TATA
PAKISTAN

TATA TEXTILE MILLS LIMITED

Annual Report
2016

CONTENT

COMPANY INFORMATION

BOARD OF DIRECTORS	
CHAIRMAN:	Mr. Anwar Ahmed Tata
CHIEF EXECUTIVE:	Mr. Shahid Anwar Tata
DIRECTORS:	Mr. Adeel Shahid Anwar Tata Mr. Bilal Shahid Anwar Mr. Asif Saleem Mr. Muhammad Salman H. Chawala (NIT) Mr. Muhammad Naseem
AUDIT COMMITTEE	
CHAIRMAN:	Mr. Muhammad Naseem
MEMBERS:	Mr. Asif Saleem Mr. Bilal Shahid Anwar
SECRETARY:	Mr. Owais Ahmed Abbasi
HUMAN RESOURCE & REMUNERATION COMMITTEE	
CHAIRMAN:	Mr. Muhammad Naseem
MEMBERS:	Mr. Shahid Anwar Tata Mr. Bilal Shahid Anwar
SECRETARY:	Mr. Umar Khawajah
COMPANY SECRETARY & CHIEF FINANCIAL OFFICER:	Mr. Farooq Advani
BANKERS:	Faysal Bank Limited Dubai Islamic Bank (Pakistan) Limited Bank Alfalah Limited Meezan Bank Limited Habib Metropolitan Bank Limited The Bank of Punjab MCB Bank Limited National Bank of Pakistan Soneri Bank Limited Allied Bank Limited Bank Islami Pakistan Limited JS Bank Limited Askari Bank Limited Samba Bank Limited NIB Bank Limited Industrial Commercial Bank of China (ICBC) Limited
AUDITORS:	M/s. Deloitte Yousuf Adil Chartered Accountants
LEGAL ADVISOR:	Rajwana & Rajwana Advocates
SHARE REGISTRAR:	Central Depository Company of Pakistan Limited CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal Tel# (Toll Free) 0800-CDCPL (23275) Fax: (92-21) 34326053
REGISTERED OFFICE:	6th Floor Textile Plaza, M.A Jinnah Road Karachi. Tel# 32412955-3 Lines 32426761-2-4 Fax# 32417710
WEB SITE ADDRESS:	www.tatatex.com
E- MAIL ADDRESS:	ttm.corporate@tatatex.com
MILLS:	10th K.M. M.M. Road Khanpur-Baggasher, District Muzaffargarh

VISION STATEMENT

We shall build upon our recognition as a socially and environmentally responsible organization known for its principled and honest business practices we shall remain committed to exceeding the highest expectations of our stakeholders by maintaining the highest quality standards and achieving sustained growth in our capacity.

MISSION STATEMENT

We are committed to the higher expectations of our customers.
We strive for the production of best quality yarns for high value products.

CERTIFICATE

aitex

Instituto Tecnológico Textil
Plaza Emilio Sala, 1-1º
E-03801 Alcoy (Alicante)

The company

TATA TEXTILE MILLS LTD

6TH FLOOR, TEXTILE PLAZA, M.A. JINNAH ROAD

74000 KARACHI,SINDH, PAKISTAN

is granted authorisation according to Oeko-Tex® Standard 100 to use the Oeko-Tex® mark, based on our **test report 2016OK0307**

CONFIDENCE IN TEXTILES

Tested for harmful substances

according to Oeko-Tex® Standard 100

2012PK0018 AITEX

for the following articles:

100% greige cotton yarn and its blends with elastane and PVA.Partly based on material pre-certified according to Oeko-tex® Standard 100.

The results of the inspection made according to Oeko-Tex® Standard 100, **product class I** have shown that the above mentioned goods meet the human-ecological requirements of the standard presently established for baby articles.

The certified articles fulfil the requirements of Annex XVII of REACH (incl. the use of azo-dyes, nickel, etc.) as well as the American requirement regarding total content of lead in children's articles (CPSIA; with the exception of accessories made from glass).

The holder of the certificate, who has issued a conformity declaration according to ISO 17050-1, is under an obligation to use the Oeko-Tex® mark only in conjunction with products that conform with the sample initially tested. The conformity is verified by audits.

This authorisation is valid until 31.03.2017

Alcoy (Alicante) España, 14.03.2016

Silvia Devesa Valencia
Innovation Assistant Manager

Isabel Soriano Sarrió
Chief of Innovation Area

CERTIFICATE

USTERIZED®

Uster Technologies AG is granting authorization to use the trademark USTERIZED® to the following company:

Tata Textile Mills Ltd.
10 km M. M. Road
Khan Pur Bagha Sher
Muzaffargarh
Punjab
Pakistan

Tata Textile Mills Ltd., Pakistan, fulfills all conditions for using the USTERIZED® brand and will be checked regularly on a yearly basis.

Uster / Switzerland, 22 October 2013

Dr. Geoffrey Scott
Chief Executive Officer

Thomas Nasiou
Executive Vice President
Textile Technology

USTER®
Think quality

COTTON USA

COTTON COUNCIL INTERNATIONAL

CERTIFIES THAT

TATA Textile Mills Ltd.

