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COMPANY INFORMATION

BOARD OF DIRECTORS

Khawaja Mohammad Jahangir	(Chief Executive)
Khawaja Mohammad Kaleem	(Executive Director)
Khawaja Mohammad Jawed	(Non-Executive Director)
Khawaja Mohammad Tanveer	(Non-Executive Director)
Mr. Mohammad Hamza Yousaf	(Non-Executive Director)
Mr. Danish Tanveer	(Non-Executive Director)
Mst. Munaza Kaleem	(Non-Executive Director)
Mr. Mohammad Tariq Sufi	(Independent Director)

AUDIT COMMITTEE

Mr. Mohammad Hamza Yousaf	(Chairman)
Khawaja Mohammad Jawed	(Member)
Mr. Danish Tanveer	(Member)
Mr. Mohammad Tariq Sufi	(Member)

HR & REMUNERATION COMMITTEE

Khawaja Mohammad Jawed	(Chairman)
Khawaja Mohammad Jahangir	(Member)
Khawaja Mohammad Tanveer	(Member)

COMPANY SECRETARY

Mr. Muhammad Ashraf	(FCMA)
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CHIEF FINANCIAL OFFICER

Mr. Muhammad Ashraf	(FCMA)
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BANKERS

Habib Metro Bank Limited
Allied Bank of Pakistan
MCB Bank Limited
The Bank of Punjab
Meezan bank Limited

AUDITORS

H.A.M.D & Co.
Office No. 01, 2nd Floor, Diamond Tower,
Liberty Market, Opposite LDA Parking Plaza,
Near Capri Cinema, Lahore, Pakistan.

CORPORATE & REGISTERED OFFICE

7/1-E-3 Main Boulevard Gulberg III, Lahore
Tel : (042) 35717510
Fax : (042) 35755760

SHARE REGISTRARS

Corp Link (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel : (042) 35839182
Fax : (042) 35869037

MILLS

49-Kilometer
Multan Road, Bhai Phero.
Tel: (04943) 540083-4

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of CHAKWAL SPINNING MILLS LIMITED will be held on Monday, November 27, 2017 at 11:00 a.m. at 7/1 E-3 Main Boulevard Gulberg III, Lahore to deal with the following matters-

ORDINARY BUSINESS:

1. To confirm the minutes of last AGM held on November 30, 2016.
2. To receive and adopt the audited accounts of the Company for the year ended June 30, 2017 together with the reports of directors and auditors thereon.
3. To appoint auditors for the year ending June 30, 2018 and to fix their remuneration. The retiring auditors M/S H.A.M.D & Company Chartered Accountants have offer themselves for reappointment. A share holder of the company has proposed that in place of retiring auditors, M/S Aslam Malik & Co, Chartered Accountants be appointed as external auditors of the company for the financial year 2017-2018.
4. To transact any other business which may be brought forward with the permission of the Chair.

BY ORDER OF THE BOARD

Lahore:
November 05, 2016

MUHAMMAD ASHRAF
Company Secretary

BOOK CLOSURE

The Member's Register will remain closed from November 20, 2017 to November 27, 2017 (both days inclusive).

NOTES:

1. A member entitled to attend the meeting may appoint another member as his/her proxy to attend the meeting of him/her behalf. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.
2. The beneficial owner of the shares of the company in the central depository system of the CDC or his/her proxy entitled to attend this meeting shall produce his/her original CNIC or passport to prove the identity. CDC Account Holders will further have to follow the guidelines as laid down in Circular No. 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.
3. Transfer received in order by the close of business hours November 19, 2017 will be treated in time. The same or any change in address, if any, alongside valid copy of CNIC for filing annual return of company be sent to our share registrar M/s Corp link (Pvt) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore. Tel. 042-5839182.
4. In terms of SECP's SRO 787(1)/2014, members can now receive audited financial statements alongside notice of AGM electronically through email. Therefore members (physical or CDC shareholders) who are interested in receiving the same are required to send their email addresses and consent for electronic transmission to share registrar of the company or directly to their broker(participant)/CDC investor account services, as the case may be.
5. The company has also placed the audited financial statements for the year ended June 30, 2017 alongside directors and auditor's report thereon on its website www.chakwalgroup.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the board of directors of the company, I present before you present annual report of your Company together with audited financial statements and auditors' report thereon for the year ended 30th June 2017.

Financial Performance:

During the year under review, your Company has incurred net loss of Rs. 355.905 million as compared to net loss of Rs. 334.736 million for the corresponding last year. This year proved to be a disaster for Pakistan spinning industry. The loss is mainly attributed to the under utilization of production capacity, ever low margins, long recession worldwide and sluggish local yarn market as well. Other factors contributed in increasing loss of the company were, high tariff energy cost, increasing prices of raw material, availability of cheaper imported yarn from India and Turkey in local market and imposition of innovative taxation on energy sector which put immense pressure on local spinning industry which resulted in closure of many spinning mills particularly in the province of Punjab.

Net sales of the company has decreased from Rs.1,057.192 million to Rs.536.175 million in the current year (a drastic decrease of 49.31%). Sales were reduced mainly due to lower yarn production which in turn was due to absence of yarn demand and non-viability of higher yarn sale volume. Export sales have been completely eroded this year showing a glimpse of pathetic yarn export market. In view of the circumstances prevailing in the spinning sector, company has to curtail its operations at almost 39% production capacity which also includes a closure period of 126 days and the prevailing situation forced the management to temporarily shut down the operations of the company on March 21, 2017. However, all other expenses were kept under control and substantial reduction has been witnessed. Distribution cost reduced by 97% and Administrative cost by 35% compared to corresponding last year.

(Loss) Per Share (EPS):

The Basic loss per share (EPS) of the Company for the year 2017 remained at Rs. (8.90) compared to Rs.(8.37) per share to last year. There is no dilution effect on the basic (loss) / earning per share of the company as the company has no such commitments that would result in dilution of earning of the company.

Future outlook

Spinning industry is the backbone of economy of the country and is playing a pivotal role in strengthening the economy of the country. Presently it is very difficult time for spinning industry due to rising raw material prices, high cost of production and recession prevailing in both international and domestic markets. As the Government has imposed antidumping duty and taken measures on import of yarn and has also announced zero percent import duty on import of war cotton which hopefully may support the industry to save the major contribution sector of the economy.

The Government must has to take further well planned concrete steps to uplift the economy and textile sector specially for spinning industry which is the core industry of Pakistan including resolution of basic issues. But unfortunately in the prevailing political situation of the country there is hardly any chance of Government support to the textile industry. In our opinion, spinning industry has entered into a crucial stage of survival. If we survive through this tough era, we may be able to grow in future otherwise survival scenario for most of spinning units is quite bleak

Going concern assumption

The company has been facing operational losses since the year 2015 mainly due to long recession in yarn markets worldwide, increasing raw material prices, high tariff energy cost, over supply of yarn from India and Turkey at low prices and imposition of innovative taxes on energy sector. These factors put immense pressure on operations of the company and yarn prices in local markets remained low and matchless which further aggravated the losses resulting the closure of many spinning mills in the province of Punjab. Resulting the company has to curtail its production capacity at a low level and desired results could not be achieved.

The statutory auditors of the company have raised doubts on the company's ability to continue as a going concern

as reflected in Note 2.2 in the financial statements. However, these financial statements have been prepared on going concern basis on the grounds that:

- a) The management is optimistic and appreciate that the Government has imposed antidumping duty and taken measures on import of yarn and has also announced zero percent import duty on import of raw cotton which hopefully will support the industry to save the major contribution sector of the economy.
- b) Government has provided incentive to textile industry by providing initially 28% system gas supply which further enhanced at 35% at lower rates than RLNG. The effect of this reduction in production cost will ultimately lead the industry as well as the company to revival.
- c) The directors of the company continued financial support to the company in the form of interest free loans. During the year, the directors provided financial support amounting to Rs.97.902 million to meet the working capital requirement of the company. The directors have already given long term loans which are to paid at the descretion of company.
- d) The management expects continued support of its bankers in providing financial support to the company.
- e) The management has planned to restart the operations and strategic and cost cutting plan has been drawn up aiming to curtail and reduce fixed costs and rationalizing variable costs duly approved by the Board of Directors..

Major Risks and Risk Management:

The Board of Directors regularly reviews the risk matrix in terms of impact and probability of occurrence and is responsible for risk mitigation measures. The Company's ability to continually assess market conditions and then react decisively, allows the Company to manage risks responsibility and take opportunities to strengthen the position of the Company when they arise.

Credit Risk:

All financial assets of the Company except cash in hand are subject to credit risk. The Company believes that it is not exposed to major concentration of credit risk. Exposure is managed through application of credit limits to its customers and diversification of its deposits placed with top ranked banks.

Interest Rate Risk:

Though State Bank of Pakistan (SBP) has kept discount rate at the lowest level of history, any upward shift in interest rate would affect our results badly. Economic indicators are monitored to better understand the interest rate trend.

Foreign Exchange Risk:

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currencies. The Company has not made such foreign trade transaction winch may lead to any foreign exchange risk.

Change in the Board

Since November 25, 2016 till date, three casual vacancies were filled up in the Board of Directors in accordance with the provisions of Companies Ordinance 1984 and Companies Act 2017 as narrated below:

Directors Left the Board

Name		Date of Resignation
1	Mr. Mohammad Aman	Director November 25, 2016
2.	Khawaja Mohammad Nadeem	Director August 18, 2017
3.	Mr. Mohammad Naveed	Director August 18, 2017

Directors Joined the Board

Name		Date of Joining
1. Mr. Mohammad Hamza Yousaf	Director	December 14, 2016
2. Mr. Danish Tanveer	Director	August 18, 2017
3. Mst. Munaza Kaleem	Director	August 18, 2017

Committees of The Board

In compliance with the Code of Corporate Governance, the Board of directors had formed the following committees:

-Audit Committee

-HR & Remuneration Committee

The names of the members of the above committees are given in the Company information.

Change in formation of Audit Committee

Audit Committee of the Board of Directors was reconstituted and Mr. Mohammad Hamza Yousaf replaced as member of Audit Committee who joined the Board on December 14, 2016 on resignation of Mr. Mohammad Aman who resigned from the Board of Directors on November 25, 2016. Mr. Mohammad Tariq, Sufi Independent Director also joined as member of Audit Committee of the Board of Directors of the company. Mr. Mohammad Naveed director and Chairman Audit Committee of the Board resigned from the Board of Directors on August 18, 2018 and Mr. Danish Tanveer Director who joined the Board of the company on August 18, 2017 also joined Audit Committee of the Board. Audit Committee now consist of four members of whom three members are non-executive directors and one member Mr. Mohammad Tariq Soofi an Independent Director. The current formation of the Audit Committee of the Board of Directors is as follows:

- Mr. Mohammad Hamza Yousaf	Non-Executive Director	Chairman
- Khawaja Mohammad Jawed	Non-Executive Director	Member
- Mr. Danish Tanveer	Non-Executive Director	Member
- Mr. Mohammad Tariq Soofi	Independent Director	Member

Meetings of the Board of Directors:

During the year under review, four meetings of the Board of Directors of the Company were held in Pakistan and the attendance position is as follows:

1. Khawaja Mohammad Jawed	4
2. Muhammad Naveed	4
3. Khawaja Mohammad Jahangir	3
4. Khawaja Mohammad Tanveer	4
5. Khawaja Mohammad Kaleem	4
6. Khawaja Mohammad Nadeem	4
7. Mr. Mohammad Aman	1
8. Mohammad Hamza Yousaf	3
9. Mohammad Tariq Sufi	4

Board Committees**Audit Committee**

The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, four meetings of the Audit Committee of the Company were held and the attendance position is as follows:

1. Khawaja Mohammad Jawed	4
2. Khawaja Mohammad Naveed	4
3. Khawaja Mohammad Aman	1
4. Mr. Mohammad Hamza Yousaf	3
5. Mr. Mohamamd Tariq Sufi	3

HR & Remuneration Committee

The HR & Remuneration committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, only one meeting of the HR & Remuneration Committee of the Company was held and the attendance position is as follows:

1. Khawaja Mohammad Jawed	1
2. Khawaja Mohammad Jahangir	1
3. Khawaja Mohammad Tanveer	1

Auditors:

1. The present auditors of the Company M/S H.A.M..D and Co., Chartered Accountants have completed the annual audit for the year ended 30 June 2017 and have issued an unqualified audit report. The auditors will retire on conclusion of the Annual General Meeting of the Company, and being eligible have offered themselves for reappointment for the year ending 30 June 2018. A share holder of the company has requested that in place of retiring auditors, M/S Aslam Malik & Co, Chartered Accountants be appointed as external auditors of the company for the financial year 2017-2018.

Compliance with the Code of Corporate Governance:

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Listing Regulations have been adopted by the Company and have been duly complied with. A statement to this effect is annexed to the Report.

Corporate Governance & Financial Reporting Framework:

As required by the Code of Corporate Governance, Directors are pleased to report that:

- i) The financial statements prepared by the management of the Company present fair state of Company's operations, cash flows and changes in equity.
- ii) Proper books of account of the Company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based upon reasonable and prudent judgment.
- iv) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements, and any departures there from has been adequately disclosed and explained.
- v) The system of internal control is sound in design and has been effectively implemented and monitored.
- vi) There are no doubts upon the Company's ability to continue as a going concern as stated above.
- vii) Key operating and financial data for the last six years is annexed.
- viii) There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2017 except for those disclosed in the financial statements.

