Annual Report 2017

DS INDUSTRIES LIMITED

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COMPANY INFORMATION

Board of Directors	Mr. Pervez Ahmed	Chief Executive
	Mr. Ali Pervez Ahmed	
	Mr. Hassan Ibrahim Ahmed	
	Mr. Suleman Ahmed	
	Mr. Atta ur Rehman	
	Mr. Muhammad Yousuf	
	Mr. Muntazir Mehdi	
Audit Committee	Mr. Atta ur Rehman	Chairman
	Mr. Muhammad Yousuf	
	Mr. Muntazir Mehdi	
HR and Remuneration Committee	Mr. Suleman Ahmed	Chairman
	Mr. Atta ur Rehman	
	Mr. Muntazir Mehdi	
Chief Financial Officer	Mr. Mohammad Rafique Qureshi	
Company Secretary	Mr. Salman Farooq	
Auditors	M/s Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants	
Legal Advisor	Cornelius, Lane & Mufti Advocates & Solicitors	
Banks	Al Baraka Bank (Pakistan) Limited MCB Bank Limited Askari Bank Limited Silk Bank Meezan Bank Limited Bank Al-Falah Limited Bank Al-Habib Limited NIB Bank Limited National Bank of Pakistan Dubai Islamic Bank	
Registered Office	20-K, Gulberg II, Lahore.	
Share Registrars	THK Associates (Pvt.) Limited First Floor, 40-C, Block - 6 P.E.C.H.S Karachi - 75400	
Mill	11-km Sheikhupura Faisalabad Road, Sheikhupura	
Website	www.dsil.com.pk	

VISION

- To be a dynamic, profitable, growth oriented Company and to achieve excellence through commitment, integrity, honesty and team work

MISSION

- To increase consistently the value of the Company to its shareholders by building up the Company on sound financial footings with better productivity, excellence in quality and improved efficiency at lower operating costs without compromising on our principles of ethics, integrity and professional standards

- To achieve high returns on investments through continuous process of improvement for the benefit of shareholders

- To be a responsible employer and to develop and reward employees according to their ability and performance.

- Be a good corporate citizen

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-seventh Annual General Meeting of the shareholders of the Company will be held at the Registered Office of the Company 20 - K Gulberg II, Lahore on Tuesday October 31, 2017 at 4:00 p.m. to transact the following business:-

Ordinary Business

1 To confirm the minutes of Annual General Meeting held on October 31, 2016.

2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2017 together with Directors' and Auditors' reports thereon.

3. To appoint Auditors of the Company for the year 2017-18 and to fix their remuneration. The present Auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants, retire and being eligible offered themselves for the re-appointment.

Lahore
October 9, 2017

Salman Farooq
(Company Secretary)

Notes:-

1 The share transfer books of the Company will remain close from October 27, 2017 to November 1, 2017 (BOTH DAYS INCLUSIVE)

2 A member entitled to attend and vote at this meeting may appoint another member as his / her proxy to attend the meeting and vote for him / her. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

3 Shareholders are required to immediately notify the Registrar of any change in their postal addresses.

4 Account holders and sub-account holders holding book entry securities in respect of the shares of the Company in Central Depository Company of Pakistan Limited, who wish to attend the General Meeting are requested to bring their original Computerized National Identity Cards for identification purpose.

DIRECTORS' REPORT

The Board of Directors of D.S. Industries Limited is pleased to present the Company's Thirty-Seventh Annual Report which includes the Audited Financial Statements of the Company together with the Auditor's report thereon for the year ended June 30, 2017.

Financial Results of the Company

During the year ended June 30, 2017 the Company has incurred gross loss of Rs. 55.598 million as compared to gross loss of Rs. 59.745 million in the last year. Whereas Profit before taxation for the year was amounting to Rs. 81.114 million as compared to loss before taxation of Rs. 33.138 million in last year. Earnings per share basic and diluted has been Rs: 1.13 per share for the year ended June 30, 2017.

Dividend

In view of the liquidity problem due to negative operating cash flow and available accumulated losses, directors of your Company have proposed no divided for the year.

Book Closure

The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from October 27, 2017 to November 01, 2017 (both days inclusive). Transfer received by our Shares Registrar, M/s THK Associates (Pvt.) Limited - First Floor, 40-C, Block - 6, P.E.C.H.S, Karachi at the close of business on October 26, 2017 will be considered to attend and vote at the meeting.

Pattern of Shareholding

The Statement of Pattern of Shareholding along with categories of shareholders of the Company as at June 30, 2017, as required under section 236 of the Companies Ordinance 1984 and Code of Corporate Governance are annexed with this report.

Operating and Financial Data

Operating and financial data with key ratios for the six years is annexed.

Future Outlook

The textile sector is a significant pillar of Pakistan's economy. Due to adverse business conditions prevailing in Pakistan, this sector has sufferred substantial losses accross the board. Increasing production cost, and depressed yarn prices made it very difficult for the textile industry to survive and compete in the market. However, the management is committed to run the affairs of the Company in profitable manner by changing production mix and exploring other markets.

Number of Board Meetings Held

Five meetings of the Board of Directors were held during the year ended June 30, 2017 and the attendance of the directors is as follows:

Mr. Pervez Ahmed	Chief Executive	5 attendance
Mr. Ali Pervez Ahmed	Director	4 attendance
Mr. Hassan Ibrahim Ahmed	Director	5 attendance
Mr. Suleman Ahmed	Director	5 attendance
Mr. Atta ur Rehman	Director	5 attendance
Mr. Muhammad Yousuf	Director	5 attendance
Mr. Muntazir Mehdi	Director	5 attendance

Statement of Ethics & Business Practices

The Board has prepared and circulated the Statement of Ethics and Business Practices signed by every director and employee of the Company as a token of acknowledgement of his/her understanding of the standards of conduct in relation to everybody associated or dealing with the Company.

Auditors

The Auditors M/s Rehman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants retire and offer themselves for the reappointment. The Audit Committee of the Board has recommended the reappointment of M/s Rehman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants as auditors for the financial year ending June 30, 2018.

Audit Committee

The Audit Committee of the Company is in place and comprises the following members as required under the Code of Corporate Governance.

Mr. Atta ur Rehman	Chairman
Mr. Muhammad Yousuf	Member
Mr. Muntazir Mehdi	Member

Meetings of the Audit Committee were held during the year ended June 30, 2017 as required by the Code of Corporate Governance for review of quarterly & annual accounts and other related matters. The meeting was also attended by the Chief Financial Officer, head of Internal Audit and External Auditors as and when it was required.

Code of Corporate Governance

Statement in Compliance to the Code of Corporate Governance

The Directors are pleased to confirm that the Company has made compliance of the provisions set out by the Securities & Exchange Commission of Pakistan through the listing regulations of Karachi and Lahore Stock Exchanges as prescribed in the Code of Corporate Governance and there is no material departure from the best practices as detailed in the listing regulations.

1 The financial statements prepared by the management of the Company present its state of affairs fairly, the result of its operations, cash flows and change in equity.

2 Proper books of accounts of the Company have been maintained.

3 Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

4 International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.

5 The system of internal control is sound in design and has been effectively implemented and monitored.

6 The Company has earned net profit of Rs. 77.092 million during the year and has accumulated losses of Rs. 697.192 million as at the balance sheet date. The current liabilities of the Company exceeds its current assets by Rs. 337.651 million. These factors may cast doubt about the entity's ability to continue as going concern. However, the managment is confident to obtain continuous support from the sponsoring directors and favorable negotiations with lender.

7 There has been no material departure from the best practices of corporate governance as defined in the listing regulations.

8 Financial highlights for the last six years are annexed.

Acknowledgement

The Board of directors would like to place on record their appreciation to the valued shareholders, bankers, the Securities & Exchange Commission and to the management of Karachi & Lahore Stock Exchanges for their valuable support, assistance and guidance. The Board also express its appreciation to the staff and workers of the Company for their services, loyalty and efforts being continuously rendered

For & on behalf of the Board

Lahore
October 9, 2017

Pervez Ahmed
Chief Executive

FINANCIAL HIGHLIGHTS

	2017	2016	2015	2014	2013	2012
	Rupees	**Rupees**	**Rupees**	**Rupees**	**Rupees**	**Rupees**
PROFIT AND LOSS ACCOUNT						
Sales	823,969,981	635,025,614	820,090,456	1,130,585,280	1,085,828,414	943,573,213
Cost of sales	(879,568,859)	(694,770,844)	(867,695,343)	(1,117,780,808)	(922,982,731)	(904,366,622)
Gross Profit	(55,598,878)	(59,745,230)	(47,604,887)	12,804,472	162,845,683	39,206,591
Operating expenses:						
- Distribution cost	2,474,395	2,282,947	2,718,422	2,294,780	5,961,460	7,260,969
- Administrative expenses	27,806,108	21,356,090	29,711,264	39,044,110	42,059,029	22,101,885
	(30,280,503)	(23,639,037)	(32,429,686)	(41,338,890)	(48,020,489)	(29,362,854)
Operating (Loss) / Profit	(85,879,381)	(83,384,267)	(80,034,573)	(28,534,418)	114,825,194	9,843,737
Finance cost	(3,933,821)	(1,458,056)	(2,286,489)	(2,675,550)	(33,567,924)	(42,922,672)
Other operating expenses	(16,796,430)	(1,871,722)	(21,010,741)	(9,358,678)	(4,323,136)	(7,160,599)
(Impairment loss) / reversal of impairment on investment in associates - net	-	-	-	(23,157,422)	19,568,789	530,735
Other income	171,623,638	81,029,382	237,040,996	1,239,342	1,364,786	14,170,275
Notional Income / (Notional Interest)	-	(26,638,748)	26,638,748			
Share of net profit / (loss) of associated companies	16,100,595	(815,389)	(20,370,674)	16,862,535	29,881,862	(2,517,278)
(Loss) / Profit before Taxation	81,114,601	(33,138,800)	139,977,267	(45,624,191)	127,749,571	(28,055,802)
Taxation	(4,022,587)	49,668,989	27,908,971	(2,766,647)	14,278,522	6,195,060
Net Profit for the Year	77,092,014	16,530,189	167,886,238	(48,390,838)	142,028,093	(21,860,742)
Dividend	0	0	0	0	0	0
Bonus	0	0	0	0	0	0
BALANCE SHEET						
Share Capital	753,956,601	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Long term loans	-	-	151,563,805	596,917,258	678,939,561	400,342,479
Property, plant and equipment	510,776,302	544,306,154	398,938,588	436,192,675	437,429,417	480,092,648
Capaital work in progress	-	-	-	-	19,169,784	-
Current assets	71,518,695	88,456,586	85,981,512	114,164,666	160,902,382	85,161,523
Current liabilities	409,169,716	607,147,446	506,624,153	461,883,147	387,426,188	663,543,708
KEY FINANCIAL RATIOS						
Gross profit / (loss) ratio (%)	(6.75)	(9.41)	(5.80)	1.13	15.00	4.16
Operating (loss) / profit ratio (%)	(10.42)	(13.13)	(9.76)	(2.52)	10.57	1.04
Net profit / (loss) ratio (%)	9.36	2.60	20.47	(4.28)	13.08	(2.32)
Profit / (Loss) earning per share	1.13	0.28	2.80	(0.81)	2.37	(0.36)
Fixed assets turnover	1.61	1.17	2.06	2.59	2.48	1.97

**Statement Of Compliance With The
Code Of Corporate Governance
For the year ended June 30, 2017**

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No 5.19 of Rule Book 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.

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

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

Category	Name
Independent Director	Muntazir Mehdi
Executive Directors	Pervez Ahmed Ali Pervez Ahmed Hassan Ibrahim Ahmed
Non-Executive Directors	Suleman Ahmed Atta ur Rehman Muhammad Yousaf

The independent director meets the criteria of independence under clause 5.19.1(b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

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 Broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the board during the year.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and 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. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

10. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

11. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.

