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## COMPANY INFORMATION

**Board of Directors:**

**Chairperson** : Mrs. Nargis Jehangir

**Chief Executive Officer** : Mian Muhammad Jehangir

**Directors** : Mian Waheed Ahmad  
: Mian Waqar Ahmad  
: Mian Ayesha Jehangir  
: Mr. Haroon Majid  
: Mr. Maqsood Ahmed Sajid

**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

**Audit Committee** : Mr. Haroon Majid Chairman  
: Mian Waqar Ahmad Member  
: Ms. Ayesha Jehangir Member

**HR & Remuneration Committee** : Mrs. Nargis Jehangir Chairperson  
: Ms. Ayesha Jehangir Member  
: Mr. Maqsood Ahmed Sajid 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

For year ended June 30, 2018

This statement is being presented to comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) and have been prepared in accordance with Regulation 40 of the Regulations 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.

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

- The total number of directors are 7 (other than one Nominee director) as following:
  - Male 5
  - Female 2
- The Company encourages the representation of independent non-executive directors and directors representing minority interests on its board of directors. The composition of board is as follows:
- Composition of the Board of Directors ("the Board") is as follows:

Category	Names
Executive Directors:	Mian Muhammad Jehangir
	Mian Waheed Ahmad
Non-Executive Directors:	Mian Waqar Ahmad
	Mrs. Nargis Jehangir
	Ms. Ayesha Jehangir
Independent Directors	Mr. Haroon Majid
	Mr. Maqsood Ahmed Sajid

- The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding company, where applicable).
- Casual vacancies occurring on the board on June 25, 2018 were filled up by the directors within one day.
- 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.
- 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.
- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 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 has complied with requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the Meetings of the Board.
- The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with Act and these Regulations.
- Having minimum 14 years of education by all of directors and minimum 15 years of experience by 4 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.

- During the period, there is no replacement of CFO, Company Secretary, and Head of Internal Audit of the Company.
- CFO and CEO duly endorsed the financial statements before approval of the Board.
- The board has formed two committees comprising of the members given below:

**a) Audit Committee:**

It comprises of three members, of whom all three are non-executive directors and the chairman of the committee is an independent director. The committee met 4 times during the year and the attendance was as follows:

Name of Member	Meetings Attended
Mr. Haroon Majid	Appointed in June-2018
Mian Waqar Ahmad	4
Mrs. Iram Salik	4
Ms. Ayesha Jehangir	4

**a) Human Resource and Remuneration Committee:**

It comprises of three members. All members including the Chairperson of Human Resource & Remuneration Committee are non-executive directors with one independent director. The Committee met once during the year and the attendance of the meeting is as follows:

Name of Member	Meetings Attended
Mrs. Nargis Jehangir	1
Mian Waqar Ahmad	1
Ms. Ayesha Jehangir	1
Mr. Maqsood Ahmed Sajid	Appointed in June-2018

- The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
- The board has set up an effective internal audit function, which has been effectively implemented.
- The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme 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.
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all other requirements of the Regulations have been complied with.

For and on behalf of the Board

Lahore:  
October 01, 2018

Chief Executive



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

TELEPHONES: OFF. 37 32 48 39  
37 32 36 17  
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 IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **MIAN TEXTILE INDUSTRIES LIMITED**, (the Company) for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

LAHORE.

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



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Shareholders of **MianTextile IndustriesLimited** will be held on **Saturday October 27, 2018 at 10:30AM** 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 March 31, 2018.
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, 2018.
3. To appoint Auditors and fix their remuneration for the year ending on June 30, 2019.
4. To transact any other business with the permission of the Chairman.

By order of the Board

Lahore:

**Muhammad Masud Mufti**

**Dated: October 04, 2018**

**Company Secretary**

#### Notes:

- a) The share transfer books of the Company will remain closed from October 18, 2018 to October 27, 2018 (both days inclusive). Transfers received in order at the Registered Office of the Company up to the close of business on October 17, 2018 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 32<sup>nd</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, 2018.

During the period, the company earned profit on account of write back of financial liabilities in result of full & final payment of settlement amount against its outstanding liability with Habib bank limited.

The Financial results of the Company for the year ended are summarized below:

	2018	2017
	(Rs. in '000')	Restated (Rs. in '000')
Rental income from investment property	-	17,179
Trading income	18,958	-
Operating Loss	(24,525)	(30,518)
Finance cost	59	1,428
Profit before taxation	43,521	40,687
Taxation - earlier years	204	2,171
- current year	(237)	-
Profit after taxation	43,488	42,858
Comprehensive Income for the year	43,488	47,985
E.P.S	1.97	1.97

### Future outlook

During the year, the company has also managed to pay the full & final balance settlement amount of HBL in. Similarly, the bank has issued Clearance certificate and waived off the balance outstanding amounts and the recovery suit against the company has also withdrawn.

The company has settled and paid outstanding liabilities of all the banks/financial institutions by selling of its assets and by the funds/loan provided by the Directors/family associates.

The board of directors in their meeting after discussion has unanimously resolved that complete Factory land, building including school, mosque, power plant, gas generators, electric installations etc at site be sold to the party offering highest bid of Rs. 410.00 million named 'Abu Yousaf Group' vide their letter dated 05-03-2018. Mian Muhammad Jehangir the Chief Executive of the company is authorized to sign MoU/Agreement etc. with the party and to do all the needful to complete the procedure of disposing off the complete Factory Land, building and other assets etc and all other related matters subject to clearance from all the banks/litigations and encumbrances.

The Company intends to do viable 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, 2018.

### Notes

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

- Since the major portion of fixed assets held for sale includes Factory Land & Building, against which no material impairment loss was expected to appear. Furthermore, a bid of Rs. 410.00 million was received by the company against the assets held for sale, which is far more than the book value of such assets. So it does not seem prudent to book loss in one year and then book profit on sale of assets in subsequent year.
- 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.
- Since the Company does not intend to be liquidated, so the Non-Current assets and Non-Current liabilities are stated at Fair Market Value.



Other:

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 should only be 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:

- The financial statements prepared by the management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts have been maintained by the Company;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from (if any) has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- 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.
- 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.
- Operating and financial data and key ratios of six years are annexed.
- A statement showing pattern of shareholding is annexed.
- During the year, following transactions in the shares of the Company were made by directors. However, no trading was carried out by the other Directors, CFO, Company Secretary, their spouses & minor children:

Name of Transferee	Name of Transferor	No. of Shares
Mian Muhammad Jehangir	Mian Muhammad Nawaz	202,868
Ms. Ayesha Jehangir	From Public	336,500
Mr. Haroon Majid	Mrs. Nayyar Waheed	500
Mr. Maqsood Ahmed Sajid	Mrs. Nayyar Waheed	500

### BOARD MEETING

During the financial year under consideration, five 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	5
3	Mian Muhammad Nawaz	-
4	Mian Waqar Ahmad	-
5	Mrs. Nargis Jehangir	1
6	Mrs. Iram Salik	-
7	Ms. Ayesha Jehangir	5
8	Mr. Muhammad Arshad (Nominee-NIT)	5

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

### COMPOSITION OF THE BOARD OF DIRECTORS ("THE BOARD")

Category	Names
Executive Directors:	Mian Muhammad Jehangir
	Mian Waheed Ahmad
Non-Executive Directors:	Mian Waqar Ahmad
	Mrs. Nargis Jehangir
	Ms. Ayesha Jehangir
Independent Directors	Mr. Haroon Majid
	Mr. Maqsood Ahmed Sajid





The total numbers of directors are 7 (other than one Nominee director) comprising of 2 Female and 5 Male directors. However, no remuneration is paid to Non-executive directors.

During the year, two Independent directors Mr. Mr. Haroon Majid and Mr. Maqsood Ahmed Sajid were appointed after resignation of two directors.

#### AUDIT COMMITTEE

The Board constituted an Audit Committee comprising the following Directors:

- |    |                     |          |
|----|---------------------|----------|
| 1. | Mr. Haroon Majid    | Chairman |
| 2. | Mian Waqar Ahmad    | 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. | Ms. Ayesha Jehangir     | Member      |
| 3. | Mr. Maqsood Ahmed Sajid | 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 2019 and their remuneration shall be fixed.