- ix) No adverse material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.
- x) During the year 2016-17, a director of the company, Khawaja Mohammad Kaleem sold 16,185,000 shares and a director, Mr. Mohammad Hamza Yousaf purchased 500 shares of the company.
- ix) The company has neither declared dividend nor issued bonus shares because of loss sustained by the Company for the year ended 30th June 2017.
- xii) The Company is fully compliant with the requirement of Rule 5.19.7 (Directors' Training Program) of Pakistan Stock Exchange Regulation.
- xiii) There are no overdue loans except as stated in financial statements. The management is negotiating with lenders to settle the issue amicably.

Pattern of Shareholding:

The pattern of shareholding as on 30th June 2017 and its disclosures as required in the Code of Corporate Governance is annexed with this report.

Corporate Social Responsibility:

The Company is fully aware of corporate social responsibilities and consistently endeavors to uplift communities that are influenced directly or indirectly by our business.

Environment, Health and Safety:

The Company maintains safe working conditions avoiding the risk to the health of employees and public at large. The management has maintained safe environment in all its operations throughout the year and is constantly upgrading their safety and living facilities. Safety is a matter of concern for machinery as well as the employees working at plant. Fire extinguishers and other fire safety equipments have been placed at sites as well as head office of the Company. Regular drills are performed to ensure efficiency of fire safety equipments.

Company's Shareholders and Staff:

The Board is thankful to the Company's shareholders for their continuing confidence in the Company. The Board also wishes to express its gratitude to all the Company's employees for their hard work, loyalty and dedication.

For and on behalf of the Board

Date: November 05, 2017
Lahore:

Khawaja Mohammad Jahangir
Chief Executive

ڈائریکٹرز رپورٹ

میں بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2017 کے اختتام شدہ مالی سال کے نتیجے شدہ حسابات کے ساتھ آڈیٹرز کی رپورٹ پیش کرتا ہوں۔

مالیاتی کارکردگی

زیر جائزہ سال کے دوران آپ کی کمپنی کو پچھلے سال کے 334.736 ملین روپے کے خالص نقصان کے مقابلے میں 355.905 ملین روپے کا خالص نقصان ہوا۔ یہ سال پاکستان کی سپنگ کی صنعت کے لئے تباہی کا سال ثابت ہوا۔ نقصان کی بنیادی وجہ پیداواری صلاحیت کا کم استعمال، کم ترین منافع، دنیا بھر میں عرصے سے جاری مراجعت اور مقامی سست منڈی ہے۔ دوسرے عوامل جو نقصان میں اضافے کی وجہ بنے زیادہ نرخوں والی توانائی، خام مال کی بڑھتی ہوئی قیمتیں، مقامی منڈی میں بھارت اور ترکی سے درآمد شدہ سستے دھاگے کی دستیابی اور توانائی کے شعبے میں نئے ٹیکس جسکی وجہ سے مقامی سپنگ کی صنعت پر برا اثر پڑا نتیجے کے طور پر پنجاب کے صوبے میں بھت ساری سپنگ ملیں بند ہو گئیں۔ کمپنی کی خالص سیلز 1,057,846 ملین روپے سے 536.176 ملین روپے %49.31 کمی کے ساتھ کم ہوئی۔ سیلز میں کمی کی وجہ دھاگے کی کم پیداوار جو کہ دھاگے کی زیادہ طلب کا نہ ہونا ہے۔ سپنگ سیکٹر کے حالات کو مد نظر رکھتے ہوئے کمپنی کو اپنے اپریشنز %39 پیداواری استعانت تک کرنے پڑے جس میں 126 دن کی بندش کا عرصہ بھی شامل ہے اور جاری صورت حال کے پیش نظر انتظامیہ کو مجبوراً کمپنی اپریشنز کو 21 مارچ 2017 کو عارضی طور پر بند کرنا پڑا۔ جبکہ باقی اخراجات کنٹرول میں رہے۔ پچھلے سال کے مقابلے میں ڈسٹریبیوٹن اخراجات %97 اور انتظامی اخراجات %35 کم رہے۔

نقصان فی شیئر

کمپنی کا سال 2017 میں فی شیئر بنیادی نقصان (EPS) پچھلے سال کے نقصان 8.37 روپے فی شیئر کے مقابلے میں 8.90 روپے فی شیئر رہا۔ کمپنی کے شیئرز میں کمی بیشی کا کوئی امکان نہیں کیونکہ کمپنی کی کوئی ایسی بندش نہیں جو کمپنی کے نتائج پر اثر انداز ہو۔

مستقبل کا خاکہ

سپنگ کی صنعت ملکی معیشت کی ریڑھ کی ہڈی کی حیثیت رکھتی ہے اور ملکی معیشت کو مضبوط کرنے کے لئے بنیادی کردار ادا کر رہی ہے۔ اس وقت سپنگ انڈسٹری پر بڑا مشکل وقت ہے جسکی وجہ خام مال کی بڑھتی ہوئی قیمتیں، زیادہ پیداواری لاگت اور بین الاقوامی اور مقامی منڈی دونوں میں جاری مراجعت ہے۔ جیسے کہ حکومت نے دھاگے کی درآمد پر انٹی ڈمپنگ ڈیوٹی لگائی ہے اور اقدامات لئے ہیں اور خام روئی کی درآمد پر درآمدی ڈیوٹی صفر فیصد کر دی ہے جو کہ صنعت کی مدد کرے گی معیشت میں بنیادی کردار ادا کرنے والی صنعت کو بچائے گی۔ حکومت کو معیشت اور صنعت کو اٹھانے کے لئے مزید مضبوط بنیادوں پر اقدامات اٹھانے چاہئیں خاص طور پر ٹیکسٹائل اور بالخصوص سپنگ انڈسٹری جو کہ بنیادی صنعت ہے۔ مگر جاری ایسی صورت حال میں یہ بڑا مشکل چانس ہے کہ حکومت ٹیکسٹائل کی صنعت کی کوئی مدد کر سکے۔ ہماری نظر میں سپنگ انڈسٹری اپنی بقا کی مشکل صورت حال میں گھر چکی ہے اگر ہم اس مشکل صورت حال سے نکل گئے تو ہم مستقبل میں ترقی کریں گے ورنہ زیادہ تر سپنگ کمپنیاں ڈوب جائیں گی۔

کاروبار جاری رہنے کی وضاحت

کمپنی کو سال 2015 سے آپریشنل خسارے کا سامنا ہے جسکی بنیادی وجوہات دنیا بھر میں دھاگے کی منڈیوں میں جاری مراجعت، خام مال کی بڑھتی ہوئی قیمتیں، توانائی لاگت کے زیادہ نرخ، ہندوستانی اور ترکی کے دھاگے کی کم قیمتوں پر بھر مار اور توانائی کے شعبے میں نئے ٹیکس ہیں جنہوں نے کمپنی کے اپریشنز پر شدید باؤ ڈالا اور مقامی منڈی میں دھاگے کی قیمتیں کم بلکہ غیر متقابل رہیں جس نے نقصان کو مزید بڑھایا نتیجتاً پنجاب میں بہت ساری سپنگ ملیں بند ہو گئیں نتیجے کے طور پر کمپنی کو اپنی پیداواری استعداد بہت نیچے لیول تک کم کرنی پڑی اور مظلومہ نتائج حاصل نہ کئے جاسکے۔

کمپنی کے قانونی محاسب نے کمپنی کی کاروبار جاری رکھنے کی صلاحیت پر شکوک کا اظہار کیا ہے جیسے کہ مالی رپورٹس کے نوٹ نمبر 2.2 میں ظاہر کیا گیا ہے۔ تاہم یہ مالی رپورٹس کاروبار جاری و ساری رہنے کی بنیاد پر تیار کی گئی ہیں جن کے سبب مندرجہ ذیل ہیں۔

(ا) کمپنی بہت پر امید ہے اور خوشی کا اظہار کرتی ہے کہ حکومت نے درآمدی دھاگے کی درآمد پر انٹی ڈمپنگ ڈیوٹی لگائی ہے اور اقدامات لئے ہیں اور خام روئی کی درآمد پر درآمدی ڈیوٹی صفر فیصد کر دی ہے جو کہ صنعت کی مدد کرے گی معیشت میں بنیادی کردار ادا کرنے والی صنعت کو بچائے گی۔

(ب) حکومت نے ٹیکسٹائل سیکٹر کو ابتدائی طور پر 28% سسٹم گیس سپلائی دی جسے بڑھا کر 35% کر دیا ہے جس کے نرخ آراین ایل جی سے کم ہیں یہ کمی پیداواری لاگت پر اثر کرے گی اور نتیجتاً کمپنی اور صنعت کی بحالی میں کردار ادا کرے گی۔

(ج) کمپنی کے ڈائریکٹران کمپنی کے معاملات سے پوری طرح آگاہ ہیں اور کمپنی کی مجموعی کارکردگی کو بہتر بنانے کے لئے سرتوڑ کوشش کر رہے ہیں۔ کمپنی کو ڈائریکٹرز کی طرف سے بلا سود قرضہ کی شکل میں مسلسل مالی حمایت حاصل ہے۔ سال کے دوران انہوں نے 97.902 ملین روپے کا بلا سود قرضہ کمپنی کی ضروریات پوری کرنے کے لئے فراہم کیا ہے۔

(د) کمپنی اپنے بینکرز سے کمپنی کو مالی مدد کی فراہمی کے لئے توقع رکھتی ہے۔

(ر) انتظامیہ نے کمپنی کے اپریٹر کو دوبارہ شروع کرنے کے لئے حکمت عملی والا جامع اور لاگت کم رکھنے کا اس عزم کے ساتھ فلسفہ اور تبدیل ہونے والے۔ اخراجات کو کم کرنے کا منصوبہ تیار کیا ہے جس کی منظوری بورڈ آف ڈائریکٹرز نے دی ہے۔

اہم رسک اور رسک منیجمنٹ

بورڈ آف ڈائریکٹرز خطرات کو باقاعدگی سے امکان اور اثر کے حوالے سے جانچتا ہے اور ان کو کم کرنے کا زمہ دار ہے۔ کمپنی کی منڈی کے حالات کو مسلسل جانچنے کی قابلیت اور پھر فیصلہ کن طور پر رد عمل دینا کمپنی کو خطرات سے نمٹنے اور مواقع سے فائدہ اٹھانے میں مدد فراہم کرتا ہے۔

(ا) کریڈٹ رسک

کمپنی کے تمام مالیاتی اثاثہ جات ماسوائے نقد کیش کے کریڈٹ رسک کا شکار ہو سکتے ہیں۔ کمپنی یقین رکھتی ہے کہ یہ کریڈٹ رسک کے بڑے ارتکاز پر منکشف نہیں ہوگی۔ کریڈٹ رسک کے انکشاف کو گاہکوں پر کریڈٹ حدود لگا کر اور اپنے کیش کو اعلیٰ درجے کے بینکوں میں بانٹ کر جمع کرانے سے کم کرتے ہیں۔

(ب) شرح سود کا رسک

اگر چرپسٹ بینک نے ڈسکاؤنٹ ریٹ کو تاریخ کی کم ترین سطح پر رکھا ہے، مگر شرح سود میں کوئی بھی اضافہ ہمارے نتائج کو بری طرح متاثر کر سکتا ہے۔ شرح سود کے رجحانات کو بہتر طریقے سے سمجھنے کے لیے اقتصادی اعداد و شمار کو مد نظر رکھا جاتا ہے۔

(ج) زرمبادلہ کا رسک

زرمبادلہ کا رسک پیدا ہوتا ہے جب زرمبادلہ میں لین دین کی وجہ سے قابل وصول اور واپس ادائیگات پائے جائیں۔ کمپنی نے ایسا کوئی زرمبادلہ میں لین دین نہیں کیا جس سے کمپنی کو کسی رسک کا سامنا ہو۔

بورڈ میں تبدیلی

نومبر 25، 2016 سے آج تک تین عارضی آسامیاں بورڈ آف ڈائریکٹرز میں کمپنیز آرڈیننس 1984 اوپنیز ایکٹ 2017 کی شقوں کے مطابق شامل کی گئیں تھیں جو نیچے دی گئی ہیں:

ڈائریکٹرز جنہوں نے بورڈ چھوڑا

نام	ڈائریکٹر	استعفیٰ کی تاریخ
مسٹر محمد امان	ڈائریکٹر	نومبر 25، 2016
خواجہ محمد ندیم	ڈائریکٹر	اگست 18، 2017
مسٹر محمد نوید	ڈائریکٹر	اگست 8، 2017

ڈائریکٹرز جو بورڈ میں شامل ہوئے

نام	ڈائریکٹر	استعفیٰ کی تاریخ
مسٹر محمد حمزہ یوسف	ڈائریکٹر	دسمبر 14، 2016
مسٹر دانش تنویر	ڈائریکٹر	اگست 8، 2017
مسٹر محمد نوید	ڈائریکٹر	اگست 18، 2017