12. 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.

13. The company has complied with all the corporate and financial reporting requirements of the Code.

14. The board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors including the chairman of the committee.

15. 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 Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

16. The board has formed an HR and Remuneration Committee. It comprises three members, of whom all are non-executive directors including the chairman of the committee.

17. The board has set up an effective internal audit function.

18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

19. 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.

20. 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.

21. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

22. We confirm that all other material principles enshrined in the Code have been complied with, except the following:

    a. the Board is in the process of developing mechanism for annual evaluation of the performance of the Board

    b. None of the Directors of the Company have obtained any certification in any Directors Training Program

For and on behalf of
Board of Directors

Lahore.
October 9, 2017

Pervez Ahmed
Chief Executive

Review Report on Statement of Compliance with Best practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ('the Code') prepared by the Board of Directors of D.S. INDUSTERIES LIMITED for the year ended June 30, 2017 to comply with the requirements of Regulation No 5.19 of the Rule Book of Pakistan Stock Exchange Limited 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 a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The 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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

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

Reference	Description
Paragraph 09	The Board is in process of developing a comprehensive mechanism for annual evaluation of its performance.
Paragraph 10	None of the Directors of the Company have obtained any certification in any Directors Training Program.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Engagement Partner: ZUBAIR IRFAN MALIK

Lahore: OCTOBER 09, 2017

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of D.S. INDUSTRIES LIMITED ("the Company") as at June 30, 2017 and the related profit and loss account, statement of profit or loss and other 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 purpose of our audit.

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

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

a) in our opinion, proper books of accounts have been kept by the Company as required by the Repealed 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 Repealed 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 profit or loss and other 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 Repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the profit, other comprehensive income, 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 note 2.2 to the financial statements which refers to the fact that the Company has incurred gross loss of Rs. 55.59 million. As at June 30, 2017, the Company has accumulated losses of Rs. 697.19 million as at the reporting date. Its current liabilities exceed its current assets by Rs. 337.651 million. The Company has been unable to repay its long debts on due dates. These factors indicates existence of material uncertainty that raise doubts about the Company's ability to continue as a going concern and that the company may not be able to discharge its liabilities and realize its assets in the normal course of business. However, these financial statements have been prepared on going concern basis for reasons explained in note 2.2. Our opinion is not qualified in respect of this matter.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Engagement Partner: ZUBAIR IRFAN MALIK

Lahore: OCTOBER 9, 2017

BALANCE SHEET AS AT JUNE 30, 2017

	Note	2017	2016
		Rupees	Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100,000,000 (2016: 100,000,000) ordinary shares of Rs. 10 each		**1,000,000,000**	1,000,000,000
Issued, subscribed and paid-up capital	6	**836,856,310**	600,000,000
Discount on issue of shares	7	**(82,899,709)**	-
Accumulated loss		**(697,192,244)**	(787,865,190)
		56,764,357	(187,865,190)
Advance against issue of ordinary shares	8	**-**	63,017,255
TOTAL EQUITY		**56,764,357**	(124,847,935)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	9	**214,247,198**	225,389,518
NON-CURRENT LIABILITIES			
Long term finances - s*ecured*	10	**-**	-
Employees retirement benefits	11	**18,825,729**	18,982,138
Deferred taxation	18	**-**	5,769,525
		18,825,729	24,751,663
CURRENT LIABILITIES			
Trade and other payables	12	**180,501,573**	344,819,003
Accrued interest/markup		**1,434,286**	226,244
Short term borrowings	13	**90,854,324**	110,912,675
Provision for taxation	31	**8,239,700**	-
Current portion of non-current liabilities	10	**128,139,833**	151,189,524
		409,169,716	607,147,446
TOTAL LIABILITIES		**427,995,445**	631,899,109
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		**699,007,000**	732,440,692

The annexed notes 1 to 49 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

BALANCE SHEET AS AT JUNE 30, 2017

	Note	2017	2016
		Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	15	**510,776,302**	544,306,154
Long term investments	16	**96,706,153**	80,605,558
Long term deposits - *unsecured, considered good*	17	**19,072,394**	19,072,394
Deferred taxation	18	**933,456**	-
		627,488,305	643,984,106
CURRENT ASSETS			
Stores, spares and loose tools	18	**1,049,204**	1,036,779
Stock in trade	19	**35,215,391**	20,210,575
Trade debts - *unsecured, considered good*	20	**14,473,497**	38,470,837
Advances, prepayments and other receivables	21	**12,923,324**	22,295,327
Short term investments	22	**-**	753,460
Advance income tax/income tax refundable		**6,758,559**	4,707,434
Bank balances	23	**1,098,720**	982,174
		71,518,695	88,456,586
TOTAL ASSETS		**699,007,000**	732,440,692

The annexed notes 1 to 49 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

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

	Note	2017	2016
		Rupees	Rupees
Turnover - *net*	24	**823,969,981**	635,025,614
Cost of sales	25	**(879,568,859)**	(694,770,844)
Gross loss		**(55,598,878)**	(59,745,230)
Selling and distribution expenses	26	**(2,474,395)**	(2,282,947)
Administrative and general expenses	27	**(27,806,108)**	(21,356,090)
Other expenses	28	**(16,796,430)**	(1,871,722)
		(47,076,933)	(25,510,759)
		(102,675,811)	(85,255,989)
Other income	29	**171,623,638**	81,029,382
Operating profit/(loss)		**68,947,827**	(4,226,607)
Finance cost	30	**(3,933,821)**	(1,458,056)
Notional interest		**-**	(26,638,748)
Share of profit/(loss) of associates	16	**16,100,595**	(815,389)
Profit/(loss) before taxation		**81,114,601**	(33,138,800)
Taxation	31	**(4,022,587)**	49,668,989
Profit after taxation		**77,092,014**	16,530,189
Earnings per share - *basic and diluted*	32	**1.13**	0.28

The annexed notes 1 to 49 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017	2016
		Rupees	Rupees
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified to profit or loss			
Incremental depreciation	9	**13,614,011**	9,678,696
Remeasurements of defined benefit obligation	11.4	**(47,256)**	(119,723)
Taxation relating to remeasurements of defined benefit obligation	18	**14,177**	37,114
		13,580,932	9,596,087
Other comprehensive income		**13,580,932**	9,596,087
Profit for the year		**77,092,014**	16,530,189
Total comprehensive income		**90,672,946**	26,126,276

The annexed notes 1 to 49 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017	2016
		Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash used in operations	33	(36,449,030)	(58,703,483)
Payments for:			
Employees retirement benefits		(7,864,861)	(7,646,015)
Interest/markup		(1,398,030)	(415,562)
Income tax		(2,051,125)	(2,474,887)
Net cash used in operating activities		(47,763,046)	(69,239,947)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(1,107,010)	-
Proceeds from sale of investments		1,155,298	-
Net cash generated from investing activities		48,288	-
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term finances		(23,049,691)	(33,893,754)
Net increase in short term borrowings		70,880,995	102,812,965
Net cash generated from financing activities		47,831,304	68,919,211
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		116,546	(320,736)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		982,174	1,302,910
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	34	1,098,720	982,174

The annexed notes 1 to 49 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

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

	subscribed and paid-up capital	issue of ordinary shares	on issue of shares	Accumulated loss	Total equity
	Rupees	*Rupees*	*Rupees*	*Rupees*	*Rupees*
Balance as at July 01, 2015	600,000,000	63,017,255	-	(813,991,466)	(150,974,211)
Comprehensive income					
Profit after taxation	-	-	-	16,530,189	16,530,189
Other comprehensive income	-	-	-	9,596,087	9,596,087
Total comprehensive income	-	-	-	26,126,276	26,126,276
Transactions with owners	-	-	-	-	-
Balance as at June 30, 2016	600,000,000	63,017,255	-	(787,865,190)	(124,847,935)
Balance as at July 01, 2016	**600,000,000**	**63,017,255**	**-**	**(787,865,190)**	**(124,847,935)**
Comprehensive income					
Profit after taxation	**-**	**-**	**-**	**77,092,014**	**77,092,014**
Other comprehensive income	**-**	**-**	**-**	**13,580,932**	**13,580,932**
Total comprehensive income	**-**	**-**	**-**	**90,672,946**	**90,672,946**
Transactions with owners					
Advances against issue of ordinary shares	**-**	**90,939,346**	**-**	**-**	**90,939,346**
Discount on issue of share	**82,899,709**	**-**	**(82,899,709)**	**-**	**-**
Issue of ordinary shares	**153,956,601**	**(153,956,601)**	**-**	**-**	**-**
	236,856,310	**(63,017,255)**	**(82,899,709)**	**-**	**90,939,346**
Balance as at June 30, 2017	**836,856,310**	**-**	**(82,899,709)**	**(697,192,244)**	**56,764,357**

The annexed notes 1 to 49 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

1 REPORTING ENTITY

D.S. Industries Limited ('the Company') is incorporated in Pakistan as a Private Limited Company under the repealed Companies Act, 1913 (now the Companies Ordinance, 1984) and was subsequently converted into a Public Limited Company. The Company is listed on Pakistan Stock Exchange Limited The Company is a spinning unit engaged in the manufacture and sale of yarn. The registered office of the Company is situated at 20-K, Gulberg II, Lahore. The manufacturing facility is located at 11 KM, Sheikhupura Faisalabad Road, Sheikhupura, in the Province of Punjab.

2 BASIS OF PREPARATION

2.1 Statement of compliance

During the year, the Companies Act 2017 ('the Act') has been promulgated, however, Securities and Exchange Commission of Pakistan vide its circular no. 17 of 2017 dated July 20, 2017 communicated that the Commission has decided that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of repealed Companies Ordinance, 1984. 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 repealed 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

2.2 Going concern assumption

The Company has been facing operational losses since the previous year mainly due to decrease in selling prices in local as well as international markets, the on-going power crises, dumping of Indian yarn at low prices along with other factors, including economic instability and unfaviourbale textile policy of the Government, affecting the textile industry. The Company has not been able to utilize its production capacity at an optimum level due to which the desired profitability

As a result, the Company has incurred gross loss of Rs. 55.59 million. As at June 30, 2017, the Company has accumulated losses of Rs. 697.19 million as at the reporting date. Its current liabilities exceed its current assets by Rs. 337.651 million.The Company has been unable to repay its long debts on due dates. These factors indicates existense of material uncertainty that raise doubts about the Company's ability to continue as a going concern and that the Company may not be able to discharge its liabilities and realize its assets in the normal course of bussiness. However, these financial statements have been prepared on going concern basis based on the following:

a) The Company has continued financial support of its related parties in the form of interest free loans. During the year, related parties provided financial support amounting to Rs. 21.26 million in the form of long term interest free loans. (see note 13).

b) The Company is making efforts to repay its long term finances in accordance with the repayment schedules to avail the interest/markup waiver offered by the lending banks. Banks have agreed to waive off an aggregate amount of Rs. 116 million subject to timely repayment of principal liabilities.

c) The waiver of interest/markup is expected to make available sufficient working capital to the Company which will allow the Company to achieve its target of sustainable capacity utilization.

The management is confident that through above measures, the Company will turnaround into a profitable company, subject to impact, if any, of uncontrollable circumstances including power crises and global market conditions.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for employees retirement benefits liabilities measured at present value and certain financial instruments measured at fair value/amortized cost. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been

2.4 Judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. There are no estimation uncertainties as at the reporting date. Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a risk of

2.4.1 ***Depreciation method, rates and useful lives of operating fixed assets (see note 5.1.1)***

The Company reassesses useful lives, depreciation method and rates for each item of operating fixed assets annually by considering expected pattern of economic benefits that the Company expects to derive from that item.

