



ANNUAL REPORT 2018



Shadab Textile Mills Limited

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**COMPANY INFORMATION**

BOARD OF DIRECTORS	Mian Aamir Naseem Mian Farrukh Naseem Mian Shahzad Aslam Mr. Yasir Naseem Mr. Hamza Naseem Mrs. Fatima Aamir Mrs. Hina Farrukh	Chief Executive (Chairman)
AUDIT COMMITTEE	Mian Farrukh Naseem Mr. Hamza Naseem Mrs. Hina Farrukh	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mian Farrukh Naseem Mian Aamir Naseem Mr. Hamza Naseem	Chairman Member Member
CHIEF FINANCIAL OFFICER	Mr. Mazhar Hussain	
COMPANY SECRETARY	Mr. Mazhar Hussain	
AUDITORS	M/s. Fazal Mahmood & Company Chartered Accountants	
SHARE REGISTRAR	Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore. Tel: 042-35887262, 35839182 Fax: 042-35869037	
BANKERS	National Bank of Pakistan Bank Al-falah Limited	
REGISTERED OFFICE	A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore. Ph: 042-35788714-16	
WEBSITE ADDRESS	www.shadabtextile.com	
MILLS	Nasimabad, Shahkot, District Nankana Sahib.	



VISION STATEMENT

To Strive for excellence through commitments, integrity, honesty and team work.

MISSION STATEMENT

To be a model amongst the textile spinning, capable of producing high quality blended and hundred percent cotton yarn both for knitting and weaving.

- Complete satisfaction of Buyers/Consumers is our Motto.
- Manufacturing of blended and hundred percent cotton yarn as per the customers' requirements and market demand.
- Keeping pace with the rapidly changing technology by continuously balancing, modernization and replacement (BMR) of plant and machinery.
- Enhancing the profitability by improved efficiency and cost controls.
- Betterment of Mills Employees as quality policy.
- Protecting the environment and contributing towards the economic strength of the country and function as a good corporate citizen.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of the Shareholders of **SHADAB TEXTILE MILLS LIMITED** will be held on Saturday, October 27, 2018 at 10:30 a.m. at the Registered Office of the Company at A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended June 30, 2018 together with Directors' and Auditors' Reports thereon.
2. To declare and approve the Final Cash Dividend at Rs.1.65 per share i.e. 16.50 % for the year ended June 30, 2018 as recommended by the Board of Directors.
3. To appoint auditors for the year 2018-2019 and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if deemed appropriate, pass with or without modification, the following resolutions as Special Resolution for amending the Memorandum and Articles of Association to increase the Authorized Share Capital of the Company.

"RESOLVED THAT THE Authorized Capital of the company be and is hereby increased from Rs. 60,000,000 (Rupees Sixty Million) divided into 6,000,000 Ordinary Shares of Rs. 10/- each to Rs. 200,000,000 (Rupees Two Hundred Million) divided into 20,000,000 Ordinary Shares of Rs. 10/- each."

"RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company be and are hereby amended accordingly to read as follows:

Clause V of the Memorandum of Association

The Authorized Capital of the Company is Rs. 200,000,000 divided into 20,000,000 Ordinary Shares of Rs. 10/- each with power to increase or reduce, the capital and to divide the shares into the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017.

Article 5 of the Articles of Association

The Share Capital of the Company is Rs. 200,000,000 divided into 20,000,000 Ordinary Shares of Rs. 10/- each.

"RESOLVED FURTHER THAT the Chief Executive and the Company Secretary of the Company be and is hereby authorized singly to take necessary steps and execute documents as may be expedient for the purpose of giving effect to the spirit and intent of the above resolutions."

5. To approve transmission of annual audited financial statements, auditors' report and directors' report etc. (to the Company's members through CD/DVD/USB at their registered address as allowed by the Securities and Exchange Commission of Pakistan vide S.R.O. No. 470(1)/2016 dated May 31, 2016;

"RESOLVED THAT, as notified by the Securities and Exchange Commission of Pakistan vide S.R.O. No. 470(1)/2016 dated: May 31, 2016, transmission of annual audited financial statements, auditors' report and directors' report etc. to the Company's members at their registered addresses in soft copies in the form of CD/DVD/USB, be and is hereby approved."

ANY OTHER BUSINESS

6. To transact any other business with the permission of chair.

By order of the Board

(Mazhar Hussain)
Company Secretary

LAHORE: October 01, 2018

**NOTES:**

1. The Share Transfer Books of the Company will remain closed from October 21, 2018 to October 27, 2018 (both days inclusive). Transfers received at Corplink (Pvt) Limited, Wings Arcade, I-K, Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company by the close of business on October 20, 2018 will be treated in time for the purpose of above entitlement to the transferees.
2. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received by the Company at the Registered Office not less than 48 hours before the time of holding the meeting. A proxy must be a member.
3. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
 - a. **For attending the meeting**
 - i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
 - ii. In case of corporate entity, the Board of directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
 - b. **For Appointing Proxies**
 - i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - v. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
4. **Dividend Mandate (Mandatory):** In accordance with the provisions of section 242 of the Companies Act and Companies (Distribution of Dividends), Regulations 2017, a listed company is required to pay cash dividend to the shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

All shareholders who have still not provided their IBAN are once again requested to provide the details of their bank mandate specifying (a) Title of Account (b) Account Number (c) IBAN Number (d) Name of Bank (e) Branch Name, code and address to the Company's Share Registrar. Those shareholders who hold shares with Participants/Central Depository Company of Pakistan (CDC) are advised to provide bank mandate detail as mentioned above, to the concerned Participants/CDC. The Dividend Mandate Form is placed on Company's website www.shadabtextile.com.
5. **Deduction of Income Tax under section 150 of the Income Tax Ordinance, 2001:** As per Finance Act 2017, following rates are prescribed for deduction of withholding tax on payment of cash dividend by the companies:
 - Filers of Income Tax return 15%
 - Non-Filers of Income Tax Return 20%.



At the time of dividend distribution, the Company, being a withholding agent, would check each shareholder status on the ATL and if the shareholder's name does not appear on the ATL, rate of withholding tax at 20% would be applied. In the instance of a 'filer' withholding tax rate of 15% will be applicable.

The FBR has clarified that withholding tax will be determined separately on 'Filer/Non Filer' status of Principal shareholder as well as joint-holders(s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders, who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar, in the following format:

Folio No./CDS Account No.	Name of Principal Shareholder/ Joint Holders	Shareholding Proportions	CNIC/Passport No. (Copy attached)	Signature

The required information must reach our Share Registrar by the close of business on October 20, 2018 otherwise it will be assumed that the shares are equally held by Principal Shareholder and joint holders.

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar Office, M/s. Corplink (Pvt) Limited, Wings Arcade, I-K, Commercial, Model Town, Lahore, upto October 20, 2018.

6. **Transmission of Annual Financial Statements through Email:** SECP vide SRO 787(1)/2014 dated September 8, 2014 has provided an option to receive audited financial statements electronically through email, those shareholders who are interested in receiving the annual reports electronically in future are required to submit their e-mail address at Registered Office of the Company on a standard request form which is available on Company's website: www.shadabtextile.com.
7. In compliance with SECP notification No. 634(1)/2014 dated July 10, 2014, the audited financial statements of the Company for the year ended June 30, 2018 are being placed on the Company's website: www.shadabtextile.com.
8. **Unclaimed Dividend/Shares:** Shareholders who could not collect their dividend/physical shares are advised to contact at registered office of the company to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017 after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.
9. **Submission of Copies of Valid CNICs:** Shareholders are requested to submit copy of their valid CNIC mentioning company name & Folio Number at our Share Registrar's address for compliance of SECP SRO No. 831(1)/2012. In case of non-receipt of copy of valid CNIC, the company may be constrained to withhold dispatch of dividend warrants.
10. **Request of Video Conference Facility:** Members can also avail Video Conference facility in (name of cities where facility can be provided keeping in view geographical dispersal of members). In this regard please fill the following and submit to the registered address of the company within ten (10) days before holding of general meeting.

I/We, _____ of _____ being a member of SHADAB TEXTILE MILLS LIMITED, holder of _____ Ordinary Shares as per Registered Folio No./CDC A/C No. _____ hereby opt for Video conference Facility at _____.

Signature of members



11. **Change of Address:** Shareholders are requested to immediately notify the change of address, if any to Share Registrar of the Company.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the AGM of the Company to be held on October 27, 2018.

1. **Item No. 4 of the notice – Increase in Authorized Capital**

The amendments in the Memorandum and Articles of Association of the Company to increase the Authorized share capital are being carried out to cater for the future increase in the paid-up capital of the Company. Accordingly the Board of Directors of the Company had recommended to increase the Authorized share capital from Rs. 60,000,000 (Rupees sixty million) divided into 6,000,000 ordinary shares of Rs. 10/- each to Rs. 200,000,000 (Rupees two hundred million) divided into 20,000,000 ordinary shares of Rs. 10/- each. The new ordinary shares when issued shall rank pari passu with the existing ordinary shares in all respect.

The directors of the Company are not interested directly or indirectly in the above Special Business except to the extent of their shareholdings.

2. **Item No. 5 of the notice – Circulations of Annual Reports Through CD/DVD/USB**

Securities and Exchange Commission of Pakistan has vide S.R.O 470(I)/2016 dated 31 May 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual report.

The Company shall supply the hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as proposed in the notice of meeting. The directors are not interested, directly or indirectly, in the above business except to the extent of their shareholding.



CHAIRMAN'S REVIEW

I am pleased to present the report on the overall performance of the Board and effectiveness of the role in achieving the Company's objective.

During the year, the Board focused on the future restructuring. The Board regularly tracked the progress against the business plan. The committees of the Board worked diligently and focused on their terms of reference during the year under review.

The Board has carried out a review of its effectiveness and performances which is satisfactory. The board evaluation during the year 2018 robustly considered all aspects of the Board including the performance of individual Directors, Board Committees and the Board as a whole and I am happy to report that your Board continues to function effectively and is focused on priorities for the Company's business.

(Mian Farrukh Naseem)
Chairman

Lahore: October 01, 2018

**DIRECTORS' REPORT**

Dear Shareholders,

The Directors of the Company welcome you to the 39th Annual General Meeting and are pleased to present the Annual Report together with Audited Accounts of the Company for the year ended June 30, 2018.

Financial Results

The financial results of the Company in comparative form are as follows:-

	(RUPEES IN THOUSAND)	
	June 30 2018	June 30 2017
Sales - net	2,271,534	2,042,324
Cost of sales	2,172,226	1,956,368
GROSS PROFIT	99,308	85,956
Administrative and general	53,852	47,081
Selling and distribution	4,521	4,194
	58,373	51,275
OPERATING PROFIT	40,935	34,681
Finance costs	7,583	9,785
Other charges	2,771	1,786
	30,581	23,110
Other income	3,852	985
PROFIT BEFORE TAXATION	34,433	24,095
Taxation	9,730	5,154
PROFIT AFTER TAXATION	24,703	18,941
Basic earning per share (Rupees)	8.23	6.31

During the year under review, your Company earned profit after tax Rs. 24.703 million as compared to after tax profit Rs. 18.941 million of the previous year. The net sales made in the year are amounting to Rs. 2,271.534 million as compared to previous year sale of Rs. 2,042.324 million showing increase of 11.22 % against previous year sales. Earning per share is Rs. 8.23 as compared to Rs. 6.31 per share.