#### PATTERN OF SHAREHOLDINGS

A statement-showing pattern of shareholding as on June 30, 2018 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 01, 2018

Mian Muhammad Jehangir  
Chief Executive Officer



#### بورڈ آف ڈائریکٹرز کی ترتیب:

نام	کیٹگری
میاء محمد جہانگیر	ایگزیکٹو ڈائریکٹر
میاء وحید احمد	
میاء وقار احمد	
مسز نرگس جہانگیر	نان ایگزیکٹو ڈائریکٹر
مس عائشہ جہانگیر	
مسٹر ہارون ماجد	
مسٹر مقصود احمد ساجد	آزاد ڈائریکٹر

ڈائریکٹرز کی کل تعداد سات ہے جو کہ دو فی میل اور پانچ میل ڈائریکٹرز پر مشتمل ہے۔ جبکہ نان ایگزیکٹو ڈائریکٹر کو معاوضہ ادا نہیں کیا جاتا۔ دوران سال دو ڈائریکٹرز کے مستعفی ہونے بعد، دو آزاد ڈائریکٹرز مسٹر ہارون ماجد اور مسٹر مقصود احمد ساجد کو شامل کیا گیا ہے۔

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

- |   |                     |           |
|---|---------------------|-----------|
| 1 | مسٹر ہارون ماجد     | چیئر پرسن |
| 2 | میاء وقار احمد      | رکن       |
| 3 | مسماء 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 | مسماء عائشہ جہانگیر  | رکن       |
| 3 | مسٹر مقصود احمد ساجد | 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 2018-19 کے لئے میسرز منظور حسین میر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کیلئے بورڈ کو تجویز کیا ہے۔

#### حصہ داران کی تفصیل: 30 جون 2018 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 حصص داران، گاہکوں سپلائرز اور مالیاتی اداروں کے تعاون، مدد، مسلسل حمایت اور اعتماد کے شکر گزار ہیں۔

میاء محمد جہانگیر  
چیف ایگزیکٹو آفیسر

مورخہ 01 اکتوبر 2018



**B** کمپنی کی انتظامیہ نے آڈیٹر کے ساتھ مکمل تعاون کرتے ہوئے اُن کی ہدایت کے مطابق بینکوں / پارٹیز کو تصدیق اور پھر یا دوہانی کے خطوط ارسال کئے، تاہم ان بینکوں / پارٹیز کی طرف سے جواب موصول نہ ہونے کی صورت میں کمپنی ذمہ دار نہیں۔ جبکہ تمام بینکوں / پارٹیز کی بقایا رقوم کی تصدیق کے لیے آڈیٹر کو تمام کاغذات اور ثبوت فراہم کر دیے گئے ہیں۔

**C** جیسا کہ انتظامیہ کمپنی کو لیکویڈیٹی کرنے کا ارادہ نہیں رکھتی، اسی لئے کمپنی کے غیر موجودہ اثاثے اور غیر موجودہ واجبات کو مناسب مارکیٹ کی قیمت پر ظاہر کیا گیا ہے۔

دیگر معاملہ:

انتظامیہ کے خیال کے مطابق قرضے کی وہ رقم جو لیتے وقت پی اینڈ ایل کو چارج نہیں ہوئی تھی اسکے معاف کرتے وقت بھی پی اینڈ ایل میں نہیں لی جائے گی، تاہم صرف مارک اپ کی معاف کی گئی رقم کو پی اینڈ ایل میں دکھایا جانا چاہیے۔

**کارپوریٹ اور فنانشل فریم ورک پر تعیل 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، آپریٹیشن کے نتائج، اثاثوں کے بہاؤ اور کوپنی 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 سٹیٹمنٹ آف کمپلائنس میں درج کی گئی۔

**H** چھ سالہ کلیدی آپریٹنگ اور مالیاتی اعداد و شمار فراہم ہیں۔

**I** شیئر ہولڈنگ کے پیرن کی سٹیٹمنٹ لف ہے۔

**J** دوران سال ڈائریکٹرز نے کمپنی کے درج ذیل شیئر حاصل کیے، جب کے باقی ڈائریکٹرز ہی 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	جس نے ٹرانسفر کئے
202,868	میاں محمد جہانگیر	میاں محمد نواز
336,500	مس عائشہ جہانگیر	پبلک سے
500	مسٹر بارون ماجد	مسز نیر وحید
500	مسٹر مقصود احمد ساجد	مسز نیر وحید

## 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
5	جناب میاں وحید احمد
-	جناب میاں محمد نواز
-	جناب میاں وقار احمد
1	محترمہ مسز نرس جہانگیر
-	مسز ارم سالک
5	محترمہ عائشہ جہانگیر
5	جناب محمد ارشد

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



## ڈائریکٹرز رپورٹ

میاں ٹیکسٹائل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں آپ کو کمپنی کی طرف سے بیسیویں سالانہ میٹنگ میں خوش آمدید کہتا ہوں اور کمپنی کے ڈائریکٹرز سالانہ عام اجلاس کے سامنے 30 جون 2018 کو ختم ہونے والے سال کے لئے آڈٹ شدہ اکاؤنٹس کے ساتھ ساتھ اپنی رپورٹ پیش کرنا چاہیں گے۔

اس دورانیہ میں حاصل کیا گیا منافع حبیب بینک لمیٹڈ کی طرف سے سیٹلمنٹ ایگریمنٹ کے نتیجے میں معاف کیے گئے بقیہ قرضے کی مد میں حاصل ہوا۔

## مالیاتی جائزہ

2017 ترمیم شدہ (ملین روپے)	2018 (ملین روپے)	
17,179	-	سرمایہ کاری کی جائیداد سے حاصل کردہ کرایہ کی آمدنی
-	18,958	تجارتی آمدنی
(30,518)	(24,525)	آپریٹنگ نقصان
1,428	59	مالی لاگت
40,687	43,521	منافع قبل از ٹیکس
2,171	204	ٹیکس گزشتہ سال
-	(237)	ٹیکس رواں سال
42,858	43,488	منافع بعد از ٹیکس رواں سال
47,985	43,488	مجموعی منافع / نقصان (سالانہ)
1.97	1.97	فی شیئر آمدنی

## مستقبل کا تصور:

دوران سال کمپنی حبیب بینک لمیٹڈ کو سیٹلمنٹ ایگریمنٹ کے تحت بقایا مکمل ادائیگی کرنے میں کامیاب ہوئی۔ جس کے بعد بینک نے کلیئرنس سرٹیفکیٹ جاری کیا، جب کے بینک کی طرف سے کمپنی کے خلاف کیا گیا مقدمہ بھی خارج کر دیا گیا۔

کمپنی نے اثاثہ جات کی فروخت اور ڈائریکٹرز / رشتہ داران سے حاصل کئے گئے قرضہ جات کی بدولت تمام بینکوں کی تصفیہ شدہ واجب الادا قرضہ جات ادا کر دیے ہیں۔ بورڈ آف ڈائریکٹرز نے منعقد ہونے والے اجلاس میں غور و خوض کے بعد، کمپنی کی مکمل فیکٹری زمین، عمارت بشمول سکول اور مسجد، پاور پلانٹ گیس جنریٹر، برقی تنسیبات وغیرہ کو سب سے زیادہ 410.00 ملین روپے کی بولی دینے والی پارٹی ”Abu Yousaf Group“ کو متفقہ طور پر فروخت کرنے کی منظوری دے دی ہے۔ جس کے تحت بورڈ نے میاں محمد جہانگیر چیف ایگزیکٹو کو تمام بینکوں / مقدمہ جات کی کلیئرنس کے بعد معافی دے دی اور اس مد میں ضروری کارروائی کا اختیار دیا ہے۔

کمپنی مستقبل میں ٹریڈنگ (بالخصوص ٹیکسٹائل مصنوعات میں) کرنے کی نیت رکھتی ہے۔ ٹریڈنگ کا کاروبار کرنے کے لئے، ضرورت پڑنے 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 آپریشنل نقصان کی صورت میں ڈائریکٹرز نے ڈیویڈنڈ دینے کی سفارش نہیں۔

## نوٹس:

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

**A** کمپنی کے قابل فروخت اثاثہ جات میں بڑا حصہ فیکٹری کی زمین اور عمارت کا ہے۔ جس کی مارکیٹ ویلیو میں نمایاں کمی کا امکان نہیں۔ مزید براں کمپنی نے قابل فروخت اثاثہ جات کی مد میں 410.00 ملین روپے کی آفوصول کی ہے، جو کہ ان اثاثہ جات کی بک ویلیو سے کافی زیادہ ہے۔ اس لیے یہ مناسب نہیں کے کتابوں میں ایک سال میں نقصان بک کیا جائے، جبکہ اگلے سال میں منافع بک کیا جائے۔



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

**FINANCIAL DATA****PROFIT & LOSS ACCOUNT**

	2018	2017	2016	2015	2014	2013
		Restated	Restated			
Sales	-	-	-	-	151,926	233,662
Cost of sales	-	-	-	-	155,423	240,669
Gross profit/(loss)	-	-	-	-	(3,497)	(7,007)
Rental income from investment property	-	17,179	27,399	30,753	-	-
Trading income	18,958	-	-	-	-	-
Operating profit/(loss)	(24,525)	(30,518)	(12,160)	(4,816)	(21,732)	(22,899)
Profit/(loss) before taxation	43,521	40,687	81,555	(30,631)	(50,143)	(46,423)
Profit/(loss) after taxation	43,488	42,858	81,555	(30,631)	(51,663)	(47,617)
Comprehensive income/(loss) for the year	43,488	47,985	86,450	(26,397)	(22,752)	(36,997)

**BALANCE SHEET**

Paid up capital	221,052	221,052	221,052	221,052	221,052	221,052
Fixed assets	304,334	328,213	392,531	415,083	427,961	575,115
Current assets	28,095	27,707	24,176	30,913	22,696	68,366
Current liabilities	352,219	419,000	450,769	226,555	112,809	108,383