2.4.2 ***Recoverable amount and impairment (see note 5.22)***

The management of the Company reviews carrying amounts of its assets for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

2.4.3 ***Obligation under defined benefit plan (see note 5.5.2)***

The Company's obligation under the defined benefit plan is based on assumptions of future outcomes, the principal ones being in respect of increases in remuneration, remaining working lives of employees and discount rates to be used to determine present value of defined benefit obligation. These assumptions are determined periodically by independent

2.4.4 ***Taxation (see note 5.18)***

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provision for current tax. Provision for deferred tax is estimated after taking into account historical and expected future turnover and profit trends and their taxability under the current tax law.

2.4.5 ***Provisions (see note 5.12)***

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a

2.4.6 ***Revaluation of property, plant and equipment (see note 5.2)***

Revaluation of property, plant and equipment is carried out by independent professional valuers. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

2.4.7 ***Net realizable values of stock in trade (see note 5.4)***

Revaluation of property, plant and equipment is carried out by independent professional valuers. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

2.5 **Functional currency**

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

3 **NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.**

The following new and revised standards, interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures.

IFRS 14 – Regulatory Deferral Accounts (2014)

The standard permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

Equity Method in Separate Financial Statements (Amendments to IAS 27 - Separate Financial Statements)

IAS 27 - Separate Financial Statements has been amended to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 – Joint

IFRS 11 - Joint Arrangements has been amended to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

- Apply all of the business combinations accounting principles in IFRS 3 - Business Combinations and other IFRSs, except for those principles that conflict with the guidance in IFRS 11.
- Disclose the information required by IFRS 3 - Business Combinations and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets)

IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets have been amended to:

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment.
- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.
- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 - Consolidated Financial Statements, IFRS 12 - Disclosure of Interests in Other Entities, IAS 28 - Accounting for Investments in

The amendments address issues that have arisen in the context of applying the consolidation exception for investment

Agriculture: Bearer Plants (Amendments to IAS 16 – Property, Plant and Equipment and IAS 41 –

IAS 16 - Property, Plant and Equipment and IAS 41 - Agriculture have been amended to:

- Include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with
- Introduce a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.
- Clarify that produce growing on bearer plants remains within the scope of IAS 41.

Disclosure initiative (Amendments to IAS 1 - Presentation of Financial Statements)

IAS 1 Presentation of Financial Statements has been amended to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- Clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- Additional examples of possible ways of ordering the notes to clarify that understand ability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 - Income	January 01, 2017
Disclosure initiative (Amendments to IAS 7 - Statement of Cash Flows)	January 01, 2017
IFRS 9 – Financial Instruments (2014)	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers (2014)	January 01, 2018
IFRS 16 – Leases (2016)	January 01, 2019
IFRS 17 – Insurance contracts (2017)	January 01, 2021
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely

Clarifications to IFRS 15 - Revenue from Contracts with Customers	January 01, 2018
IFRIC 22 - Foreign Currency Transactions and Advances Consideration	January 01, 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 - Share-based Payment)	January 01, 2018
Applying IFRS 9 'Financial Instruments' with IFRS4 'Insurance Contracts' (Amendments to IFRS 4 - Insurance Contracts)	January 01, 2018
Transfers of Investment Property (Amendments to IAS 40 - Investment Property)	January 01, 2018
Annual Improvements to IFRS 2014–2016 Cycle	January 01, 2018
Companies Act, 2017	July 01, 2017

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan regarding their adoption. The management anticipates that, except as stated below, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the Company's financial statements other than in

IFRS 9 – Financial Instruments: Classification and Measurement (2014)

IFRS9 replaces IAS 39 - Financial Instruments: *Recognition and Measurement.* The standard contains requirements in the following areas:

- **Classification and measurement:** Financial assets are classified by reference to the business model within which they are held and their cash flow characteristics. The standard introduces a 'fair value through comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to measurement of entity's own credit risk.
- **Impairment:** IFRS9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit loss to have occurred before a credit loss is recognized.
- **Hedge accounting:** IFRS9 introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposure.
- **Derecognition:** The requirements for the derecognition of financial assets and liabilities are carried forward from

Adoption of this IFRS9 may result in material adjustment to carrying amounts of financial assets and liabilities. However, the financial impact of the same cannot be estimated with reasonable certainty at this stage.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial

5.1 Property, plant and equipment

5.1.1 Operating fixed assets

Operating fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses with the exception of freehold land, which is stated at revalued amount, and buildings on freehold land, plant and machinery and electric installation, which are carried at revalued amounts less accumulated depreciation. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

Major renewals and improvements to operating fixed assets are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of operating fixed assets are recognized in profit or loss

The Company recognizes depreciation in profit or loss by applying reducing balance method over the useful life of each operating fixed asset using rates specified in note 15.1 to the financial statements. Depreciation on additions to operating fixed assets is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

An operating fixed asset is de-recognized when permanently retired from use. Any gain or loss on disposal of operating fixed assets is recognized in profit or loss.

5.1.2 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the cost of material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of operating fixed assets. These costs are transferred to operating fixed assets as and when related items become available for intended use.

5.2 Surplus / deficit arising on revaluation of property, plant and equipment

Surplus arising on revaluation of items of property, plant and equipment is carried on balance sheet after reversing deficit relating to the same item previously recognized in profit or loss, if any. Deficit arising on revaluation is recognized in profit or loss after reversing the surplus relating to the same item previously carried on balance sheet, if any. An amount equal to incremental depreciation, being the difference between the depreciation based on revalued amounts and that based on the original cost, net of deferred tax, if any, is transferred from surplus on revaluation of property, plant and equipment to accumulated profit every year, through statement of other comprehensive income.

5.3 Stores, spares and loose tools

These are generally held for internal use and are valued at cost. Cost is determined on the basis of weighted average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. For items which are considered obsolete, the carrying amount is written down to nil. Spare parts held exclusively for capitalization are classified as property, plant and equipment.

5.4 Stock in trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

Raw materials	Weighted average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Stock in transit	Invoice price plus related cost incurred up to the reporting date

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and an appropriate proportion of manufacturing overheads.

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

5.5 Employee benefits

5.5.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting standards. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

5.5.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of remeasurements which are recognized in other comprehensive income. The amount recognized on balance sheet represents the present value of defined benefit obligation. The details of the scheme are referred to in note 10 to the financial statements.

5.6 Financial instruments

5.6.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

5.6.2 Classification

The Company classifies its financial instruments into following classes depending on the purpose for which the financial assets and liabilities are acquired or incurred. The Company determines the classification of its financial assets and liabilities at initial recognition.

(a) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Assets in this category are presented as current assets except for maturities greater than twelve months from the reporting date, where these are presented as non-current assets.

(b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that are either designated as such on initial recognition or are classified as held for trading. Financial assets are designated as financial assets at fair value through profit or loss if the Company manages such assets and evaluates their performance based on their fair value in accordance with the Company's risk management and investment strategy. Financial assets are classified as held for trading when these are acquired principally for the purpose of selling and repurchasing in the near term, or when these are part of a portfolio of identified financial instruments that are managed together and for which there is a recent actual pattern of profit taking, or where these are derivatives, excluding derivatives that are financial guarantee contracts or that are designated and effective hedging instruments. Financial assets in this category are

(c) Financial liabilities at amortized cost

Non-derivative financial liabilities that are not financial liabilities at fair value through profit or loss are classified as financial liabilities at amortized cost. Financial liabilities in this category are presented as current liabilities except for maturities greater than twelve months from the reporting date where these are presented as non-current liabilities.

5.6.3 Measurement

The particular measurement methods adopted are disclosed in the individual policy statements associated with each

5.6.4 De-recognition

Financial assets are de-recognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are de-recognized if the Company's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on de-recognition of financial assets and financial liabilities is recognized in

5.6.5 Off-setting

A financial asset and a financial liability is offset and the net amount reported in the balance sheet if the Company has 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.

5.6.6 "Regular way" purchases and sales of financial assets

All regular way purchases and sales of financial assets are recognized on trade date. Regular way purchases or sales of financial assets are those contracts which require delivery of assets within the time frame generally established by the regulation or convention in the market.

5.7 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

5.8 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

5.9 Finance leases

Leases in terms of which the Company assumes substantially all risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are classified as 'operating fixed assets'. On initial recognition, these are measured at cost, being an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, these are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation, subsequent expenditure, de-recognition, and gains and losses on de-recognition are accounted for in accordance with the respective policies for operating fixed assets. Liabilities against assets subject to finance lease and deposits against finance lease are classified as 'financial liabilities at amortized cost' and 'loans and receivables' respectively, however, since they fall outside the scope of measurement requirements of IAS 39 'Financial Instruments - Recognition and Measurement', these are measured in accordance with the requirements of IAS 17 'Leases'. On initial recognition, these are measured at cost, being their fair value at the date of commencement of lease, less attributable transaction costs. Subsequent to initial recognition, minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

5.10 Operating leases

Leases that do not transfer substantially all risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in profit or loss on a straight line basis over the lease term.

5.11 Trade and other payables

5.11.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.11.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

5.12 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

5.13 Trade and other receivables

5.13.1 Financial assets

These are classified as 'loans and receivables'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.13.2 Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

5.14 Investments in equity securities

5.14.1 Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of the associates have been incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried at cost as adjusted for post acquisition changes in the Company's share of net assets of the associates, less any impairment in the investment. Losses of an associates in excess of the Company's interest in that associate are recognized only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate.

5.14.2 Other investments

Investment in other equity securities, on initial recognition, are measured at cost and classified as "financial assets at fair value through profit or loss". Subsequent to initial recognition these are measured at fair value. Gains and losses resulting from changes in fair value are recognized in profit or loss.

5.15 Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of returns allowances, trade discounts and rebates, and represents amounts received or receivable for goods and services provided and other income earned in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and the associated costs incurred

Revenue from sale of goods is recognized when risks and rewards incidental to the ownership of goods are transferred

Return on bank deposits is recognized using effective interest method.

Capital gain on sale of investments is recognized when sale of shares is confirmed by the broker.

5.16 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards, and is presented in 'statement of profit or loss and other comprehensive income'.

5.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

5.18 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

5.18.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is

5.18.2 Deferred taxation

Deferred tax is accounted for using the' balance sheet approach' providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by The Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5.19 Earnings per share ('EPS')

Basic EPSis calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential

5.20 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at banks. These are classified as 'loans and receivables' and are carried at cost.

5.21 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

5.22 Impairment

5.22.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairmenton an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future

An impairmentloss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairmentloss was recognized. An impairmentloss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

5.22.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairmentloss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairmentlosses are recognized in profit or loss. Impairmentlosses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairmentloss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no

5.23 Dividend distribution to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

	Note	2017	2016
		Rupees	*Rupees*
6 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
Ordinary shares of Rs. 10 each			
53,685,631 (2016: 30,000,000) ordinary shares issued for cash	*6.1*	**536,856,310**	300,000,000
30,000,000 (2016: 30,000,000) ordinary shares issued as fully paid bonus shares		**300,000,000**	300,000,000
		836,856,310	600,000,000

6.1 Reconciliation between ordinary shares in issue as at the beginning and end of the year is as follows:

	Note	2017	2016
		No. of shares	*No. of shares*
As at beginning of the year		**600,000,000**	600,000,000
Issue of otherwise than right ordinary shares	*6.1.1*	**236,856,310**	-
As at end of the year		**836,856,310**	600,000,000

6.1.1 During the year, the Company issued 23,685,631 otherwise than right ordinary shares at Rs 10 each, at a discount of Rs. 3.5 per share.

