542



	Note	2017 Rupees	2016 Rupees
<b>30 ADMINISTRATIVE EXPENSES</b>			
Staff salaries and benefits	30.1	8,374,431	7,601,948
Travelling and conveyance		47,760	27,395
Rent, rate and taxes		1,178,430	1,053,160
Repair and maintenance		114,403	280,844
Insurance		182,041	218,594
Utilities		699,985	918,093
Printing and stationery		139,944	164,632
Fee and subscription		243,181	219,217
Vehicles running and maintenance		1,219,364	1,305,677
Entertainment		274,925	223,619
Newspapers and journals		18,818	18,005
Postage and telegram		37,145	28,693
Telecommunication		255,297	256,550
Press advertisements		63,740	26,180
Legal and professional charges		2,235,626	2,786,000
Auditor's remuneration	30.2	611,900	383,800
Depreciation	18.1	849,276	985,812
Non-operational expenses	30.3	13,261,836	17,508,490
		<b>29,808,102</b>	<b>34,006,709</b>
30.1 These include Rupees 0.355 million (2016: Rupees 0.373 million) in respect of staff retirement benefits.			
30.2 Auditors' remuneration:			
- Statutory audit fee		175,000	175,000
- Review, corporate advisory and certification fee		28,300	55,800
- Tax consultancy fee		398,600	143,000
- Out of pocket expenses		10,000	10,000
		<b>611,900</b>	<b>383,800</b>
30.3 Non-operational expenses			
Rent, rate and taxes		-	23,000
Repair and maintenance		42,996	587,294
Stores and spares consumed		-	169,348
Fuel and power		3,157,701	2,837,837
Insurance		-	315,157
Fee and subscription		-	55,368
Telecommunication		2,617	5,149
Other expenses		289,636	382,710
Depreciation		9,768,886	13,132,627
		<b>13,261,836</b>	<b>17,508,490</b>
<b>31 OTHER OPERATING CHARGES</b>			
Loss on disposal of fixed assets		5,090,265	926,660
Provision raised for Doubtful debts		2,779,802	15,046,109
Impairment loss on property held for sale		4,622,775	-
		<b>12,492,842</b>	<b>15,972,769</b>
<b>32 OTHER OPERATING INCOME</b>			
			Restated
Profit on security deposit (SNGPL)		225,890	384,250
Profit on bank deposit	32.1	1,196,264	-
Excess provision written off		-	22,606
Un-claimed balances written back		15,523,918	752,686
Long term Financial Liabilities written off		-	81,725,407
Deferred mark up written back		85,725,618	35,576,710
		<b>102,671,690</b>	<b>118,461,659</b>

32.1 Profit is paid during the year @ 4.06% (2016: Nil) per annum on Al-baraka bank term deposits.



	2017 Rupees	2016 Rupees
<b>33 FINANCE COST</b>		
Mark up on:		
Long term financing	1,416,986	7,317,884
Lease	-	1,446,638
Bank charges	11,115	10,125
	<b>1,428,101</b>	<b>8,774,647</b>

**34 TAXATION**

34.1 Current year	-	-
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The Company in tax year 2017 has earned a profit of Rs. 60.403 million while it has brought forward assessed losses amounting to Rs. 351.238 million. The Company during the year enjoyed income from lease/rental, from industrial building and spinning machinery which in view of the specific provision in section 39 of the Income Tax Ordinance, 2001, falls taxable as income from other sources.

In view of losses, no tax is payable by the Company on income basis while the income from other sources is not hit by the mischief of provision of section 113. Accordingly, no provision is raised for taxation.

Income tax return for tax year 2016 was filed within prescribed time limit. Income tax assessments have been completed up to income year ended June 30, 2016 (tax year 2016) as deemed assessment. Losses available for carry forward to tax year 2017 are amounting to Rs. 113.543 million (2016: Rs. 238.816 million).

34.2 Deferred tax asset amounting Rs. 118.410 million (2016: Rs. 101.461 million) is not recognized in these financial statements as the Company is sustaining heavy losses and is assessed under the deeming section 113 of the Income Tax Ordinance. Major timing differences are not expected to reverse for a foreseeable future and there is no assurance that future taxable profits would be sufficient to realize the benefit of brought forward losses.