**KEY RATIOS**

Gross profit/(loss) ratio	-	-	-	-	-2.30%	-3.00%
Operating profit/(loss) ratio	-129.37%	-177.65%	-44.38%	-15.66%	-14.30%	-9.80%
Net profit/(loss) ratio	229.40%	249.48%	297.66%	-99.60%	-34.01%	-20.38%
Current ratio	1 : 0.08	1 : 0.07	1 : 0.05	1 : 0.14	1 : 0.20	1 : 0.63
Earning/(loss) per share (Rs.)	1.97	1.94	3.69	(1.39)	(2.34)	(2.15)



## PATTERN OF SHAREHOLDING (As on:- 30-Jun-2018)

No. of Share Holders	Shareholdings From	To	Total Number of Shares Held	Percentage of Total Capital
329	1 -	100	23,716	0.11
776	101 -	500	332,465	1.50
226	501 -	1000	225,998	1.02
285	1001 -	5000	974,515	4.41
70	5001 -	10000	562,024	2.54
14	10001 -	15000	283,400	1.28
16	15001 -	20000	396,700	1.79
8	20001 -	25000	190,200	0.86
6	25001 -	30000	261,100	1.18
2	30001 -	35000	96,800	0.44
1	35001 -	40000	109,000	0.49
5	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
1	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>1,768</b>			<b>22,105,200</b>	<b>100.00</b>

**FORM 34****Patten of Holding of Shares****Held by the Share Holders as at 30/06/2018**

Categories of Share Holders	Numbers	Shares Held	%
- Individuals	1731	4,555,248	20.61
- Investment Companies	3	33,800	0.15
- Insurance Companies	1	420,900	1.90
- Financial Institutions	3	53,315	0.24
- Joint Stock Companies	10	22,550	0.10
- Modaraba Companies	4	22,000	0.10
- Mutual Funds	3	605,578	2.74
- CEO, Directors, Spouses & Relatives	11	16,390,209	74.15
- Others	2	1,600	0.01
<b>TOTAL</b>	<b>1,768</b>	<b>22,105,200</b>	<b>100.00</b>





## CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2018

	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	6,162,902	27.88
ii) Mian Waheed Ahmad	2,185,000	9.88
iii) Mian Waqar Ahmad	154,000	0.70
iv) Mrs. Nargis Jehangir	3,566,198	16.13
v) Ms. Ayesha Jehangir	1,912,309	8.65
vi) Mr. Haroon Majid	500	0.00
vii) Mr. Maqsood Ahmed Sajid	500	0.00
	<b>13,981,409</b>	<b>63.25</b>
4 <b>DIRECTORS' SPOUSES &amp; MINOR CHILDRENS/RELATIVES</b>	2,408,800	10.90
5 <b>PUBLIC SECTOR COMPANIES AND CORPORATIONS</b>	24,150	0.11
6 <b>BANKS DEVELOPMENT FINANCIAL INSTITUTIONS NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS</b>	463,800	2.10
7 <b>GENERAL PUBLIC</b>	4,485,592	20.29
	<b>22,105,200</b>	<b>100.00</b>
8 <b>SHAREHOLDERS HOLDING FIVE PERCENT OR MORE:</b>		
Mian Muhammad Jehangir	6,162,902	27.88
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	1,912,309	8.65

### 9 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:

Name of Transferee	Name of Transferor	No. of Shares
Mian Muhammad Jehangir	Mian Muhammad Nawaz	202,868
Ms. Ayesha Jehangir	From Public	336,500
Mr. Haroon Majid	Mrs. Nayyar Waheed	500
Mr. Maqsood Ahmed Sajid	Mrs. Nayyar Waheed	500



## MANZOOR HUSSAIN MIR & CO.

CHARTERED ACCOUNTANTS

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### AUDITORS' REPORT TO THE MEMBERS

#### Qualified Opinion

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

In our opinion, except for the effect of the matters described in paragraphs (A) to (C) *Basis for Qualified Opinion* section of our report, and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Qualified Opinion

- (A) Fixed assets held for sale amounting Rs. 298.558 million at note (24.1) are not presented at current fair value and impairment loss of Rs. 5.671 million charged on such assets is computed on depreciation rates under historical cost basis included in non-operational expenses at note (29.3). Other assets including office equipments, furniture & fixture and vehicles not revalued are appearing in the financial statements at historical cost at note (15.1) amounting to Rs. 5.775 million and the company has not followed its procedure for provision of impairment loss laid down in note (4.10) on plant and machinery held for sale and others assets, therefore fair value adjustments related to fixed assets held for sale at note (24.1) and effect of impairment loss on the other assets cannot be ascertained in the absence of revaluation report of independent valuer. The figures of fixed assets in financial statements could be materially affected had the adjustments of current fair value and impairment loss be done.
- (B) Included in short term borrowings reclassified as loan in 2018 at note (13.4) are Rs. 5 million from Messer Sheikh Noor-ud-Din & Sons (Pvt) Limited to whom letters for confirmation of balance followed by reminders were dropped but the matter was not responded by them. This amount remained unconfirmed.
- (C) Assets and Liabilities excepting that referred above in Para (A) are stated at Fair Value but statement of financial position is not presented in their liquidity order.

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

#### Emphasis of Matters

- (a) Attention is invited to Note 3 of the financial statements. In the Extra Ordinary Meeting of shareholders held on 29<sup>th</sup> April, 2017, it was resolved that the operation of industrial unit is not viable and unit be closed down due to depressed market, uneconomical conditions and political upheavals. The accounts of the company for the year then ended 30<sup>th</sup> June, 2018 and 2017 were prepared on the non-going concern basis at fair market value method. In the year 2018, the company has done trading business of sales of vehicles of Rs. 18.958 million on which little profit of Rs. 0.298 million has been made. Accumulated losses in current year are Rs. 514.291 million (2017:Rs. 550.652 million) and the Company has incurred current year operating loss of Rs. 24.525 million. Under the circumstances, the company is not going concern and it will not be able to recoup its losses of Rs. 514.291 million for long period from trading business. The management has drawn up its financial statements of the year 2018 on non-going concern basis. Our opinion is not modified in respect of this matter.
- (b) Attention is invited to Note 24.1(iii) of the financial statements. The board of directors in the meeting after declaration and discussion has unanimously resolved that highest bid for purchase of complete land, building including school, mosque, power plant, gas generator, electric installations and furniture & fixture be sold to the party offering highest bid of Rs. 410.00 million named 'Abu Yousaf Group' vide their letter dated 05-03-2018. Mian Muhammad Jehangir the Chief Executive of the company is authorized to sign MoU/Agreement etc. with the party and to do all the needful to complete the procedure of disposing off the complete Land, building and other assets etc and all other related matters subject to clearance from all the banks/litigations and encumbrances. However this matter is in process and is not concluded up till now. The Company anticipates profits of Rs. 100 million on disposal of assets held for sale. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated.



Following are the Key Audit Matters:

S. No. Key Audit Matters	How the matter was addressed in our audit
<p><b>(i) First time application of third and fourth schedules to the companies Act, 2017</b> As referred to in note 2.1 to the annexed financial statements, the third and fourth schedule to the Companies Act, 2017 became applicable for the first time for the preparation of the Company's annual financial statements for the year ended June 30, 2018.</p> <p>The Companies Act, 2017 (including third and fourth schedule) forms an integral part of the approved financial reporting standards framework as applicable to the Company, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>We consider it as a key audit matter in view of the extensive impacts in the financial statements due to the Companies Act, 2017.</p>	<p>Our audit procedures included the following:</p> <p>Considering the management's process to identify the necessary amendments required in the Company's financial Statements and evaluates the results of management's analysis.</p> <p>Assessing the adequacy and appropriateness of the additional disclosures and changes in the annexed financial statements based on the new requirements.</p>
<p><b>(ii) The company's exposure to bank loan</b></p> <p>In 2017, unprovided liabilities for exchange rate difference and unprovided mark-up aggregating to Rs. 144.259 million on foreign currency loan were shown (note 16.9 of financial statements of 2017) as contingent liability as the same was not written off by bank from its books in 2017. The loan was under settlement and waiver of said liability was subject to final approval of State Bank of Pakistan. Information regarding approval has not been provided to us either by company or its management.</p> <p>Our audit report was qualified on said unprovided liability in the year 2017.</p>	<p>The Deputy General Manager Habib Bank Limited Remedial Assets on our letter No. 5945 dated 5<sup>th</sup> September, 2018(note 14.6) has confirmed that in 2018 loan settlement accounts have been totally written off from books of bank and matter stands fully resolved.</p>
<p><b>(iii) Loan from Chief Executive</b></p> <p>Loan of Rs. 40.00 million from family associates included at note 13.3 were arranged by Mian Muhammad Jehangir (Chief Executive) against his personal guarantees for providing working capital to the Company. These loans have been assumed by Mian Muhammad Jehangir with mutual consent of the related parties.</p>	<p>This matter also stands duly approved by the Board of Directors in their meeting held on 27-04-2018. It has been resolved that these loans be transferred to the account of Mian Muhammad Jehangir as per mutual understanding between Mian Muhammad Jehangir and the related parties, and these are no more liabilities of the Company to those family members but the Company will only be responsible to pay it back to Chief Executive.</p> <p>As the classification of loan liability of Rs. 40.00 million of family associates included in note 13.3 is changed during the year and liability to family associates no more exists and accordingly liability to Chief executive is correctly disclosed in notes of the financial statements at note 13.3.</p>

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting. When such use is inappropriate and management uses an alternative basis of accounting, we conclude whether the alternative bases used by management are acceptable in the circumstances. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on audit resulting in this independent auditor's report is Mr. Manzoor Hussain Mir.