The profitability of the Company has increased as compared to previous year due to increase in yarn sale prices, continuous supply of energy to the textile sector in the shape of RLNG and reduction in finance cost due to repayment of long term loans and utilization of Company's own generated funds for operation of mills. During the year the prices of raw material remained on higher side as compared to yarn sale prices, rise in energy cost, declining in Pak Rupees, global recession in textile sector. In spite of these above factors the Company results remained favourable.

The management is continuously making efforts to make BMR of the existing facilities and take new investment initiative to cope with regional competitors in technology related advantage through own resources. The proposal for further BMR of existing facilities in shape of 01 Complete Ge Jenbacher Natural Gas Generator set for the value of Rs.106.000 million is under approval with the bank. With this addition the cost of power generation will be decreased.

Textile industry is the backbone of economy of the country and is playing a pivotal role in strengthening the economy of the country. Presently it is very difficult time for spinning sector due to rising raw material prices, high cost of production and recession prevailing in both international and domestic markets. The government should have to take further well planned concrete steps to uplift the economy and textile industry especially for spinning sector which is the core industry of Pakistan. We hope our new government will take vigorous steps to revive textile industry as following:-



- Continuous supply of energy
- Lower rate of Electricity & Gas Tariff for textile industry.
- Withdraw of GIDC and LPS.
- Timely payment of pending sales tax refunds.
- Rationalising of currency exchange rate.
- Long Term Finance (LTF) Scheme of SBP to the spinning sector to encourage BMR and new investment initiatives.

However, the management is striving hard to achieve the better results by improving performance of mills in terms of production, yield, quality and utilization of installed capacity within the available facilities.

Earning Per Share

Earning per Share is Rs. 8.23 (2017: Rs.6.31)

Dividend

The Board of Directors has recommended a Final Cash Dividend of Rs. 1.65 per share i.e. @ 16.50% to the shareholders of the Company.

Corporate Governance and Financial Reporting Framework

- a. The financial statements, prepared by the management of the company, present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- b. Proper books of account have been maintained by the Company.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International 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.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the company's ability to continue as a going concern.
- g. Key operating and financial data of last six years is annexed to the annual report.
- h. There are no outstanding statutory payments on account of taxes, duties, levies and charges except routine payments of various levies.
- i. Value of investments of provident fund as on 30-06-2018 was Rs. 95.235 million.
- j. The pattern of shareholding and the additional information as required by the CCG is annexed to the annual report.
- k. Directors, CFO, Company Secretary and their spouses and minor children have not traded in the company's shares during the year except by Mian Aamir Naseem, CEO as disclosed in the pattern of shareholding.

Board of Directors

During the year four meetings of the Board of Directors were held and attendance of these meetings is as under:-

<u>Name of Director</u>	<u>No. of Meetings Attended</u>
Mian Aamir Naseem	4
Mian Farrukh Naseem	4
Mian Shahzad Aslam	1
Mr. Yasir Naseem	4
Mr. Hamza Naseem	4
Mrs. Fatima Aamir	4
Mrs. Hina Farrukh	4



Leave of absence was granted to the directors who could not attend the meeting due to preoccupation.

Chief Executive's Remuneration

Upon recommendation of the HR & R Committee due to increase in ever rising cost of living, the remuneration of Mian Aamir Naseem, Chief Executive, enhanced from Rs. 175,000/- to Rs. 225,000/- per month with effect from September 01, 2018. Other terms and conditions remain unchanged.

Audit Committee

During the year six meetings of the Audit Committee were held and attendance of these meetings is as under:-

<u>Name</u>	<u>No. of Meetings Attended</u>
Mian Farrukh Naseem	6
Mr. Hamza Naseem	6
Mrs. Hina Farrukh	6

Human Resource Committee

During the year one meeting of the HR Committee was held and attendance of the meeting is as under:-

<u>Name</u>	<u>No. of Meetings Attended</u>
Mian Farrukh Naseem	1
Mian Aamir Naseem	1
Mr. Hamza Naseem	1

Directors' Remuneration

In accordance with the Articles of Association of the Company, the remuneration of Director other than paid director for his services shall be such sum as may be fixed by the Board of Directors.

The non-executive directors may waive their right to receive such remuneration for the attending and participation in the above meetings

Chairman's Review

The Chairman's review is endorsed by the Board of Directors.

Performance Evaluation of the Board

The Board of Directors approved a mechanism for evaluation of Board own performance pursuant to Listed Companies (Code of Corporate Governance) Regulation, 2017.

Directors Training Programme

During the year under review no training program was arranged by the Company. Three Board members have the prescribed qualification and experience required for exemption from the training program of Directors. The rest will obtain certification within the given time frame.

Auditors

The present Auditors M/s Fazal Mehmood & Company, Chartered Accountants, retire and being eligible offer themselves for re-appointment. The audit committee of the board has recommended the re-appointment of M/s Fazal Mahmood & Company, Chartered Accountants, as external auditors of the Company for the year 2018-2019.

**Related Party Transactions**

All transactions with related parties have been executed at arm's length and have been disclosed in the financial statements under relevant notes.

Corporate Social Responsibility

The company recognizes that the key to successful and sustainable business is to give back to the society from where we derive economic benefits. We create value for our local community, employees and the government by providing a vast array of facilities to our employees, financial assistance to the families of our deceased employees, promoting a better work life balance amongst our employees, contributing regularly to the national exchequer as per law.

Health, Safety and Environment:

We work continuously to ensure that our employees work in a safe and healthy working environment. Besides, the Company is registered with Social Security Department of the Government and pay regular contribution for the health of worker of the Company.

Work-Life Balance:

In order to promote a health work – life balance we strictly follow a 9:00 a.m to 5:30 p.m. working routine. This ensures that our employees have plenty of time after work for extra -curricular activities with their families and friends.

Business Ethics and Anti-corruption Measures:

The management is committed to conduct all business activities with integrity, honestly and in full compliance with the current laws and regulations. A code of conduct has been developed and approved by the Board, which is signed by all employees.

Contribution to the National Exchequer:

To meet our legal and social obligation towards the development of the economy of the country, the company has contributed Rs. 40.868 million in the FY 2017-18 into the Government exchequer on account of taxes, levies, excise duty and sales tax.

Energy Conservation:

The Company has taken many measures at mill premises to conserve the energy by fixing energy conserving devices.

Acknowledgements

The board avails the opportunity to appreciate the devoted work done by the executives, officers, staff and workers of the company.

For and on behalf of the Board

MIAN AAMIR NASEEM
(Chief Executive)

Lahore: October 01, 2018

For and on behalf of the Board

MIAN FARRUKH NASEEM
(Director)



مجلس نطماء کی رپورٹ

محترم حصص یافتگان،

کمپنی کی مجلس نطماء 39 ویں سالانہ عام اجلاس میں آپ کا استقبال کرتی ہے اور 30 جون 2018 کو ختم ہونے والے سال کے لیے کمپنی نظر ثانی شدہ حسابات کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

مالیاتی نتائج

کمپنی کے مالیاتی نتائج تقابلی شکل میں حسب ذیل ہیں:-

روپے ہزاروں میں

30 جون 2017	30 جون 2018	
2,042,324	2,271,534	خالص فروخت
1,956,368	2,172,226	فروخت کی لاگت
85,956	99,308	مجموعی منافع
47,081	53,852	انتظامی اور عمومی
4,194	4,521	فروخت اور تقسیم
51,275	58,373	
34,681	40,935	آپریٹنگ منافع
9,785	7,583	مالی لاگت
1,786	2,771	دیگر واجبات
23,110	30,581	
985	3,852	دیگر آمدنی
24,095	34,433	قبل از ٹیکس منافع
5,154	9,730	ٹیکس
18,941	24,703	بعد از ٹیکس منافع
6.31	8.23	فی شیئر بنیادی آمدنی (روپے)

زیر جائزہ سال کے دوران، کمپنی نے گزشتہ سال کے بعد از ٹیکس منافع 18.941 ملین روپے کے مقابلے بعد از ٹیکس منافع 24.703 ملین روپے منافع کمایا۔ سال میں کی جانے والی خالص فروخت 2,271.534 ملین روپے گزشتہ سال 2,042.324 ملین روپے پچھلے سال کی فروخت کے برعکس 11.22 فیصد کا اضافہ ظاہر کر رہی ہے۔ فی شیئر آمدنی گزشتہ سال 6.31 روپے فی شیئر کے مقابلے 8.23 روپے فی شیئر ہے۔

RLNG کی شکل میں ٹیکسٹائل کے شعبے کو بجلی کی مسلسل فراہمی، دھاگے کی قیمت میں اضافہ، طویل مدتی قرضوں کی واپسی کی وجہ سے مالی لاگت میں کمی اور مبلوں کے آپریشن کے لیے کمپنی کے اپنے پیدا کردہ فنڈز کا استعمال کے باعث گزشتہ سال کے مقابلے میں کمپنی کے منافع میں اضافہ ہوا ہے سال کے دوران خام مال کی قیمتوں میں دھاگے کی فروخت کے مقابلے میں اضافہ رہا ہے، توانائی کی لاگت میں اضافہ پاکستانی کرنسی میں گراوٹ، ٹیکسٹائل عالمی مندی کی وجہ سے متاثر ہوا ہے۔ ان مندرجہ بالا عوامل کے باوجود کمپنی کے نتائج سازگار رہے ہیں۔

انتظامیہ موجودہ سہولیات کی بی ایم آر بڑھانے اور علاقائی حریفوں سے نمٹنے کیلئے اپنے وسائل کے ذریعے مفید ٹیکنالوجی میں نئی سرمایہ کاری کرنے کی مسلسل کوشش کر رہی ہے۔ 01 عدد مکمل جی قدرتی جنیکر گیس جز پٹریم کی شکل میں موجودہ سہولیات کی مزید BMR کی تجویز جس کی مالیت 106.000 ملین روپے کے لیے بینک ساتھ منظوری کے تحت ہے۔ اس اضافے کی وجہ سے بجلی کی پیداوار کی لاگت میں کمی واقع ہوگی۔



ٹیکسٹائل انڈسٹری ملک کی معیشت کی ریون ہے اور ملک کی معیشت کو مضبوط بنانے میں اہم کردار ادا کر رہا ہے۔ اس وقت سپنگ سیکٹر کے لیے یہ بہت مشکل وقت ہے کہ خام مال کی قیمتوں میں اضافہ پیداوار کی زیادہ قیمت اور بین الاقوامی اور مقامی مارکیٹ دونوں میں ہونے والی کساد بازاری کی وجہ سے حکومت کو معیشت اور ٹیکسٹائل انڈسٹری کو خاص طور پر سپنگ شعبے کے لیے جو پاکستان کی بنیادی صنعت ہے کو بڑھانے کے لیے مزید اچھی طرح سے منصوبہ بندی کر کے ٹھوس اقدامات اٹھانا پڑے گا۔ ہمیں امید ہے کہ ہماری نئی حکومت ٹیکسٹائل انڈسٹری کو بحال کرنے کے لیے مندرجہ ذیل سخت اقدامات کرے گی۔