34.3 It is the tax refundable as per court judgement. Also refer to Note No. 24.1.1.

**35 EARNING PER SHARE - basic & diluted**

Profit / (Loss) for the year	Rupees	60,403,414	81,554,720
Weighted average number of ordinary shares	Number	22,105,200	22,105,200
Earning per share	Rupees	<b>2.73</b>	<b>3.69</b>

35.1 There is no dilutive effect on the basic earnings per share of the Company as the Company has no such commitments that would result in dilution of earnings of the Company.

**36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE OFFICERS**

Particulars	2017			2016		
	Chief Executive	Directors		Chief Executive	Directors-Restated	
		Executive	Non-Executive		Executive	Non-Executive
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	896,000	1,120,000	-	816,000	1,400,000	-
House rent allowance	358,400	448,000	-	326,400	560,000	-
Medical	89,600	112,000	-	81,600	140,000	-
	1,344,000	1,680,000	-	1,224,000	2,100,000	-
Number of persons	1	1	-	1	2	-

36.1 In addition to above, meeting fee of Rs. 10 thousand (2016:Rs. 10 thousand) was paid to one (2016: one) nominee director during the year.

36.2 The Chief Executive Officer and Executive directors are provided with free use of the Company maintained vehicles. During the year, one Non-Executive director appointed in January, 2017 after resignation of an Executive director.

**37 RELATED PARTY TRANSACTIONS**

The related parties and associated undertakings comprise of related group companies, associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

	2017 Rupees	2016 Rupees Restated
Transactions with related parties undertaken during the year are as follows:		
- Lease rent	(808,500)	(835,450)
- Directors' bridge finance	(58,000,000)	58,000,000
- Loan from family associates and others	195,150,201	78,993,189

**38 FINANCIAL INSTRUMENTS****38.1 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES**

The Company has devised policies for risk areas where it could be subjected to a financial loss or where it expects to make market gains. The Company takes exposure to expand trading business of all kinds, obtain sufficient funds to fulfill the demands, meet working capital requirements and to gain benefit of mark-up rate spread available in the money market. Due to the nature of business of the Company, it is inherent that the Company liabilities will remain sensitive to external factors beyond the control of management. Therefore, the management secures the financial liabilities of the Company through collateralization of its property, plant and equipment. Such collateralization are disclosed in relevant notes to these financial statements.

The management provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk interest rate risk, credit risk and liquidity risk.

**(a) Market Risk**

Market risk is the risk where parties to the financial instruments are subjected to risk of changes in fair values of their financial assets and liabilities due to circumstances reasonably beyond their control. The carrying value of all the financial instruments reflected in these financial statements approximates to their fair values.

**(i) Currency Risk:**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is subjected to currency risk on export sales and purchases that are entered in a currency other than Pak Rupees that is a functional and presentation currency. The Company is exposed to currency risk arising from United States Dollars- USD only. Currently the Company's foreign exchange exposure is restricted short term borrowings. The Company's exposure to currency risk is as follows:

	2017 USD	2016 USD
Short term financing	1,948,604.88	1,948,604.88

The following significant exchange rates were applied during the year:

**Rupee per US Dollar**

Average rate	104.65	103.10
Reporting date rate	104.80	104.50

**Sensitivity Analysis**

If the functional currency, at reporting date, has weakened/ strengthened by 5% against the USD with all other variables held constant, the impact on loss after taxation for the year would have been Rs. 10.196 million (2016: 10.045 million) higher/lower, mainly as a result of exchange gains/ losses on translation of foreign exchange denominated financial instruments.

**(ii) Other Price Risk**

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk since it has no portfolio of commodity suppliers. No equity instrument held by the Company which are traded on a regular basis on the stock exchange and historically, it does not have a direct correlation with the equity index of the Karachi Stock Exchange (KSE). Therefore, it has not any possible impact of increase / decrease in the KSE Index on the Company's profit after taxation for the year and on equity (fair value reserve).