LAHORE.

(MANZOOR HUSSAIN MIR & CO.)  
CHARTERED ACCOUNTANTS

**BALANCE SHEET**

Equity and Liabilities	Note	2018 Rupees	2017 Rupees Restated
<b>Share capital and reserves</b>			
Share capital	6	221,052,000	221,052,000
Accumulated loss		(514,291,655)	(550,652,442)
Surplus on revaluation of Property, plant & equipment held for sale	7	233,234,836 (60,004,819)	226,107,404 (103,493,038)
<b>Non-current liabilities</b>			
Director's bridge finance & loan	8	38,563,713	38,563,713
Liabilities against assets subject to finance lease	9	-	-
Deferred liabilities	10	3,027,497	3,333,548
<b>Current liabilities</b>			
Trade and other payables	11	12,500,848	14,615,940
Accrued mark-up	12	-	44,245,366
Short term borrowings from banks and others	13	339,042,915	359,707,299
Un-claimed dividend		415,333	415,333
Income tax payable		22,964	16,247
Provision for taxation		236,972	-
		352,219,032	419,000,185
<b>Contingencies and commitments</b>	14	-	-
		333,805,423	357,404,408

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

MIAN MUHAMMAD JEHangIR  
Chief Executive

MIAN WAHEED AHMED  
Director

MUHAMMAD IRFAN  
Chief Financial Officer

**AS AT JUNE 30, 2018**

Properties and assets	Note	2018 Rupees	2017 Rupees
<b>Non-current assets</b>			
Property, plant and equipment	15	5,775,834	5,034,746
Investment property	16	-	-
<b>Long term deposits</b>	17	771,577	781,577
<b>Current assets</b>			
Stores and spares	18	-	-
Trade debts	19	569,140	345,600
Loans and advances	20	2,986,453	425,915
Trade deposits and short term prepayments	21	6,722,126	6,555,099
Tax refunds due from Government	22	11,605,718	11,047,478
Cash and bank balances	23	6,211,832	9,332,629
		28,095,269	27,706,721
<b>Assets held for sale</b>	24	299,162,743	323,881,364
		333,805,423	357,404,408

MIAN MUHAMMAD JEHangIR  
Chief Executive

MIAN WAHEED AHMED  
Director

MUHAMMAD IRFAN  
Chief Financial Officer



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees Restated
Rental income from investment property	25	-	17,178,932
<b>Trading</b>			
Sale of vehicles	26	18,957,730	-
<b>Cost of trading</b>			
Purchases of vehicles and expenses	27	(17,553,846)	-
<b>Operating profit</b>		1,403,884	17,178,932
Fair value loss of investment property	16	-	(14,904,428)
<b>Operating expenses</b>			
Distribution cost	28	1,105,400	1,083,205
Administrative expenses	29	24,823,648	31,709,302
		25,929,048	32,792,507
<b>Operating loss</b>		(24,525,164)	(30,518,003)
Other operating charges	30	4,861,578	30,038,355
Other operating income	31	72,966,560	102,671,690
Finance cost	32	58,850	1,428,101
<b>Profit before taxation</b>		43,520,968	40,687,231
Taxation - earlier years		204,223	2,170,670
- current year	33	(236,972)	-
		(32,749)	2,170,670
<b>Total profit for the year after taxation</b>		43,488,219	42,857,901
<b>Earning per share - basic &amp; diluted</b>	34	1.97	1.94

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

MIAN MUHAMMAD JEHANGIR  
Chief Executive

MIAN WAHEED AHMED  
Director

MUHAMMAD IRFAN  
Chief Financial Officer



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

	2018 Rupees	2017 Rupees Restated
<b>Profit for the year after taxation</b>	43,488,219	42,857,901
<b>Other comprehensive income:</b>		
<b>items that may be reclassified to statement of profit or loss in subsequent periods</b>		
Gain on revaluation of property, plant and equipment held for sale	-	5,127,082
<b>Total comprehensive income for the year</b>	43,488,219	47,984,983

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

MIAN MUHAMMAD JEHANGIR  
Chief Executive

MIAN WAHEED AHMED  
Director

MUHAMMAD IRFAN  
Chief Financial Officer





## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2018

Note	2018 Rupees	2017 Rupees Restated
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	43,520,968	40,687,231
<b>Adjustments for non-cash and other items:</b>		
Depreciation	861,802	10,618,162
Provision for gratuity	415,119	548,435
Loss/(Gain) on disposal of property, plant and equipment	4,683,009	5,090,265
Un-claimed balances written back	(72,031,657)	(101,249,536)
Profit on security deposit (SNGPL)	(226,033)	(225,890)
Profit on bank deposit	-	(1,196,264)
Profit on disposal of vehicles	(623,470)	-
Provision raised for Doubtful debts	178,569	2,779,802
Impairment loss on property held for sale	5,671,223	4,622,775
Fair value changes of investment property	-	14,904,422
Revaluation loss on plant & machinery held for sale	-	17,545,513
Finance cost	58,850	1,428,101
	(61,012,588)	(45,134,215)
<b>Operating profit before working capital changes</b>	<b>(17,491,620)</b>	<b>(4,446,984)</b>
<b>Adjustments for Working Capital Changes</b>		
(Increase) / decrease in current assets:		
Stores and spares	-	554,299
Trade debts	(402,109)	521,392
Loans and advances	(2,560,538)	357,366
Trade deposits, prepayments and other receivables	59,006	1,035,035
Tax refunds due from Government	362,780	(163,877)
(Decrease) / increase in current liabilities:		
Trade and other payables	1,858,566	(1,262,626)
Income tax payable	6,717	(89,420)
<b>Net working capital changes</b>	<b>(675,578)</b>	<b>952,169</b>
Finance cost paid	(58,850)	(5,399,828)
Gratuity paid	(721,170)	(722,657)
Income tax paid	(716,797)	(2,495,336)
	(1,496,817)	(8,617,821)
<b>Net cash generated from/ (used in) operating activities</b>	<b>(19,664,015)</b>	<b>(12,112,636)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(4,108,052)	(322,680)
Long term deposits	10,000	2,866,667
Proceeds from disposal of property, plant and equipment	17,493,021	17,032,001
<b>Net cash (used in) / generated from investing activities</b>	<b>13,394,969</b>	<b>19,575,988</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Director's bridge finance loan	-	(58,000,000)
Short term bank borrowings	(11,200,000)	(111,372,571)
Short term related party loans	14,348,249	195,150,201
Liabilities against assets subject to finance lease	-	(20,949,639)
Long term deposits	-	(10,000,000)
<b>Net cash (used in)/ generated from financing activities</b>	<b>3,148,249</b>	<b>(5,172,009)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3,120,797)</b>	<b>2,291,343</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>9,332,629</b>	<b>7,041,286</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6,211,832</b>	<b>9,332,629</b>

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

MIAN MUHAMMAD JEHANGIR  
Chief ExecutiveMIAN WAHEED AHMED  
DirectorMUHAMMAD IRFAN  
Chief Financial Officer

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

Particulars	Share Capital	Accumulated Loss	Surplus on revaluation of Property, Plant and Equipment held for sale	Shareholders' Equity
	-----Rupees-----			
<b>Balance as at June 30, 2016</b>	<b>221,052,000</b>	<b>(598,420,827)</b>	<b>-</b>	<b>(377,368,827)</b>
Impact of restatement - Note 5	-	-	225,890,806	<b>225,890,806</b>
<b>Balance as at June 30, 2016 - restated</b>	<b>221,052,000</b>	<b>(598,420,827)</b>	<b>225,890,806</b>	<b>(151,478,021)</b>
Profit for the year after taxation - restated Note 5	-	42,857,901	-	<b>42,857,901</b>
<b>Other comprehensive income for the year</b>				
Revaluation gain on property, plant and equipment held for sale - restated	-	-	5,127,082	<b>5,127,082</b>
Transfer from surplus on revaluation of property, plant and equipment held for sale	-			
- Incremental depreciation		2,678,716	(2,678,716)	-
- Disposal during the year		2,231,768	(2,231,768)	-
<b>Balance as at June 30, 2017 - restated</b>	<b>221,052,000</b>	<b>(550,652,442)</b>	<b>226,107,404</b>	<b>(103,493,038)</b>
Profit for the year after taxation	-	43,488,219	-	<b>43,488,219</b>
<b>Other comprehensive income for the year</b>				
Transfer from surplus on revaluation of property, plant and equipment held for sale				
- Incremental depreciation	-	761,930	(761,930)	-
- Disposal during the year	-	(7,889,362)	7,889,362	-
<b>Balance as at June 30, 2018</b>	<b>221,052,000</b>	<b>(514,291,655)</b>	<b>233,234,836</b>	<b>(60,004,819)</b>

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

MIAN MUHAMMAD JEHANGIR  
Chief ExecutiveMIAN WAHEED AHMED  
DirectorMUHAMMAD IRFAN  
Chief Financial Officer





## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2018

### 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. In 2017 the company has rental income for leasing out building from July 2016 to January 2017. Whereas in 2018 the industrial building remained vacant through out the year and there was no leasing income. In 2018, trading business was conducted where sales are amounting to Rs. 18.957 million (2017: Nil).