7 DISCOUNT ON ISSUE OF ORDINARY SHARES

This represents discount on issue of ordinary shares under section 84 and 86(1) of the repealed Companies Ordinance,

	Note	2017	2016
		Rupees	*Rupees*
8 ADVANCE AGAINST ISSUED OF ORDINARY SHARES			
As at beginning of the year		**63,017,255**	63,017,255
Transferred from short term borrowings		**90,939,346**	-
Transferred to equity		**(153,956,601)**	-
As at end of the year		**-**	63,017,255
9 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
As at beginning of the year		**225,389,518**	94,952,304
Surplus recognized during the year			
Surplus for the year		**-**	186,151,923
Deferred taxation		**-**	(47,127,726)
		-	139,024,197
Incremental depreciation transferred to accumulated profits			
Incremental depreciation for the year		**(19,448,587)**	(14,027,096)
Deferred taxation		**5,834,576**	4,348,400
		(13,614,011)	(9,678,696)
Deferred tax adjustment attributable to changes in tax rates		**2,471,691**	1,091,713
As at end of the year		**214,247,198**	225,389,518
10 LONG TERM FINANCES - SECURED			
These represent long term finances utilized under interest/markup arrangements from banking companies			
Askari Bank Limited	*10.1*	**12,351,641**	17,201,332
MCB Bank Limited	*10.2*	**115,788,192**	133,988,192
		128,139,833	151,189,524
Current maturity and overdue amounts presented under current liabilities		**(128,139,833)**	(151,189,524)
		-	-

10.1 The finance has been obtained from Askari Bank Limited on conversion of short term borrowings and accrued markup thereon amounting to Rs. 39.654 million under a restructuring arrangement with the lender. Under the restructuring arrangement, the liability was settled at Rs. 27.378 million with the remaining amount pertaining to accrued markup to be waived-off by the lender on successful repayment of liability. The liability was structured to be repaid through down payment of Rs. 1.5 million and thirty six monthly installments of Rs. 0.719 million each starting from June 2012. The finance carries interest/markup at 8.96% per annum (2015: 8.96% per annum) payable monthly. The finance is secured by charge over current assets of the Company and personal guarantees of the Company's Directors.

The finance has been fully repaid during the year. The remaining liability represents frozen markup which has been waived of by the bank, subsequent to the reporting period, in accordance with the terms of restructuring arrangement.

10.2 The finance has been obtained from MCB Bank Limited on conversion of short term borrowings and accrued markup thereon amounting to Rs. 219.351 million under a restructuring arrangement with the lender. Under the restructuring arrangement, the liability was settled at Rs. 134.308 million with the remaining amount pertaining to accrued markup to be waived-off by the lender on successful repayment of liability. The liability is structured to be repaid in five years in daily installments of Rs. 80,000 (based on 26 days a month) starting from May 2012. The lender, however, reduced the amount of installment to Rs. 500,000 per month on request of the Company for the period from April 2015 to May 2016 with the condition that the original repayment schedule will be effective from June 2016. The lender, however restructure the arrangement again on December 30, 2016 based on which liability will be paid till June 25, 2018 in unequal 18 installments along with the down payment of Rs. 10 million. The finance does not carry interest/markup. The finance is secured by charge over operating fixed assets and current assets of the Company, mortgage over land and building of the Company

Following the finalization of repayment schedule, including reduction in monthly installment from April 2015 to May 2016, the amortized cost of the finance was re-determined using a discount rate of 8.96% per annum, being the effective borrowing rate of the Company. The difference between the amortized cost and maturity amount was recognized in profit or loss.

However, the Company has defaulted in the repayment of this finance. Accordingly, the entire outstanding balance, including Rs. 85.04 million agreed to be waived by the lender on full repayment of settled liability, has been classified as current maturity and presented under current liabilities in accordance with the requirements of International Accounting Standard 1 – Presentation of Financial Statements pertaining to breach of provisions of loan agreement.

10.3 For mortgages and charges on assets as security for liabilities, refer to note 40 to the financial statements.

11 EMPLOYEES RETIREMENT BENEFITS

The Company operates an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. The scheme is administered by the management of the Company under the supervision and directions of the Board of Directors of the Company. The amount recognized on balance sheet represents present

The amount recognized on balance sheet represents present value of defined benefit obligation.

		Note	**2017** *Rupees*	2016 *Rupees*
11.1	**Movement in present value of defined benefit obligation**			
	As at beginning of the year		**18,982,138**	18,430,488
	Charged to profit or loss for the year	*11.2*	**7,661,196**	8,077,942
	Benefits paid during the year		**(7,864,861)**	(7,646,015)
	Remeasurements recognized in other comprehensive income	*11.4*	**47,256**	119,723
	As at end of the year		**18,825,729**	18,982,138
11.2	**Charge to profit or loss**			
	Current service cost		**6,570,092**	6,653,713
	Interest cost		**1,091,104**	1,424,229
			7,661,196	8,077,942

	Note	2017	2016
		Rupees	*Rupees*

11.3 The charge to profit or loss has been allocated as follows

	Note	2017	2016
Cost of sales	*25.2*	**6,586,060**	6,412,278
Administrative and general expenses	*27.1*	**1,075,136**	1,665,664
		7,661,196	8,077,942

11.4 Remeasurements recognized in other comprehensive income

	2017	2016
Actuarial loss arising from changes in:		
Experience adjustments	**47,256**	119,723
	47,256	119,723

11.5 Principal actuarial assumptions

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries. The principal assumptions used in determining present value of defined benefit obligation are:

	2017	2016
Discount rate	**7.75%**	7.25%
Expected rates of increase in salary	**6.75%**	6.25%
Expected average remaining working lives	**8 years**	6 years

11.6 Average duration of the defined benefit obligation

The average duration of the defined benefit obligation is six years.

11.7 Expected charge to profit or loss for the next financial year

The expected charge to profit or loss for the year ending June 30, 2018 amounts to Rs. 7.45 million.

11.8 Sensitivity analysis

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

	2017		2016	
	Change in actuarial assumption	**Defined benefit obligation**	Change in actuarial assumption	Defined benefit obligation
		Rupees		*Rupees*
Discount rate	+ 1%	17,254,130	+ 1%	17,031,496
	- 1%	20,666,602	- 1%	21,269,930
Expected rate of increase in salary	+ 1%	20,666,602	+ 1%	21,269,930
	- 1%	17,226,703	- 1%	16,997,276

A change in expected remaining working lives of employees is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

11.9 Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on Pakistan Investment Bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the defined

Longevity risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of the employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of employees. An increase in salary of employees will increase the defined benefit obligation.

		Note	**2017**	2016
			Rupees	*Rupees*
12	**TRADE AND OTHER PAYABLES**			
	Trade creditors - *unsecured*		**64,146,269**	56,445,349
	Payable to stock broker - *unsecured*	*29*	**-**	171,189,424
	Accrued liabilities		**29,490,946**	31,391,726
	Advances from customers - *unsecured*		**69,669,934**	65,481,673
	Workers' Profit Participation Fund	*12.1*	**8,414,830**	8,928,238
	Workers' Welfare Fund	*28*	**2,717,171**	2,717,171
	Tax deducted at source		**5,724,860**	4,936,391
	Sales tax payable		**-**	3,391,468
	Unclaimed dividend		**337,563**	337,563
			180,501,573	344,819,003
12.1	**Workers' Profit Participation Fund**			
	As at beginning of the year		**8,928,238**	9,208,714
	Interest on funds utilized by the Company	*12.1.1*	**924,772**	917,976
	Paid during the year		**(1,438,180)**	(1,198,452)
	As at end of the year		**8,414,830**	8,928,238

12.1.1 Interest is charged at 12.35% (2016: 11.46%) per annum.

13	**SHORT TERM BORROWINGS - UNSECURED**			
	Secured			
	This represent short term finances utilized under interest/markup arrangements from banking company			
	Running finances	*13.1*	**49,625,760**	-
	Unsecured			
	Loan from related parties, subordinate	*13.2*	**41,228,564**	110,912,675
			90,854,324	110,912,675

13.1 This facility has been obtained from Silk Bank Limited for working capital requirements and carries interest/markup at three months KIBOR plus 5.50% per annum, payable quarterly. This facility is secured by charge over present and future current assets and operating fixed assets of the Company, subordination of loan from directors and personal guarantees of the Company's Directors.

The aggregate available short term funded facility amounts to Rs. 50 million out of which Rs. 0.374 million remained unavailed as at the reporting date.

13.2 These represent temporary loans obtained from related parties and are unsecured and interest free. Details are as follows:

	Note	2017 Rupees	2016 Rupees
As at beginning of the year		**110,912,675**	8,099,710
Obtained during the year		**21,255,235**	123,646,732
Transferred to advance against issue of ordinary shares		**(90,939,346)**	-
Repaid during the year		**-**	(20,833,767)
As at end of the year		**41,228,564**	110,912,675

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

The Company and others have filed a petition before the Lahore High Court ('LHC') against the levy of Gas Infrastructure Development Surcharge ('GIDC') amounting. The Lahore High Court has provided an interim relief to the petitioners by staying the levy of GIDC. The petition is pending for final arguments for which no date has yet been fixed by the LHC. The amount of potential liability is Rs. 14.48 million. However, on the basis of the advice of the Company's legal advisors, the management expects a favourable outcome.

14.2 Commitments

There are no known commitments as at the reporting date.

	Note	2017 Rupees	2016 Rupees
15 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	*15.1*	**510,776,302**	544,306,154
		510,776,302	544,306,154

15.1 PROPERTY, PLANT AND EQUIPMENT

	2017									
	COST / REVALUED AMOUNTS					DEPRECIATION				Net book
	As at July 01, 2016	Additions	Revaluation	As at June 30, 2017	Rate	As at July 01, 2016	For the year	Revaluation	As at June 30, 2017	value as at June 30, 2017
	Rupees	*Rupees*	*Rupees*	*Rupees*	%	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*Rupees*
Freehold land	60,225,000	-	-	60,225,000	-	-	-	-	-	60,225,000
Buildings on freehold land										
Factory	204,749,550	-	-	204,749,550	10	38,556,900	16,619,265	-	55,176,165	149,573,385
Colony/office block	23,711,712	-	-	23,711,712	10	4,465,212	1,924,650	-	6,389,862	17,321,850
Plant and machinery	349,160,438	-	-	349,160,438	5	65,645,063	14,175,769	-	79,820,832	269,339,606
Electric installations	14,136,937	-	-	14,136,937	10	2,662,162	1,147,478	-	3,809,640	10,327,297
Furniture and fixtures	206,900	-	-	206,900	10	146,569	6,033	-	152,602	54,298
Office and other equipment	1,212,555	-	-	1,212,555	10	743,667	46,889	-	790,556	421,999
Vehicles	9,817,475	1,107,010	-	10,924,485	20	6,694,840	716,778	-	7,411,618	3,512,867
	663,220,567	1,107,010	-	664,327,577		118,914,413	34,636,862	-	153,551,275	510,776,302

	2016									
	COST / REVALUED AMOUNTS				DEPRECIATION					Net book value as at June 30, 2016
	As at July 01, 2015	Additions	Revaluation	As at June 30, 2016	Rate	As at July 01, 2015	For the year	Revaluation	As at June 30, 2016	
	Rupees	*Rupees*	*Rupees*	*Rupees*	%	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*Rupees*
Freehold land	26,098,000	-	34,127,000	60,225,000	-	-	-	-	-	60,225,000
Buildings on freehold land										
Factory	128,715,200	-	76,034,350	204,749,550	10	12,871,520	12,949,626	12,735,754	38,556,900	166,192,650
Colony/office block	15,792,000	-	7,919,712	23,711,712	10	1,579,200	1,559,460	1,326,552	4,465,212	19,246,500
Plant and machinery	254,210,500	-	94,949,938	349,160,438	10	25,335,308	24,435,264	15,874,491	65,645,063	283,515,375
Electric installations	10,464,000	-	3,672,937	14,136,937	10	1,046,400	1,000,545	615,217	2,662,162	11,474,775
Furniture and fixtures	206,900	-	-	206,900	10	139,865	6,704	-	146,569	60,331
Office and other equipment	1,212,555	-	-	1,212,555	10	691,568	52,099	-	743,667	468,888
Vehicles	9,817,475	-	-	9,817,475	20	5,914,181	780,659	-	6,694,840	3,122,635
	446,516,630	-	216,703,937	663,220,567		47,578,042	40,784,357	30,552,014	118,914,413	544,306,154

		Note	2017	2016
			Rupees	*Rupees*
15.1.1	The depreciation charge for the year has been allocated as follows:			
	Cost of sales	25	**33,867,162**	39,944,895
	Administrative and selling expenses	27	**769,700**	839,462
			34,636,862	40,784,357

15.1.2 Most recent valuation of land, building, plant and machinary was carried out by an independent valuer Messrs Excel Enterprises as on March 31, 2016. For basis of valuation and other fair value measurement disclosures, refer to note 39.