- توانائی کی مسلسل فراہمی۔
 - ٹیکسٹائل کی صنعت کے لیے بجلی اور گیس ٹیرف کی کم شرح۔
 - GIDC اور دیر سے ادائیگی کے اضافی چارجز کو نکالنا۔
 - زیر التواء سیلر ٹیکس کی واپسی کی بروقت ادائیگی۔
 - کرنی کیلکچر کی شرح کی استدلال۔
 - بی ایم آر اور نئی سرمایہ کاری کے اقدامات کی حوصلہ افزائی کرنے کے لیے سٹیٹ بینک آف پاکستان کی طویل مدتی فنانس سکیم۔
- تاہم انتظامیہ دستیاب سہولیات کے اندر نصب پیداواری صلاحیت، معیار اور استعمال کے لحاظ سے ملوں کی کارکردگی بہتر بنا کر اچھے نتائج حاصل کرنے کیلئے سخت کوشش کر رہی ہے۔

فی شیئر آمدنی

فی شیئر آمدنی ہے۔ 8.23 روپے (2017 : 6.31 روپے)

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے کمپنی کے حصص یافتگان کو 1.65 روپے فی شیئر یعنی 16.50 فیصد کی شرح سے حتمی نقد منافع منقسمہ کی سفارش کی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- الف۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- ب۔ کمپنی کے کھاتہ جات بالکل درست طور سے بنائے گئے ہیں۔
- پ۔ 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۔
- ت۔ مالی حسابات اور اس کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔

- ٹ۔ اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- ث۔ کمپنی کے گورننگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- ج۔ گزشتہ چھ سال کا کلیدی آپریشننگ اور مالیاتی ڈیٹا منسلک ہے۔
- چ۔ مختلف لیویز کی معمول کی ادائیگیوں کے علاوہ ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مدین کوئی قانونی ادائیگی واجب الادا نہیں ہیں۔
- ح۔ 30 جون 2018 کے مطابق پراویڈنٹ فنڈ کی سرمایہ کاری کی قیمت 95.235 ملین روپے ہے۔
- خ۔ شیئر ہولڈنگ کا پیٹرن اور CCG کو درکار اضافی معلومات اس سالانہ رپورٹ کے ہمراہ منسلک ہیں۔
- د۔ سال کے دوران کمپنی کے حصص میں اس کے ڈائریکٹرز، سی ایف او، کمپنی سیکرٹری اور ان کے زوج اور نابالغ بچوں کی طرف سے کوئی تجارت نہیں ہوئی ہے سوائے میاں عامر نسیم سی ای او نے حصہ داری کے پیٹرن میں ظاہر کیا ہے۔



بورڈ آف ڈائریکٹرز

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے اور ان اجلاسوں میں حاضری حسب ذیل ہے۔

نام	تعداد حاضری
میاں عامر نسیم	4
میاں فرخ نسیم	4
میاں شہزاد اسلم	1
جناب یاسر نسیم	4
جناب حمزہ نسیم	4
محترمہ فاطمہ عامر	4
محترمہ حنا فرخ	4

مصرفیات کی وجہ سے جو ڈائریکٹرز اجلاس میں شرکت نہیں کر سکے ان کی غیر موجودگی کو رخصت عطا کی گئی تھی۔

چیف ایگزیکٹو کا معاوضہ

بڑھتی ہوئی مہنگائی کی وجہ سے ایچ آر اور آر کمیٹی نے سفارش کی ہے کہ میاں عامر نسیم چیف ایگزیکٹو کا معاوضہ -/175,000 روپے سے بڑھا کر -/225,000 روپے کیا ہے۔ جو کہ یکم ستمبر 2018 سے نافذ العمل ہے۔ دیگر شرائط و ضوابط میں کوئی تبدیلی نہیں ہے۔

آڈٹ کمیٹی

سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے اور ان اجلاسوں میں حاضری حسب ذیل ہے۔

نام	تعداد حاضری
میاں فرخ نسیم	6
جناب حمزہ نسیم	6
مسز حنا فرخ	6

ہیومن ریسورس کمیٹی

سال کے دوران ہیومن ریسورس کمیٹی کا ایک اجلاس منعقد ہوا اور اس اجلاس میں حاضری حسب ذیل ہے۔

نام	تعداد حاضری
میاں فرخ نسیم	1
میاں عامر نسیم	1
جناب حمزہ نسیم	1

ڈائریکٹرز کا معاوضہ

کمپنی کے آرٹیکل آف ایسوسی ایشن کے مطابق معاوضہ ادا کردہ ڈائریکٹرز کے علاوہ دوسرے ڈائریکٹرز کی خدمات کے سلسلے میں ان کا معاوضہ ڈائریکٹرز بورڈ کی طرف سے مقرر کی جائے گی۔ نان ایگزیکٹو ڈائریکٹرز مندرجہ بالا اجلاسوں میں شرکت اور شرکت کے لیے اس طرح کے معاوضہ حاصل کرنے کے حق کو مسترد کر سکتے ہیں۔

چیرمین کی نظر ثانی

چیرمین کا جائزہ کی بورڈ آف ڈائریکٹرز نے تائید کی۔

بورڈ کی کارکردگی کی تشخیص

بورڈ آف ڈائریکٹرز نے فہرست سازی کمپنیوں (کوڈ آف کارپوریٹ گورننس) 2017 کے مطابق بورڈ کے اپنے کارکردگی کی تشخیص کے لیے ایک میکانزم کی منظوری دے دی۔



ڈائریکٹرز ٹریننگ پروگرام سال کے جائزے کے دوران کمپنی کی طرف سے کوئی تربیتی پروگرام کا اہتمام نہیں کیا گیا تین بورڈ کے ممبران ڈائریکٹرز کے تربیتی پروگرام کی چھوٹ کے لیے ضروری اہلیت اور تجربہ رکھتے ہیں۔ باقی مقررہ وقت کے فریم کے اندر سرٹیفیکیشن حاصل کریں گے۔

محاسب

موجودہ محاسب میسرز فضل محمود اینڈ کمپنی، چارٹرڈ اکائونٹنٹس، ریٹائر ہو گئے ہیں۔ اور دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے سال 2018-2019 کے لیے کمپنی کے بیرونی محاسب کے طور پر میسرز فضل محمود اینڈ کمپنی، چارٹرڈ اکائونٹنٹس کی دوبارہ تقرری کی سفارش کی ہے۔

متعلقہ پارٹی لین دین

متعلقہ فریقین کے ساتھ تمام لین دین قواعد و ضوابط کے مطابق کی گئی ہیں اور اس کی تفصیل متعلقہ نوٹس کے تحت مالی گوشواروں میں ظاہر کی گئی ہیں

کارپوریٹ سماجی ذمہ داری

کمپنی تسلیم کرتی ہے کہ معاشرہ کو اقتصادی فوائد پہنچانا کامیاب اور پائیدار کی کلید ہے۔ ہم اپنے ملازمین کو وسیع سہولیات کی فراہمی، اپنے مرحوم ملازمین خاندانوں کی مدد، اپنے ملازمین کے درمیان بہتر کام اور زندگی کے توازن کا فروغ، قانون کے مطابق قومی خزانے میں باقاعدہ حصہ فراہم کر کے اپنی مقامی کمیونٹی، ملازمین اور حکومت کی قدر پیدا کرتے ہیں۔

صحت، حفاظت اور ماحول

ہم اپنے ملازمین کے لیے محفوظ اور صحت مند کام کا ماحول یقینی بنانے کے لیے مسلسل کام کرتے ہیں۔ اس کے علاوہ کمپنی حکومت کے سوشل سیکورٹی ڈیپارٹمنٹ کے ہاں رجسٹرڈ ہے اور کمپنی کارکن کی صحت کے لیے باقاعدہ حصہ ادا کر رہی ہے۔

کام اور زندگی کا توازن

صحت کام اور زندگی کا توازن کو فروغ دینے کے لیے ہم ہفتی سے صبح 9:00 بجے تا سہ پہر 5:30 بجے کام کے معمول کے مطابق عمل کرتے ہیں یہ یقینی بناتا ہے کہ ہمارے ملازمین کے پاس کام کے بعد اپنے اہل خاندان اور دوستوں کے ساتھ غیر نصابی سرگرمیوں کے لیے کافی وقت میسر ہے۔

کاروباری اخلاقیات اور اینٹی کرپشن کے اقدامات

انتظامیہ سالمیت، ایمانداری اور موجودہ قوانین و ضوابط کی مکمل پاسداری کے ساتھ تمام کاروباری سرگرمیوں کو منظم کرنے پر کا بند ہے۔ بورڈ کی طرف سے ایک ضابطہ اخلاق تیار اور منظور کیا گیا ہے جس پر تمام ملازمین کے دستخط ہیں۔

قومی خزانے میں شرکت

ملک کی اقتصادی ترقی کے لیے اپنی قانونی اور سماجی ذمہ داری کو پورا کرنے کے لیے کمپنی نے ٹیکس، لیویز، ایکسائز ڈیوٹی اور سیلز ٹیکس کی مد میں حکومتی خزانے میں مالی سال 2017-18 میں 40.868 ملین روپے حصہ شامل کیا ہے۔

بجلی کی بچت

کمپنی نے مل کے احاطہ میں بجلی کی بچت کے آلات نصب کر کے توانائی کے تحفظ کے کئی اقدامات کیے ہیں۔

شکرگذاری

بورڈ کمپنی کے ایگزیکٹوز، افسران، کمپنی کے عملے اور کارکنوں کی انتھک کوششوں کا شکر گزار ہے۔

منجانب بورڈ

میاں فرخ نسیم

(ڈائریکٹر)

منجانب بورڈ

Amir Naseem

میاں عامر نسیم

(چیف ایگزیکٹو)

لاہور: 01 اکتوبر 2018



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations 2017 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 Regulations in the following manner:

1. The total number of directors are 7 as per the following:

- a. Male: 5
- b. Female: 2

2. The composition of the Board is as follows:

Category	Names
a) Independent Directors	Nil
b) Executive Directors	Mian Aamir Naseem (Chief Executive) Mr. Yasir Naseem
c) Non-Executive Directors	Mian Farrukh Naseem Mian Shazhzad Aslam Mr. Hamza Naseem Mrs. Hina Farrukh Mrs. Fatima Aamir

3. The directors have confirmed that none of them is serving as director on more than five listed companies, including this company.
4. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps which have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by Chairman, and in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. During the year under review no training program was arranged by the Company. Three Board members have the prescribed qualification and experience required for exemption from the training program of Directors. The rest will obtain certification within the given time frame.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The Board has formed committees comprising of members given below:

Audit Committee

Mian Farrukh Naseem	(Chairman)
Mr. Hamza Naseem	(Member)
Mrs. Hina Farrukh	(Member)

**HR & R Committee**

Mian Farrukh Naseem (Chairman)
Mian Aamir Naseem (Member)
Mr. Hamza Naseem (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings(quarterly/half yearly)were as per followings:
 - a) Audit Committee Quarterly
 - b) HR and R Committee Annually
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations and or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

LAHORE: October 01, 2018

(Mian Farrukh Naseem)
Chairman



**Independent Auditor's Review Report to the Members
of SHADAB TEXTILE MILLS LIMITED
Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2017**