### 2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of the Companies Act, 2017 (the Act) and directives issued by the Securities and Exchange Commission of Pakistan, and approved accounting and reporting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act), and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under Companies Act, 2017 shall prevail.

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

The following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after April 1, 2017 and are considered to be relevant to the Company's financial statements:

IAS 7, 'Statement of cash flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments is part of the IASB's disclosure initiative, which continues to explore how financial statements disclosure can be improved. In the first year of adoption, comparative information needs not be provided. The disclosure has been made in Note No. 13.5 to these financial statements.

The third and fourth schedule to the Companies Act, 2017 became applicable to the company for the first time for the preparation of these financial statements. The Companies Act, 2017 (the Act) has brought certain changes with regard to preparation and presentation of annual and interim financial statements of the company. These changes also include change in respect of recognition criteria of revaluation surplus of property, plant and equipment as more fully explained in Note No. 5, change in nomenclature of primary statements, etc.

Further, the disclosure requirement contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with IFRS disclosure requirements; and
- incorporation of significant additional disclosures. Attention is invited to Note No. 4.8, 24.2, 35 & 36.1

#### 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 9	Financial Instruments	July 1, 2018
- IFRS 15	Revenue from contracts	July 1, 2018
- IFRS 16	Leases	January 1, 2019
- IFRIC 22	Foreign currency translation and advance consideration	January 1, 2018
- IFRIC 23	Accounting treatment when there is uncertainty over income tax treatment under IAS 12	January 1, 2019
- IAS 19	Amendments to "Employee benefits"	January 1, 2019

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, 2018 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 16	Leases	January 1, 2019
- IFRS 17	Insurance contracts	January 1, 2021

### 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 up to 2016. 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 & 15.1.

**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, classified as "Assets held for sale", comprising of land, building, plant and machinery re-valued by the approved consultants in 2017 are shown at the fair market value and adjustment wherever necessary were made in the current assets and current liabilities shown at their fair value.

**3.2.1** During the year 2018 the company has made settlement with Habib Bank Limited and made payments amounting to Rs. 11.200 million. 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 2018 earned Rs. 43.488 million profit after tax against profit of Rs. 42.857 million after tax in 2017. The profit in 2018 is mainly on account of un-claimed balances written of at Rs. 3.973 million, deferred mark up waived by the banks Rs. 44.245 million and long term financial liabilities written back at Rs. 23.813 million aggregating to Rs. 72.031 million. Accumulated losses in last year were Rs. 550.652 million as compared to Rs. 514.291 million in 2018. 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	2018 Rupees	2017 Rupees
Long term financial liabilities written back	<b>23,812,633</b>	-
<b>Deferred mark-up written back:</b>		
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
Habib Bank Limited	<b>44,245,366</b>	-
<b>32</b>	<b><u>68,057,999</u></b>	<b><u>85,725,618</u></b>

**3.2.3** Adverse balance of equity as at 30th June 2018 is amounting to Rs. 60.004 million against Rs. 103.493 million in 2017.

**3.2.4** In the year 2018 current liabilities of Rs. 352.219 million have exceeded current assets of Rs. 28.095 million by Rs. 324.124 million against Rs. 391.293 million on 30th June, 2017 when the current assets amounted to Rs. 27.707 million and current liabilities were Rs. 419.000 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

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 1.25% 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. 33.

**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 land, building and plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity, to the extent that increase reverse a decrease previously recognised in the statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increase of the same asset are first recognised in the other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit.



Depreciation is charged to income by applying reducing balance method without taking into account any residual value at the rates specified in Note 15.1. 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 last year 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 were accordingly classified as "Assets held for sale" as on 30-06-2017. Also refer to Note.24.

**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 15.1 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.

**4.8.2 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. 24.

**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.

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. Refer to Note 24 & 16.

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.

Fixed assets were not got revalued by the company in 2018, a perusal of Note No. 24.3 shows that fixed assets with book value of Rs. 21.127 million were disposed off for Rs. 16.543 million sustaining loss of Rs. 4.584 million. In view of loss sustained, the company should have got revalued its fixed assets in 2018. In the absence of which it is not possible to ascertain impairment loss in 2018.

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.

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 applicable.
- (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 CHANGE IN ACCOUNTING POLICY

The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity. Also refer to Note 4.8 & 7.1.

Increases in the carrying amounts arising on revaluation of land, building, plant & machinery and gas generator, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decrease that reverse previous increases of the same assets are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit.





## Annual Report 2018

The effect of change in accounting policy is summarized below:

[illegible]

## 6 SHARE CAPITAL

**Authorized capital**

<b>225,000,000</b>	<b>225,000,000</b>
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**Issued, subscribed and paid up share capital**

<b>221,052,000</b>	<b>221,052,000</b>
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## Annual Report 2018

## 7 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Plant & Machinery	Generator & Other assets	Investment property	Total	2017
	-----Rupees-----						
Opening balance	106,876,611	52,441,491	(21,511,710)	(5,804,734)	76,560,233	<b>208,561,891</b>	225,890,806
Revaluation loss transfer to profit and loss - Note 5	-	-	11,855,455	5,690,058	-	<b>17,545,513</b>	-
Opening balance - Restated	106,876,611	52,441,491	(9,656,255)	(114,676)	76,560,233	<b>226,107,404</b>	225,890,806
Revaluation adjustment as at 1-11-2016	-	-	-	-	-	-	13,220,101
Revaluation 30-06-2017	-	-	-	-	-	-	(25,638,532)
Revaluation loss transfer to profit and loss - Note 5	-	-	-	-	-	-	17,545,513
Total revaluation adjustments	-	-	-	-	-	-	5,127,082
Balance after revaluation	106,876,611	52,441,491	(9,656,255)	(114,676)	76,560,233	<b>226,107,404</b>	231,017,888
Transfer during the year to Accumulated losses:							
- Incremental depreciation charged during the year	-	(2,643,499)	1,766,893	114,676	-	<b>(761,930)</b>	(2,678,716)
- Disposal during the year	-	-	7,889,362	-	-	<b>7,889,362</b>	(2,231,768)
<b>Closing balance - Restated</b>	106,876,611	49,797,992	-	-	76,560,233	<b>233,234,836</b>	226,107,404

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

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 Refer to Note No. 4.9, 15.1, 16.1 & 24.

7.2 In 2017 revaluation loss related to Investment property for changes in fair value under IAS-40 of Rs. 14.904 million was charged to profit and loss account and revaluation loss related to Property, plant and equipment under IAS-16 of Rs. 12.418 million was charged against surplus on revaluation. Remaining fair value loss of Rs. 0.361 million was charged to impairment loss under IFRS-5.

7.3 As a result of revaluation of property, plant and equipment carried out in 2017 the forced sale value of freehold land was Rs. 119.00 million, building on freehold land Rs. 117.374 million and plant & Machinery Rs. 27.345 million respectively aggregating to Rs. 263.719 million were determined by approved Independent valuer - Hamid Mukhtar & Co. (Pvt) Ltd.

	Note	2018 Rupees	2017 Rupees
<b>8 DIRECTORS' BRIDGE FINANCE &amp; LOAN</b>			
Non-interest bearing loan	8.1	<u>38,563,713</u>	<u>38,563,713</u>
		<b>38,563,713</b>	<b>38,563,713</b>

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

## 9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

9.1 Movement in finance lease liability is as follows:

Opening balance	-	20,949,639
Paid/adjustment during the year	-	(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	2018	2017
-----Rupees-----				
Minimum lease payments	-	-	-	28,888,277
Security deposits adjustable on expiry of lease term	-	-	-	2,866,667
Gross minimum lease payments	-	-	-	31,754,944
Financial charges allocated to future periods	-	-	-	(10,805,305)
Present value of minimum lease payments	-	-	-	20,949,639
Paid/adjustment during the year	-	-	-	(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.