بورڈ کی کمیٹیاں

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ آف ڈائریکٹرز نے مندرجہ ذیل کمیٹیاں بنائی ہیں۔

- آڈٹ کمیٹی

- انسانی وسائل اور معاوضہ کمیٹی

ان کمیٹیوں کے ممبران کے نام کمیٹی کی معلومات میں دیے گئے ہیں۔

بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی کی تشکیل نو کی گئی اور مسٹر محمد حمزہ یوسف کو آڈٹ کمیٹی کے ایک ممبر مسٹر محمد امان جگہ جنہوں نے نومبر 25، 2016 کو بورڈ کی رکنیت سے استعفیٰ دیا، کی جگہ دسمبر 14، 2016 کو شامل کیا گیا۔ مسٹر محمد طارق صوفی آزاد ڈائریکٹر بھی آڈٹ کمیٹی میں شامل ہوئے۔ مسٹر محمد نوید ڈائریکٹر اور آڈٹ کمیٹی کے چیئرمین نے بورڈ کی رکنیت سے اگست 18، 2017 کو استعفیٰ دے دیا اور مسٹر دانش تنویر جو بورڈ آف ڈائریکٹرز میں اگست 18، 2017 کو شامل ہوئے، بورڈ کی آڈٹ کمیٹی میں بھی شامل ہوئے۔ کمیٹی اب تین نان ایگزیکٹو ڈائریکٹرز ممبرز اور ایک آزاد ڈائریکٹر مسٹر محمد طارق صوفی پر مشتمل ہے۔ بورڈ کی آڈٹ کمیٹی کی ترتیب ایسے ہے۔

مسٹر محمد حمزہ یوسف	نان۔ ایگزیکٹو ڈائریکٹر	چیئرمین
خواجہ محمد جاوید	نان۔ ایگزیکٹو ڈائریکٹر	ممبر
مسٹر دانش تنویر	نان۔ ایگزیکٹو ڈائریکٹر	ممبر
مسٹر محمد طارق صوفی	آزاد ڈائریکٹر	ممبر

بورڈ کے اجلاس

موجودہ سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس پاکستان میں ہوئے اور ڈائریکٹرز کی حاضری اس طرح رہی۔

نام	تعداد حاضری
خواجہ محمد جاوید	4 دفعہ
محمد نوید	4 دفعہ
خواجہ محمد جہانگیر	3 دفعہ

4 دفعہ	خواجہ محمد تنویر
4 دفعہ	خواجہ محمد کلیم
4 دفعہ	خواجہ محمد ندیم
1 دفعہ	محمد امان
3 دفعہ	محمد حمزہ یوسف
4 دفعہ	محمد طارق صوفی

بورڈ کمیٹیاں

آڈٹ کمیٹی

آڈٹ کمیٹی، بورڈ آف ڈائریکٹرز کی ہدایات کے مطابق اپنی ذمہ داریاں سرانجام دے رہی ہے۔ اس سال آڈٹ کمیٹی کے چار اجلاس ہوئے اور حاضری اس طرح رہی۔

نام	تعداد حاضری
خواجہ محمد جاوید	4 دفعہ
خواجہ محمد نوید	4 دفعہ
محمد امان	1 دفعہ
محمد حمزہ یوسف	3 دفعہ
محمد طارق صوفی	3 دفعہ

انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ کمیٹی بورڈ آف ڈائریکٹرز کی ہدایات کے مطابق اپنی ذمہ داریاں سرانجام دے رہی ہے۔ اس سال انسانی وسائل اور معاوضہ کمیٹی کا صرف ایک اجلاس ہوا اور حاضری اس طرح رہی۔

نام	تعداد حاضری
خواجہ محمد جاوید	1 دفعہ
خواجہ محمد جہانگیر	1 دفعہ
خواجہ محمد تنویر	1 دفعہ

محاسب

کمپنی کے موجودہ محاسب میسرز ایچ۔ اے۔ ایم۔ ڈی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے 30 جون 2017 پر ختم شدہ سال کا سالانہ آڈٹ مکمل کر لیا ہے اور آڈٹ رپورٹ میں کوئی اعتراض نہیں اٹھایا۔ موجودہ محاسب کی خدمات کمپنی کے سالانہ عام اجلاس میں واپس کر دی جائیں گی اور اہل ہونے کے ناطے انھوں نے 30 جون 2018 پر اختتام پذیر ہونے والے سال کے لیے دوبارہ اپنی خدمات پیش کرنے کی خواہش ظاہر کی ہے۔ ایک شیئر ہولڈر نے ریٹائرڈ ہونے والے آڈیٹرز کی جگہ میسرز اسلم ملک اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس مالی سال 2017-2018 کے لئے رکھنے کی تجویز پیش کی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کوڈ آف کارپوریٹ گورننس کی شرائط جو پاکستان سٹاک ایکسچینج نے اپنے لسٹنگ کے اصولوں میں وضع کی ہیں کمپنی نے اختیار کی ہیں اور ان کی صحیح تعمیل کی ہے۔ اس کی تعمیل کا بیان رپورٹ کے ساتھ منسلک کیا گیا ہے۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ فریم ورک

کوڈ آف کارپوریٹ گورننس کے مطابق، ڈائریکٹرز یہ بتاتے ہوئے خوشی محسوس کرتے ہیں کہ:

- (i) کمپنی کے منتظمین کی جانب سے تیار کردہ حسابات کمپنی کے معاملات، نقدی بہاؤ اور ایکٹوٹی میں تبدیلی کی شفافیت کو ظاہر کرتے ہیں۔
- (ii) کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- (iii) مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں یکساں طور پر لاگو کی گئی ہیں اور اکاؤنٹنگ تخمینہ جات (estimates) مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- (iv) بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS)، جیسے کہ پاکستان میں قابل عمل ہیں، پر حسابات بناتے وقت عمل کیا گیا ہے اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
- (v) اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اس پر موثر طریقے سے عمل درآمد اور نگرانی کی جاتی ہے۔
- (vi) کمپنی کا کاروبار چالو رہنے میں کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- (vii) کمپنی کے گزشتہ چھ سالوں کے چلنے اور مالیات سے متعلق کلیدی اعداد و شمار منسلک کئے گئے ہیں۔
- (viii) 30 جون 2017 پر کوئی واجب الادا ٹیکس، ڈیوٹی، محصول اور چارج نہیں ہے ماسوائے جو حسابات میں درج کئے گئے ہیں۔
- (ix) سال 2016-17 کمپنی کے ایک ڈائریکٹر خواجہ محمد کلیم نے اپنے 16,185,000 حصص فروخت کئے ہیں اور ایک ڈائریکٹر مسٹر محمد حمزہ یوسف نے کمپنی کے 500 حصص خریدے ہیں۔
- (x) اس مالیاتی سال جس سے ان حسابات کا تعلق ہے کے اختتام سے لے کر ڈائریکٹر پورٹ کی تاریخ تک حسابات پر اثر انداز ہونے والی کوئی اہم تبدیلی اور وعدے نہیں ہیں۔
- (ix) 30 جون 2017 پر اختتام پزیر ہونے والے سال کے دوران خسارے کی وجہ سے کسی ڈیویڈنڈ کا اعلان اور بونس ح کا اجرا نہیں کیا گیا۔
- (xii) کمپنی پاکستان شاک آپٹیمائزیشن کے اصولوں کے نمبر 5.19.7 (ڈائریکٹروں کی ٹریٹمنٹ) پر پوری طرح عمل پیرا ہے۔
- (xiii) کوئی زائد لمعیا و قرض نہیں ہے ماسوائے جو حسابات میں درج ہیں۔ منتظمین قرض خواہوں سے بات چیت جاری رکھے ہوئے ہیں تاکہ مسائل کو خوش اسلوبی سے حل کیا جائے۔

حصص کا طریقہ کار

30 جون 2017 کی تاریخ میں کوڈ آف کارپوریٹ گورننس کے مطابق مطلوبہ تفصیل لف ہے۔

مظہم سماجی ذمہ داری

کمپنی اپنی مظہم سماجی ذمہ داریوں سے مکمل طور پر آگاہ ہے اور سماجی بہبود کے لیے تسلسل کے ساتھ کوشش کرتی ہے خواہ سماج ہمارے کاروبار سے بالواسطہ یا بلاواسطہ اثر انداز ہو۔

ماحول، صحت اور حفاظت

کمپنی کام کرنے کے لیے محفوظ حالات فراہم کرتی ہے تاکہ ملازمین اور عوام کو خطرات سے محفوظ رکھا جاسکے۔ منتظمین نے سال کے دوران محفوظ ماحول فراہم کیا ہے اور حفاظتی اور روزمرہ کی سہولیات کو تسلسل کے ساتھ بہتر بنایا ہے۔

حفاظت کا معاملہ مشینری اور ملازمین دونوں سے متعلق ہے۔ فائر کسٹینگویشر اور دیگر آگ بجھانے کے آلات کمپنی کی ملوں اور مرکزی دفتر میں رکھے گئے ہیں۔ آگ بجھانے کے حوالے سے تسلسل کے ساتھ مشقیں کی جاتی ہیں۔

کمپنی کے حصہ داران اور شفاف

بورڈ کمپنی کے حصہ داران کا تسلسل کے ساتھ اعتماد کی وجہ سے شکر گزار ہے۔ بورڈ کمپنی ملازمین کی انتھک محنت، وفاداری اور لگن کی وجہ سے بھی شکریہ کا خواہشمند ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے

خواجہ محمد جہانگیر
چیف ایگزیکٹو

تاریخ: 5 نومبر 2017

لاہور

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in regulation No. 5.19 of Pakistan Stock Exchange Limited 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.(CG)

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages the representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes -

Category	Names
Independent Director	1. Mr. Mohammad Tariq Sufi
Executive Directors	1. Khawaja Mohammad Jahangir 2. Khawaja Mohammad Kaleem
Non Executive Directors	1. Khawaja Mohammad Jawed 2. Khawaja Mohammad Tanveer 3. Mr. Mohammad Hamza Yousaf 4. Mr. Danish Tanveer 5. Mst. Munaza Kaleem

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.(excluding the listed subsidiaries of listed holding companies wherever applicable)

The Independent director meets the criteria of independence under clause 5.19.1.(b) of the CCG.

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.
4. Since Novemebr 25, 2016 till date, three casual vacancies were filled up in the Board of Directors in accordance with the provisions of Companies Ordinance 1984 and Compaies Act 2017 as narrated below:

Directors Left the Board

Name		Date of Resignation
1. Mr. Mohammad Aman	Director	November 25, 2016
2. Khawaja Mohammad Nadeem	Director	August 18, 2017
3. Mr. Mohammad Naveed	Director	August 18, 2017

Directors Joined the Board

Name		Date of Joining
1. Mr. Mohammad Hamza Yousaf	Director	December 14, 2016
2. Mr. Danish Tanveer	Director	August 18, 2017
3. Mst. Munaza Kaleem	Director	August 18, 2017

5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision /mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and condition of employment of the Chief Executive and other working director(s) have been taken by the board/shareholders.
8. The meetings of the Board were presided over by the Chairman or in his absence other director elected by the board for this purpose. The Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. All the directors of the Company except stated below are exempted from Directors training Program due to 14 years of education and 15 years of experience on the board of listed company which covered compliance of Code of Corporate Governance.
 - Mr. Mohammad Hamza Yousaf Director of the company has completed directors' training program through the Institute of Chartered Accountants of Pakistan.
 - Mr. Danish Tanveer Director and Mst. Munaza Kaleem Director have recently joined the Board on August 18, 2017 and will get complete Directors Training Program in coming future to comply with the requirement of Code of Corporate Governance.
10. The Directors at Chakwal Spinning Mills Limited Board are fully conversant with their duties and responsibilities as Director of corporate bodies. The Chief Executive recommends that the members of the Board should approach him, should they feel any necessity to conduct other orientation courses in this regard.
11. No new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit has been made during the year.
12. The director's report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
13. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
14. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
15. The company has complied with all the corporate and financial reporting requirements of the CCG.
16. Audit Committee of the Board of Directors was reconstituted and Mr. Mohammad Hamza Yousaf replaced as member of Audit Committee who joined the Board on December 14, 2016 on resignation of Mr. Mohammad Aman who resigned from the Board of Directors on November 25, 2016. Mr. Mohammad Tariq Sufi, Independent Director also joined as member of Audit Committee of the Board of Directors of the company. Mr. Mohammad Naveed director and Chairman Audit Committee of the Board resigned from the Board of Directors on August 18, 2018 and Mr. Danish Tanveer Director who joined the Board of the company on August 18, 2017 also joined Audit Committee of the Board. Audit Committee now consists of four members of whom three members are non-executive directors and one member Mr. Mohammad Tariq Soofi an Independent Director. The current formation of the Audit Committee of the Board of Directors is as follows:

- Mr. Mohammad Hamza Yousaf	Non-Executive Director	Chairman
- Khawaja Mohammad Jawed	Non-Executive Director	Member
- Mr. Danish Tanveer	Non-Executive Director	Member
- Mr. Mohammad Tariq Sufi	Independent Director	Member

17. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of references of the committee have been formed and advised to the committee for compliance.
18. The board has formed an HR and Remuneration committee; It comprises of three members, including the CEO and the non executive directors while the chairman of the committee is a non executive director.
19. The Board has set up an effective internal audit function which was duly reviewed and ratified by the audit committee and approved by the Board of Directors of the Company.
20. The statutory auditors of the company have confirmed that they have been given satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
22. The "closed period" prior to the announcement of interim/final results and business decisions which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange(s).
23. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
24. All related party transactions entered during the year were at arm's length basis and these have been placed before the Audit Committee and Board of Directors. These transactions are duly reviewed and approved by Audit Committee and Board of Directors.
25. The Company has complied with the requirement relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
26. We confirm that all other material principles enshrined in the CCG have been complied with.