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

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

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

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

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

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

	Paragraph Reference:	Description:
I.	2	Independent Directors were not appointed
II.	12	Chairman was not an independent director of Audit Committee and HR & R Committee

Date: October 01, 2018
Lahore:

FAZAL MAHMOOD & COMPANY
Chartered Accountants
Engagement Partner: Muhammad Imran Akhtar



SIX YEAR'S FINANCIAL DATA AT A GLANCE

(RUPEES IN MILLION)

PARTICULARS	2018	2017	2016	2015	2014	2013
ASSETS EMPLOYEED						
Property, plant and equipment	314.245	349.784	381.570	396.246	390.450	338.069
Assets subject to finance lease	23.426	8.124	-	-	-	-
Long term deposits	2.387	2.387	2.387	2.387	2.387	2.382
Current assets	423.679	360.368	333.280	370.595	361.612	372.401
TOTAL ASSETS EMPLOYEED	763.737	720.663	717.237	769.228	754.449	712.852
FINANCED BY						
Share holders' equity	416.259	399.146	393.327	370.720	348.269	309.420
Long term financing	-	5.667	17.000	28.333	-	23.486
Liabilities against subject to finance lease	11.729	4.875	-	-	-	-
Deferred taxation	14.557	32.923	47.039	53.978	64.562	48.857
Current liabilities	321.192	278.052	259.871	316.197	341.618	331.089
TOTAL FUNDS INVESTED	763.737	720.663	717.237	769.228	754.449	712.852
PROFIT & (LOSS)						
Sales - net	2,271.534	2,042.324	1,861.576	1,852.800	2,024.029	1,785.120
Cost of sales	2,172.226	1,956.368	1,760.578	1,769.185	1,884.586	1,571.937
Gross profit	99.308	85.956	100.998	83.615	139.443	213.183
Administrative & general	53.852	47.081	41.830	40.611	37.048	34.540
Selling & distribution	4.521	4.194	2.039	0.400	0.291	0.943
Operating profit	40.935	34.681	57.129	42.604	102.104	177.700
Finance costs	7.583	9.785	13.414	15.818	26.739	32.198
Other charges	2.771	1.786	3.155	2.093	5.374	10.136
	30.581	23.110	40.560	24.693	69.991	135.366
Other income	3.852	0.985	2.009	3.548	2.512	1.402
PROFIT BEFORE TAXATION	34.433	24.095	42.569	28.241	72.503	136.768
Taxation	9.730	5.154	9.762	2.790	29.154	24.586
PROFIT AFTER TAXATION	24.703	18.941	32.807	25.451	43.349	112.182
PREVIOUS YEARS' BALANCE B/F	109.146	103.327	80.720	58.269	219.420	110.238
Profit available for appropriation	133.849	122.268	113.527	83.720	262.769	222.420
Dividend	7.590	13.122	10.200	3.000	4.500	3.000
Transfer to general reserve	-	-	-	-	200.000	-
BALANCE CARRIED TO B/S	126.259	109.146	103.327	80.720	58.269	219.420
EARNING PER SHARE (Rs.)	8.23	6.31	10.94	8.48	14.45	37.39
Number of spindles installed	33600	33600	33600	33600	33600	32640
Number of spindles worked	33120	32640	32640	32640	33600	32640
Number of shifts per day	3	3	3	3	3	3
Actual production converted into 20/S count (Kgs. in million)	18.343	17.974	17.143	14.708	13.946	13.253



INDEPENDENT AUDITOR'S REPORT

To the members of SHADAB TEXTILE MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Preparation of Financial Statements under Companies Act, 2017.</p> <p>As referred to in note 2.2 to the annexed financial statements, the third and fourth schedule to the Companies Act, 2017 (the Act) became applicable to the Company for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>As part of this transition to the requirements of the said third and fourth schedule to the Act, the management performed a gap analysis to identify differences between the previous reporting framework and the current reporting framework and as a result assessed the amendments (as specified in the said note 2.2) relating to disclosures required in the Company's financial statements.</p> <p>We consider it as a key audit matter in view of the extensive impacts in the financial statements due to the Companies Act, 2017.</p>	<p>Our audit procedures included the following:</p> <p>We assessed the procedures applied by the management for the identification of the changes required in the financial statements due to the application of the Act.</p> <p>We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements.</p> <p>We also evaluated the results of management's analysis and key decisions taken in respect of the transition, using our knowledge of the relevant requirements of the third and fourth schedules to the Companies Act, 2017 and our understanding of the Company's operations and business.</p>

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Imran Akhtar.

Date: October 01, 2018
Lahore:

FAZAL MAHMOOD & COMPANY
Chartered Accountants
Engagement Partner: Muhammad Imran Akhtar



STATEMENT OF FINANCIAL POSITION

(RUPEES IN THOUSAND)

	NOTE	2018	2017
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 6,000,000 ordinary shares of Rs. 10/- each.		<u>60,000</u>	<u>60,000</u>
Issued, subscribed and paid-up share capital	6	<u>30,000</u>	<u>30,000</u>
Revenue reserves	7	<u>386,259</u>	<u>369,146</u>
		416,259	399,146
NON - CURRENT LIABILITIES			
Long term financing	8	-	5,667
Liabilities against assets subject to finance lease	9	11,729	4,875
Deferred liabilities	10	14,557	32,923
CURRENT LIABILITIES			
Trade and other payables	11	<u>196,335</u>	<u>165,946</u>
Unclaimed dividend		<u>465</u>	<u>432</u>
Accrued mark-up	12	<u>701</u>	<u>929</u>
Short term borrowings	13	<u>84,646</u>	<u>78,210</u>
Current portion of long term liabilities	14	<u>10,949</u>	<u>13,264</u>
Provision for taxation	15	<u>28,096</u>	<u>19,271</u>
		321,192	278,052
CONTINGENCIES AND COMMITMENTS			
	16	-	-
TOTAL EQUITY & LIABILITIES			
		<u>763,737</u>	<u>720,663</u>

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director



AT JUNE 30, 2018

		(RUPEES IN THOUSAND)	
	NOTE	2018	2017
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	17	314,245	349,784
Assets subject to finance lease	18	23,426	8,124
Long term deposits	19	2,387	2,387
		<u>340,058</u>	<u>360,295</u>
CURRENT ASSETS			
Stores, spares and loose tools	20	52,908	43,806
Stock in trade	21	193,371	122,258
Trade debts	22	86,908	98,355
Loans and advances	23	5,526	5,140
Trade deposits and prepayments	24	56,229	65,268
Other receivables	25	18,104	12,317
Cash and bank balances	26	10,633	13,224
		<u>423,679</u>	<u>360,368</u>
TOTAL ASSETS		<u><u>763,737</u></u>	<u><u>720,663</u></u>

(Mazhar Hussain)

Chief Financial Officer



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2018

		(RUPEES IN THOUSAND)	
	NOTE	2018	2017
Sales - net	27	2,271,534	2,042,324
Cost of sales	28	2,172,226	1,956,368
GROSS PROFIT		99,308	85,956
Administrative and general expenses	29	53,852	47,081
Selling and distribution expenses	30	4,521	4,194
		58,373	51,275
OPERATING PROFIT		40,935	34,681
Finance costs	31	7,583	9,785
Other charges	32	2,771	1,786
		30,581	23,110
Other income	33	3,852	985
PROFIT BEFORE TAXATION		34,433	24,095
Taxation	34	9,730	5,154
PROFIT AFTER TAXATION		24,703	18,941
BASIC AND DILUTED EARNING PER SHARE - (RUPEES)	37	8.23	6.31

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Mazhar Hussain)
Chief Financial Officer



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

	(RUPEES IN THOUSAND)	
	2018	2017
PROFIT AFTER TAXATION FOR THE YEAR	24,703	18,941
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>24,703</u>	<u>18,941</u>

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Mazhar Hussain)
Chief Financial Officer



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

		(RUPEES IN THOUSAND)	
	NOTE	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	52,847	41,802
Finance cost paid		(7,811)	(10,117)
Income tax paid		(28,795)	(18,073)
Paid to workers' profit participation fund		(1,294)	(2,286)
Net cash generated from operating activities		14,947	11,326
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(2,975)	(18,493)
Proceeds from disposal of operating fixed assets		6,440	11,550
Net cash generated / (used) in investing activities		3,465	(6,943)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments against long term loans		(11,333)	(11,333)
Re-payment of finance lease - net		(8,549)	(2,000)
Proceeds from short term borrowings - net		6,436	8,341
Dividends paid		(7,557)	(13,001)
Net cash (used) in financing activities		(21,003)	(17,993)
NET CASH (USED) DURING THE YEAR		(2,591)	(13,610)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		13,224	26,834
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	39	10,633	13,224

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Mazhar Hussain)
Chief Financial Officer



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

(RUPEES IN THOUSAND)

Description	Share Capital	Revenue Reserves		Total Equity
	Issued, subscribed and paid up ordinary shares	General reserve	Un-appropriated profit	
Balance as at July 01, 2016	30,000	260,000	103,327	393,327
Total comprehensive income				
- Profit after taxation	-	-	18,941	18,941
Transaction with owners				
Final dividend for the year ended June 30, 2016 @ Rs. 4.37 per share	-	-	(13,122)	(13,122)
Balance as at June 30, 2017	30,000	260,000	109,146	399,146
Total comprehensive income				
- Profit after taxation	-	-	24,703	24,703
Transaction with owners				
Final dividend for the year ended June 30, 2016 @ Rs. 2.53 per share	-	-	(7,590)	(7,590)
Balance as at June 30, 2018	30,000	260,000	126,259	416,259

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Mazhar Hussain)
Chief Financial Officer



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1. THE COMPANY AND ITS OPERATIONS

Shadab Textile Mills Limited (the Company) was incorporated as a public limited company on 19th August 1979 under the Companies Act 1913 which was replaced by Companies Ordinance, 1984 (now the Companies Act, 2017). The company is registered as a public limited company in Pakistan and quoted on Pakistan Stock Exchange and engaged in the business of manufacturing, selling, buying and dealing in yarn of all types. The registered office of the company is situated at 6th Floor, A-601/A, City Towers, Main Boulevard, Gulberg-II, Lahore. The manufacturing facilities of the Company are located at Faisalabad Road, Nisimabad, Shahkot, District Nankana Sahib.

1.1 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

Sr.	Particulars of Immovable Property	Location	Total Area
1	Registered Office	6th Floor, A-601/A, City Towers, Main Boulevard, Gulberg-II, Lahore	6847 Sq. Ft
2	Manufacturing Facilities	Faisalabad Road, Nisimabad, Shahkot, District Nankana Sahib	146 Kanal 11Marla

1.2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS OCCURRED DURING THE YEAR

Following is the summary of significant transaction and events that have affected the financial position and performance of the Company

- a) The Company incurred capital expenditure for more efficient operations. This is reflected in property, plant and equipment note 17;
- b) Due to applicability of the Companies Act, 2017 certain disclosures of the financial statements of the Company have been presented in accordance with the fourth schedule notified by the Securities and Exchange Commission of Pakistan vide S.R.O 1169 date 07 November 2017.
- c) The Company acquired 4 new vehicles on Finance Lease from First Habib Modaraba. This is reflected in note 9 and 18;

2. BASIS OF PREPARATION

2.1 Basis of measurement

These Financial Statements have been prepared under the historical cost convention without any adjustment for the effect of inflation or current values, if any, using accrual basis of accounting.