Had there been no revaluation, the cost, accumulated depreciation and net book value of revalued items would have been

	2017		
	Cost	**Accumulated depreciation**	**Net book value**
	Rupees	***Rupees***	***Rupees***
Freehold land	**5,382,168**	**-**	**5,382,168**
Buildings on freehold land	**129,490,940**	**87,519,014**	**41,971,926**
Plant and machinery	**468,167,430**	**298,925,996**	**169,241,434**
Electric installation	**23,915,115**	**16,286,859**	**7,628,256**

	2016		
	Cost	Accumulated depreciation	Net book value
	Rupees	*Rupees*	*Rupees*
Freehold land	5,382,168	-	5,382,168
Buildings on freehold land	129,490,940	82,855,467	46,635,473
Plant and machinery	468,167,430	290,018,552	178,148,878
Electric installation	23,915,115	15,439,275	8,475,840

16 LONG TERM INVESTMENTS

This represents investment in ordinary shares of associates. The investments has been accounted for by using equity method. The details are as follows:

	Note	2017	2016
		Rupees	*Rupees*
Pervez Ahmed Securities Limited	16.1	**-**	-
Pervez Ahmed Capital (Private) Limited	16.2	**96,706,153**	80,605,558
		96,706,153	80,605,558

16.1 Pervez Ahmed Securities Limited

	2017	2016
Cost of investment	**3,412,243**	3,412,243
Share of post acquisition losses	**(1,518,396)**	(1,442,519)
Share of post acquisition changes in equity	**(160,258)**	(160,258)
Accumulated impairment	**(1,733,589)**	(1,809,466)
	-	-
	No. of shares	*No. of shares*
Number of shares held	**61,550**	61,550
	% age	*% age*
Percentage of ownership interest	**0.03**	0.03

	2017	2016
	Rupees	*Rupees*
Market value per share	**1.97**	1.66

16.1.1 Extracts of financial statements of Pervez Ahmed Securities Limited

The assets and liabilities of Pervez Ahmed Securities Limited as at the reporting date and related revenue and profit for the year then ended based on the audited financial statements are as follows:

	2017	2016
	Rupees	*Rupees*
Assets	**187,381,926**	425,414,913
Liabilities	**668,708,095**	676,744,491
Loss for the year	**(229,996,591)**	(236,657,771)
Share of loss	**(75,877)**	(78,075)

16.2 Pervez Ahmed Capital (Private) Limited

	2017	2016
Cost of investment	**85,000,000**	85,000,000
Share of post acquisition profits/(loss)	**11,706,153**	(608,127)
Accumulated impairment	**-**	(3,786,315)
	96,706,153	80,605,558

	2017	2016
	No. of shares	*No. of shares*
Number of shares held	**7,727,000**	7,727,000
	% age	*% age*
Percentage of ownership interest	**44.88**	44.88
	Rupees	*Rupees*
Break-up value per share	**12.52**	10.43

16.2.1 Extracts of financial statements of Pervez Ahmed Capital (Private) Limited

The assets and liabilities of Pervez Ahmed Capital (Private) Limited as at the reporting date and related revenue and profit for the year then ended based on the audited financial statements are as follows:

	2017	2016
	Rupees	*Rupees*
Assets	**215,745,881**	179,736,699
Liabilities	**265,248**	131,409
Profit/(loss) for the year	**35,875,343**	(1,642,883)
Share of profit/(loss)	**16,100,595**	(737,314)

17 LONG TERM DEPOSITS

These have been deposited with various utility companies and regulatory authorities. These are classified as 'loans and receivables' under IAS 39 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

	Note	2017	2016
		Rupees	*Rupees*
18 DEFERRED TAXATION			
Deferred tax asset on deductible temporary differences	*18.1*	**112,415,205**	116,251,532
Deferred tax liability on taxable temporary differences	*18.1*	**(111,481,749)**	(122,021,057)
Net asset/(liability)		**933,456**	(5,769,525)

18.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2017			
	As at July 01, 2016	**Recognized in profit or loss**	**Recognized in equity**	**As at June 30, 2017**
	Rupees	***Rupees***	***Rupees***	***Rupees***
Deferred tax assets				
Employees retirement benefits	**5,884,463**	**(250,921)**	**14,177**	**5,647,719**
Provisions	**4,492,257**	**(3,972,180)**	**-**	**520,077**
Unused tax losses and credits	**105,874,812**	**372,597**	**-**	**106,247,409**
	116,251,532	**(3,850,504)**	**14,177**	**112,415,205**
Deferred tax liabilities				
Operating fixed assets	**(122,021,057)**	**8,067,617**	**2,471,691**	**(111,481,749)**
	(5,769,525)	**4,217,113**	**2,485,868**	**933,456**

	2016			
	As at July 01, 2015 *Rupees*	Recognized in profit or loss *Rupees*	Recognized in equity *Rupees*	As at June 30, 2016 *Rupees*
Deferred tax assets				
Employees retirement benefits	5,897,756	(50,407)	37,114	5,884,463
Provisions	4,662,152	(169,895)	-	4,492,257
Unused tax losses and credits	65,399,994	40,474,818	-	105,874,812
	75,959,902	40,254,516	37,114	116,251,532
Deferred tax liabilities				
Operating fixed assets	(86,029,090)	10,044,046	(46,036,013)	(122,021,057)
	(10,069,188)	50,298,562	(45,998,899)	(5,769,525)

18.2 Deferred tax has been calculated at 30% (2016: 31%) of the temporary differences as at the reporting date based on tax rates notified by the Government of Pakistan for future tax years.

18.3 Unsued tax losses and credits represent unabosrbed depreciation which is available for use against future taxable profits fo an infinite period. Taxable profits are expected to be available in future against which the other recognized

		Note	2017	2016
			Rupees	*Rupees*
18	**STORES, SPARES AND LOOSE TOOLS**			
	Stores		**699,966**	597,846
	Spares		**349,238**	438,933
			1,049,204	1,036,779

18.1 There are no spare parts exclusively held for capitalization as at the reporting date.

		Note	2017	2016
			Rupees	*Rupees*
19	**STOCK IN TRADE**			
	Raw material		**19,671,543**	4,887,245
	Work in process		**12,868,500**	10,751,777
	Finished goods		**1,971,000**	3,948,741
	Waste		**704,348**	622,812
			35,215,391	20,210,575

19.1 Entire stock in trade, with exception of stock of waste, is carried at cost being lower than net realizable value.

19.2 Details of stock pledged as security are referred to in note 40 to the financial statements.

		Note	2017	2016
			Rupees	*Rupees*
20	**TRADE DEBTS -*UNSECURED***			
	Considered good	*20.1*	**14,473,497**	38,470,837
	Considered doubtful		**-**	8,895,369
			14,473,497	47,366,206
	Impairment allowance for trade debts considered doubtful	*20.2*	**-**	(8,895,369)
			14,473,497	38,470,837

20.1 This includes receivable from D.S. Textiles Limited, a related party, amounting to Rs. 5,307,203 (2016: Rs. 19,579,478) against sale of goods. The analysis of age is as follows:

			2017 Rupees	2016 Rupees
	Due by 0 to 180 days		**5,307,203**	19,579,478
	Due by 181 days to one year		**-**	-
	Due by more than one year		**-**	-
			5,307,203	19,579,478
20.2	**Movement in accumulated impairment**			
	As at beginning of the year		**8,895,369**	8,895,369
	Recognized during the year	*28*	**15,360,359**	-
	Written off during the year		**(24,255,728)**	
	As at end of the year		**-**	8,895,369
21	**ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**			
	Advances to suppliers - *unsecured, considered good*		**6,264,410**	19,749,858
	Advances to employees	*21.1*	**2,335,375**	2,500,523
	Prepayments		**128,198**	44,946
	Sales tax refundable		**4,195,341**	-
			12,923,324	22,295,327

21.1 These represent advances to employees for expenses on behalf of the Company and those against salaries in accordance with the Company policy. No advances have been given to any of the directors or executives of the

22 SHORT TERM INVESTMENT

This represents investment in listed equity securities held for trading and has been classified as 'financial asset at fair value through profit or loss'. The particulars of investment are as follows:

	2017 ***Rupees***	2016 *Rupees*
Askari General Insurance Company Limited Nil units(2016: 36,558) Market value per share: Rs. nil (2016: Rs. 20.61)		
Cost of investment	**-**	1,462,530
Accumulated changes in fair value	**-**	(709,070)
	-	753,460

23 BANK BALANCES

Current accounts	**711,287**	596,914
Saving/deposit accounts	**387,433**	385,260
	1,098,720	982,174

23.1 Effective markup rate in respect of saving and deposit accounts ranges from 3.5% to 5% (2016: 3% to 5%) per annum.

		Note	**2017** ***Rupees***	2016 *Rupees*
24	**TURNOVER - NET**			
	Yarn		**761,259,132**	554,724,249
	Conversion		**-**	636,540
	Fabric		**3,411,520**	9,060,268
	Waste		**33,923,674**	13,604,814
	Cotton		**25,375,655**	83,702,938
			823,969,981	661,728,809
	Sales tax		**-**	(26,703,195)
			823,969,981	635,025,614

		Note	2017 Rupees	2016 Rupees
25	**COST OF SALES**			
	Raw material consumed	25.1	**542,605,981**	354,820,529
	Cost of cotton sold		**25,375,655**	82,355,341
	Cost of fabric sold		**3,411,520**	9,060,268
	Stores and spares consumed		**22,847,473**	13,388,510
	Salaries, wages and benefits	25.2	**115,437,730**	88,813,383
	Power and fuel		**130,095,242**	100,868,585
	Traveling and conveyance		**781,242**	599,879
	Repair and maintenance		**2,268,727**	1,448,429
	Insurance		**928,274**	978,006
	Entertainment		**1,146,258**	741,229
	Depreciation	15.1.1	**33,867,162**	39,944,895
	Others		**1,024,113**	744,362
	Manufacturing cost		**879,789,377**	693,763,416
	Work in process			
	As at beginning of the year		**10,751,777**	12,663,970
	As at end of the year		**(12,868,500)**	(10,751,777)
			(2,116,723)	1,912,193
	Cost of goods manufactured		**877,672,654**	695,675,609
	Finished goods			
	As at beginning of the year		**3,948,741**	2,618,220
	As at end of the year		**(1,971,000)**	(3,948,741)
			1,977,741	(1,330,521)
	Waste			
	As at beginning of the year		**622,812**	1,048,568
	As at end of the year		**(704,348)**	(622,812)
			(81,536)	425,756
			879,568,859	694,770,844
25.1	**Raw material consumed**			
	As at beginning of the year		**4,887,245**	1,861,769
	Purchased during the year		**582,765,934**	440,201,346
	Sold during the year		**(25,375,655)**	(82,355,341)
	As at end of the year		**(19,671,543)**	(4,887,245)
			542,605,981	354,820,529