Lahore
November 05, 2017

:Khawaja Mohammad Jahngir
Chief Executive

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Chakwal Spinning Mills Limited (the Company) for the year ended June 30, 2017 to comply with regulation 5.19 of the Rule Book of Pakistan Stock Exchange where the Company is listed.

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

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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

H.A.M.D & Co.
Chartered Accountants
Engagement partner: Waseem Ashfaq

Date: November 05, 2017
Place: Lahore

AUDITORS' REPORT TO THE MEMBERS

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

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

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

- a) In our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984.
- b) In our opinion
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) In our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the loss, comprehensive loss, its cash flows and changes in equity for the year then ended; and
- d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to the matters as more fully explained in the Note 2.2 to the financial statements that the company has incurred loss before tax for the year June 30, 2017 of Rs. 357.104 million (2016: Loss Rs. 332.704 million) and at that date reported accumulated loss of Rs. 599.371 million (2016: Rs. 249.314 million). The company's current liabilities exceeded its current assets by Rs. 742.632 million (2016: Rs. 591.284 million) and overdue mark-up and principal on its borrowings amounting to Rs. 397.118 million. During the year, manufacturing activities of the company have been closed due to shortage of working capital and heavy losses. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements have however been prepared on a going concern basis for the reasons more fully explained in note 2.2 to the financial statements. Our opinion is not qualified in respect of this matter.

H.A.M.D & Co.
Chartered Accountants
Engagement partner: Waseem Ashfaq

Date: November 05, 2017
Place: Lahore

BALANCE SHEET

	Note	2017 Rupees	2016 Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital:			
100,000,000 (2016: 100,000,000 of Rs.05/- each) ordinary shares of Rs.5/- each		500,000,000	500,000,000
Issued, subscribed and paid up share capital:	3	200,000,000	200,000,000
Loan from Directors	4	450,256,000	271,256,000
Accumulated Loss		(599,371,061)	(249,314,434)
		50,884,939	221,941,566
Surplus on Revaluation of Property, plant and Equipment	5	168,073,740	175,803,662
Non Current Liabilities			
Liabilities against asset subject to finance lease	6	-	-
Deferred liabilities	7	35,835,817	70,303,010
Current Liabilities			
Trade and other payables	8	427,900,969	529,972,856
Accrued mark- up	9	30,800,883	6,239,517
Short term borrowings	10	366,317,451	461,681,029
Current portion of non current liabilities	7	2,366,318	6,800,146
Provision for taxation	11	5,518,563	9,263,058
		832,904,185	1,013,956,606
Contingencies and Commitments	12	-	-
		1,087,698,681	1,482,004,844

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore: November 05, 2017

(Khawaja Mohammad Jahangir)
Chief Executive

AS AT JUNE 30, 2017

	Note	2017 Rupees	2016 Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	13	984,231,480	1,043,624,762
Capital work in progress - Building	14	-	1,259,810
		984,231,480	1,044,884,572
Long term loans	15	4,897,425	6,151,146
Long term deposits	16	8,297,191	8,297,191
		13,194,616	14,448,337
Current Assets			
Stores and spares	17	7,504,615	8,476,966
Stock in trade	18	964,666	133,050,685
Trade debts	19	11,561,255	109,817,294
Loans and advances	20	69,253,285	168,619,387
Trade deposits, prepayments and other receivables	21	436,716	966,840
Cash and bank balances	22	552,047	1,740,763
		90,272,584	422,671,935
		1,087,698,681	1,482,004,844

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore: November 05, 2017

(Khawaja Mohammad Kaleem)
Director

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

		2017	2016
	Note	Rupees	Rupees
Sales	23	536,175,239	1,057,846,192
Cost of sales	24	(827,155,803)	(1,288,444,925)
Gross Loss		(290,980,564)	(230,598,733)
Distribution expenses	25	(281,400)	(13,170,329)
Administrative expenses	26	(37,052,135)	(56,591,136)
		(37,333,535)	(69,761,465)
Operating Loss		(328,314,100)	(300,360,198)
Finance cost	27	(30,282,759)	(30,935,449)
Other operating expenses	28	(920,525)	(2,645,900)
Other operating income	29	2,413,046	1,237,339
Loss before Taxation		(357,104,338)	(332,704,208)
Taxation	30	1,199,727	(2,031,966)
Loss after Taxation		(355,904,610)	(334,736,174)
Loss per Share - Basic & Diluted	31	(8.90)	(8.37)

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore: November 05, 2017

(Khawaja Mohammad Jahangir)
Chief Executive

(Khawaja Mohammad Kaleem)
Director

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

		2017	2016
	Note	Rupees	Rupees
Loss after taxation		(355,904,610)	(334,736,174)
Other comprehensive income for the year		-	-
Items that will not be reclassified to Profit or loss:			
Remeasurment of net defined benefit liability	7.1.3	(645,109)	511,729
Total comprehensive loss for the year		(356,549,719)	(334,224,445)

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore: November 05, 2017

(Khawaja Mohammad Jahangir)
Chief Executive

(Khawaja Mohammad Kaleem)
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(357,104,338)	(332,704,208)
Adjustments for:		
- Depreciation	64,456,718	69,846,688
- Provision for gratuity	18,459,846	(64,108)
- Loss / (Gain) on disposal of property, plant and equipment	(2,192,515)	501,430
- Interest Income	(6)	(2,670)
- Finance cost	30,282,759	30,935,449
	111,006,803	101,216,789
Operating loss before working capital changes	(246,097,535)	(231,487,419)
(Increase) / decrease in current asset		
- Stores and spares	972,351	3,280,008
- Stock in trade	132,086,019	209,873,624
- Trade debts	98,256,039	(55,607,736)
- Loans and advances	95,916,424	14,487,566
- Trade deposits, prepayments, accrued interest and other receivables	530,124	5,550,919
Increase / (decrease) in current liabilities		
- Trade and other payables	(103,414,472)	7,811,965
	224,346,485	185,396,346
Cash used in operations	(21,751,050)	(46,091,073)
Finance cost paid	(5,721,393)	(32,774,406)
Gratuity	(33,914,628)	(14,283,473)
Long term advance	(19,012,411)	-
Income tax paid	365,559	(4,623,336)
Net cash used in Operating Activities	(80,033,923)	(97,772,288)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(22,482,924)	(571,100)
Capital work in progress	1,259,810	(457,424)
Long term loans	1,253,721	978,104
Long term deposits	-	1,325,000
Directors loan	97,902,000	-
Proceeds from disposal of property, plant and equipment	19,612,000	13,304,000
Interest Received	6	2,670
Net Cash from Investing Activities	97,544,613	14,581,250
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	(14,265,578)	86,015,991
Liabilities against assets subject to finance lease	(4,433,828)	(5,024,984)
Net Cash from / (used in) Financing Activities	(18,699,406)	80,991,007
Net Decrease in Cash and Cash Equivalents	(1,188,716)	(2,200,030)
Cash and cash equivalents at the beginning of the year	1,740,763	3,940,793
	552,047	1,740,763

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore: November 05, 2017

(Khawaja Mohammad Jahangir)
Chief Executive

(Khawaja Mohammad Kaleem)
Director

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

	Paid Up Share Capital	Accumulated Profit / (Loss)	Loan from Directors	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2015	200,000,000	78,862,703	271,256,000	550,118,703
Total comprehensive loss for the Year ended June 30, 2016	-	(334,224,445)	-	(334,224,445)
Remeasurement of net defined benefit liability	-	(511,729)	-	(511,729)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current year - net of deferred tax	-	6,559,037	-	6,559,037
Balance as at June 30, 2016	200,000,000	(249,314,434)	271,256,000	221,941,566
Total comprehensive loss for the Year ended June 30, 2017	-	(356,549,719)	-	(356,549,719)
Loan from Directors	-	-	179,000,000	179,000,000
Remeasurement of net defined benefit liability	-	645,109	-	645,109
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current year - net of deferred tax	-	5,847,984	-	5,847,984
Balance as at June 30, 2017	200,000,000	(599,371,060)	450,256,000	50,884,940

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore: November 05, 2017

(Khawaja Mohammad Jahangir)
Chief Executive

(Khawaja Mohammad Kaleem)
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

1. THE REPORTING ENTITY - STATUS AND ACTIVITIES

The Company was incorporated in Pakistan on January 31, 1988 as a Public Limited Company. Its shares are quoted on Pakistan Stock Exchanges Limited. The registered office of the Company is situated at 7/1, E-III, Main Boulevard Gulberg III, Lahore. The principal activity of the Company is to manufacture and sale of yarn. The manufacturing facility is situated at 49-Kilometer, Multan Road, Bhai Phero, in the province of Punjab.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on 30 May 2017. SECP vide its Circular 17 of 2017 and its press release dated 20 July 2017 has clarified that the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, the Company's financial statements for the year ended June 30, 2017 have been prepared in accordance with the requirements of repealed Companies Ordinance, 1984 and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board as notified under the provisions of the Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the repealed Companies Ordinance, 1984 shall prevail.

2.2 Going Concern Assumption

The Company has been facing operational losses since the year 2015 mainly due to long recession in yarn markets worldwide, increase in raw material prices, high tariff energy cost, over supply of yarn from India and Turkey at low prices and imposition of innovative taxes on energy sector. These factors put immense pressure on operations of the Company and yarn prices at sluggish local markets remained low and matchless which further aggravated the losses which resulted closure of many spinning mills specially in the province of Punjab. Resulting the company has to curtail its production capacity at low level and desired results could not be achieved.

As a result, the Company has incurred loss before taxation of Rs.357.104 million during the year (loss 2016: Rs.332.704 million). The Company has accumulated losses of Rs.599.371 million as at the reporting date (2016: Rs.249.314 million). Its current liabilities exceed its current assets by Rs.742.632 million (2016: Rs.591.284 million). Due to poor economic conditions, adverse market conditions for spinning sector and lack of working capital, the Company has to shut down its operations during the year due to which the Company remained unable to pay its creditors, lost its key management and non-compliant with statutory requirements. These factors raise doubts about the Company's ability to continue as a going concern and, therefore, may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on going concern basis based on management's expectations that:

- (a) Management is optimistic and appreciate that the government has imposed antidumping duty and measures on import of yarn. The Government has also reduced import duty at zero percent on imported cotton which will help the industry as well as company to revive.
- (b) Government has provided incentive to textile industry by providing 28% system gas initially which was further enhanced to 35% at lower rates than RLNG. The effect of this reduction in production cost which will ultimately enable the spinning industry as well as company to restart the operations.

- (c) The sponsors of the Company have already explicitly provided a commitment to provide necessary financial support to the Company, if the need arises, to address any liquidity and solvency issues to enable the Company to continue its business. During the year, the sponsors provided financial support amounting to Rs. 97.902 million in the form of loans to meet the working capital requirements of the company (see note 10.3) and Note No.4 which are to be paid at the discretion of the company.
- (d) The Company maintains very cordial business relations with its bankers and management expects continued support of its bankers/lenders in providing financial support to the Company.
- (e) The management has planned to restart the operations and a strategic and cost cutting plan has been drawn up aiming to curtail and reduce fixed costs and rationalizing variable costs duly approved by the Board of Directors.
- (f) The Company has prepared a set of financial projections for a period of three years to analyze the Company's sustainability in the future periods with a particular focus on the twelve months for 2018-19 duly approved by the board of directors of the Company. The financial projections are based on various assumptions such as production levels, interest repayments, availability of fuel and power etc. keeping in view all market forces and have been subjected to the stressed scenarios which the Board considered to be reasonable and appropriate.

The financial statements consequently, do not include any adjustments relating to the realisation of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

2.3 Accounting convention

These financial statements have been prepared under the historical cost convention except certain property, plant and equipment that have been stated at revalued amount and retirement benefits which have been recognized at present value determined by actuary. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

2.4 Significant Accounting Judgments and Estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimate and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

2.4.1 Staff retirement benefits

Certain actuarial assumption has been adopted as disclosed in note 2.4.5 of the financial statements for valuation of present value of defined benefit obligations.

2.4.2 Depreciation method, rates and useful lives of operating fixed assets

The Company has made certain estimations with respect to residual value and depreciable lives of property, plant and equipment. The Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in future years might effect the remaining amounts of respective items of property, plant and equipments with a corresponding effect on the depreciation charge and impairment.

2.4.3 Taxation

In making the estimates for income taxes payable by the Company, the management considers current Income Tax law and the decisions of appellate authorities on certain cases issued in past.

2.4.4 Provisions

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

2.4.5 Staff retirement benefits

The company operates an unfunded and unapproved gratuity scheme for its employees, which is a defined benefit plan based upon the last salary drawn by an employee. Present value of defined benefit obligation is calculated on the basis of actuarial valuation at the end of the year. The valuation in these accounts is worked out on the Projected Unit Credit Actuarial Cost method.