**(iii) Interest Rate Risk**

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

The Company has no Long Term interest bearing assets except for Saving and Deposit accounts, on which rate of return is minimal. The Company's interest rate risk arises from short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Company to fair value interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2017 Rupees	2016 Rupees Restated
<b>Fixed Rate Instruments</b>	-	-
<b>Floating Rate Instruments</b>		
Financial Liabilities		
Liabilities against assets subject to finance lease	-	20,949,639
Financial Assets	5,488,625	2,711,651

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

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

**(b) Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss that would be recognized at the reporting date. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

Long term deposits	781,577	3,648,244
Trade debts	345,600	3,646,794
Loans and advances	419,270	535,660
Trade deposits	6,506,849	6,102,453
Bank Balances	9,274,934	6,897,265
	<b>17,328,230</b>	<b>20,830,416</b>

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 21.

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

**(c) Liquidity Risk**

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

Since many years, the Company is facing liquidity problems. For this, purpose, the Company is continuously negotiating with its financial institutions in order to re-schedule its loans. Currently, the Company manages its liquidity risk by maintaining cash and the availability of funding through an adequate amount of committed credit facilities. At 30th June, 2017, the Company had Rs. nil million (2016: Rs. nil) available borrowing limits from financial institutions and Rs. 9.332 million (2016: 7.041 million) cash and bank balances. In spite the fact that the Company is in a negative working capital position at the year end, management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undisclosed cash flows:





## Current maturities of financial liabilities as at 30th June, 2017

	Carrying Amount	Contractual Values	Less than One Year	One to Five Years	More than Five Years
	-----Rupees-----				
Trade and other payables	20,047,520	20,047,520	20,047,520	-	-
Accrued mark-up	44,245,366	44,245,366	44,245,366	-	-
Short term borrowings from banks	354,707,299	354,707,299	354,707,299	-	-
Directors' bridge finance & loan	38,563,713	38,563,713	-	38,563,713	-
Deferred Liabilities	3,333,548	3,333,548	-	-	-
	<b>460,897,446</b>	<b>460,897,446</b>	<b>419,000,185</b>	<b>38,563,713</b>	<b>-</b>

## Current maturities of financial liabilities as at 30th June, 2016- Restated

	Carrying Amount	Contractual Values	Less than One Year	One to Five Years	More than Five Years
	-----Rupees-----				
Trade and other payables	37,007,580	37,007,580	37,007,580	-	-
Accrued mark-up	133,942,711	133,942,711	133,942,711	-	-
Short term borrowings from banks	270,929,669	270,929,669	270,929,669	-	-
Directors' bridge finance & loan	96,563,713	96,563,713	-	96,563,713	96,563,713
Assets subject to finance lease	20,949,639	20,949,639	18,082,946	20,949,639	-
Deferred Liabilities	3,507,770	3,507,770	3,507,770	-	-
	<b>562,901,082</b>	<b>562,901,082</b>	<b>463,470,676</b>	<b>117,513,352</b>	<b>96,563,713</b>

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

## 38.2 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying value of all the Financial Assets & Liabilities reported in financial statements approximate to their fair value. Fair value is determined on the basis of objective evidence at each reporting date.

## 38.3 FINANCIAL INSTRUMENTS BY CATEGORIES

	2017 Rupees	2016 Rupees
<b>Loans and Advances</b>		
Long term deposits	781,577	3,648,244
Trade debts	345,600	3,646,794
Loans and advances	419,270	535,660
Trade deposits	6,555,099	6,167,980
Bank Balances	9,332,629	7,041,286
	<b>17,434,175</b>	<b>21,039,964</b>



## Financial Liabilities as at Amortized Cost

	2017 Rupees	2016 Rupees Restated
Liabilities against assets subject to finance lease	-	20,949,639
Deferred liabilities	3,333,548	3,507,770
Trade and other payables	20,047,520	37,007,580
Short term borrowings from banks	354,707,299	270,929,669
Accrued mark up	44,245,366	133,942,711
	<b>378,088,367</b>	<b>466,337,369</b>