25.2 These include charge in respect of employees retirement benefits amounting to Rs. 6,586,060 (2016: Rs. 6,412,278).

		Note	2017 Rupees	2016 Rupees
26	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries and benefits		**458,350**	385,000
	Insurance		**297,970**	297,970
	Advertising and publicity		**81,920**	33,210
	Freight and forwarding		**1,636,155**	972,627
	Commission		**-**	594,140
			2,474,395	2,282,947

		Note	2017 Rupees	2016 Rupees
27	**ADMINISTRATIVE AND GENERAL EXPENSES**			
	Salaries and benefits	*27.1*	**14,050,968**	13,144,911
	Communication		**693,228**	494,709
	Traveling and conveyance		**665,127**	527,168
	Printing and stationery		**438,296**	254,470
	Repair and maintenance		**762,993**	396,475
	Vehicles running and maintenance		**1,749,671**	1,550,988
	Rent, rates and taxes		**1,166,277**	388,928
	Entertainment		**748,322**	472,369
	Insurance		**305,175**	370,331
	Legal and professional charges		**1,594,025**	1,198,263
	Utilities		**1,087,949**	482,183
	Fee and subscription		**2,655,771**	589,768
	Auditors' remuneration	*27.2*	**645,000**	645,000
	Depreciation	*15.1.1*	**769,700**	839,462
	Others		**473,606**	1,065
			27,806,108	21,356,090

27.1 These include charge in respect of employees retirement benefits amounting to Rs. 1,075,136 (2016: Rs. 1,665,664).

		Note	2017 Rupees	2016 Rupees
27.2	**Auditor's remuneration**			
	Annual statutory audit		**525,000**	525,000
	Half yearly review		**105,000**	105,000
	Out of pocket expenses		**15,000**	15,000
			645,000	645,000
28	**OTHER EXPENSES**			
	Loss on financial instruments			
	Changes in fair value of financial assets at fair value through profit or loss	*22*	**-**	379,107
	Impairment for doubtful debts	*20.2*	**15,360,359**	-
			15,360,359	379,107
	Other expenses			
	Donations	*28.1*	**1,383,200**	1,492,615
	Foreign exchange loss		**52,871**	-
			1,436,071	1,492,615
			16,796,430	1,871,722

28.1 None of the directors or their spouses had any interest in donations made by the Company.

		Note	2017 Rupees	2016 Rupees
29	**OTHER INCOME**			
	Gain on financial instruments			
	Return on bank deposits		**32,376**	29,076
	Liabilities written back	*12*	**171,189,424**	-
	Reversal of impairment of investment in associates		**-**	78,075
	Waiver of debt finances and accrued markup thereon	*10.1*	**-**	80,922,231
	Gain on sale of investment		**401,838**	-
			171,623,638	81,029,382

		Note	2017	2016
			Rupees	Rupees
30	**FINANCE COST**			
	Interest / markup on borrowings			
	long term finances		**-**	403,586
	short term borrowings		**2,606,072**	-
			2,606,072	403,586
	Interest on workers' profit participation fund		**924,772**	917,976
	Bank charges and commission		**402,977**	136,494
			3,933,821	1,458,056

		Note	2017	2016
			Rupees	Rupees
31	**TAXATION**			
	Current taxation			
	for current year	31.1	**8,239,700**	-
	for prior year		**-**	629,573
			8,239,700	629,573
	Deferred taxation	18.1		
	attributable to origination and reversal of temporary differences		**(6,502,691)**	(51,075,613)
	attributable to changes in tax rates		**2,285,578**	777,051
			(4,217,113)	(50,298,562)
			4,022,587	(49,668,989)

31.1 Provision for taxation has been made under section 113 (2016: section 113) of the Income Tax Ordinance, 2001 ("the Ordinance"). The provision for the last year was Rs. nil as the Company had incurred gross loss during that year. There is no relationship between tax expense and accounting profit. Accordingly, no numerical reconciliation has been

31.2 Assessments for the tax years up to 2016 have either been finalized or are deemed assessments in terms of Section 120 (1) of the Ordinance, as per returns filed by the Company.

31.3 The Government of Pakistan vide Finance Act 2016 notified a reduced tax rate of 31% for tax year 2017 as compared 32% applicable to previous year for Companies.

		Unit	2016	2015
32	**EARNINGS PER SHARE - BASIC AND DILUTED**			
	Profit attributable to ordinary shareholders	Rupees	**77,092,014**	16,530,189
	Weighted average number of ordinary shares outstanding during the year	No. of shares	**67,981,733**	60,000,000
	Earnings per share - *Basic*	Rupees	**1.13**	0.28

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

		Note	2017	2016
			Rupees	Rupees
33	**CASH GENERATED FROM OPERATIONS**			
	Profit/(loss) before taxation		**81,114,601**	(33,138,800)
	Adjustments for non-cash and other items			
	Interest/markup on borrowings		**2,606,072**	403,586
	Notional interest		**-**	26,638,748
	Impairment for doubtful debts		**15,360,359**	-
	Liabilities written back		**(171,189,424)**	-
	Waiver of debt finances and accrued markup thereon		**-**	(80,922,231)
	Gain on sale of investments		**(401,838)**	-
	Reversal of impairment/impairment loss on investment in associates		**-**	(78,075)
	Changes in fair value of financial assets at fair value through profit or loss		**-**	379,107
	Share of profit/(loss) of associates		**(16,100,595)**	815,389
	Provision for employees retirement benefits		**7,661,196**	8,077,942
	Depreciation		**34,636,862**	40,784,357
			(127,427,368)	(3,901,177)
	Operating loss before changes in working capital	C/F	**(46,312,767)**	(37,039,977)

	Note	2017 Rupees	2016 Rupees
Operating loss before changes in working capital B/F		**(46,312,767)**	(37,039,977)
Changes in working capital			
Stores, spares and loose tools		**(12,425)**	204,758
Stock in trade		**(15,004,816)**	(2,018,048)
Trade debts		**8,636,981**	16,310,456
Advances, prepayments and other receivables		**9,372,003**	(15,826,769)
Trade and other payables		**6,871,994**	(20,333,903)
		9,863,737	(21,663,506)
Cash used in operations		**(36,449,030)**	(58,703,483)

34 CASH AND CASH EQUIVALENTS

	Note	2017 Rupees	2016 Rupees
Cash and bank balances	*23*	**1,098,720**	982,174
		1,098,720	982,174

35 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise sponsors of the Company, associated companies and undertakings and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company.

Transactions with sponsors are limited to provision of interest free loans to the Company and issuance of ordinary shares and those with key management personnel are limited to payment of short term employee benefits only. The Company in the normal course of business carries out various transactions with associates and associated undertakings and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction, with the exception of borrowings, which are interest

Details of transactions and balances with related parties is as follows:

35.1 Transactions with related parties

Nature of relationship	Nature of transactions	Note	2017 Rupees	2016 Rupees
Associated companies and associated undertakings	Purchase of goods and services		**6,153,945**	45,062,504
	Sale of goods and services		**14,966,180**	83,488,559
	Short term borrowings obtained - *net*		**8,484,235**	28,334,412
Sponsors	Short term borrowings obtained - *net*		**12,771,000**	74,478,553
Key management personnel	Short-term employee benefits		**5,700,000**	6,700,000

35.2 Balances with related parties

Nature of relationship	Nature of balance	2017 Rupees	2016 Rupees
Associated companies and associated undertakings	Trade debts	**5,307,203**	19,579,478
	Advance against issue of ordinary shares	**19,998**	35,266,664
	Short term borrowings	**13,781,647**	31,134,412
Key management personnel	Short-term employee benefits payable	**12,484,836**	15,277,236
Sponsors	Advance against issue of ordinary shares	**-**	27,750,591
	Short term borrowings	**27,426,919**	79,778,263

36 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

		Note	2017	2016
			Rupees	Rupees
36.1	**Financial assets**			
	Loans and receivables			
	Long term deposits	17	**19,072,394**	19,072,394
	Trade debts	20	**14,473,497**	38,470,837
	Bank balances	23	**1,098,720**	982,174
	Financial assets at fair value through profit or loss			
	Short term investments	22	**-**	753,460
			34,644,611	59,278,865
36.2	**Financial liabilities**			
	Financial liabilities at amortized cost			
	Long term finances	10	**128,139,833**	151,189,524
	Trade creditors	12	**64,146,269**	56,445,349
	Accrued liabilities	12	**29,490,946**	31,391,726
	Unclaimed dividend	12	**337,563**	337,563
	Accrued interest/markup		**1,434,286**	226,244
	Short term borrowings	13	**90,854,324**	110,912,675
			314,403,221	350,503,081

37 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the

The Board of Directors has the overall responsibility for establishmentand oversight of risk managementframework. The Board of Directors has developed a risk policy that sets out fundamentals of risk managementframework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The managementteam of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

37.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its

		Note	2017	2016
			Rupees	Rupees
37.1.1	**Maximum exposure to credit risk**			
	Credit risk principally arises from loans and receivables. The maximum exposure to credit risk as at the reporting date is			
	Loans and receivables			
	Long term deposits	17	**19,072,394**	19,072,394
	Trade debts	20	**14,473,497**	38,470,837
	Bank balances	23	**1,098,720**	982,174
			34,644,611	58,525,405

37.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximumexposure to credit risk by type of counterparty is as follows:

	2017	2016
	Rupees	*Rupees*
Customers	**14,473,497**	38,470,837
Banking companies and financial institutions	**1,098,720**	982,174
Utility companies and regulatory authorities	**19,072,394**	19,072,394
	34,644,611	58,525,405

37.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates.

(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to 'bank balances'. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company.

(b) Counterparties without external credit ratings

These include customers which are counter parties to 'trade debts' and utility companies and regulatory authorities which are counter parties to 'long term deposits'. The deposits placed with utility companies and regulatory authorities do not carry any significant credit risk. The analysis of ages of trade debts as at the reporting date is as

	2017		2016	
	Gross carrying amount	**Accumulated Impairment**	Gross carrying amount	Accumulated Impairment
	Rupees	***Rupees***	*Rupees*	*Rupees*
Due by 0 to 180 days	**8,008,317**	**-**	33,110,478	-
Due by 181 to one year	**6,113,180**	**-**	5,360,359	-
Due by more than one year	**24,607,728**	**-**	8,895,369	8,895,369
	38,729,225	**-**	47,366,206	8,895,369

The Company's four (2016: three) significant customers account for Rs. 23.04 million(2016: Rs. 32.42 million)of trade debts as at the reporting date, apart from which, exposure to any single customer does not exceed 10% (2016: 10%) of trade debts as at the reporting date. Out of these, trade debts amounts to Rs 13.19 millionare doubtful. The remaining amount represents trade debts due from customers have long standing business relationships with the Company and have a good payment record and accordingly non-performance by these

37.1.4 Collateral held

The Company does not hold any collateral to secure its financial assets.

37.1.5 Credit risk management

The Companymanages credit risk by limitingsignificant exposure to any single customer. Formalpolicies and procedures of credit managementand administrationof receivables are established and executed. In monitoringcustomer credit risk, the ageing profile of total receivables and individuallysignificant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis.

37.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

37.2.1 Exposure to liquidity risk

The followings is the analysis of contractual maturities of financial liabilities, including estimated interest payments.