Any Actuarial gains and losses are recognized immediately in the statement of other Comprehensive income.

2.4.6 Net realizable values of stock in trade

The company estimates net realizable values of its stock in trade as the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

2.4.7 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency.

2.5 Standards, amendments and interpretations to approved accounting standards that became effective during the year

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

Standard or Interpretation

- IAS 1 Presentation of Financial Statements
- IFRS 10 Consolidated Financial Statements
- IFRS 11- Accounting for Acquisitions of Interests in Joint Operations
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 14 -Regulatory Deferral Accounts
- IAS-16 Property, Plant and Equipment
- IAS-38 Intangible Assets
- IAS 27-Equity Method in Separate Financial Statements
- IAS 41-Agriculture: Bearer Plants

Annual Improvements 2012-2014 Cycle contain amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations are not likely to have any effect on the financial statements.

2.6 Standards, amendments and interpretations to the approved accounting standards that are not yet effective and not early adopted by the Company

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

	Effective Date (annual Reporting Period Beginning on or after)
Revenue	01 January 2018
Revenue from Contracts with Customers	01 January 2018
Foreign Currency Transactions and Advance Consideration	01 January 2018
Uncertainty Over Income Tax Treatment	01 January 2019
Financial Instruments	01 January 2018
Classification and Measurement of Share-based Payment Transactions - (Amendments)	01 January 2018
IFRS 4 Insurance Contracts Applying IFRS 9 Financial Instruments with IFRS 4 Insurance	01 January 2018
Leases	01 January 2019

Similarly, recently Companies Ordinance, 1984 has been repealed through inclusion of the Companies Act 2017. New disclosure requirements will apply for next year financial statements.

The management anticipates that adoption of above standards, amendments and interpretations in future periods will have no material impact on the Company's financial statements other than in presentation / disclosures

Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

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

	IASB Effective Date (Annual periods beginning on or after)
- First time adoption of International Financial Reporting Standards	July 1, 2009
- Financial instruments	January 1, 2018
- Regulatory Deferral Accounts	January 1, 2016
- Revenue from customers	January 1, 2018
- Leases	January 1, 2019
- Insurance Contracts	January 1, 2021
- Fair value measurement	January 1, 2015

2.7 SIGNIFICANT ACCOUNTING POLICIES

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

2.7.1 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost / revalued amount less accumulated depreciation and identified impairment losses except free hold land that is stated at cost. Cost of property, plant and equipment consist of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable cost of bringing the assets to working condition.

Depreciation on property, plant and equipment has been provided for using the reducing balance method at the rates specified in Note 13. Depreciation on all additions is charged from the day the asset is available for use till its disposal.

Where an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and replacements are capitalized. Gain or loss on disposal of property, plant and equipment are included in the current year income.

Leased assets

Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of such assets. The related obligations under the lease are accounted for at net present value of liabilities. The assets so acquired are depreciated over their expected useful life at the same rates and basis as of owned assets given in Note 13. The depreciation is charged to current year's income.

Capital work-in-progress

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

Impairment

Carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

2.7.2 Stocks and stores

These are valued at lower of cost and net realisable value. Costs are determined using the following basis:

Stores and spare parts	- at moving average cost
Raw materials	- at average cost
Work in process	- at manufacturing cost using average cost method
Finished goods	- at average manufacturing cost.
Goods in transit	- at cost comprising invoice value plus other charges incurred thereon.

Manufacturing cost in relation to work in process and finished goods comprises cost of material, labour and appropriate manufacturing overheads.

Net realizable value signifies estimated selling price in the ordinary course of business less necessary cost to make the sale.

2.7.3 Trade debts

All outstanding receivables are reviewed at the balance sheet date. The Company recognizes and carries these receivables at original invoice amount less an allowance for any uncollectible amounts, if any. Bad debts, if any, are written off as incurred and provision is made against debts considered doubtful when collection of the full amount is no longer probable.

2.7.4 Foreign currency transactions and translation

Transactions denominated in foreign currencies are initially recorded at Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the balance sheet date except for balances covered under forward exchange contracts, which are converted at the contracted rates. Exchange differences are included in income currently.

2.7.5 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include cash in hand, cheques in hand and deposits with banks.

2.7.6 Financial instruments

Financial instruments are recognized in the financial statements when the Company becomes a party to the contract and ceases to recognize when it loses control of contractual rights, in case of financial assets, and in case of financial liability when the liability is extinguished. Any gain or loss on subsequent remeasurement / derecognition is charged to income.

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

2.7.7 Related party transactions

Transactions with related parties are made at arm's length prices using comparable uncontrolled price method except in circumstances where it is not in the interest of the Company to do so.

2.7.8 Financial Assets and Liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and are de-recognized, in case of financial assets when the Company loses control of the contractual rights through either realization, surrender or expiration and in case of financial liability on extinguishments, discharge, cancellation or expiration of obligation specified in the contract.

Financial assets include investments, cash and bank balance, trade debts, advances, deposits and other receivables. Trade debts are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts, while other financial assets are stated at cost. Any gain or loss on the recognition and derecognition of the financial assets is included in the net profit and loss for the period in which it arises.

Financial liabilities are classified according to the substance of the contractual arrangement entered into. Significant financial liabilities include creditors, accrued and other liabilities and unclaimed creditors, accrued and other liabilities and unclaimed dividend are stated at their nominal value, financial charges are accounted for on accrual basis. Any gain or loss on the recognition and derecognition of the financial liability is included in the net profit and loss for the period in which it arises.

2.7.9 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 in future for goods and services received, whether or not billed to the Company.

2.7.10 Taxation**Current**

Charge for taxable income is based at current tax rates after taking into account all tax credits and rebates available, if any. In case of taxable loss higher of minimum tax u/s 113 and presumptive tax u/s 154 of the Income Tax Ordinance, 2001 is provided in the accounts.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets, as required by IAS-12 (Income Taxes), are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

2.7.11 Borrowing Cost

Borrowing costs are charged to income as and when incurred except to the extent costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of asset.

2.7.12 Offsetting of Financial Assets and Financial Liabilities

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

2.7.13 Dividend

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

2.7.14 Functional and presentation currency

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

2.7.15 Revenue recognition

- Revenue from local sales is recognized on despatch of goods to customers and from exports at the time of bill of lading.
- Dividend income is accounted for when the right to receive dividend has been established.
- Profit / interest is accounted for on accrual basis.
- Rebates are accounted for as and when allowed.

3 Issued, Subscribed and Paid up Capital

2017	2016		2017	2016
No. of shares			Rupees	Rupees
40,000,000	40,000,000	Ordinary shares of Rs. 5 each (2016: Rs. 5) fully paid in cash.	200,000,000	200,000,000

- 3.1 The paid up Capital of the company was reduced to the extent of 50% i.e. Rs. 200 million during the year 2013 by cancelling the issued and paid up capital of the company which has been lost are un-presented by its valuable assets as per orders of honorable Lahore High Court, Lahore vide CO No.54/2011 duly acknowledged by Securities and Exchange Commission of Pakistan.

	2017 Rupees	2016 Rupees
4 Loan from directors (subordinated)	450,256,000	271,256,000

The directors have injected unsecured and interest free loans for the repayment of liabilities of the banks and BMR of the Company. The loan is repayable at the discretion of the company and Rs. 271.256 million are subordinated to facilities obtained from M/S Habib Metropolitan Bank Limited and The Bank of Punjab. The loans are shown as part of equity In line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

	Note	2017 Rupees	2016 Rupees
5 Surplus on Revaluation of Property Plant and Equipment			
Free hold Land			
Balance as at July 01	5.1	69,510,708	69,510,708
Building on free hold Land			
Balance as at July 01	5.1	47,670,724	52,967,471
Related deferred tax	5.2	(1,160,598)	(1,195,642)
Incremental depreciation charged on revalued freehold land in current year transferred to retained earnings		(3,606,475)	(4,101,105)
		42,903,652	47,670,724
Plant and machinery			
Balance as at July 01	5.1	57,987,474	61,039,446
Related deferred tax	5.2	(705,885)	(649,559)
Incremental depreciation charged on revalued plant and machinery in current year transferred to retained earnings		(2,193,488)	(2,402,414)
		55,088,100	57,987,474
Power house			
Balance as at July 01	5.1	634,756	705,285
Related deferred tax	5.2	(15,454)	(15,011)
Incremental depreciation charged on revalued plant and machinery in current year transferred to retained earnings		(48,022)	(55,518)
		571,280	634,756
		168,073,740	175,803,662

- 5.1** This represents surplus resulting from revaluation of freehold land, building and plant & machinery carried out on June 27, 2014 by Messrs Materials & Design Services (Pvt) Limited, an independent valuer on prevailing market prices.
- 5.2** This represents amount transferred (to)/from deferred tax liability due to change in proportion of local and export sales that has resulted in change in estimate of deferred tax on surplus on revaluation of property, plant and equipment.
- 5.3** No revaluation surplus is related to the assets disposed off during the year June 30, 2017.

6 Liabilities against Assets Subject to Finance Lease

	2017		
	Minimum lease payments	Finance charges Value	Principal
	Rupees		
Not later than one year	2,431,517	65,199	2,366,318
Later than one year and not later than five years	-	-	-
	2,431,517	65,199	2,366,318

	2016		
	Minimum lease payments	Finance charges Value	Principal
	Rupees		
Not later than one year	7,294,551	494,405	6,800,146
Later than one year and not later than five years	-	-	-
	7,294,551	494,405	6,800,146

- 6.1** This represents lease of Auto Cone with Habib Metropolitan Bank Ltd. The principal amount of lease comes to Rs. 18 million carry mark-up @ 13.16% repayable in 36 equal monthly installments. The first installment was due on 18-05-2014 and last instalment was due on 18-05-2017 which is still outstanding.

	Note	2017	2016
		Rupees	Rupees
7 Deferred Liabilities			
Gratuity payable	7.1	6,842,146	22,296,928
Long term advances	7.2	28,993,671	48,006,082
		35,835,817	70,303,010

7.1 Staff Gratuity-Defined Benefit Plan

The Company operates unfunded gratuity scheme for its employees that pays a lump sum gratuity to members on leaving company's service after completion of one year of continuous service. The future contribution rates of the scheme include allowances for deficit and surplus. Projected unit credit method based on the following significant assumptions used for valuation of this scheme. The latest actuarial valuation was carried out by TRT Associates as on June 30, 2017.

		2017	2016
	Note	Rupees	Rupees
7.1.1	Present value of defined benefit obligation	6,842,145	22,296,927
7.1.2	The amounts recognised in the profit and loss account and balance sheet are as follows:		
	Current service cost	17,427,615	(2,355,142)
	Interest cost	387,122	2,802,763
		17,814,737	447,621
7.1.3	Changes net in liability recognized in the balance sheet		
	At the beginning of the year	22,296,927	36,644,508
	Amount recognised during the year - as shown	17,814,737	447,621
	Benefits payments	(33,914,628)	(14,283,473)
	Remeasurements chargeable in other comprehensive Income	645,109	(511,729)
		6,842,145	22,296,927
7.1.4	Allocation of charge for the year		
	Cost of sales	15,942,650	(432,167)
	Administrative expenses	1,872,087	879,788
		35,629,474	895,242
		2017	2016
	Discount rate	7.75%	7.25%
	Expected rate of increase in salary	6.75%	6.25%
	Average expected remaining working life of Employees	7 years	9 years
	Mortality Rates	SLIC 2001-2005	SLIC 2001-2005
		Setback 1 year	Setback 1 year
	Withdrawal Rates	Age-Based	Age-Based
		(per appendix)	(per appendix)
	Retirement assumption	60 years age	60 years age
7.2	This represents an interest free and unsecured long term advance received from a customer against the exclusive sale commitment of a particular quality of waste to him for a period of six years. The same has been extended / renewed for a further period of three years and shall be adjusted in August 2020 or shall be extended / renewed for a further term as mutually agreed between the parties.		

	Note	2017 Rupees	2016 Rupees
8 Trade and Other Payables			
Creditors - Unsecured	8.1	241,177,871	288,213,614
Accrued liabilities		64,019,369	49,643,616
Utilities Payable		96,028,275	82,931,183
Other liabilities - unsecured		70,831	6,202,956
Advances from customers		879,497	89,492,116
Dividend payable		384,347	384,347
Income tax payable		5,652,116	4,309,532
Sales Tax Payable		19,688,663	8,795,493
		<u>427,900,969</u>	<u>529,972,857</u>

- 8.1** This includes an amount of Rs. 1,961,975 (2016: Rs. 1,956,933) and Rs. 12,304,096 (2016: Rs. 10,276,340) due to associated undertakings M/S Kohinoor Spinning Mills Ltd and to Chakwal Textile Mills Ltd, respectively.