## 38.4 CAPITAL RISK MANAGEMENT

While managing capital, the Company prepared its accounts as a Non-Going Concern basis and resolved to close its industrial unit which is not viable, enhances shareholders' wealth and meets shareholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchase shares, if possible, selling property, plant and equipment.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings from the banks and financial institutions (including current and non-current) less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt. As on the reporting date, the gearing ratio of the Company was as under:

	2017 Rupees	2016 Rupees
Total borrowings	354,707,299	270,929,669
Cash and bank balances	(9,332,629)	(7,041,286)
Net Debt	345,374,670	263,888,383
Equity	(312,054,929)	(377,368,827)
Total Capital	33,319,741	(113,480,444)
Gearing Ratio	1036.55%	-232.54%

## 39 SEGMENT INFORMATION

During the year 2017 the company has earned rental income of Rs. 16.682 million from leasing out of weaving building for seven months from July 16 to 31st January 2017 as compared to Rs. 24.736 million for full year (2016). Leasing agreement was suspended by the tenant i.e Style Textile (Pvt) Limited where after the property remained vacant till the date of report. The company has no operational segments, therefore no segmentation has been made.

## 40 NUMBER OF EMPLOYEES

	2017	2016
Average No. of workers per month	31	35
As at 30th June	23	35

## 41 NON- ADJUSTING EVENTS AFTER BALANCE SHEET DATE

## Habib Bank Limited

Waiver is subject to approval by State Bank of Pakistan which are yet not recorded by bank in its books. Loan liability appearing in accounts books are not adjusted and written off in 2017.

**42 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been approved and authorized for issue by the Board of Directors of the company in its meeting held on October 05, 2017.

**43 CORRESPONDING FIGURES**

- Figures have been rounded off to the nearest Rupee,
- Corresponding figures have been re-arranged / reclassified, wherever necessary, to facilitate comparison.

FROM	Rupees	TO	Rupees	Reason
Long term financing	146,385,204	Short term borrowings from banks and others	146,385,204	Proper presentation and comparison
Financial liabilities written off - comprehensive income	81,725,407	Profit and loss account - other operating income	81,725,407	Proper presentation and comparison
Deferred liabilities	133,942,711	Accrued mark-up	133,942,711	Proper presentation and comparison

- The company is of the view that as per circular no. 14 2016 dated April 21, 2016 issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index" needs not to be separately disclosed, as there are no any component fall on All shares Islamic Index as at the reporting date.

**MIAN MUHAMMAD JEHangIR**  
Chief Executive

**MIAN WAHEED AHMED**  
Director

**PROXY FORM  
(31<sup>st</sup> ANNUAL GENERAL MEETING)**

I/We \_\_\_\_\_ son/daughter/wife of \_\_\_\_\_ of \_\_\_\_\_ being member (s) of MIAN TEXTILE INDUSTRIES LTD, holder of \_\_\_\_\_ ordinary shares of the Company, under Folio No./Participant's ID/CDC sub account No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ failing him/her \_\_\_\_\_ of \_\_\_\_\_ who is/are member(s) of MIAN TEXTILE INDUSTRIES LTD. under Folio No./Participant's ID/CDC sub account No. \_\_\_\_\_ respectively, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company to be held on October 31, 2017 and/or any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of October, 2017.

Signed in the presence of;

Witness \_\_\_\_\_

Name \_\_\_\_\_

Occupation \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature of  
Shareholder (s) on  
revenue stamp  
worth Rupees 5/-

The signature should agree with the  
specimen registered with the Company.

**IMPORTANT:**

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, 29-B/7 Model Town, Lahore. Not less than 48 hours before the time of holding the meeting.
2. No person shall act as Proxy unless he/she is a member of the Company, except that a Corporation/Company may appoint a person who is not a member.
3. If a member appoints more than one Proxy and more than one instruments of Proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. In case of Proxy for an individual beneficial Owner of CDC, attested copies of beneficial Owner's NIC or passport, Account and Participant's I.D. Nos. must be deposited along with the Form of Proxy. In case proxy for corporate member, he/she should bring the usual documents required of such purpose.
5. Shareholders are requested to notify change in their address, if any.