	Note	2018 Rupees	2017 Rupees
<b>10 DEFERRED LIABILITIES</b>			
Staff retirement benefits - unfunded gratuity scheme	10.1	<u>3,027,497</u>	3,333,548
		<u>3,027,497</u>	<u>3,333,548</u>

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

<u>3,027,497</u>	3,333,548
<u>3,027,497</u>	<u>3,333,548</u>

**Movement in net liability recognized is as follows:**

Opening balance at July 01,

3,333,548

3,507,770

Service cost recognized during the year

415,119

548,435

Benefits paid during the year

(721,170)

(722,657)

Closing balance as at June 30,

3,027,497

3,333,548

**11 TRADE AND OTHER PAYABLES**

Creditors for:

Goods

978,806

2,652,260

Expenses

340,708

1,319,534

Accrued expenses

11.1 8,122,047

9,190,852

Advances from customers

780,281

1,453,294

Due to school charitable trust

11.2 2,279,006

-

12,500,848

14,615,940

11.1 Includes Rs. 0.054 million (2017: 0.067 million) due to director- a related party. Also refer to Note. 36.

11.2 The school is run by charitable "wakf". Its accounts are maintained and its funds are retained by the company as a custodian. All the expenses are paid out of the fund of the trust and are not included in the profit and loss account of Mian Textile Industries Limited. The management of the company has decided that no rent for school land, building or any facility would be charged to school including depreciation. Funds for construction of school building, furniture fixture and other equipments of school were donated by the sponsors.

**12 ACCRUED MARK UP**

Mark up accrued on:

Habib Bank Limited

12.1 -

44,245,366

-

44,245,366

12.1 Total unprovided mark up as at 30-06-2018 is amounting to Rs. NIL (2017: 64.700 million). Refer to Note. 13.2.1.



	Note	2018 Rupees	2017 Rupees Restated
<b>13 SHORT TERM BORROWINGS</b>			
Financing from banking companies:			
Habib Bank Limited	13.1	-	35,012,633
<b>From related parties - unsecured</b>		-	35,012,633
Loan from Chief Executive	13.3	<b>99,564,206</b>	99,694,666
Other related parties	13.4	<b>239,478,709</b>	225,000,000
		<u><b>339,042,915</b></u>	<u>359,707,299</u>

13.1 **Habib Bank Limited**

Loan of Rs. 62.874 million was obtained in October 2009 to meet the capital requirement of the company , carrying mark-up at 3 Months KIBOR plus 2% subject to floor rate of 12% per annum & (LIBOR plus 2.5% per annum with floor rate of 5.5% per annum in case of foreign finance).

The company as per settlement agreement dated 22-09-2013 and suppliment agreement dated 10-09-2014 had made payments to the bank from time to time. The outstanding balance on 30-06-2017 Rs. 35.012 million was settled with the bank in August 2017. A sum of Rs. 11.200 million has paid as full & final vide cheque # 18089957 dated 25-08-2017 while balance liability of Rs. 23.812 million was waived off by the bank which has been written off from the books of the company in the year 2018.

As per confirmation dated 10-09-2018 by the "Deputy General Manager HBL Remedial Assets" on our letter # 5945 dated 05-09-2018 has confirmed that the loan settlement account has been fully written off and matter is fully resolved.

Also refer to Note No. 14.6.

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

	Note no.	Overdues loans	Unprovided markup	Overdues markup
		2018 -----Rupees in million-----		
13.2.1 Financing from banking companies:				
Habib Bank Limited	13.1	-	-	-
		Overdues loans	Unprovided markup	Overdues markup
		2017 -----Rupees in million-----		
13.2.2 Financing from banking companies:				
Habib Bank Limited		35.012	64.700	44.245

13.3 Loans of Rs. 40.00 million from family associates were arranged by Mian Muhammad Jehangir (Chief Executive) against his personal guarantees for providing working capital to the Company. This matter has been considered by the Board of Directors in their meeting held on 27-04-2018 and it has been resolved that these loans be transferred to the account of Mian Muhammad Jehangir as per mutual understanding between Mian Muhammad Jehangir and the related parties, and these are no more liability of the Company to those family members but the Company will only be responsible to pay it back to Chief Executive.

	2018 Rupees	2017 Rupees Restated
13.4 These includes the following amounts due to other related parties:		
Mr. Ch. Yaqoob	<b>214,478,709</b>	200,000,000
Sarwars & Sons	<b>20,000,000</b>	20,000,000
Sheikh Noor-ud-Din & Sons (Pvt) Limited	<b>5,000,000</b>	5,000,000
	<u><b>239,478,709</b></u>	<u>225,000,000</u>

13.4.1 These loans amounting to Rs. 239.478 millions obtained from other related parties carrying no markup. It is treated as short term with mutual consent. No terms and conditions / repayment period are settled yet.

13.5 Reconciliation of liabilities arising from financing activities are as follow:

	A at June 30, 2017	Non-cash changes	Cash flows	As at June 30, 2018
	-----Rupees-----			
Accrued mark-up	44,245,366	<b>(44,245,366)</b>	-	-
Short term borrowings- Habib Bank Limited	35,012,633	<b>(23,812,633)</b>	<b>(11,200,000)</b>	-
Short term borrowings- Directors/Other Related Party	324,694,666	-	<b>14,348,249</b>	<b>339,042,915</b>
	<u>403,952,665</u>	<u><b>(68,057,999)</b></u>	<u><b>3,148,249</b></u>	<u><b>339,042,915</b></u>





14 CONTINGENCIES AND COMMITMENTS

- 14.1 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.
- 14.2 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.
- 14.3 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.
- 14.4 Electricity duty case is pending with Honourable High Court. No confirmation from legal advisor of the company is available.
- 14.5 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.

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.

- 14.6 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. 12 & 13.1.

All other litigations with different banks have already been settled. Nothing can be anticipated regarding any future litigations as confirmed by the legal advisor named "Lawyers & Lawyers" vide their letter dated September 11, 2018.

The Deputy General Manager Habib Bank Limited Remedial Assets on our letter No. 5945 dated 5th September, 2018 has confirmed that in 2018 loan settlement accounts have been totally written off from books of bank and matter stands resolved.

- 14.7 This suit was filed by the company against Tariq Anwar Bhutta of J.S Textile on the basis of dishonored cheques for total Rs. 7.400 million of said J.S Textile in favor of the company. This suit has been decreed in favor of the company and presently execution of the same is pending before the Court of Additional Session Judge Lahore. Legal advisor named "Lawyers & Lawyers" vide their letter dated September 11, 2018 confirmed that the company is vigilantly pursuing this case. There is no scope of any loss to the company in the instant matter.
- 14.8 This is a suit filed by the company against M/s Green Corporation for the recovery of Rs. 25,802,303/-. This suit is pending adjudication before the Civil Court Lahore. The legal advisor named "Lawyers & Lawyers" vide their letter dated September 11, 2018 confirmed that the Company is vigilantly pursuing this case and amount is fully provided in accounts. There is no scope of any loss to the company in the instant matter.
- 14.9 Against judgment of Senior Civil Judge Kasur allowing compensation of Rs 10,000/- per Marla, the company along with other claimants have filed appeal before Lahore High Court for increase in compensation. The legal advisor vide his letter dated 5th September, 2018 has stated that company's case against NHA is very strong and award may be allowed at Rs. 35,000/- per Marla. However, the case is yet subjudice.



2018	2017
Rupees	Rupees
5,775,834	5,034,746

15 PROPERTY, PLANT AND EQUIPMENT-note annexed

15.1

PROPERTY, PLANT AND EQUIPMENT

Particulars	COST / FAIR VALUE						Rate	DEPRECIATION				Written Down Value as at June 30, 2018	Revaluation Surplus		
	As at 01-07-2017	Additions during the year	Disposals	Revaluation Adjustment	Transfer to Held for sale	Transfer to / from Investment property		As at 30-06-2018	Accumulated as at 01-07-2017	Charge for the year on disposals	Transfers			Accumulated as at 30-06-2018	
Rupees													%	Rupees	

Office equipment	3,726,749	53,000	-	-	-	-	-	3,779,749	10	-	2,884,207	86,462	-	2,970,669	809,080
Furniture and fixtures	7,221,825	314,420	-	-	-	-	-	7,536,245	10	-	5,279,420	208,653	-	5,488,073	2,048,172
Vehicles	8,146,970	1,562,000	(1,763,202)	-	-	-	-	7,945,768	20	-	5,897,171	566,687	(1,436,672)	5,027,186	2,918,562
	19,095,544	1,929,420	(1,763,202)	-	-	-	-	19,261,762		-	14,060,798	861,802	(1,436,672)	13,485,928	5,775,834

Transferred from leased to own

2018	19,095,544	1,929,420	(1,763,202)	-	-	-	-	19,261,762	-	-	14,060,798	861,802	(1,436,672)	-	13,485,928	5,775,834
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PROPERTY, PLANT AND EQUIPMENT

Particulars	COST / FAIR VALUE						Rate	DEPRECIATION				Written Down Value as at June 30, 2017	Revaluation Surplus		
	As at 01-07-2016	Additions during the year	Disposals	Revaluation Adjustment	Transfer to Held for sale	Transfer to 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
Rupees														Rupees	