	Note	2017 Rupees	2016 Rupees
9 Accrued Interest / Mark- up			
Accrued mark up / interest on:			
Lease Liability		127,480	-
- Short term borrowings from banking companies		30,673,403	6,239,517
		<u>30,800,883</u>	<u>6,239,517</u>
10 Short Term Borrowings			
Banking companies - Secured			
Running / cash finance	10.1	352,694,910	358,137,853
Unpresented cheques	10.2	-	8,822,582
Related parties - Unsecured			
Loan from directors and others	10.31	13,622,541	94,720,594
		<u>366,317,451</u>	<u>461,681,029</u>

- 10.1** These represent utilized portion of short term finance facilities of Rs. 350 million (2016: Rs. 350 million) available from various banks under mark up arrangements. These are secured against pledge of cotton bales, yarn, synthetic / polyester fiber of appropriate value, lien over export L/Cs, 1st charge of Rs. 400 million over property, plant & equipment and personal guarantees of directors. Mark-up on the above facilities ranges from 3 months Kibor plus 2% per annum, payable quarterly. These facilities have been expired on September 30, 2016 and not yet renewed. Negotiations for renewal are in process.
- 10.2** This represents cheques issued in excess of bank balance that have not been presented at the balance sheet date but have been cleared subsequently.
- 10.3** These are un-secured and interest free funds obtained from the directors to meet the working capital requirements of the Company. These loans are repayable on demand.

	Note	2017 Rupees	2016 Rupees
11 Provision for Taxation - Net			
Balance at the beginning of the year		9,263,058	15,744,853
Advance tax adjustment		(4,426,704)	(17,121,142)
Prior year adjustment/paid		(4,836,354)	-
Provision for the year		5,518,564	10,639,347
		<u>5,518,564</u>	<u>9,263,058</u>

Assessments upto and including tax year 2016 have been finalized by deeming provisions of the Income Tax Ordinance, 2001.

12 Contingencies and Commitments

12.1 Contingencies

The Company has provided bank guarantee in favour of Sui Northern Gas Pipelines Limited amounting to Rs.38.522 million (2016: Rs.38.522 million) on account of payment of dues against consumption of natural gas.

Income Tax liability for Rs.4,870,776 (2016:Rs. 4,870,776) has been demanded by the concerned assessing officer for the tax year 2001, 2002, 2011 against which company has filed appeals. No provision for this amount has been made because the management is confident that the decision shall be in favour of the company. The Company is not filing sales tax returns and tax withheld due to which certain tax liability may arise estimate of which cannot be arrived at presently as the Company has not received any notice from the tax authorities in this respect.

	Note	2017 Rupees	2016 Rupees
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12.2 Commitments

Commitments for:

- Purchase of raw materials (Local)	-	-
- Purchase of raw materials (Import)	-	-

13. Property, Plant and Equipment

PARTICULARS	OWNED									
	Freehold land	Factory Buildings on hold land	Colony Buildings on free hold land	Plants & Machinery	Power House	Tools & equipment	Diffice equipment	Furniture & fixtures	Vehicles	Grand Total
COST/REVALUED AMOUNT										
Balance as at July 01, 2016	74,520,000	305,195,443	98,003,615	1,203,806,206	145,949,284	5,186,925	1,698,383	2,918,455	18,793,170	1,856,071,481
Additions	-	9,017,374	2,943,550	2,000,000	8,500,000	-	-	22,000	-	22,482,924
Deductions	-	-	-	(23,301,233)	-	-	-	-	(5,575,130)	(28,876,363)
Transfer / Adjustment										
Balance as at June 30, 2017	74,520,000	314,212,817	100,947,165	1,182,504,973	154,449,284	5,186,925	1,698,383	2,940,455	13,218,040	1,849,678,042
DEPRECIATION										
Balance as at July 01, 2016	-	180,968,874	33,325,812	535,854,897	68,278,840	1,702,953	790,925	1,915,422	11,403,714	834,241,437
Charge for the year -	-	13,178,073	6,735,293	33,212,061	8,404,544	348,597	90,746	102,137	1,295,731	63,366,982
Transfer / Adjustment	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	(7,903,762)	-	-	-	-	(3,553,115)	(11,456,878)
Balance as at June 30, 2017	-	194,146,947	40,061,105	561,163,196	76,683,384	2,051,350	881,671	2,017,559	9,146,329	886,151,542
Written Down Value as at June 30, 2017	74,520,000	120,065,870	60,886,060	621,341,777	77,765,900	3,135,575	816,712	922,896	4,071,711	963,526,500
Rates %	-	10%	10%	5% & 10%	10%	10%	10%	10%	20%	20%
LEASED										
COST										
PLANT AND MACHINERY										
Balance as at July 01, 2016	-	-	-	24,352,205	-	-	-	-	-	24,352,205
Additions	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2017	-	-	-	24,352,205	-	-	-	-	-	24,352,205
Depreciation										
Balance as at July 01, 2016	-	-	-	2,557,489	-	-	-	-	-	2,557,489
Transfer / Adjustment	-	-	-	-	-	-	-	-	-	-
Charge for the year -	-	-	-	1,089,736	-	-	-	-	-	1,089,736
Balance as at June 30, 2017	-	-	-	3,647,225	-	-	-	-	-	3,647,225
Written Down Value as at June 30, 2017	-	-	-	20,704,980	-	-	-	-	-	20,704,980
WDV 2017 - GRAND TOTAL	74,520,000	120,065,870	60,886,060	642,046,757	77,765,900	3,135,575	816,712	922,896	4,071,711	984,231,480

PARTICULARS	OWNED									
	Freehold land	Factory Buildings on hold land	Colwyny Buildings on free hold land	Plants & Machinery	Power House	Tools & equipment	Diffice equipment	Furniture & fixtures	Vehicles	Grand Total
COST/REVALUED AMOUNT										
Balance as at July 01, 2015	74,520,000	305,195,443	98,003,615	1,211,755,659	145,949,284	5,186,925	1,698,383	2,872,355	30,796,736	1,875,978,400
Additions	-	-	-	525,000	-	-	-	46,100	-	571,100
Deletions	-	-	-	(8,474,453)	-	-	-	-	(12,003,566)	(20,478,019)
Balance as at June 30, 2016	74,520,000	305,195,443	98,003,615	1,203,806,206	145,949,284	5,186,925	1,698,383	2,918,455	18,793,170	1,856,071,481
DEPRECIATION										
Balance as at July 01, 2015	-	167,165,921	26,139,390	502,487,384	59,648,790	1,315,845	690,096	1,804,827	12,962,173	772,214,426
Charge for the year-	-	13,802,952	7,186,423	35,401,867	8,630,049	387,108	100,829	110,594	3,079,776	68,699,598
Deletions	-	-	-	(2,034,353)	-	-	-	-	(4,638,235)	(6,672,588)
Balance as at June 30, 2016	-	180,968,873	33,325,813	535,854,898	68,278,839	1,702,953	790,925	1,915,421	11,403,714	834,241,435
Written Down Value as at June 30, 2016	74,520,000	124,226,570	64,677,803	667,951,308	77,670,445	3,483,972	907,458	1,003,034	7,389,456	1,021,830,046
Rates %	-	10%	10%	5% & 10%	10%	10%	10%	10%	20%	-
LEASED										
COST										
PLANT AND MACHINERY										
Balance as at July 01, 2015	-	-	-	24,352,205	-	-	-	-	-	24,352,205
Additions	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2016	-	-	-	24,352,205	-	-	-	-	-	24,352,205
Depreciation										
Balance as at July 01, 2015	-	-	-	1,410,399	-	-	-	-	-	1,410,399
Charge for the year -	-	-	-	1,147,090	-	-	-	-	-	1,147,090
Balance as at June 30, 2016	-	-	-	2,557,489	-	-	-	-	-	2,557,489
Written Down Value as at June 30, 2016	-	-	-	21,794,716	-	-	-	-	-	21,794,716
WDV 2016 - GRAND TOTAL	74,520,000	124,226,570	64,677,803	689,746,024	77,670,445	3,483,972	907,458	1,003,034	7,389,456	1,043,624,762

13.1 The revaluation of freehold land, building and plant & machinery was carried out on June 27, 2014 by Messrs Material & Design Services (Pvt) Limited, an independent valuer on prevailing market prices. Had there been no revaluation, the Cost, accumulated depreciation and book values of the revalued assets would have been as follows:

	As at June 30, 2017			As at June 30, 2016		
	Cost	Accumulated depreciation	Written Down Value	Cost	Accumulated Depreciation	Written Down Value
		Rupees	Rupees		Rupees	Rupees
Land	5,009,292	-	5,009,292	5,009,292	-	5,009,292
Building	356,307,236	218,258,958	138,048,278	344,346,312	203,112,664	141,233,648
Plant and machinery	1,094,951,692	551,999,246	542,952,446	1,131,079,705	529,590,322	601,489,383
Power House	145,165,634	76,471,015	68,694,619	145,165,634	68,129,946	77,035,688

13.2 The depreciation charge for the year has been allocated as under

13.3.3 Detail of itmes of Property, plant & equipment Disposed off during the year.

2017						
Particulars	Cost / Revalued amount	Accumulated depreciation	Written down value	Disposal proceeds	Gain/(Loss)	Mode of disposal
	Rupees	Rupees	Rupees	Rupees	Rupees	
Plant & Machinery						
Auto Cone Murata Mach Cone 7-II 2 Nos	8,501,652	4,764,707	3,736,945	4,032,000	295,055	Negotiation
Air Compressor L-37	750,549	450,505	300,044	100,000	(200,044)	Negotiation
Murata Doubling Machines 368 TFO 6 Nos	14,049,032	2,688,551	11,360,481	11,340,000	(20,481)	Negotiation
	23,301,233	7,903,762	15,397,471	15,472,000	74,529	
Vehicles						
Suzuki Cultus LEB-15-8626	1,091,000	344,271	746,729	850,000	103,271	Negotiation
Toyota Corrola XLI LEB-10-5278	1,305,000	1,047,884	257,116	1,000,000	742,884	Negotiation
Toyota Corrola GLI LED-10-7793	1,529,095	1,152,887	376,208	1,050,000	673,792	Negotiation
Honda City LE-13-8970	1,550,035	942,917	607,118	1,200,000	592,882	Negotiation
Honda CG-125 LEP-12-A-8025	100,000	65,156	34,844	40,000	5,156	Negotiation
	5,575,130	3,553,115	2,022,015	4,140,000	2,117,985	
	28,876,363	11,456,878	17,419,485	19,612,000	2,192,515	

2016						
Particulars	Cost / Revalued amount	Accumulated depreciation	Written down value	Disposal proceeds	Gain/(Loss)	Mode of disposal
	Rupees	Rupees	Rupees	Rupees	Rupees	
Plant & Machinery						
Morata Twisting Machines 6 Nos	7,503,303	1,861,967	5,641,336	4,200,000	(1,441,336)	Negotiation
Morata Cheese Winder 1 No	971,150	172,387	798,763	504,000	(294,763)	Negotiation
	8,474,453	2,034,354	6,440,099	4,704,000	(1,736,099)	
Vehicles						
Toyota Land Cruiser LE-14-4454	10,800,566	3,931,406	6,869,160	7,600,000	730,840	Negotiation
Suzuki Swift LEC-12-2013	1,203,000	706,829	496,171	1,000,000	503,829	Negotiation
	12,003,566	4,638,235	7,365,331	8,600,000	1,234,669	
	20,478,019	6,672,589	13,805,430	13,304,000	(501,430)	

14 Capital Work In Progress

	Note	2017 Rupees	2016 Rupees
Capital Work In Progress			
Opening Balance		1,259,810	802,386
Addition during the year		-	457,424
Less:			
Transferred to Property Plant & Equipment		(1,259,810)	-
		<u>-</u>	<u>1,259,810</u>

14.1 This represent the Construction of Colony building in factory premises.

15 Long Term Loans

	Note	2017 Rupees	2016 Rupees
Loans to employees - Unsecured and considered good	15.1	5,317,425	6,919,146
Current portion		(420,000)	(768,000)
		<u>4,897,425</u>	<u>6,151,146</u>

15.1 These represent interest free long term loans given to employees (other than chief executive, and directors) as per the policy of the Company, as house building finance. No advances have been given to any of the directors or executives of the Company.

16 Long Term Deposits

	Note	2017 Rupees	2016 Rupees
Deposits against:			
- Utilities		2,151,246	2,151,246
- Margin on letter of guarantee		6,145,945	6,145,945
		<u>8,297,191</u>	<u>8,297,191</u>

17 Stores and Spares

	Note	2017 Rupees	2016 Rupees
Stores		5,628,461	6,357,725
Spares		1,876,154	2,119,242
		<u>7,504,615</u>	<u>8,476,967</u>

17.1 Stores and spares include items which may result in capital expenditure but are not distinguishable.

18 Stock in Trade

	Note	2017 Rupees	2016 Rupees
Raw materials		964,665	79,774,156
Work in process		-	45,458,786
Finished goods		-	7,817,743
		<u>964,666</u>	<u>133,050,685</u>

- 18.1** Raw materials and finished goods are under first charge by way of pledge as security for certain short term borrowings (refer to Note 10). Entire stock in trade, with exception of stock of waste, is carried at cost being lower than net realizable value.