2.2 Statement of compliance

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



- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency and has been rounded to the nearest thousand.

3. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that effect the application of policies and reported amount of assets, liabilities, income and expenses. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Significant areas requiring the use of management estimates in the financial statements relate to provision for doubtful balances, provisions for income taxes, useful life and residual values of property plant and equipment. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in next year.

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are set forth below:

Property, plant and equipment

The Company reviews the rates of depreciation, useful lives, residual values and values of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Stock-in-trade and stores, spares and loose tools

The Company reviews the net realizable value of stock-in-trade and stores, spares and loose tools to assess any diminution in their respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock-in-trade and stores, spares and loose tools with a corresponding effect on the amortization charge and impairment. Net realizable value is determined with respect to estimated selling price less estimated expenditure to make the sale.

Provision against doubtful balances

The Company reviews the recoverability of its trade debts, advances and other receivables to assess amount of bad debts and provision required there against on annual basis.

Contingencies

The Company takes in to account advice of the legal advisors to estimate contingent liabilities and their estimated financial outcomes.

**Fair value measurement and valuation processes**

Some of the Company's assets and liabilities are required to be measured at fair value for financial reporting purposes. The management carefully ensures that appropriate valuation techniques and inputs are used for fair value measurements. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, appropriate valuation techniques are used.

Income Taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax laws and the decisions of appellate authorities. Instances where the company's view differs from the view taken by the income tax department at the assessment stage and where the company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Applicability of Companies Act, 2017

During the year Companies Act, 2017, became effective on these financial statements. The applicability of the Companies Act, 2017 has not resulted in any change in accounting treatments for the Company. However, the Company has adopted the revised titles for the components of its financial statements, details of which are as follows.

Existing titles

- Balance sheet
- Profit and loss account
- Cash flow statement
- Statement of changes in equity

Revised titles

- Statement of financial position
- Statement of profit or loss & other
- Statement of cash flows
- Statement of changes in equity

Further, the third and fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its third and fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.

4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

4.1 Amendments to IFRSs that became effective during the year

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 1, 2017:

(a) IAS 7 Statement of cash flows.

The amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

(b) IAS 12 Income taxes.

The amendment clarifies deferred tax treatment for debt instrument and also addresses questions regarding determination of future taxable profit for the recognition test of deferred tax.

The application of these amendments has had no effect on the Company's financial statements.

4.2 New and revised IFRSs that have been issued but are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2017 and have not been early adopted by the Company:

**(a) IFRS 9 Financial instruments**

Effective date: January 1, 2018

IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model currently being used. The standard not likely to have material impact on the Company's financial statements.

(b) IFRS 15 Revenue from contracts with customers

Effective date: January 1, 2018

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. April 1, 2019), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Company has yet to assess the full impact of this standard on its financial statements."

(c) IFRS 16 Leases

Effective date: January 1, 2019

IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This IFRS is under consideration of the relevant Committee of the Institute of Chartered Accountants of Pakistan. The Company has yet to assess the full impact of this standard on its financial statements.

(d) IAS 12 Income taxes

Effective date: January 1, 2019

This amendment as part of the annual improvement 2015-2017 cycle, clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. The amendments are not likely to have material impact on the Company's financial statements.

(e) IAS 23 Borrowing costs

Effective date: January 1, 2019

The amendment is part of the annual improvement 2015-2017 cycle. The amendment clarifies that the general borrowings pool used to calculate eligible borrowing costs exclude only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non – qualifying assets – are included in that general pool. This amendment will be applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments. The amendments are not likely to have material impact on the Company's financial statements.

**(f) IFRIC 22 Foreign currency transactions**

Effective date: January 1, 2018

The interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The related item is translated using the exchange rate on the date that the advance foreign currency was paid or received and the prepayment or deferred income recognised. The amendments are not expected to have a material impact on the Company's financial statements.

(g) IFRIC 23 Uncertainty over income tax treatment

Effective date: January 1, 2019

The interpretation clarifies the accounting for income tax when there is uncertainty over income tax treatment under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The amendments are not expected to have material impact on the Company's financial statements.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

4.3 New IFRSs that have been issued by IASB, but have not yet been notified by the SECP for the purpose of applicability in Pakistan. The Company has yet to assess the impact of these standards on its financial statements.

**Effective for annual
periods beginning on or after**

IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 - Regulatory Deferral Accounts	January 01, 2016
IFRS 15 - Revenue with contracts with customers	January 01, 2018
IFRS 16 - Leases	January 01, 2019
IFRS 17 - Insurance Contracts	January 01, 2021

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

a) Owned

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost. Capital work in progress is stated at cost less any recognized impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs, if any.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be measured reliably. The carrying amount of the part so replaced is derecognized. The costs relating to day-to-day servicing of property, plant and equipment are recognized in profit and loss account as incurred.



Borrowing costs pertaining to the construction and erection are capitalized up to the date of completion. Depreciation on property, plant & equipment is charged to income on reducing balance method at the rates specified in note no. 17. to the accounts to write off the cost cover their estimated useful lives.

Depreciation on addition and deletion is charged on the basis of number of days the asset remain in use of the company. Assets residual values, useful life and depreciation rates are reviewed and adjusted, if appropriate at each balance sheet date. An asset carrying amount is written down immediately to its recoverable amount. Normal repair and maintenance is charged to income as and when incurred. Major renewals and improvements are capitalized.

The carrying amount of property, plant and equipment is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell. An impairment is recognized if the carrying amount exceeds its estimated recoverable amount.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" in profit and loss account.

b) Leased assets

Assets subject to finance lease are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligation under the lease less financial charges allocated to future period are shown as a liability. Income arising from sale and leaseback transactions, if any, is deferred and is amortised equally over the lease period.

Financial charges are calculated at the interest rate implicit in the lease and are charged to profit or loss account. Leased assets are depreciated on a reducing balance basis at the same rate as Company's owned assets as disclosed in note 18 to these financial statements.

5.2 Stores, spares & loose tools

These are valued at lower of cost and net realizable value, determined on moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other incidental charges incurred thereon.

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

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are classified as fixed assets under the 'plant and machinery' category and are depreciated over a time period not exceeding the useful life of the related assets.

5.3 Stock in trade

These are valued at lower of cost and net realizable value. Cost comprises of:

Raw material	At weighted average cost
Work in Process	At direct cost & appropriate portion of production overhead
Finished Goods	At estimated manufacturing cost
Wastes	At net realizable value.

Cost of finished goods comprises cost of direct material, labour and appropriate manufacturing overheads.



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

Provision for obsolete and slow-moving stock in trade is based on management estimate.

5.4 Trade debts and other receivables

Trade debts originated by the company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

5.5 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses on translation are recognized in the profit and loss account. Non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

5.6 Staff Retirement Benefits

Defined contribution plan - Provident fund

The company operates a funded provident fund scheme covering all its permanent employees. Equal monthly contributions are made to the trust, both the company and the employees, at the rate of 6.25% of basic salary. Obligation for contributions to the fund are recognized as an expense in the profit and loss account when they are due.

5.7 Trade and other payables

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

5.8 Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Revenue from sales is recognized at the time of dispatch of goods to the customer where risks and rewards are transferred to the customer.

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

5.9 Borrowings Cost

Borrowing Cost on long term finances and short term borrowings which are specifically obtained for the acquisition, construction or production of a qualifying assets are capitalized upto the date of commencement of commercial production on the respective assets. All other borrowing costs are charge to profit and loss account in the period in which these are incurred.

5.10 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made to the amount of obligation. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate.



5.11 Impairment

a) Financial Assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non Financial Assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account except for the impairment loss on revalued asset, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of asset.

5.12 Contingent Liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

5.13 Taxation

Current

Provision of current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

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



Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

5.14 Financial instruments

a) Financial assets

The management determines the appropriate classification of its financial asset in accordance with the requirements of International Accounting Standards 39 (IAS 39), "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets and re-evaluates this classification on a regular basis. The financial assets of the company are categorized as follows:

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

A non-derivative financial asset is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Investments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognized in the profit and loss account when incurred. Investments at fair value through profit or loss are measured at fair value and changes therein are recognized in the profit and loss account.

(ii) Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has positive intention and ability to hold to maturity. Investments classified as held to maturity are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortized cost using the effective interest method, less any impairment loss, if any.

(iii) Loans and receivables

Loans and receivables are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition, loans and receivables measured at amortized cost using the effective interest method, less any impairment losses, if any.

(iv) Available for sale investments

Other investments not covered in any of the above categories including investments in associates in which the Company has no significant influence are classified as being available for sale and are initially recognized at fair value plus attributable transactions costs. Subsequent to initial recognition these are measured at fair value, with any resultant gain or loss being recognized in other comprehensive income. Gains or losses on available for sale investments are recognized in other comprehensive income until the investments are sold or disposed off or until the investments are determined to be impaired, at that time cumulative gain or loss previously reported in other comprehensive income is included in current period's profit and loss account.

Fair value of listed securities are the quoted prices on stock exchange on the date it is valued. Unquoted securities are valued at cost.

The Company follows trade date accounting for regular way purchase and sale of securities, except for sale and purchase of securities in the future market.

**b) Financial liabilities**

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

5.15 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

5.16 Basic and diluted earning per share

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

5.17 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, balances with banks, short term highly liquid investments that are readily convertible to known amount of cash and the subject to insignificant risk of change in values.

5.18 Related party transactions

All transactions between the company and related parties are accounted for at arm's length price in accordance with the method prescribed under the Companies Act, 2017.

5.19 Proposed dividends and transfer between reserves

Dividend distribution to the company's shareholders and appropriations to/from reserves is recognized in the period in which these are approved by the shareholders.

(RUPEES IN THOUSAND)			
	Note	2018	2017
6. ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
2,000,000 ordinary shares of Rs. 10/- each fully paid in cash.		20,000	20,000
1,000,000 ordinary shares of Rs. 10/- each issued as bonus shares		10,000	10,000
		30,000	30,000
7. REVENUE RESERVES			
Unappropriated profit		126,259	109,146
General reserve		260,000	260,000
		386,259	369,146
8. LONG TERM FINANCING			
Loan from banking companies - secured			
Bank Alfalah Limited	8.1	-	5,667
		-	5,667



		(RUPEES IN THOUSAND)	
	Note	2018	2017
8.1 Bank Alfalah Limited			
Term Finance I	8.1.1 & 8.1.2	5,667	17,000
Balance as at 30th June		5,667	17,000
Less:			
Current portion shown under current liabilities		(5,667)	(11,333)
		-	5,667

8.1.1 This is repayable in 12 equal installments commencing from February 1, 2016 and ending on November 1, 2018. The loan carries markup @ 6 months KIBOR + 2.5% p.a. payable on quarterly basis.

8.1.2 The above finance is secured against ranking charge of RS. 50 Million on fixed assets of the company and first exclusive charge on company's property - office located at City Tower, Gulberg, Lahore and personal guarantees of two sponsoring directors of the company.

9. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Future minimum lease payments	19,650	7,929
Less: un-amortised finance charge	(2,639)	(1,123)
Present value of minimum Lease payments	17,011	6,806
Less: current portion shown under current liabilities	5,282	1,931
	11,729	4,875

9.1 The rentals are payable in monthly installments and taxes, repair and insurance costs are to be borne by the company. The company intends to exercise its option to acquire leased assets upon completion of lease period. Present value of minimum lease payments has been discounted using the implicit rate i.e. 9.14% to 10.04% p.a. The facility has been drawn from Financial Institution. The facility has been secured against the personal guarantees of the directors.

9.2 Minimum Lease payments and their present values are regrouped as under:

	2018			2017		
	Not later than 1 year	Later than 1 year but not later than 5 years	Total	Not later than 1 year	Later than 1 year but not later than 5 years	Total
Future minimum lease payments	6,685	12,965	19,650	2,473	5,456	7,929
Less: un-amortized finance charge			(2,639)			(1,123)
Present value of minimum lease payments			17,011			6,806

10. DEFERRED LIABILITIES

Deferred Taxation	10.1	14,557	32,923
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10.1 Deferred tax credits / (debits) arising in respect of:

Taxable temporary differences

Accelerated tax depreciation	32,923	47,039
Finance Lease - net	1,861	382

Deductible temporary differences

Minimum tax available for carry forward	(20,227)	(14,498)
	14,557	32,923



(RUPEES IN THOUSAND)

	Note	2018	2017
11. TRADE AND OTHER PAYABLES			
Creditors		39,455	23,732
Contractors retention money		38	47
Security deposits - interest free	11.1	154	6,653
Provident fund trust		1,355	1,303
Accrued charges		144,021	115,751
Advances from customers		281	6,643
Workers' profit participation fund	11.2	1,849	1,294
Workers' welfare fund		8,582	9,923
Others		600	600
		<u>196,335</u>	<u>165,946</u>
11.1	No interest is payable on the deposits and it can be used for the business.		
11.2 Workers' Profit Participation Fund			
Balance as on 01 July		1,294	2,286
Add: Provision for the year		1,849	1,294
Interest for the year		182	555
		<u>3,325</u>	<u>4,135</u>
Less: Payment during the year		(1,476)	(2,841)
Balance as on 30 June		<u>1,849</u>	<u>1,294</u>
12. ACCRUED MARK-UP			
Long term financing		-	199
Short term borrowings		701	730
		<u>701</u>	<u>929</u>
13. SHORT TERM BORROWINGS			
From banking companies - secured	13.1	84,646	78,210
		<u>84,646</u>	<u>78,210</u>
13.1	These have been obtained from banking companies on mark-up basis and are secured by pledge and hypothecation of stocks & stores, charge on stocks, book debts, other movable assets and fixed assets of the company and against personal guarantee of directors. The borrowing form a part of total credit facilities available to the extent of Rs. 135 million (2017: Rs. 135 million). Unavailed facility as at balance sheet date is Rs. 50 Million (2017: Rs. 57 million). Mark-up is paid at the rate ranging from 3 months Kibor plus 2%.		
14. CURRENT PORTION OF LONG TERM LIABILITIES			
Bank Al-Falah	8	5,667	11,333
Liabilities against asset subject to finance lease	9	5,282	1,931
		<u>10,949</u>	<u>13,264</u>



		(RUPEES IN THOUSAND)	
	Note	2018	2017
15. PROVISION FOR TAXATION			
Opening balance		19,271	16,701
Less:			
Paid during the year		(13,603)	(14,245)
Adjusted during the year		(5,668)	(2,455)
		-	1
Current		28,096	19,271
Prior		-	(1)
		28,096	19,270
		28,096	19,271

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

Counter guarantees of Rs. 25.000 million (2017: Rs. 25.000 million) has been issued by the bank of the company to Sui Northern Gas Pipelines Limited against gas connections.

16.2 Commitments

There are no capital expenditure commitment during the year and non capital expenditure commitments are amounting to Rs. 21.422 million (2017: Rs. 26.634 million).



(RUPEES IN THOUSAND)

17. PROPERTY, PLANT & EQUIPMENT

Note	2018	2017
Operating fixed assets	17.1 <u>314,245</u>	<u>349,784</u>
	<u>314,245</u>	<u>349,784</u>

17.1 Operating fixed assets

Description	Land Freehold	Buildings	Plant and Machinery	Electric Installations	Factory Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Total
At June 30, 2016									
Cost	3,351	134,796	687,606	2,425	150	3,783	27,226	3,343	862,680
Accumulated depreciation	-	75,574	384,056	2,074	140	3,064	13,572	2,630	481,110
Net book Value	3,351	59,222	303,550	351	10	719	13,654	713	381,570
Year ended June 30, 2017									
Opening Net book value	3,351	59,222	303,550	351	10	719	13,654	713	381,570
Additions	-	6,451	11,518	-	-	-	-	524	18,493
Disposals									
Cost	-	-	19,088	-	-	-	-	-	19,088
Depreciation	-	-	(7,828)	-	-	-	-	-	(7,828)
Net book value	-	-	11,260	-	-	-	-	-	11,260
Depreciation	-	(6,030)	(30,039)	(35)	(1)	(72)	(2,731)	(111)	(39,019)
Closing Net book value	3,351	59,643	273,769	316	9	647	10,923	1,126	349,784
At June 30, 2017									
Cost	3,351	141,247	680,036	2,425	150	3,783	27,226	3,867	862,085
Accumulated depreciation	-	81,604	406,267	2,109	141	3,136	16,303	2,741	512,301
Net book Value	3,351	59,643	273,769	316	9	647	10,923	1,126	349,784
Year ended June 30, 2018									
Opening Net book value	3,351	59,643	273,769	316	9	647	10,923	1,126	349,784
Additions	-	-	2,975	-	-	-	-	-	2,975
Disposals									
Cost	-	-	-	-	-	-	7,624	-	7,624
Depreciation	-	-	-	-	-	-	(4,676)	-	(4,676)
Net book value	-	-	-	-	-	-	2,948	-	2,948
Depreciation	-	(5,964)	(27,555)	(32)	(1)	(65)	(1,837)	(112)	(35,566)
Closing Net book value	3,351	53,679	249,189	284	8	582	6,138	1,014	314,245
At June 30, 2018									
Cost	3,351	141,247	683,011	2,425	150	3,783	19,602	3,867	857,436
Accumulated depreciation	-	87,568	433,822	2,141	142	3,201	13,464	2,853	543,191
Net book Value	3,351	53,679	249,189	284	8	582	6,138	1,014	314,245
Depreciation Rate (%)	-	10	10	10	10	10	20	10	

17.2 Depreciation for the year has been allocated as follows:

	2018	2017
Cost of goods sold	33,552	36,105
Administrative and general expenses	2,014	2,914
	<u>35,566</u>	<u>39,019</u>

**17.3 Statement of disposals of operating fixed assets**

Description	Cost	Accumulated Depreciation	Net Book Value	Sales Proceeds	(Gain) /Loss	Sold to	Basis of Sales
cars							
Honda city LE-10-2488	1,290	(1,020)	270	1,180	(910)	Mr. Iftikhar Hussain / third party	Negotiation
Santro LRY-6066	460	(395)	65	450	(385)	Mr. Abdul Khaliq / third party	Negotiation
Honda City LEE-13-7697	1,338	(338)	1,000	1,335	(335)	Ms. Samer Mariya / third party	Negotiation
Toyota Corolla LWL-9995	1,316	(1,219)	97	900	(803)	Mr. Syed Touseef Khasnood / third party	Negotiation
Honda Civic LEC-11-7522	1,557	(513)	1,044	1,225	(181)	Mr. Rana Asif Habib / third party	Negotiation
Toyota Corolla GLI LEC-12-4341	1,663	(1,191)	472	1,350	(878)	Mr. Mahmood Hussain Sheikh / third party	Negotiation
Grand Total	7,624	(4,676)	2,948	6,440	(3,492)		

		(RUPEES IN THOUSAND)	
		2018	2017
18. ASSETS SUBJECT TO FINANCE LEASE	Note		
Finance lease assets	18.1	<u>23,426</u>	<u>8,124</u>
		<u>23,426</u>	<u>8,124</u>
18.1 Finance Lease Assets			
Discription		Vehicles	Total
Opening net book value as on 1 July 2016		-	-
Additions		8,806	8,806
Depreciation charge		682	682
Closing net book value		<u>8,124</u>	<u>8,124</u>
At June 30, 2017			
Cost		8,806	8,806
Accumulated depreciation		682	682
Net book value		<u>8,124</u>	<u>8,124</u>
Depreciation Rate (%)		<u>20</u>	
Opening net book value as on 1 July 2017		8,124	8,124
Additions		18,754	18,754
Depreciation charge		3,452	3,452
Closing net book value		<u>23,426</u>	<u>23,426</u>
At June 30, 2018			
Cost		27,560	27,560
Accumulated depreciation		4,134	4,134
Net book value		<u>23,426</u>	<u>23,426</u>
Depreciation Rate (%)		<u>20</u>	
19. LONG TERM DEPOSITS		(RUPEES IN THOUSAND)	
		2018	2017
Others		<u>2,387</u>	<u>2,387</u>
		<u>2,387</u>	<u>2,387</u>
20. STORES, SPARES AND LOOSE TOOLS			
Stores		18,331	15,827
Spares		34,577	27,979
		<u>52,908</u>	<u>43,806</u>



		(RUPEES IN THOUSAND)	
21. STOCK IN TRADE	Note	2018	2017
Raw material		137,142	97,889
Work in process		17,797	17,696
Finished goods		37,729	6,224
Waste		703	449
		<u>193,371</u>	<u>122,258</u>
22. TRADE DEBTS			
These are unsecured but considered good.	22.1	<u>86,908</u>	<u>98,355</u>
22.1 The aging of trade debts at the balance sheet date is:			
Not past due		85,601	88,508
Past due 1-30 days		1,299	1,928
Past due 31-180 days		8	6,899
Past due 181-365 days		-	1,020
		<u>86,908</u>	<u>98,355</u>
23. LOANS AND ADVANCES			
(Unsecured but considered good):-			
Advances to:			
Suppliers and contractors		3,769	2,780
Against expenses		684	1,325
Employees		1,073	1,035
		<u>5,526</u>	<u>5,140</u>
24. TRADE DEPOSITS AND PREPAYMENTS			
Income tax		28,736	19,923
Letters of credit		12,364	30,352
Margin on bank guarantee		14,642	14,642
Prepayments		487	351
		<u>56,229</u>	<u>65,268</u>
25. OTHER RECEIVABLES			
Sales tax		18,080	11,992
Others		24	325
		<u>18,104</u>	<u>12,317</u>
26. CASH AND BANK BALANCES			
Cash in hand		849	920
Cash with banks:			
In current accounts		9,784	12,304
		<u>10,633</u>	<u>13,224</u>
27. SALES - NET			
Local		2,283,812	2,049,462
Waste		4,174	3,650
		<u>2,287,986</u>	<u>2,053,112</u>
Less:			
Sales tax		4,867	-
Commission		11,585	10,788
		<u>2,271,534</u>	<u>2,042,324</u>



(RUPEES IN THOUSAND)