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	-	5,175,002	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	-	16,665,580	5,252,710	(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	10	-	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	-	5,279,420	1,942,405	-
Vehicles	8,456,870	-	(309,900)	-	-	-	-	8,146,970	20	-	5,611,346	566,332	(280,507)	5,897,171	2,249,799	-
	329,622,153	322,680	(22,909,900)	(64,616,614)	(233,322,715)	-	-	19,095,544		-	48,559,803	9,700,198	(43,866,196)	14,060,798	5,034,746	(10,889,418)

Assets held under finance lease:

Gas generators	28,666,667	-	-	(18,666,667)	(10,000,000)	-	-	-	7.5	-	16,219,680	917,964	(17,137,654)	-	-	(1,529,013)
	28,666,667	-	-	(18,666,667)	(10,000,000)	-	-	-	-	-	16,219,680	917,964	(17,137,654)	-	-	(1,529,013)
2017	358,288,820	322,680	(22,909,900)	(73,283,281)	(243,322,715)	-	-	19,095,544		-	64,779,493	10,618,162	(833,007)	14,060,798	5,034,746	(12,418,431)



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

Administrative expenses	29	<b>861,802</b>	849,276
Administrative expenses - Non operational	29.3	-	9,768,886
		<b>861,802</b>	<b>10,618,162</b>

### 15.3 Particulars of property, plant and equipment disposed off during the year, not having book value exceeding Rs. 500,000 are as follows:

Particulars	Cost/ Revalued Amount	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (loss)	Sold to	Mode of Disposal
	-----Rupees-----						
<b>Vehicles</b>	1,763,202	(1,436,672)	326,530	950,000	623,470	Various parties	Negotiation
	1,763,202	(1,436,672)	326,530	950,000	623,470		

### 15.4 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 & Machinery are revalued by approved Independent Valuer- Hamid Mukhtar & 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 & Co. (Pvt) Ltd. Had there been no revaluations, the cost, accumulated depreciation and book values of the revalued assets as on June 30, 2018 would have been as follows:

	Cost of assets as at June 30, 2018	Accumulated depreciation as at June 30, 2018	Book value as at June 30, 2018
	-----Rupees-----		
<b>Assets held for sale:</b>			
Land - freehold	10,165,625	-	10,165,625
Buildings on freehold land	107,508,886	62,973,181	44,535,705
Plant and machinery	321,335,604	312,595,660	8,739,944

**2018**  
**Rupees**

**2017**  
**Rupees**

### 16 INVESTMENT PROPERTY

Opening balance	-	99,021,428
Loss on fair value changes charged to profit and loss account:		
Freehold land	-	8,000,000
Factory building on freehold land	-	(22,904,428)
	-	(14,904,428)
Carrying value	-	84,117,000
Transfer to assets held for sale	24	(84,117,000)
Fair value - Closing balance	-	-

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 were measured at fair value as at June 30, 2017.

#### Recurring fair value measurements

Investment properties	-	84,117,000
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.

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

Refer to Note 4.9, 4.21 & 7.

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. 24.



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### 17 LONG TERM DEPOSITS

Note	2018 Rupees	2017 Rupees
Deposits with Utility Companies	<b>658,317</b>	658,317
Others	<b>113,260</b>	123,260
	<b>771,577</b>	<b>781,577</b>

### 18 STORES AND SPARES

Stores	<b>973,207</b>	973,207
Disposed during the year	<b>(664,932)</b>	-
Less: Provision for obsolete stores	<b>(301,538)</b>	(921,097)
	<b>6,737</b>	52,110
Spares	<b>764,359</b>	764,359
Less: Provision for obsolete spares	<b>(311,591)</b>	(311,591)
	<b>452,768</b>	452,768
Less: Transferred to held for sale	<b>(459,505)</b>	(504,878)
	-	-

### 19 TRADE DEBTS

<b>Local</b>		
Considered good - unsecured	19.1	<b>569,140</b>
Considered doubtful		<b>997,922</b>
		<b>1,567,062</b>
Less: Provision for doubtful debts		<b>(997,922)</b>
		<b>569,140</b>
<b>Rent recoverable</b>		
Considered good - unsecured		-
Considered doubtful	19.1	<b>14,703,832</b>
		<b>14,703,832</b>
Less: Provision for doubtful debts		<b>(14,703,832)</b>
		-
		<b>569,140</b>

19.1 Also refer to Note. 14.7 & 14.8.

### 20 LOANS AND ADVANCES

Advances to suppliers and contractors:		
- Considered good	<b>2,468,500</b>	6,645
- Considered doubtful	-	3,600
	<b>2,468,500</b>	10,245
Less: Provision for doubtful advances	-	(3,600)
	<b>2,468,500</b>	6,645
Advances to employees	<b>517,953</b>	419,270
	<b>2,986,453</b>	<b>425,915</b>

### 21 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Security deposit (SNGPL)	21.1	<b>6,458,093</b>
Guarantee margin		-
Prepayments		<b>38,000</b>
Profit receivable on security deposits		<b>226,033</b>
		<b>6,722,126</b>
		<b>6,555,099</b>

21.1 These accounts are subject to return @ 3.50% (2017: 3.50%) per annum.

### 22 TAX REFUNDS DUE FROM GOVERNMENT

Income tax refundable	22.1	<b>11,715,203</b>
Sales tax refundable		<b>378,277</b>
Less: Provision for doubtful of recovery		<b>(487,762)</b>
		<b>(109,485)</b>
		<b>11,605,718</b>
		<b>11,047,478</b>



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- 24.2 Particulars of immovable property (i.e. land and building) in the name of the company are as follows:

24.3 Detail of assets held for sale disposed off during the year:

## 25 RENTAL INCOME FROM INVESTMENT PROPERTY

## 26 TRADING

## 27 COST OF TRADING

## 28 DISTRIBUTION COST

Staff salaries and benefits	<b>1,080,600</b>	1,080,705
Miscellaneous	<b>24,800</b>	2,500
	<b><u>1,105,400</u></b>	<u>1,083,205</u>



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	Note	2018 Rupees	2017 Rupees
<b>29 ADMINISTRATIVE EXPENSES</b>			Restated
Staff salaries and benefits	29.1	7,997,524	8,374,431
Travelling and conveyance		46,328	47,760
Rent, rate and taxes		882,920	1,178,430
Repair and maintenance		128,305	114,403
Insurance		182,560	182,041
Utilities		821,844	699,985
Printing and stationery		134,780	139,944
Fee and subscription		432,373	243,181
Vehicles running and maintenance		1,162,203	1,219,364
Entertainment		284,168	274,925
Newspapers and journals		23,863	18,818
Postage and telegram		43,121	37,145
Telecommunication		233,400	255,297
Press advertisements		58,280	63,740
Legal and professional charges		181,625	2,235,626
Auditor's remuneration	29.2	415,000	611,900
Depreciation	18.1	861,802	849,276
Non-operational expenses	29.3	10,933,552	15,163,036
		<b>24,823,648</b>	<b>31,709,302</b>
29.1	These include Rs. 0.349 million (2017: Rs. 0.355 million) in respect of staff retirement benefits.		
29.2	Auditors' remuneration:		
	- Statutory audit fee	150,000	175,000
	- Review, corporate advisory and certification fee	51,250	28,300
	- Tax consultancy fee	183,750	398,600
	- Out of pocket expenses	30,000	10,000
		<b>415,000</b>	<b>611,900</b>
29.3	<b>Non-operational expenses</b>		
			Restated
Salaries, wages and benefits	29.3.1	1,699,111	-
Rent, rate and taxes		57,350	-
Repair and maintenance		10,000	42,996
Fuel and power		3,177,420	3,157,701
Insurance		175,193	-
Telecommunication		33,219	2,617
Other expenses		110,036	289,636
Rental expenses	29.3.2	-	1,901,200
Impairment loss		5,671,223	-
Depreciation		-	9,768,886
		<b>10,933,552</b>	<b>15,163,036</b>
29.3.1	These include Rs. 0.0659 million (2017: Nil) in respect of staff retirement benefits.		
29.3.2	These include Rs. Nil (2017: Rupees 0.355 million) in respect of staff retirement benefits.		
<b>30 OTHER OPERATING CHARGES</b>			Restated
Loss on disposal of assets held for sale		4,683,009	5,090,265
Provision raised for Doubtful debts		178,569	2,779,802
Impairment loss on property held for sale		-	4,622,775
Revaluation loss on plant & machinery for sale	30.1	-	17,545,513
		<b>4,861,578</b>	<b>30,038,355</b>
30.1	Refer to note 5 & 7.		