19 Trade Debts

		2017	2016
	Note	Rupees	Rupees
Local - Unsecured and considered good	19.1	11,561,255	109,817,294
Foreign - Secured and considered good		-	-
		11,561,255	109,817,294
Less: Provision for doubtful debts		-	-
		11,561,255	109,817,294

- 19.1** This includes Rs. Nil (2016: Rs.27,000) due from Chakwal Textile Mills Limited, an associated undertakings

20 Loans and Advances

		2017	2016
	Note	Rupees	Rupees
Current portion of loans to employees	15	420,000	768,000
Advances - Considered good			
- Suppliers and contractors	20.1	23,361,227	131,739,438
- Employees unsecured, considered good		901,773	1,764,935
- Sales tax and federal excise duty Recoverable/adjustable		25,775,516	12,102,567
- Income tax withheld/adjustable		18,794,769	22,244,448
		69,253,285	168,619,388

- 19.1** This includes Rs. 263,043 (2016: Rs.83,240,274) due from Yousaf Weaving Mills Limited, an associated undertakings

21 Trade Deposits, Prepayments and Other Receivables

	2017	2016
	Rupees	Rupees
Prepayments	429,716	959,840
Other receivables	7,000	7,000
	436,716	966,840

22 Cash and Bank Balance

	2017	2016
	Rupees	Rupees
Cash in hand	112,690	212,824
With banks		
- Current accounts	439,357	1,527,939
	552,047	1,740,763

23 Sales

	2017	2016
	Rupees	Rupees
Local		
Yarn Sales	539,540,382	937,257,265
Waste Sales	9,902,930	28,516,969
Export	-	123,592,409
Local - Yarn processing Charges	-	17,151,673
	549,443,312	1,106,518,316
Sales tax	(10,558,334)	(42,162,062)
Discounts / Commission to selling agents	(2,709,739)	(6,510,062)
	(13,268,073)	(48,672,124)
	536,175,239	1,057,846,192

24 Cost of Sales

		2017	2016
	Note	Rupees	Rupees
Raw materials consumed	24.1	391,884,785	723,287,271
Salaries, wages and benefits	24.2	112,423,533	160,948,875
Fuel and power		112,971,060	183,364,539
Abnormal stock spoilage		35,464,173	-
Store and spares consumed		35,733,444	38,680,623
Packing material		13,290,274	31,324,248
Repairs and maintenance		7,244,044	10,450,328
Insurance		1,899,857	5,599,748
Yarn Doubling Charges		-	33,173,772
Depreciation	13.2	62,968,105	66,555,489
		773,879,275	1,253,384,893
Work in process			
- Opening		45,458,786	41,863,970
- Closing		-	(45,458,786)
		45,458,786	(3,594,816)
Cost of goods manufactured		819,338,061	1,249,790,077
Finished goods			
- Opening stock		7,817,742	46,472,589
- Closing stock		-	(7,817,742)
		7,817,742	38,654,847
		827,155,803	1,288,444,925
24.1 Raw materials consumed:			
Opening stock		79,774,156	254,587,750
Purchases during the year		350,269,970	549,697,097
		430,044,126	804,284,847
Sold during the year		(1,730,503)	(1,223,420)
Abnormal stock spoilage		(35,464,173)	-
Closing stock		(964,665)	(79,774,156)
		391,884,785	723,287,271

24.2 This includes Rs. 15,942,650 (2016: Rs. 432,167) in respect of employee benefits - gratuity scheme.

25 Distribution Cost

	2017	2016
	Rupees	Rupees
Export expenses	-	9,445,459
Freight	281,400	3,724,870
	<u>281,400</u>	<u>13,170,329</u>

26 Administrative Expenses

		2017	2016
	Note	Rupees	Rupees
Salaries, wages and benefits	26.1	14,679,844	17,437,000
Director' remuneration		12,000,000	12,000,000
Travelling and conveyance		343,102	2,410,414
Rent, rates and taxes		2,569,684	2,531,508
Postage, fax and telephone		592,965	1,386,672
Repairs and maintenance		175,683	3,056,921
Insurance		231,934	2,741,783
Utilities		1,147,280	3,200,858
Printing and stationery		472,852	990,551
Entertainment		451,235	2,467,408
Vehicle running and maintenance		1,430,856	2,978,368
Fees and subscriptions		644,787	1,296,346
Legal and professional charges		761,000	596,269
Advertisement and publicity		27,300	34,400
Donations	26.2	-	153,000
Depreciation	13.2	1,488,613	3,291,199
Miscellaneous		35,000	18,439
		<u>37,052,135</u>	<u>56,591,136</u>

26.1 This includes Rs. 1,872,087 (2016: Rs. 879,788) in respect of employee benefits - gratuity scheme.

26.2 None of the directors and their spouses had any interest in any of the donees.

27 Finance Cost

		2017	2016
	Note	Rupees	Rupees
Finance lease		556,676	1,053,796
Short term borrowings		29,052,008	28,827,900
Bank charges and commission		674,075	1,053,753
		<u>30,282,759</u>	<u>30,935,449</u>

28 Other Operating Expenses

		2017	2016
	Note	Rupees	Rupees
Auditors' remuneration	28.1	700,000	700,000
Loss on disposal of property, plant and equipment		220,525	1,736,099
Fine & Penalty		-	209,801
		<u>920,525</u>	<u>2,645,900</u>

28.1 Auditors' remuneration

	2017	2016
	Rupees	Rupees
Annual Statutory Audit	550,000	550,000
Review report under Code of Corporate Governance	50,000	50,000
Half yearly review	100,000	100,000
	<u>700,000</u>	<u>700,000</u>

29 Other Operating Income

	2017	2016
	Rupees	Rupees
Income from non financial assets		
Profit on sale of property, plant and equipment	2,413,040	1,234,669
Interest Income	6	2,670
	<u>2,413,046</u>	<u>1,237,339</u>

30 Taxation

		2017	2016
	Note	Rupees	Rupees
Current			
- For the year	30.1	5,518,564	10,639,347
- Prior years		(4,836,354)	(6,747,170)
		682,210	3,892,177
Deferred		(1,881,937)	(1,860,211)
		<u>(1,199,727)</u>	<u>2,031,966</u>

30.1 This represents liability provided under section 113 & 154 of the Income Tax Ordinance 2001 calculated on the basis of gross turnover.

30.2 The income tax assessment of the company has been finalized upto and including tax year 2016 by deeming provisions of the Income Tax Ordinance 2001.

30.3 Numerical tax reconciliation has not been given since the company is liable to pay minimum tax of 1.0%.

30.4 Deferred tax asset amounting to Rs. 44.698 million (2016: Rs. 8.092 million) arising mainly due to brought forward losses amounting to Rs. 555 million (2016: Rs. 327 million) has not been recognized in the current year, as the attributable temporary differences are not expected to reverse in the foreseeable future.

30.5 Relationship between tax expenses and accounting profit

Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented as provision for current year income tax has been made under the provisions of Minimum Tax under Section 113 of the Income Tax Ordinance, 2001.

31 Loss per Share

		2017	2016
		Rupees	Rupees
Loss after taxation	Rupees	(355,904,610)	(334,736,174)
		Number of shares	
Weighted average number of ordinary shares outstanding during the year	Number	40,000,000	40,000,000
Loss per share - basic	Rupees	(8.90)	(8.37)

31.1 Diluted loss per share

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

32 Remuneration of Chief Executive, Directors' and Executives

The aggregate amounts charged in the accounts for the year as remuneration and benefits to the chief executive, directors and executive of the Company are as follows:

	2017		2016	
	Directors	Executives	Directors	Executives
	Rupees		Rupees	
Managerial Remuneration	8,000,000	4,089,440	8,000,000	5,497,472
House rent allowance	3,200,000	1,635,776	3,200,000	2,198,989
Medical	-	-	-	82,783
utilities	800,000	408,944	800,000	549,747
	12,000,000	6,134,160	12,000,000	8,328,991
Number of persons	1	4	1	6

32.1 No fee has been charged by the directors for attending the Board Meetings.

32.2 Executives are defined as employees with basic salary exceeding Rs.500,000.

32.3 Chief Executive, Director and executives are provided with company maintained cars in addition to above.

32.4 Remuneration and Allowances of Chief Executive Rs. Nil (2016: Rs. NIL)

33 Transactions with Related Parties

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

	2017	2016
	Rupees in million	
<i>Associates</i>		
Purchase of materials (Yousaf Weaving Mills Ltd.)	0.061	-
(Chakwal Textile Mills Ltd.)	15.270	28.470
(Kohinoor Spinning Mills Ltd.)	-	0.741
Sale of materials (Chakwal Textile Mills Ltd.)	-	4.635
<i>Directors</i>		
Funds (received from) / repaid to directors (net)	(97.902)	(42.714)

Sale and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled price method.

34 Financial Risk Management

34.1 The Company has exposures to the following risks from its use of financial instruments:

Market Risk
Credit Risk
Liquidity Risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

a) Market Risk

i) Currency Risk

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

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

	Note	2017 Rupees	2016 Rupees
Trade debts		-	-
Gross balance sheet exposure		-	-
Outstanding letters of credit		-	-
Net exposure		-	-

The following significant exchange rates were applied during the year.

Average rate (Rupees per US Dollar)	104.29	101.72
Reporting date rate (Rupees per US Dollar)	104.50	104.68

Foreign Exchange Risk Management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and balances held in foreign currency. However the company is not materially exposed to foreign currency risk on assets and liabilities. As at June 30, 2017 financial assets include Rs. Nil (2016: Rs. Nil million) and financial liabilities include Rs. Nil (2016: Rs. Nil) which are subject to foreign currency risk against US Dollars.

Foreign Currency Sensitivity Analysis

At June 30, 2017 if the Rupee had weakened / strengthened by 1% against the US Dollar with all other variables held constant, profit for the year would have been lower / higher by Rs. NIL (2016: Rs. Nil) mainly as a result of foreign exchange gains / losses on transaction of foreign currency trade debts and US Dollar denominated borrowings.

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 marker prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity and commodity price risk.

iii) Interest Rate Risk

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

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from long term financing, lease liabilities and short term borrowings. As the borrowings are obtained at variable rates, these expose the Company to cash flow interest rate risk.

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

	Note	2017 Rupees	2016 Rupees
Financial Liabilities			
Short term borrowings		352,694,910	358,137,853

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have Increased / (decreased) equity and profit or loss by Rs. 3.526 million (2016: Rs. 3.587). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2016.

b) Credit Risk

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

	Note	2017 Rupees	2016 Rupees
Long term loans		4,897,425	6,151,146
Long term deposits		8,297,191	8,297,191
Trade debts		11,561,255	109,817,294
Advances, trade deposits and other receivables		25,119,716	135,239,213
Cash and bank balances		552,047	1,740,763

The credit risk on liquid funds (cash and bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of major banks where the Company maintains its bank balances are as follows:-

Name of Bank	Rating Agency	Credit Rating	
		Short-term	Long-term
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Meezan Bank Limited	JCR-VIS	A-1+	AA
Bank of Punjab	PACRA	A1+	AA-
Allied Bank Limited	PACRA	A1+	AA+
Habib Bank Limited	JCR-VIS	A1+	AAA

c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at the balance sheet date, the Company had Rs.350 million worth short term borrowing limits available from financial institutions and Rs. 24.987 million (2016: Rs 33.004 million) cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments.

Contractual maturities of financial liabilities as at June 30, 2017

	Carrying Amount Rupees	Contractual cash flows Rupees	Less than 1 year Rupees	Between 1 to 5 years Rupees	5 years and above Rupees
Trade and other payables	427,021,472	427,021,472	427,021,472	-	-
Accrued interest	30,800,883	30,800,883	30,800,883	-	-
Short term finances	352,694,910	392,584,704	392,584,704	-	-

Contractual maturities of financial liabilities as at June 30, 2016

	Carrying Amount Rupees	Contractual cash flows Rupees	Less than 1 year Rupees	Between 1 to 5 years Rupees	5 years and above Rupees
Trade and other payables	440,480,741	440,480,741	440,480,741	-	-
Accrued interest	6,239,517	6,239,517	6,239,517	-	-
Short term finances	358,137,853	398,643,244	398,643,244	-	-

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 30 June. The rates of interest mark up have been disclosed in Note 10.1 to these financial statements.

35 Fair value Measurements

35.1 Financial Instruments

The Company measures some of its assets at fair value at the end of each reporting period. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements and has the following levels.

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

The fair value hierarchy of assets measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

35.1.1 Financial instruments measured at fair value

(a) Recurring fair value measurements

There are no recurring fair value measurements as at the reporting date.

(b) Non-Recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

35.1.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

35.2 Assets and liabilities other than Financial Instruments.

35.2.1 Recurring Fair Value Measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

	Level 1	Level 2	Level 3	2017 Rupees	2016 Rupees
Freehold Land	-	74,520,000	-	74,520,000	74,520,000
Factory Buldings on Free hold Land	-	-	120,065,870	120,065,870	124,226,569
Colony Buildings on free hold Land	-	-	60,886,060	60,886,060	64,677,803
Plant and Machinery	-	-	642,046,757	642,046,757	689,746,025
Power House	-	-	77,765,900	77,765,900	77,670,444

Reconciliation of fair value measurements categorized in Level 2 and 3 is presented in note 13.1. There were no transfers between fair value hierarchies during the year.