	2017				
	Carrying amount	**Contractual cash flows**	**One year or less**	**One to five years**	**More than five years**
	Rupees	***Rupees***	***Rupees***	***Rupees***	***Rupees***
Long term finances	**128,139,833**	**128,139,833**	**128,139,833**	**-**	**-**
Trade creditors	**64,146,269**	**64,146,269**	**64,146,269**	**-**	**-**
Accrued liabilities	**29,490,946**	**29,490,946**	**29,490,946**	**-**	**-**
Unclaimed dividend	**337,563**	**337,563**	**337,563**	**-**	**-**
Accrued interest/markup	**1,434,286**	**1,434,286**	**1,434,286**	**-**	**-**
Short term borrowings	**90,854,324**	**90,854,324**	**90,854,324**	**-**	**-**
	314,403,221	**314,403,221**	**314,403,221**	**-**	**-**

	2016				
	Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years
	Rupees	*Rupees*	*Rupees*	*Rupees*	*Rupees*
Long term finances	151,189,524	151,189,524	151,189,524	-	
Trade creditors	56,445,349	56,445,349	56,445,349	-	**-**
Accrued liabilities	31,391,726	31,391,726	31,391,726	-	-
Unclaimed dividend	337,563	337,563	337,563	-	-
Accrued interest/markup	226,244	226,244	226,244	-	-
Short term borrowings	110,912,675	110,912,675	110,912,675	-	-
	350,503,081	350,503,081	350,503,081	-	-

37.2.2 Overdue financial liabilities

During the year, the Company has defaulted in repayment of its long term finances in accordance with the repayment schedule. However, the management of the Company is optimistic that these will be settled in the ensuing year.

37.2.3 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilitieswhen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. The Company has continued support of its sponsors and other related parties in respect of

The Company has defaulted in payment of the long term finances.

37.3 Market risk

37.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to currency risk as at the reporting date.

37.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company is not exposed to interest rate risk as at the reporting date as the Company only has fixed rate instruments which are not accounted for a fair value through profit or loss.

37.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is not exposed to price risk in respect of its short term investments in listed equity securities.

A ten percent appreciation in market prices of investments in listed equity securities as at reporting date would have increased the profit for the year by Rs. nil (2016: 75,346). A one percent diminution in market prices of investments in mutual funds as at reporting date would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation for the year.

38 CAPITAL MANAGEMENT

The objectives of the Company, while managing capital are to ensure that it continues to meet the going concern assumption, enhance shareholders' wealth and meet stakeholders' expectations. The Company's objective is to ensure its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising option of issuing right shares or, where possible, repurchasing shares, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating dividend payout. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances, including current maturity. Total capital employed includes equity, as shown in the balance sheet plus surplus on revaluation of property, plant and

	Unit	**2017**	2016
Total debt	*Rupees*	**128,139,833**	151,189,524
Total equity	*Rupees*	**271,011,555**	100,541,583
		399,151,388	251,731,107
Gearing	*% age*	**32.10%**	60.06%

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any other externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finances.

39 FAIR VALUE MEASUREMENTS

39.1 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:

39.1.1 Financial instruments measured at fair value

a) Recurring fair value measurements

Nature of asset	Hierarchy	Valuation techniques/Key inputs	2017	2016
			Rupees	*Rupees*
Financial assets at fair value through profit or loss				
Short term investments	Level 1	Quoted prices in an active	-	753,460

b) Non-recurring fair value measurements

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

39.1.2 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.

39.2 Assets and liabilities other than financial instruments.

39.2.1 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	2016
				Rupees	*Rupees*
Freehold land	-	60,225,000	-	**60,225,000**	60,225,000
Buildings	-	166,895,235	-	**166,895,235**	185,439,150
Plant and machinery	-	269,339,606	-	**269,339,606**	283,515,375
Electric installations	-	10,327,297	-	**10,327,297**	11,474,775

For fair value measurements categorised into Level 2 and Level 3 the following information is relevant:

	Valuation technique	Significant inputs	Sensitivity
Freehold land	Market comparable approach that reflects recent transaction prices for similar properties	Estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.	A 5% increase in estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition would result in a significant increase in fair value of buildings by Rs. 3.01 million (2016:
Buildings	Cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during	Estimated construction costs and other ancillary expenditure.	A 5% increase in estimated construction and other ancillary expenditure would results in a significant increase in fair value of buildings by Rs. 8.34 million(2016: Rs. 9.27 million).
Plant and machinery	Cost approach that reflects the cost to the market participants to acquire assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during	Estimated purchase price, including import duties and non-refundable purchase taxes and other costs directly attributable to the acquisition or construction, erection and installation.	A 5% increase in estimated purchase price, including import duties and non-refundable purchase taxes and other directly attributable costs would results in a significant increase in fair value of plant and machinery by Rs. 13.46 million (2016: Rs. 14.176 million).
Electric installation	Cost approach that reflects the cost to the market participants to acquire assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during	Estimated purchase price, including import duties and non-refundable purchase taxes and other costs directly attributable to the acquisition or construction, erection and installation.	A 5% increase in estimated purchase price, including import duties and non-refundable purchase taxes and other directly attributable costs would results in a significant increase in fair value of electric installation by Rs. 516,365 (2016: Rs. 573,739).

Reconciliation of fair value measurements categorized in Level 3 is presented in note 15.1.

There were no transfers between fair value hierarchies during the year.

39.2.2 Non-recurring fair value measurements

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

		2017	2016
		Rupees	*Rupees*
40	**RESTRICTION ON TITLE AND ASSETS PLEDGED/MORTGAGED AS SECURITY**		
	Mortgages and charges		
	Charge over current assets	**301,300,000**	311,330,000
	Charge over operating fixed assets	**770,000,000**	700,000,000

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives of the Company on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such

	2017		
	Chief Executive	**Directors**	**Executives**
	Rupees	***Rupees***	***Rupees***
Managerial remuneration	**-**	**3,677,424**	**-**
Allowances and perquisites	**-**	**2,022,576**	**-**
Post employment benefits	**-**	**-**	**-**
	-	**5,700,000**	**-**
Number of persons	**1**	**2**	**-**

	2016		
	Chief Executive	Directors	Executives
	Rupees	*Rupees*	*Rupees*
Managerial remuneration	645,161	3,677,424	-
Allowances and perquisites	354,839	2,022,576	-
Post employment benefits	-	-	-
	1,000,000	5,700,000	-
Number of persons	1	2	-

42 SEGMENT INFORMATION

42.1 The Company is a single reportable segment.

42.2 All non-current assets of the Company are situated in Pakistan.

42.3 All sales of the Company have originated from Pakistan.

42.4 There are four (2016: three) significant external customers to whom sales in excess of 10% of the Company's total sales amounting to Rs. 476.67 million (2016: Rs. 292.64 million) were made during the year.

43 SHARES IN THE COMPANY HELD BY ASSOCIATED UNDERTAKINGS AND RELATED PARTIES

Ordinary shares in the Company held by associated undertakings and related parties, other than chief executive and directors, are as follows:

	2,017	2,016
	No. of shares	*No. of shares*
Pervez Ahmed Securities Limited	**3,614,000**	3,614,000
D.S. Textiles Limited	**2,934,221**	2,944,221
D.S. Apparel (Private) Limited	**6,000**	6,000
Ali Pervez Capital (Private) Limited	**18**	18
Infinite Securities Limited	**1,156,000**	1,156,500
Pervez Ahmed Capital (Private) Limited	**16,923**	1,548,000
	7,727,162	9,268,739

44 PLANT CAPACITY AND ACTUAL PRODUCTION

	Unit	**2,017**	2,016
Number of spindles installed	*No.*	**40,320**	40,320
Plant capacity on the basis of utilization converted into 20s count	*Kgs*	**11,125,727**	11,125,727
Actual production converted into 20s count	*Kgs*	**7,779,901**	7,023,873

It is difficult to precisely compare production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindle speed and twist etc. It would also vary according to the pattern of production adopted in a particular year. Further, power shortage in the country has also resulted in lower capacity utilization.

45 NUMBER OF EMPLOYEES

Total number of employees of the Company as at the reporting date are 584 (2016: 349). Average number of persons employed by the Company during the year are 472 (2016: 485).

46 EVENTS AFTER THE REPORTING PERIOD

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

47 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, subject to the 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

48 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 09, 2017 by the Board of Directors of the Company.

49 GENERAL

49.1 Figures have been rounded off to the nearest rupee.

49.2 Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year.

CHIEF EXECUTIVE **DIRECTOR**

D S Industries Limited
Pattern of Shareholding
As At June 30, 2017

Number of Shareholders	Shareholding From	Shareholding To	Total Number of Shares Held	%age
203	1	100	9,187	0.011
210	101	500	91,417	0.109
345	501	1,000	339,428	0.406
695	1,001	5,000	2,198,516	2.627
276	5,001	10,000	2,314,946	2.766
96	10,001	15,000	1,257,868	1.503
79	15,001	20,000	1,469,028	1.755
62	20,001	25,000	1,477,315	1.765
45	25,001	30,000	1,294,700	1.547
17	30,001	35,000	561,485	0.671
26	35,001	40,000	1,010,283	1.207
11	40,001	45,000	469,500	0.561
37	45,001	50,000	1,820,718	2.176
12	50,001	55,000	635,541	0.759
10	55,001	60,000	589,000	0.704
10	60,001	65,000	625,500	0.747
7	65,001	70,000	476,500	0.569
8	70,001	75,000	581,861	0.695
6	75,001	80,000	474,500	0.567
4	80,001	85,000	331,201	0.396
3	85,001	90,000	262,500	0.314
3	90,001	95,000	278,500	0.333
25	95,001	100,000	2,492,500	2.978
5	100,001	105,000	515,000	0.615
2	105,001	110,000	220,000	0.263
4	110,001	115,000	444,500	0.531
2	115,001	120,000	238,500	0.285
4	120,001	125,000	494,000	0.590
4	125,001	130,000	514,500	0.615
3	130,001	135,000	403,000	0.482
1	135,001	140,000	140,000	0.167
1	140,001	145,000	145,000	0.173
5	145,001	150,000	745,500	0.891
1	150,001	155,000	152,000	0.182
2	155,001	160,000	318,000	0.380
2	160,001	165,000	325,000	0.388
3	165,001	170,000	503,000	0.601
2	170,001	175,000	347,500	0.415
1	175,001	180,000	179,500	0.214
1	190,001	195,000	194,000	0.232
4	195,001	200,000	796,000	0.951
1	200,001	205,000	203,500	0.243
4	210,001	215,000	854,500	1.021
2	220,001	225,000	446,500	0.534
1	225,001	230,000	227,000	0.271
1	230,001	235,000	231,000	0.276
3	235,001	240,000	719,000	0.859
1	245,001	250,000	246,500	0.295
1	275,001	280,000	280,000	0.335
1	280,001	285,000	281,000	0.336
1	295,001	300,000	300,000	0.358
1	335,001	340,000	339,882	0.406
1	340,001	345,000	345,000	0.412
1	245,001	250,000	350,000	0.418
1	375,001	380,000	375,573	0.449
1	390,001	395,000	391,500	0.468
1	400,001	405,000	400,500	0.479
1	445,001	450,000	450,000	0.538
1	520,001	525,000	521,000	0.623
1	565,001	570,000	568,000	0.679
1	590,001	595,000	590,500	0.706
1	700,001	705,000	703,500	0.841
1	705,001	710,000	707,800	0.846
1	825,001	830,000	827,736	0.989
1	1,155,001	1,160,000	1,156,500	1.382
1	1,400,001	1,405,000	1,401,000	1.674
1	2,030,001	2,035,000	2,034,721	2.431
1	2,100,001	2,105,000	2,101,500	2.511
1	2,560,001	2,565,000	2,562,550	3.062
1	2,895,001	2,900,000	2,900,000	3.465
1	3,520,001	3,525,000	3,524,000	4.211
1	3,610,001	3,615,000	3,610,667	4.315
1	3,875,001	3,880,000	3,878,000	4.634
1	6,630,001	6,635,000	6,631,183	7.924
1	15,785,001	15,790,000	15,788,525	18.866
2277			**83,685,631**	**100.000**