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	Note	2018 Rupees	2017 Rupees
<b>31 OTHER OPERATING INCOME</b>			
Profit on security deposit (SNGPL)		226,033	225,890
Profit on bank deposit	31.1	-	1,196,264
Profit on delayed delivery of vehicles		85,400	-
Profit on disposal of own vehicles		623,470	-
Un-claimed balances written back		3,973,658	15,523,918
Long term Financial Liabilities written off		23,812,633	-
Deferred mark up written back		44,245,366	85,725,618
		<b>72,966,560</b>	<b>102,671,690</b>
31.1	Profit paid during the year Nil (2017: 4.06%) per annum on Al-baraka bank term deposits.		
<b>32 FINANCE COST</b>			
Mark up on:			
Long term financing		-	1,416,986
Bank charges		58,850	11,115
		<b>58,850</b>	<b>1,428,101</b>
<b>33 TAXATION</b>			
33.1	Current year	<b>236,972</b>	-
	The Company in tax year 2018 has earned a profit after tax of Rs. 43.488 million while it has brought forward assessed losses amounting to Rs. 357.341 million. Upto tax year 2017, the company earned income from lease rental of building and machinery taxable u/s 39 of the Income Tax Ordinance, 2001, which was not hit by the mischief of section 113.		
	In 2018, as the company has done trading business and in view of losses, the provision of minimum tax u/s 113 is made on sale of vehicles at the rate 1.25% amounting to Rs. 0.237 million.		
33.2	According to the management, the tax provision made in the financial statements is sufficient. A comparison of last three years ended June 30, 2015, 2016 and 2017 the company has earned income from leasing out land, building and machinery which falls taxable u/s 39(1) clause (f) which are adjustable against the brought forward losses. Income taxable u/s 39 is not hit by the mischief of section 113. No provisions were raised for these years.		
		<b>Provision for taxation</b>	<b>Tax year</b>
		30-Jun-17	2017
		30-Jun-16	2016
		30-Jun-15	2015
			N/A
			N/A
			N/A
	Income tax return for tax year 2017 was filed within prescribed time limit. Income tax assessments have been completed up to income year ended June 30, 2017 (tax year 2017) as deemed assessment. Losses available for carry forward to tax year 2018 are amounting to Rs. 113.441 million (2017: Rs. 113.543 million).		
33.3	Deferred tax asset amounting Rs. 133.087 million (2017: Rs. 118.410 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.		
33.4	It is the tax refundable as per court judgement. Also refer to Note No. 22.1.1.		
<b>34 EARNING PER SHARE - basic &amp; diluted</b>			
Profit / (Loss) for the year	Rupees	<b>43,488,219</b>	42,857,901
Weighted average number of ordinary shares	Number	<b>22,105,200</b>	22,105,200
Earning per share	Rupees	<b>1.97</b>	1.94
34.1	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.		



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

Particulars	2018			2017		
	Chief Executive	Directors		Chief Executive (Restated)	Directors	
		Executive	Non-Executive		Executive (Restated)	Non-Executive
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	896,000	760,000	-	896,000	1,120,000	-
House rent allowance	358,400	304,000	-	358,400	448,000	-
Medical	89,600	76,000	-	89,600	112,000	-
Reimbursed expenses	144,754	191,930	-	153,175	346,352	-
	1,488,754	1,331,930	-	1,497,175	2,026,352	-
Number of persons	1	1	-	1	1	-

35.1 In addition to above, meeting fee of Rs. 12.50 thousand (2017:Rs. 10 thousand) was paid to one (2017: one) nominee director during the year.

35.2 The Chief Executive Officer and Executive directors are provided with free use of the Company maintained vehicles. During the year, two independent directors are appointed after resignation of two Non-Executive directors.

35.3 The Company considers its Chief Executive and Executive Director as its key management personnel.

**36 RELATED PARTY TRANSACTIONS**

The related party comprise associated companies, staff retirement funds, directors and other key management personnel. The company in the normal course of business carries out transactions with various related parties. The company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Nature of transactions	Relationship with the company	2018 Rupees	2017 Rupees Re-stated
Directors' bridge finance	Chief executive	-	(58,000,000)
Short term loan	Chief executive	(130,460)	(4,849,799)
Short term loan	Other related parties	14,478,709	205,000,000
Lease rent	Director	(808,500)	(808,500)

36.1 The related party status of outstanding balances as at June 30, 2018 are consist of Directors' bridge finance (Note No. 8), Trade and other payables (Note No. 11) and Short term borrowings (Note No. 13). These are to be settled in the ordinary course of business. The receivables and payables are primarily unsecured in nature and bear no interest.

**37 FINANCIAL INSTRUMENTS****37.1 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 (if any) 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 was exposed to currency risk arising from United States Dollars- USD only. The Company's foreign exchange exposure was restricted short term borrowings. The Company's exposure to currency risk is as follows:



	2018 USD	2017 USD
Long term financing	-	1,948,604.88

The following significant exchange rates were applied during the year:

**Rupee per US Dollar**

Average rate	-	104.65
Reporting date rate	-	104.80

**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. Nil (2017: 10.196 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 fixed rate interest bearing assets / liabilities except for Saving and Deposit accounts, on which rate of return was 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:

**Floating Rate Instruments**

<b>Financial Assets</b>	-	5,488,625
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**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:

	2018 Rupees	2017 Rupees
Long term deposits	771,577	781,577
Trade debts	569,140	345,600
Loans and advances	517,953	419,270
Trade deposits	6,684,126	6,506,849
Bank Balances	6,175,677	9,274,934
	14,718,473	17,328,230

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 19.

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 was 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, 2018, the Company had Rs. Nil (2017: Rs. Nil) available borrowing limits from financial institutions and Rs. 6.212 million (2017: 9.332 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, 2018**

	Carrying Amount	Contractual Values	Less than One Year	One to Five Years	More than Five Years
Rupees-----					
Trade and other payables	12,500,848	12,500,848	12,500,848	-	-
Short term borrowings from others	339,042,915	339,042,915	339,042,915	-	-
Directors' bridge finance & loan	38,563,713	38,563,713	-	38,563,713	-
Deferred Liabilities	3,027,497	3,027,497	-	-	-
	<b>393,134,973</b>	<b>393,134,973</b>	<b>351,543,763</b>	<b>38,563,713</b>	<b>-</b>

**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 - Restated	14,615,940	14,615,940	14,615,940	-	-
Accrued mark-up	44,245,366	44,245,366	44,245,366	-	-
Short term borrowings from banks and others - Restated	359,707,299	359,707,299	359,707,299	-	-
Directors' bridge finance & loan	38,563,713	38,563,713	-	38,563,713	-
Deferred Liabilities	3,333,548	3,333,548	-	-	-
	<b>460,465,866</b>	<b>460,465,866</b>	<b>418,568,605</b>	<b>38,563,713</b>	<b>-</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.

**37.2 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.

**37.3 FINANCIAL INSTRUMENTS BY CATEGORIES**

	2018 Rupees	2017 Rupees
<b>Loans and Advances</b>		
Long term deposits	771,577	781,577
Trade debts	569,140	345,600
Loans and advances	517,953	419,270
Trade deposits	6,722,126	6,555,099
Bank Balances	6,211,832	9,332,629
	<b>14,792,628</b>	<b>17,434,175</b>
<b>Financial Liabilities as at Amortized Cost</b>		
		Restated
Deferred liabilities	3,027,497	3,333,548
Trade and other payables	12,500,848	14,615,940
Short term borrowings from banks	339,042,915	359,707,299
Accrued mark up	-	44,245,366
	<b>354,571,260</b>	<b>421,902,153</b>

**37.4 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 statement of financial position plus net debt. As on the reporting date, the gearing ratio of the Company was as under:

	2018 Rupees	2017 Rupees Restated
Total borrowings	339,042,915	359,707,299
Cash and bank balances	(6,211,832)	(9,332,629)
Net Debt	332,831,083	350,374,670
Equity	(60,004,819)	(103,493,038)
Total Capital	<b>272,826,264</b>	<b>246,881,632</b>
Gearing Ratio	<b>121.99%</b>	141.92%

**38 SEGMENT INFORMATION**

During the year 2018 the company has earned Rs. 18.958 million from sale of vehicles as compared to Rs. 16.682 million by leasing out the weaving building for seven months from July 16 to 31st January 2017. The company has no operational segments, therefore no segmentation has been made.

**39 NUMBER OF EMPLOYEES**

	2018	2017
Average No. of workers per month		
- Factory	11	10
- Other than factory	16	21
	<b>27</b>	<b>31</b>
As at 30th June		
- Factory	3	10
- Other than factory	13	13
	<b>16</b>	<b>23</b>

**40 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 01, 2018.

**41 CORRESPONDING FIGURES**

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

FROM	Rupees	TO	Rupees	Reason
Trade and other payables - Advances from customers	5,000,000	Short term borrowings from related parties	5,000,000	Proper presentation and comparison
Trade and other payables	415,333	Un-claimed dividend (Disclosed on the face of Statement of financial position)	415,333	Proper presentation and comparison
Trade and other payables	22,964	Income tax payable (Disclosed on the face of Statement of financial position)	22,964	Proper presentation and comparison
Rental expenses	1,901,200	Administrative- (Non-operational expenses)	1,901,200	Proper presentation and comparison

- (iii) 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

MUHAMMAD IRFAN  
Chief Financial Officer



**PROXY FORM  
(32<sup>nd</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 32<sup>nd</sup> Annual General Meeting of the Company to  
be held on October 27, 2018 and/or any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of October, 2018.

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.