35.2.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

36 Plant Capacity and Production

	2017	2016
	Rupees	Rupees
Number of spindles installed	33,468	33,468
Number of spindles operated	13,320	22,448
Number of shifts worked	717	929
Installed capacity in 20's count based on triple shift for 365 days (2016: 365) days (Kgs) - approximately	11,168,743	11,168,743
Actual production after conversion into 20's count (Kgs)	4,528,886	6,155,831

It is difficult to describe precisely the under utilization of production capacity in spinning since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed, etc. It also varies according to the pattern of production adopted in particular year. Due to shortage of working capital and heavy losses, the Company has ceased its production activities since March 2017.

37 Number of Employees

	2017	2016
	Rupees	Rupees
Number of employees as at June 30,	26	844
Average No. of employees during the year	675	850

38 Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhance shareholders' wealth and meets stakeholders' 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 surplus property, plant and equipment without affecting the optimal production and operating level, and regulate its dividend payout thus maintaining smooth capital management.

In line with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt.

As on the balance sheet date, the gearing ratio of the Company was as under:

	2017	2016
	Rupees	Rupees
Total borrowings	816,573,451	732,937,029
Cash and bank balances	(552,047)	(1,740,763)
Net Debt	816,021,404	731,196,266
Equity	50,884,939	221,941,566
Total capital employed	866,906,343	953,137,832
Gearing Ratio	94.13%	76.71%

39 FINANCIAL INSTRUMENTS BY CATEGORY

Assets	2017	2016
	Rupees	Rupees
Loan And Recievable		
Long term loans	4,897,425	6,151,146
Long term deposits	8,297,191	8,297,191
Trade debts	11,561,255	109,817,294
Loans and advances	69,253,285	168,619,387
Trade deposits, prepayments and other Recievables	436,716	966,840
	94,445,872	293,851,858
Cash and bank balances	552,047	1,740,763
	94,997,919	295,592,621
Financial Liabilities		
Liabilities at amortized cost		
Trade and other payables	427,900,969	529,972,856
Accrued Markup	30,800,883	6,239,517
Short term borrowings	366,317,451	461,681,029
Current portion of non current liabilities	2,366,318	6,800,146
Deferred liabilities	35,835,817	70,303,010
	863,221,438	1,074,996,558
	863,221,438	1,074,996,558

40 Segment Information

- 39.1 The company is a single reportable segment.
- 39.2 All non-current assets of the company are situated in Pakistan.
- 39.3 All sales of the Company have originated from Pakistan.

41 Recoverable Amounts and Impairment

As at the reporting date, subject to appropriateness of going concern assumption, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

42 Authorization of Financial Statements

These accounts have been authorized for issue on November 05, 2017 by the Board of Directors of the Company.

43 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period which may require adjustment and/or disclosure in these financial statements.

44 GENERAL

The figures have been rounded off to the nearest Rupees.

Corresponding figures have been re-arranged, wherever necessary, to facilitate comparison.

Lahore: November 05, 2017

(Khawaja Mohammad Jahangir)
Chief Executive

(Khawaja Mohammad Kaleem)
Director

KEY FINANCIAL DATA OF LAST SIX YEARS

(Rupees in '000)

	2017	2016	2015	2014	2013	2012
Sales	536,175	1,057,846	2,112,615	2,741,832	2,296,439	2,326,626
Gross (Loss) / Profit	290,981	(230,599)	34,805	228,754	331,149	160,989
(Loss) / Profit before Taxation	(357,104)	(332,704)	(131,692)	62,443	137,765	55,893
Taxes	1,200	(2,032)	7,739	(10,184)	(22,456)	(19,377)
(Loss) / Profit after taxes Taxation	(355,904)	(334,736)	(123,953)	52,259	115,309	36,516
Total Assets	1,087,005	1,482,005	1,750,810	1,749,660	1,653,856	1,411,533
Current Liabilities	832,210	1,013,957	925,770	777,510	763,619	643,966
	254,795	468,048	825,040	972,150	890,237	767,567
Share Capital	200,000	200,000	200,000	200,000	200,000	400,000
Loan from Directors	450,256	271,256	271,256	271,256	371,256	371,256
Accumulated (Loss) / Profit	(599,371)	(249,314)	78,863	211,166	199,007	(120,749)
Equity	50,885	221,942	550,119	682,422	770,263	650,507
Surplus on Revaluation of Fixed Assets	168,074	175,803	184,222	193,399	54,804	58,709
Long Term Loans	-	-	-	-	-	-
Finance Lease	-	-	6,097	11,825	-	-
Deferred Liability	35,836	70,303	84,652	84,504	65,170	58,311
	254,795	468,048	825,090	972,150	890,237	767,527

THE COMPANIES ORDINANCE 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING

FORM 34

1. Incorporation Number

L-01895

2. Name of the Company

CHAKWAL SPINNING MILLS LIMITED

3. Pattern of holding of the shares held by the shareholders as at

30-06-2017

4. No. of Shareholders	-----Shareholding-----		Total Shares Held
	From	To	
170	1	100	9,583
283	101	500	114,901
187	501	1,000	184,395
405	1,001	5,000	1,283,724
178	5,001	10,000	1,533,823
66	10,001	15,000	904,202
51	15,001	20,000	949,000
30	20,001	25,000	704,100
18	25,001	30,000	515,195
15	30,001	35,000	508,500
16	35,001	40,000	623,000
4	40,001	45,000	177,200
14	45,001	50,000	691,000
5	50,001	55,000	259,000
4	55,001	60,000	234,000
8	60,001	65,000	507,000
3	65,001	70,000	207,935
3	70,001	75,000	221,500
1	80,001	85,000	81,000
2	85,001	90,000	174,500
2	90,001	95,000	183,500
6	95,001	100,000	600,000
2	100,001	105,000	207,000
1	105,001	110,000	108,000
4	110,001	115,000	450,013
1	115,001	120,000	120,000
1	120,001	125,000	125,000
2	140,001	145,000	282,000
3	145,001	150,000	445,500
1	155,001	160,000	157,000
3	160,001	165,000	490,100
1	165,001	170,000	165,500
4	195,001	200,000	796,000
1	200,001	205,000	200,700
1	215,001	220,000	220,000
2	245,001	250,000	500,000
1	320,001	325,000	322,500
1	335,001	340,000	338,000
1	345,001	350,000	346,000
2	395,001	400,000	799,500
1	420,001	425,000	421,500
1	445,001	450,000	450,000
1	555,001	560,000	555,500
2	595,001	600,000	1,196,000
1	740,001	745,000	742,008
1	1,365,001	1,370,000	1,367,792
1	2,430,001	2,435,000	2,432,729
1	2,555,001	2,560,000	2,557,250
1	2,830,001	2,835,000	2,831,750
1	2,855,001	2,860,000	2,855,400
1	7,850,001	7,855,000	7,850,200
1515			40,000,000

**Catagories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2017**

Sr. No.	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail):

- -

Mutual Funds (Name Wise Detail)

1	ASIAN DEVELOPMENT EQUITY FUND	2,100	0.0053
2	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	742,008	1.8550

Directors and their Spouse and Minor Children (Name Wise Detail):

1	KHAWAJA MOHAMMAD JAVED	2,432,729	6.0818
2	KHAWAJA MOHAMMAD JAHANGIR PHINO	2,831,750	7.0794
3	KHAWAJA MOHAMMAD TANVEER	2,557,250	6.3931
4	KHAWAJA MOHAMMAD KALEEM	8,284,713	20.7118
5	KHAWAJA MOHAMMAD NADEEM	2,918,400	7.2960
6	KHAWAJA MOHAMMAD NAVEED	1,424,792	3.5620
7	MR. MUHAMMAD TARIQ SUFI	500	0.0013
8	MR. MOHAMMAD HAMZA YOUSUF	500	0.0013
9	MRS. KAUSAR TASNEEM W/O KHAWAJA MOHAMMAD JAVED	400	0.0010
10	MRS. RUBINA KHANUM W/O KHAWAJA MOHAMMAD JAHANGIR	2,000	0.0050

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance

130,757 0.3269

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)

S. No.	NAME	Holding	%Age
1	KHAWAJA MOHAMMAD KALEEM	8,284,713	20.7118
2	KHAWAJA MOHAMMAD JAVED	2,432,729	6.0818
3	KHAWAJA MOHAMMAD JAHANGIR PHINO	2,831,750	7.0794
4	KHAWAJA MOHAMMAD TANVEER	2,557,250	6.3931
5	KHAWAJA MOHAMMAD NADEEM	2,918,400	7.2960

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

Sr. No	Name	Sale	Purchase
1	KHAWAJA MOHAMMAD KALEEM (CDC)	16,185,500	-
2	MR. MOHAMMAD HAMZA YOUSUF	-	500

5.	Categories of shareholders	Share held	Percentage
5.1	Directors, Chief Executive Officers, and their spouse and minor children	20,453,034	51.1326
5.2	Associated Companies, undertakings and related parties.	0	-
5.3	NIT and ICP	0	-
5.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	5,522	0.0138
5.5	Insurance Companies	54,300	0.1358
5.6	Modarabas and Mutual Funds	746,108	1.8653
5.7	Share holders holding 10% or more	8,284,713	20.7118
5.8	General Public		
	a. Local	17,751,381	44.3785
	b. Foreign	0	-
5.9	Others (to be specified)		
	1- Joint Stock Companies	847,601	2.1190
	2- Investment Companies	12,000	0.0300
	3- Foreign Companies	58,700	0.1468
	4- Pension Funds	68,935	0.1723
	5- Others	2,419	0.0060

6. Signature of
Company Secretary

7. Name of Signatory

8. Designation

9. NIC Number

10. Date

30	06	2017
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Form of Proxy – 30th Annual General Meeting

The Corporate Secretary
Chakwal Spinning Mills Limited
7/1 E-3 Main Boulevard Gulberg III, Lahore.

Folio # / CDC A/C #.	
Participant I.D	
Account #	
Shares held	

I/We _____ of _____
being a member (s) of CHAKWAL SPINNING MILLS LIMITED hold _____ ordinary
shares hereby appoint Mr./Mrs./Miss _____ of
_____ or failing him/her _____ of
_____ as my /our Proxy to attend and vote for me/us and on
my/our behalf at the 30th Annual General Meeting of the Company to be held on
Monday, 27th November, 2017 at 11:00 a.m at the registered office 7/1 E-III, Main
Boulevard, Gulberg III, Lahore.

Signed this _____ day of _____ 2017.

NOTE

1. This Form of proxy, duly completed and signed, must be received at the registered office of the company, at 7/1 E-3 Main Boulevard Gulberg III, Lahore Pakistan, not less than 48 hours before the time of holding the meeting.
2. 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.

1. Witness:
Signature _____
Name _____
Address _____
CNIC _____
2. Witness:
Signature _____
Name _____
Address _____
CNIC _____



Signature _____

(Signature appended above should agree with the specimen signatures registered with the Company.)

پراکسی فارم

کمپنی ریکارڈری
چکوال سپننگ ملز لمیٹڈ
E-3, 7/1 مین بولیوارڈ گلبرگ-III لاہور۔

میں/ہم _____ ساکن _____ بطور چکوال سپننگ ملز لمیٹڈ کے رکن و حامل
عام حصص بمطابق شیئرز رجسٹر فوئیو نمبر _____ اور یا سی ڈی سی کے شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____
باصورت دیگر _____ ساکن _____
باصورت دیگر _____ ساکن _____

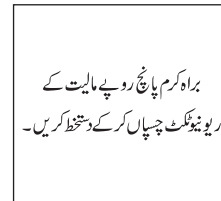
کواپنی جگہ بروز پیر مورخہ 27 نومبر 2017 بوقت 11:00 بجے صبح بمقام: E-3, 7/1 مین بولیوارڈ گلبرگ-III لاہور میں منعقد یا ملتوی ہونے والے
30 ویں سالانہ اجلاس میں رائے دہندگی کیلئے نمائندہ مقرر کرتا/ کرتی ہوں۔

نوٹ:

- 1- پراکسیز کے موثر ہونے کیلئے لازم ہے کہ وہ اجلاس سے 48 گھنٹہ قبل کمپنی کے رجسٹرڈ آفس E-3, 7/1 مین بولیوارڈ گلبرگ-III لاہور کو موصول ہوں۔
- 2- سی ڈی سی نمائندہ (Member) اور ان کے مقرر کردہ نمائندہ سے گزارش ہے کہ وہ تصدیق شدہ شناختی کارڈ یا پاسپورٹ اس پراکسی فارم کے ہمراہ کمپنی کو جمع کرائیں۔

گواہ: _____
Witness: _____
1. Singnature: _____ دستخط:
Name: _____ نام:
Address: _____ پتہ:
CNIC: [] [] [] [] [] - [] [] [] [] [] [] [] [] [] [] شناختی کارڈ:
Passport No.: _____ پاسپورٹ نمبر:

گواہ: _____
Witness: _____
1. Singnature: _____ دستخط:
Name: _____ نام:
Address: _____ پتہ:
CNIC: [] [] [] [] [] - [] [] [] [] [] [] [] [] [] [] شناختی کارڈ:
Passport No.: _____ پاسپورٹ نمبر:



The Signature should agreee
with the specimen registered
with the company
(دستخط کمپنی میں درج نمونہ کے دستخط کے مطابق ہونے چاہئے)

Singnature of Proxy
(نمائندہ کے دستخط)