	Note	2018	2017
28. COST OF SALES			
Raw material consumed	28.1	1,540,541	1,309,779
Salaries, wages and benefits	28.2	240,870	217,949
Stores and spares		33,344	39,952
Packing materials		34,270	32,895
Fuel and power		315,963	316,927
Repair and maintenance		2,400	3,628
Insurance		2,959	3,982
Other factory overhead		187	163
Depreciation		33,552	36,105
		<u>663,545</u>	<u>651,601</u>
		2,204,086	1,961,380
Opening stock in process		17,696	13,223
Closing stock in process		(17,797)	(17,696)
Cost of goods manufactured		<u>2,203,985</u>	<u>1,956,907</u>
Opening stock of finished goods		6,673	6,134
Closing stock of finished goods		(38,432)	(6,673)
		<u>2,172,226</u>	<u>1,956,368</u>
28.1 RAW MATERIAL CONSUMED			
Opening stock		97,889	106,781
Purchases		1,579,794	1,300,887
		<u>1,677,683</u>	<u>1,407,668</u>
Less: closing stock		(137,142)	(97,889)
		<u>1,540,541</u>	<u>1,309,779</u>
28.2 Salaries, wages and other benefits include Rs. 6.316 million (2017: Rs. 5.655 million) in respect of staff retirement benefits.			
29. ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances and benefits	29.1	35,731	32,124
Traveling and conveyance		187	202
Vehicle running and maintenance		3,970	3,767
Printing and stationery		699	673
Newspaper and periodicals		25	24
Postage, telegram and telephone		768	682
Advertisement		98	106
Rent, rates, and taxes		151	130
Legal and professional		683	1,059
Auditors' remuneration	29.2	550	548
Subscription	29.3	366	321
Insurance		1,929	1,503
Entertainment		459	423
Computerization		171	253
General		673	543
Electricity expense		1,926	1,127
Depreciation		5,466	3,596
		<u>53,852</u>	<u>47,081</u>

29.1 Salaries, allowances and benefits include Rs. 1.128 million (2017: Rs. 0.805 million) in respect of staff retirement benefits.



(RUPEES IN THOUSAND)

	2018	2017
29.2 Auditors' Remuneration		
Statutory audit fee	500	500
Half yearly review fee	30	30
Provident fund audit & other certification fee	20	18
	<u>550</u>	<u>548</u>
29.3 No director or his spouse had any interest in the donee's fund.		
30. SELLING AND DISTRIBUTION EXPENSES		
Freight and expenses on local sales	<u>4,521</u>	<u>4,194</u>
	<u>4,521</u>	<u>4,194</u>
31. FINANCE COSTS		
Mark-up on:		
Long term financing - secured	952	1,921
Short term bank borrowings - secured	4,172	5,854
	<u>5,124</u>	<u>7,775</u>
Bank charges and commission	835	1,135
Lease finance charges	1,442	320
Interest on workers' profit participation fund	182	555
	<u>7,583</u>	<u>9,785</u>
32. OTHER CHARGES		
Workers' profit participation fund	1,849	1,294
Workers' welfare fund	703	492
Workers' welfare fund prior year adjustment	219	-
	<u>2,771</u>	<u>1,786</u>
33. OTHER INCOME		
Gain on sale of operating fixed assets	3,492	290
Balances written off	324	378
Miscellaneous receipts	-	135
Office rent	36	182
	<u>3,852</u>	<u>985</u>
34. TAXATION		
Current	28,096	19,271
Prior	-	(1)
Deferred tax	(18,366)	(14,116)
	<u>9,730</u>	<u>5,154</u>

34.1 The company's income tax assessments have been finalized upto and including tax year 2017.

34.2 The provision for current year income tax is based on minimum taxation under section 113 of the income tax ordinance, 2001. Accordingly, numerical reconciliation between average effective tax rate and applicable rate is not reported for this year.

**35. CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES' REMUNERATION**

The aggregate amount charged in the accounts during the period for remuneration including benefits to Chief Executive officer, Director and Executives is as follows:

(RUPEES IN THOUSAND)			
	Chief Executive Officer	Director	Executives
	2018	2018	2018
Managerial remuneration	1,260	180	5,877
House rent	567	81	589
Medical allowance	126	18	289
Utility allowance	147	21	1,052
Provident fund contribution by company	-	-	180
	<u>2,100</u>	<u>300</u>	<u>7,987</u>
Number (s)	<u>1</u>	<u>1</u>	<u>3</u>

(RUPEES IN THOUSAND)			
	Chief Executive Officer	Director	Executives
	2017	2017	2017
Managerial remuneration	1,260	144	9,970
House rent	567	65	1,542
Medical allowance	126	14	997
Utility allowance	147	17	1,400
Provident fund contribution by company	-	-	434
	<u>2,100</u>	<u>240</u>	<u>14,343</u>
Number(s)	<u>1</u>	<u>1</u>	<u>10</u>

35.1 Chief Executive Officer of the company has been provided with a free company maintained car.

35.2 No remuneration was paid to non-executive directors of the company

35.3 No meeting fee was paid to the directors of the company during the year (2017: Rs. Nil).

35.4 Comparative figures have been restated to reflect changes in the definition of 'Executives' as per Companies Act, 2017. As per revised definition 'Executives' mean employees other than the Chief Executive Officer and Directors, whose basic salary exceeds Rs. 1,200,000/- in a financial year.

36. RELATED PARTIES

Related parties comprise of the Holding Company, Associated Companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Associated Companies due to common directorship

- Sargodha Spinning Mills Limited

**36.1 TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKING**

Transaction with Related Parties/ Associated Undertakings, other than remuneration and benefits to key management personnel's under the terms of their employment (refer note no. 35) and other than the payments made to the retirement benefit plans are as under:

The purchases from associated undertaking, Sargodha Spinning Mills Limited, material of aggregate sum of Rs. 2.707 million (2017: Rs 11.280 million) during the year.

The maximum aggregate amount due from associated undertaking, Sargodha Spinning Mills Limited, at the end of the year was Nil (2017: Rs.0.216 million).

(RUPEES IN THOUSAND)

	Note	2018	2017
37. EARNING PER SHARE - BASIC AND DILUTED			
There is no dilutive effect on the basic earning per share of the company.			
Profit after taxation		24,703	18,941
Weighted average number of ordinary shares outstanding during the year (No in '000)		3,000	3,000
Basic earning per share (Rupees)		8.23	6.31
38. CASH GENERATED FROM OPERATIONS			
Profit before taxation		34,433	24,095
Adjustments for non cash charges & other items:			
Depreciation		39,018	39,701
Financial charges		7,583	9,785
Workers' profit participation fund		1,849	1,294
Workers' welfare fund		703	492
Gain on sale of operating fixed assets		(3,492)	(290)
Balances written off		(324)	(378)
Working capital changes	38.1	(26,923)	(32,897)
		52,847	41,802
38.1 WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(9,102)	(2,586)
Stock in trade		(71,113)	3,880
Trade debts		11,447	(19,505)
Loans and advances		(386)	(726)
Trade deposits and prepayments		17,852	(8,332)
Other receivables		(5,787)	(12,056)
		(57,089)	(39,325)
Increase / (decrease) in current liabilities			
Trade and other payable		30,166	6,428
		(26,923)	(32,897)
39. CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	10,633	13,224

**40. STAFF RETIREMENT BENEFITS****40.1 DEFINED CONTRIBUTION PLAN**

The Company has maintained an employee provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act 2017, and the rules formulated for this purpose. The information of the fund is based on un-audited financial statements of the fund for the year ended 30 June 2018:

Size of the fund	Note	115,304	125,382
Cost of investment made		59,872	59,872
Percentage of investment made		51.93%	47.75%
Fair value of investment	40.2	95,235	108,098

40.2 BREAKUP OF INVESTMENTS

	%age		%age
Investment in mutual fund	91%	87,036	91%
Meezan strategic allocation plan - II	9%	8,199	9%
		95,235	108,098

40.3 Balance in scheduled banks

Saving account	15,750	15,100
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41. PLANT CAPACITY AND ACTUAL PRODUCTION

Number of spindles installed	33,600	33,600
Number of spindles worked	33,120	32,640
Production at normal capacity converted to 20/s (Kgs.)	18,789,547	18,271,001
Actual production converted to 20/s (Kgs.)	18,342,621	17,973,818
No. of shifts worked per day	3	3

41.1 Reason for low production is due to normal maintenance, gas and electric shut down / closure.

42. NUMBER OF EMPLOYEES

At the year end number of employees of the company

- Total employees	1,084	1,081
- Factory employees	1,061	1,058

Weighted average number of employees of the company

- Total employees	1,081	1,064
- Factory employees	1,058	1,041

43. FINANCIAL INSTRUMENTS BY CATEGORY**FINANCIAL ASSETS****as per Balance Sheet**

Cash and bank balances	10,633	13,224
Trade debts	86,908	98,355
Loans & advances	1,073	1,035
Deposit & prepayments	14,642	14,642
Other receivables	24	325
Long term deposits	2,387	2,387
	115,667	129,968



		(RUPEES IN THOUSAND)	
	Note	2018	2017
FINANCIAL LIABILITIES			
as per Balance Sheet			
Long term loans		10,949	18,931
Short term borrowings		84,646	78,210
Trade and other payable		185,623	148,518
Accrued mark-up on secured loans		701	929
		281,919	246,588

43.1 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

44. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies. The company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk and the company's management of capital.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

44.1 CREDIT RISK

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans to/due from related parties.



The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage exposure to credit risk in respect of trade receivables, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors. Limits are reviewed periodically and the customers may transact with the company only on a prepayment basis.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	(RUPEES IN THOUSAND)	
	2018	2017
Bank balances	9,784	12,304
Trade debts	86,908	98,355
Loans & advances	1,073	1,035
Deposits & prepayments	14,642	14,642
Other receivables	24	325
Long term deposits	2,387	2,387
	<u>114,818</u>	<u>129,048</u>

Based on past experience the management believes that no impairment allowance is necessary as there are reasonable grounds to believe that the amounts will be recovered in short course of time.

Bank balances are held only with reputable banks with high quality credit ratings.

44.2 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements as mentioned in note no. 12.1 and note no. 24. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

Following is the maturity analysis of financial liabilities:

2018	Upto 1 Year	Between 1 to 5 Years	Total
Non derivative financial liabilities			
Long term Liabilities	10,949	11,729	22,678
Short term borrowings	84,646	-	84,646
Trade and other payable	185,623	-	185,623
Accrued mark-up on secured loans	701	-	701
	<u>281,919</u>	<u>11,729</u>	<u>293,648</u>
2017	Upto 1 Year	Between 1 to 5 Years	Total
Non derivative financial liabilities			
Long term Liabilities	13,264	10,542	23,806
Short term borrowings	78,210	-	78,210
Trade and other payable	148,518	-	148,518
Accrued mark-up on secured loans	929	-	929
	<u>240,921</u>	<u>10,542</u>	<u>251,463</u>



44.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effectively as at 30 June. The rate of mark-up have been disclosed in respective notes to the financial statements.

44.3 MARKET RISK

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

44.3.1 Interest Risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates and entering into interest rate swap contracts. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

Cash flow sensitivity analysis

A change of 100 basis points in interest rate of long term loans at the reporting date would have increased / (decreased) equity and profit or (loss) by Rs. 0.101 (2017: Rs. 0.223 million).