D S Industries Limited
Categories of Shareholders
As At June 30, 2017

Categories	Number	Shares Held	Percentage
Associated Companies & Related Parties			
Pervez Ahmed Securities Limited	1	3,524,000	4.211
D.S.Textiles Limited	1	2,934,221	3.506
D.S.Apparel (Pvt.) Limited	1	6,000	0.007
Ali Pervez Capital (pvt.) Limited	1	18	0.000
Infinite Securities Limited	1	1,156,500	1.382
Pervez Ahmed Capital (Pvt.) Limited	1	16,923	0.020
Chief Executive & Directors			
Mr. Pervez Ahmed - Chief Executive	1	13,409,183	16.023
Mr. Ali Pervez Ahmed	1	3,610,667	4.315
Mr. Hassan Ibrahim Ahmed	1	2,564,717	3.065
Mr. Suleman Ahmed	1	62,666	0.075
Mr. Atta Ur Rehman	1	2,000	0.002
Mr. Muntazir Mehdi	1	500	0.001
Mr. Muhammad Yousaf	1	1,000	0.001
Mrs. Rehana Pervez Ahmed W/o Mr. Pervez Ahmed	1	16,379,025	19.572
NIT & ICP	1	339,882	0.406
Banks, DFI and NBFI	3	5,749	0.007
Insurance Companies	1	31,985	0.038
General Public (Local)	2,192	37,917,814	45.310
General Public (Foreign)	42	1,075,730	1.285
Joint Stock Companies	22	563,001	0.673
Others	2	84,050	0.100
Total	**2277**	**83,685,631**	**100.000**

Detail of Shareholding of 5% and above.	Shares Held	Percentage
Mr. Pervez Ahmed - Chief Executive	13,409,183	16.023
Mrs. Rehana Pervez Ahmed W/o Mr. Pervez Ahmed	16,379,025	19.572

FORM OF PROXY
Annual General Meeting

The Company Secretary
D S Industries Limited
20-K, Gulberg II,
Lahore.

Dear Sir,

I/We --------------------------------------- of (full address) --- being a member(s) of Pervez Ahmed Securities Limited holding --------------------- Ordinary Shares as per Registered Folio No. / CDC A/c No ------------------------------- hereby appoint Mr./ Mrs./ Miss ---of (full address) -- or failing him / her Mr./ Mrs./ Miss ---of (full address) -- ---being member of the Company as my/our Proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on 31st October 2017

Signed this --- day of ---2017

Witnesses:

Signature	____________	____________
Name	____________	____________
Address	____________	____________
CNIC No./ Passport No.	____________	____________

Five Rupees
Revenue
Stamp

Signature should be agreed with the Specimen Signatures with the Company

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of him/her.

2. The instrument appointing a proxy s hall be in writing under the hand of the appointer or his constituted attorney or if such appointer is a corporation or company under the common seal of such corporation or company.

3. In case of individual, the account holder or sub -account holder and / or the person whose securities are in group account shall submit the Proxy form along with following documents:
   a. The Proxy form shall be witnessed by the two persons whose names, addresses and CNIC number shall be mentioned on the form.
   b. Attested copies of CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy form.
   c. The Proxy shall produce his / her original CNIC or original passport at the time of the meeting.
   d. In case of corporate entity, the Board of Director's resolution / power of attorney with specimen signature shall be submitted along with Proxy form to the company.

4. The Proxy Form, duly completed, must be deposited with the Company Secretary of D S Industries Limited, 20 – K Gulberg II Lahore not less than 48 hours before the time for holding the meeting.

مجلسِ نظماء کی رپورٹ

ڈی ایس انڈسٹریز لمیٹڈ کی مجلسِ نظماء 30 جون 2017ء کو ختم ہونے والے مالی سال کے لئے کمپنی کے نظر ثانی شدہ حسابات معہ ان پر آڈیٹر کی رپورٹ پر مشتمل کمپنی کی سینتیسویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

کمپنی کے مالیاتی نتائج

30 جون 2017ء کو ختم ہونے والے مالی سال کے دوران کمپنی نے 55.598 ملین روپے کا مجموعی نقصان اُٹھایا جبکہ گزشتہ سال میں مجموعی نقصان 59.745 ملین روپے تھا۔ جبکہ گزشتہ سال میں 33.138 ملین روپے ٹیکس سے قبل نقصان کے مقابلے موجودہ سال کا ٹیکس سے قبل منافع 81.114 ملین روپے ہے۔ 30 جون 2017ء کو ختم ہونے والے سال کے لئے بنیادی اور معتدل فی شیئر آمدنی 1.13 روپے فی شیئر رہی ہے۔

منافع منقسمہ

منفی آپریٹنگ نقد بہاؤ اور دستیاب مجموعی نقصانات کے باعث لیکویڈیٹی مسئلہ کے مدِ نظر آپ کی کمپنی کے ڈائریکٹرز نے سال کے لئے کسی منافع منقسمہ کی تجویز نہیں دی ہے۔

کتابوں کی بندش

کمپنی کی حصص منتقلی کتابیں 27 اکتوبر 2017ء تا کیم نومبر 2017ء (بشمول دونوں ایام) بند رہیں گی اور اس دوران رجسٹریشن کے لئے حصص کی کوئی منتقلی قابل قبول نہیں ہوگی۔ 26 اکتوبر 2017ء کو کاروبار کے اختتام تک ہمارے شیئر رجسٹرار، میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، 40-C، بلاک-6، P.E.C.H.S، کراچی کو موصول ہونے والی منتقلیاں اجلاس میں شرکت اور حقِ رائے دہی کے لئے قابل قبول ہونگی۔

نمونہءحصص داری

کمپنیز آرڈیننس 1984ء کی دفعہ 236 اور کارپوریٹ گورننس کے ضابطہء اخلاق کے تحت درکار 30 جون 2017ء کے مطابق نمونہءحصص داری کا بیان معہ کمپنی کے حصص یافتگان کی کیٹگریز اس رپورٹ کے ہمراہ منسلک ہیں۔

آپریٹنگ اور مالیاتی اعداد و شمار

گزشتہ چھ سالوں کے لئے آپریٹنگ اور مالیاتی اعداد و شمار معہ کلیدی تناسب منسلک ہیں۔

مستقبل کا نقطہءنظر

ٹیکسٹائل شعبہ پاکستان کی معیشت کا ایک اہم ستون ہے۔ پاکستان میں موجودہ خراب کاروباری حالات کی وجہ سے، اس شعبے کے پورے بورڈ میں کافی نقصان ہوا ہے۔ پیداوار کی لاگت میں اضافہ، اور زیرِ دباؤ یارن کی قیمتوں نے ٹیکسٹائل صنعت کی بقاء اور مارکیٹ کا مقابلہ کرنا بہت مشکل بنا دیا ہے۔ تاہم، انتظامیہ پیداوار مکس کی تبدیلی اور دوسری مارکیٹوں کی دریافت کے ذریعے کمپنی کے معاملات کو منافع بخش طریقے سے چلانے کے لئے مصروف عمل ہے۔

بورڈ کے منعقدہ اجلاسوں کی تعداد

30 جون 2017ء کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

تعداد حاضری	عہدہ	نام
5	چیف ایگزیکٹو	جناب پرویز احمد
4	ڈائریکٹر	جناب علی پرویز احمد
5	ڈائریکٹر	جناب حسن ابراہیم احمد
5	ڈائریکٹر	جناب سلیمان احمد
5	ڈائریکٹر	جناب عطاء الرحمٰن
5	ڈائریکٹر	جناب محمد یوسف
5	ڈائریکٹر	جناب منتظر مہدی

اخلاقیات اور کاروباری طریقوں کا بیان

بورڈ نے کمپنی کے ساتھ منسلکہ یا کاروبار کرنے والے ہر ایک شخص سے متعلقہ ضابطہء اخلاق کے معیارات کو پیشگی سمجھنے کے اعتراف کے طور پر کمپنی کے ہر ایک ڈائریکٹر اور ملازم کی طرف سے دستخط شدہ اخلاقیات اور کاروباری طریقوں کا بیان تیار اور جاری کیا ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور دوبارہ تقرری کے لئے اپنے آپ کو پیش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی نے 30 جون 2018ء کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو دوبارہ تقرر کرنے کی سفارش کی ہے۔

آڈٹ کمیٹی

کارپوریٹ گورننس کے ضابطہء اخلاق کی تعمیل میں آڈٹ کمیٹی تشکیل دی گئی ہے اور مندرجہ ذیل اراکین پر مشتمل ہے:

عہدہ	نام
چیئرمین	جناب عطاء الرحمٰن
رکن	جناب محمد یوسف
رکن	جناب منتظر مہدی

سہ ماہی اور سالانہ حسابات کے جائزہ اور دیگر متعلقہ معاملات کے لئے کارپوریٹ ضابطہء اخلاق کے تحت درکار 30 جون 2017ء مختتمہ سال کے دوران آڈٹ کمیٹی کے اجلاس منعقد ہوئے۔ اجلاس میں چیف فنانشل آفیسر، داخلی آڈٹ کے سربراہ اور جب ضرورت پیش آئی بیرونی آڈیٹرز نے بھی شرکت کی۔

کارپوریٹ گورننس کا ضابطہء اخلاق

کارپوریٹ گورننس کے ضابطہء اخلاق کی تعمیل میں بیان

ڈائریکٹرز بخوشی تصدیق کرتے ہیں کہ کمپنی نے کارپوریٹ گورننس کے ضابطہء اخلاق میں مجوزہ پاکستان اسٹاک ایکسچینج کے مندرج قواعد کے ذریعے سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کی طرف سے قائم کی گئی دفعات کی تعمیل کی ہے اور درجہ ذیل تفصیلی قواعد کے مطابق بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

1۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔

2۔ کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔

3۔ مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

4۔ مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف کیا گیا ہے۔

5۔ اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

6۔ سال کے دوران کمپنی نے 77.092 ملین روپے کا خالص منافع کمایا اور بیلنس شیٹ کی تاریخ تک 697.192 ملین روپے کا مجموعی نقصان اُٹھایا ہے۔ کمپنی کی موجودہ واجب ادائیگیاں اسکے موجودہ اثاثوں سے 337.651 ملین روپے تک تجاوز کر گئی ہیں۔ یہ عناصر کمپنی کی اہلیت مسلسل جاری رہنے کے بارے میں شق پیدا کر سکتے ہیں۔ تاہم انتظامیہ اسپانسرنگ ڈائریکٹرز سے مسلسل تعاون حاصل کرنے اور قرض دہندگان کے ساتھ مناسب گفت وشنید کی اُمید کرتی ہے۔

7۔ فہرستی ضابطوں میں تفصیلی کارپوریٹ گورننس کے بہترین طریقوں میں سے کسی خاطرخواہ شق سے مادی انحراف نہیں ہو رہا ہے۔

8۔ گزشتہ چھ سالوں کی مالیاتی جھلکیاں منسلک ہیں۔

اظہارِ تشکّر

مجلسِ نظماء بھرپور حمایت، مدد اور رہنمائی کے لئے اپنے قابل قدر حصص یافتگان، بینکوں، سیکورٹیز اینڈ ایکسچینج کمیشن اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کی شکر گزار ہے۔ بورڈ کمپنی کے عملے اور کارکنوں کی خدمات، وفاداری اور مسلسل فراہم کی جانے والی کوششوں کو بھی سراہتا ہے۔

منجانب بورڈ

پرویز احمد

چیف ایگزیکٹو

لاہور،

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