44.3.2 Fair value of financial assets and liabilities

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows

Level 1: quoted prices (un-adjusted) in active market 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 (i.e., as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

i) Fair value at initial recognition

The Company takes in to account factors specific to the transaction and to the asset or liability, when determining whether or not the fair value at initial recognition equals the transaction price. Except for long term deposits, the fair value of financial assets and financial liabilities recognised in these financial statements equals the transaction price at initial recognition. Due to immaterial effect the fair value of the long-term deposits has not been determined and their carrying value has been assumed to be equal to their fair value.

ii) Valuation techniques and inputs used

For instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are of short term in nature, fair value significantly approximates to carrying value.

iii) Fair value of the Company's financial assets and liabilities that are measured at fair value on recurring basis after initial recognition

The company uses widely recognized valuation techniques, for determining the fair value of assets and liabilities, that use only observable market data and require little management judgement and estimation.



- iv) Fair value of the Company's financial assets and liabilities that are not measured at fair value after initial recognition

The carrying amount of financial assets and financial liabilities recognized in these financial statements approximate their respective fair values. Fair values of financial assets and liabilities carried at amortized cost.

(RUPEES IN THOUSAND)		
	June 30, 2018	June 30, 2017
Financial assets carried at amortized cost:	Carrying amount	Carrying amount
Cash and bank balances	10,633	13,224
Trade debts	86,908	98,355
Loans & advances	1,073	1,035
Deposit & prepayments	14,642	14,642
Other receivables	24	325
Long term deposits	2,387	2,387
	<u>115,667</u>	<u>129,968</u>
Financial liabilities carried at amortized cost:	Carrying amount	Carrying amount
Long term loans	10,949	18,931
Short term borrowings	84,646	78,210
Trade and other payable	185,623	148,518
Accrued mark-up on secured loans	701	929
	<u>281,919</u>	<u>246,588</u>

- v) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods:

- a) Non-derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

- b) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

(RUPEES IN THOUSAND)				
FOR THE YEAR ENDED JUNE 30, 2018				
	Opening balance	Financing cash flows	Other changes	Closing balance
Long-term financing	17,000	(11,333)	-	5,667
Liabilities against assets subject to finance lease	6,806	(8,549)	18,754	17,011
Unclaimed dividend	432	(7,557)	7,590	465
Short-term loans from banking companies	78,210	6,436	-	84,646
	<u>102,448</u>	<u>(21,003)</u>	<u>26,344</u>	<u>107,789</u>

**46. CAPITAL MANAGEMENT**

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 01 October 2018 by the Board of Directors of the company.

48. NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on 01 October 2018 has recommended a cash dividend at Rs. 1.65 per share (i.e. 16.50%) (2017: Rs 2.53/- per share) amounting to Rs. 4.950 million for the year ended 30 June 2018. The above proposed cash dividend is subject to the approval of the members at the Annual General Meeting to be held on 27 October 2018. These financial statements do not include the effect of the above proposal which will be accounted for in the period in which it is approved by the members.

49. GENERAL

Figures have been rounded off to the nearest thousand rupee.

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Mazhar Hussain)
Chief Financial Officer



PATTERN OF SHAREHOLDING

FORM 34

1. Incorporation Number **0007162**
2. Name of the Company **SHADAB TEXTILE MILLS LIMITED**
3. Pattern of holding of the shares held by the shareholders as at **30** **06** **2018**

4.	No. of Shareholders	Shareholdings			Total shares held
		From		To	
	90	1	-	100	2,140
	87	101	-	500	27,166
	27	501	-	1,000	25,010
	31	1,001	-	5,000	79,342
	7	5,001	-	10,000	61,846
	1	10,001	-	15,000	11,000
	1	15,001	-	20,000	16,800
	1	25,001	-	30,000	30,000
	1	30,001	-	35,000	30,150
	4	35,001	-	40,000	148,850
	1	45,001	-	50,000	48,710
	2	50,001	-	55,000	105,382
	4	60,001	-	65,000	248,098
	1	65,001	-	70,000	65,182
	2	70,001	-	75,000	150,000
	1	75,001	-	80,000	79,034
	1	80,001	-	85,000	80,753
	1	85,001	-	90,000	88,253
	1	90,001	-	95,000	94,207
	1	135,001	-	140,000	136,682
	1	145,001	-	150,000	147,900
	1	160,001	-	165,000	165,000
	1	170,001	-	175,000	175,000
	1	200,001	-	205,000	203,636
	1	230,001	-	235,000	234,620
	1	265,001	-	270,000	268,953
	1	275,001	-	280,000	276,286
			-		
	<u>272</u>				<u>3,000,000</u>



2.3	Categories of shareholders	Shares Held	Percentage
2.3.1	Directors, Chief Executive Officers, and their spouse and minor children	1,221,255	40.7085%
2.3.2	Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3	NIT and ICP	600	0.0200%
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	53	0.0018%
2.3.5	Insurance Companies	--	--
2.3.6	Modarabas and Mutual Funds	94,207	3.1402%
2.3.7	Share holders holding 10% or more	416,853	13.8951%
2.3.8	General Public		
	a. Local	1,595,741	53.1914%
	b. Foreign	0	0.0000%
2.3.9	Others (to be specified)		
	1 Joint Stock Companies	79,200	2.6400%
	2 Pension Funds	8,613	0.2871%
	3 Others	331	0.0110%
6.	Signature of Company Secretary		
7.	Name of Signatory	Mr. Mazhar Hussain	
8.	Designation	Company Secretary	
9.	NIC Number	3 5 2 0 2 - 2 7 2 5 5 7 6 - 3	
10.	Date	30-06-2018	



CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2018

<u>S.No.</u>	<u>Name</u>	<u>No. of Shares Held</u>	<u>%age</u>
Associated Companies, Undertakings and Related Parties		-	-
Mutual Funds			
1	CDC Trustee National Investment (Unit) Trust (CDC)	94,207	3.1402%
DIRECTORS AND THEIR SPOUSE AND MINOR CHILDREN			
1	MIAN SHAHZAD ASLAM (CDC)	234,620	7.8207%
2	MIAN FARRUKH NASEEM	203,636	6.7879%
3	MIAN AAMIR NASEEM	276,286	9.2095%
4	MRS. FATIMA AAMIR	416,853	13.8951%
5	MR. YASIR NASEEM	10,000	0.3333%
6	MRS. HINA FARRUKH	78,860	2.6287%
7	MR. HAMZA NASEEM	1,000	0.0333%
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		8,666	0.2889%
Shareholders holding five percent or more voting interest in the listed company			
1	Mrs. Fatima Aamir		
2	Mr. Ahmad Ali Tariq(CDC)	416,853	13.8951%
3	Mst. Sadia Ali Tariq (CDC)	175,000	5.8333%
4	Mian Aamir Naseem	165,000	5.5000%
5	Mian Farrukh Naseem	276,286	9.2095%
6	Mian Shahzad Aslam (CDC)	203,636	6.7879%
7	Mr. Ahmed Naseem	234,620	7.8207%
		153,435	5.1145%

All trades in the shares of the listed company, carried out by its CEO, Directors, Executives and their spouses and minor children are as under:

<u>S. No.</u>	<u>Name</u>	<u>Sale</u>	<u>No of Share Purchased</u>
1	Mian Aamir Naseem	-	13,800



Folio No./CDC Participant ID
and Account No. _____
CNIC No. _____

FORM OF PROXY

I / We _____
Son / Daughter / Wife of _____
being a member of **SHADAB TEXTILE MILLS LIMITED** and holder of _____
(Number of Shares)
Ordinary Shares as per Registered Folio No./ CDC/ Participant ID No. and Account No. _____
hererby appoint Mr. _____ of _____
of failing him Mr. _____ of _____
who is also a member of **SHADAB TEXTILE MILLS LIMITED**, Vide Registered Folio No./ CDC/ Participant
ID No. and Account No. _____
as my / our proxy to vote for me / us and on my / our behalf at the 39th Annual General Meeting of the
Company to be held on Saturday, October 27, 2018 at 10.30 a.m. and at any adjournment thereof.

As witness my / our hand (s) this _____ day of _____ 2018

1. Witness:

Signature _____
Name _____
Address _____
CNIC No. _____

Affix
Revenue
Stamps of
Rs. 5/-

2. Witness:

Signature _____
Name _____
Address _____
CNIC No. _____

Signature of Shareholder

NOTE:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint an other member as his / her proxy to attend and vote on his/her behalf. Proxies in order to be valid must be received at the Registered Office of the Company 48 hours before the time of the meeting. A proxy must be a member of the Company.
2. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport to prove his/her identity and in case of proxy must enclose an attested copy of his/her CNIC or Passport. Representative of corporate members should bring the usual documents required for such purposes.
3. Signature should agree with specimen signature registered with the company.



فولیو نمبر / سی ڈی سی پارٹیشن (شرکت) ID

اور کھاتا نمبر:

کمپیوٹرائزڈ شناختی کارڈ نمبر:

پراکسی فارم

میں / ہم

بیٹا / بیٹی / زوجہ

شاداب ٹیکسٹائل ملز لمیٹڈ اور حامل

(تعداد حصص)

سی ڈی سی پارٹیشن (شرکت) آئی ڈی اور اکاؤنٹ (کھاتہ) نمبر:

محترم

یا عدم موجودگی کی صورت میں، محترم

کا / کے

(شرکت) آئی ڈی اور اکاؤنٹ (کھاتہ) نمبر:

صبح 10:30 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التوا کی صورت میں اپنا / ہمارے ایماء پر مورخہ 27 اکتوبر 2018 بروز ہفتہ

آج بروز

بتاریخ 2018 بطور گواہ دستخط کئے گئے۔

(1) گواہ:

دستخط:

نام:

پتہ:

کمپیوٹرائزڈ شناختی کارڈ نمبر:

(2) گواہ:

دستخط:

نام:

پتہ:

کمپیوٹرائزڈ شناختی کارڈ نمبر:

نوٹ:

1- کوئی بھی رکن (ممبر) جو سالانہ اجلاس میں شرکت کرنے اور ووٹ دینے کا / کی حقدار ہے وہ اجلاس میں شرکت کرنے اور ووٹ دینے کے لیے کسی دوسرے رکن (ممبر) کو اپنا پراکسی مقرر کر سکتا / سکتی ہے۔ پراکسیاں موثر ہونے کے لیے اجلاس کے انعقاد سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہو جانی چاہئیں۔ پراکسی کارکن (ممبر) ہونا لازمی ہے۔

2- سی ڈی سی کے انفرادی مالک جو اس اجلاس میں شرکت کے اہل ہیں اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ اپنی شناخت کے لیے ہمراہ لائیں۔ پراکسی کی صورت میں اپنے قومی

شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کریں۔ کارپوریٹ ممبرز کے نمائندگان شناخت کے لیے اس موقع پر درکار معمول کی دستاویزات ہمراہ لے کر آئیں۔

3- دستخط کمپنی کے رجسٹرڈ نمونہ دستخط سے مماثل ہونے چاہئیں۔

پانچ روپے مالیت کی رسیدی
ٹکٹ چسپاں کریں

ممبر کے دستخط



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