IS A CERTIFIED

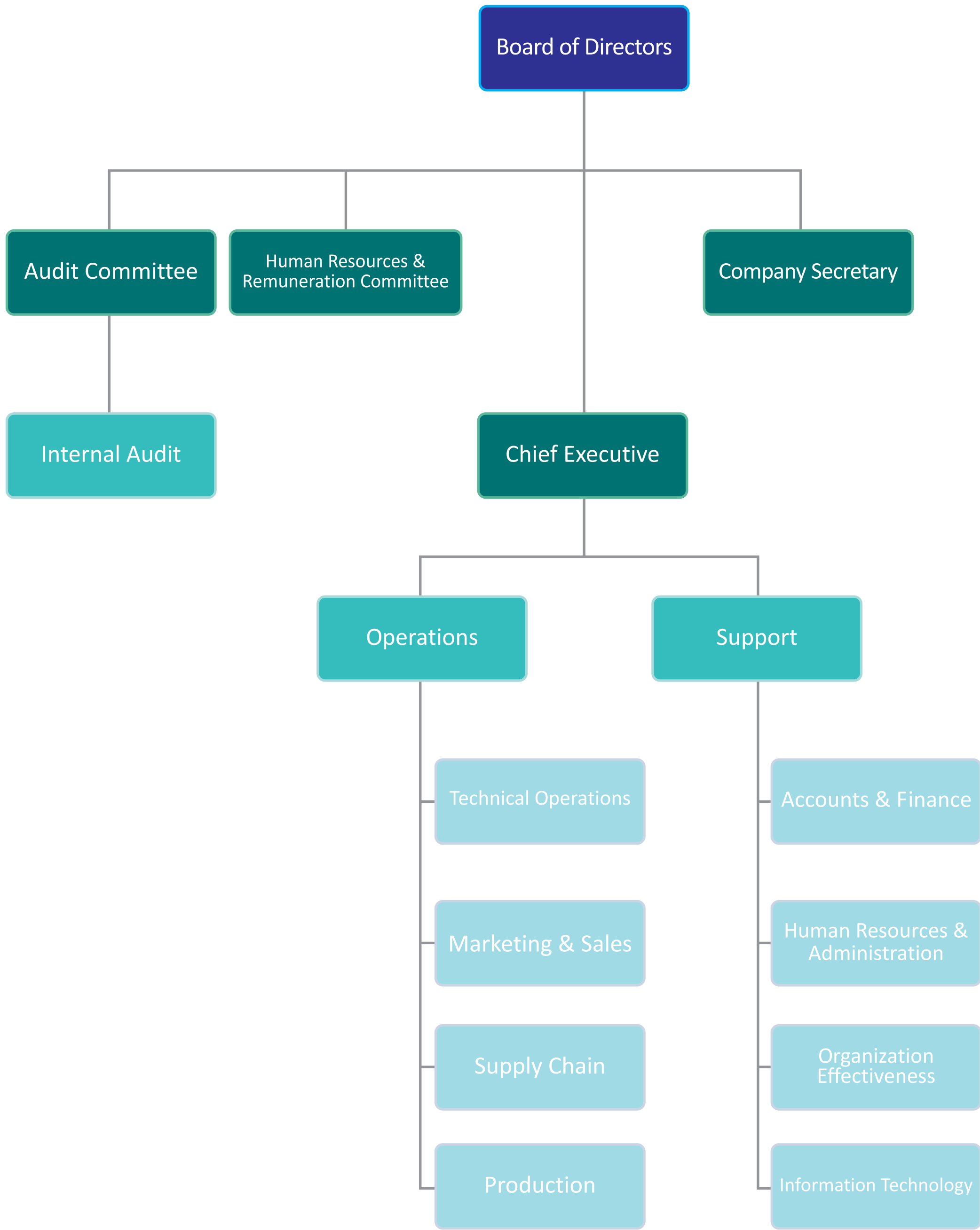
COTTON USA LICENSEE

This licensee has complied with the necessary licensing requirements and has been granted the right to use CCI's registered trademark on all qualifying labels, print and promotional materials for one calendar year from the date of the certificate.

Issued this 1st day of January 2015

Manager, Global Operations
Cotton Council International

Organization Chart



CHAIRMAN'S REVIEW

Assalam-o-Alaikum,

As Chairman of Tata Textile Mills Limited, I am pleased to present the Annual Audited Accounts along with the auditor's report, thereon, for the year ended June 30, 2016. During the period under review, the financial results of the organization are not encouraging, as the Company has incurred a pretax loss of Rs.160.365 Million.

TEXTILE INDUSTRY

I have been in business for a very long time and I have never experienced a Government so indifferent and insensitive to the plight of exporting Industry as the current incumbent Government. The Textile Industry in Pakistan is the largest Manufacturing Sector and the second largest employment generating Sector and contributes around 60% in Foreign Exchange earnings through Exports but due to Government's apathy and indifference the Textile Mills are closing and Export is declining.

All Pakistan Textile Mills Association (APTMA) have also emphasized that every day one Textile Mill is closing down and Exports have drastically declined from US$.25.110 Billion (in 2013-2014) to US$.20.802 Billion, (in 2015-2016), that is, a reduction of 17%.

The revenue boost declared by the Government from PKR.1.9 trillion to PKR.3.1 trillion since last 3 years is not due to increase in the number of tax payers but mostly on account of increase in rate of taxes and Withholding Taxes.

Reasons for the dismal performance of your Company is due to the enormous burden of Taxes, surcharges and duties, details as mentioned below.

1. **Exorbitant Taxes paid by the Company**
   During the year under review, the Company contributed around PKR.166 Million towards the National Exchequer on account of various government levies, such as, Withholding Taxes, Sales Tax, Infrastructure Cess, SRB on Services, Custom Duties, Cotton Cess, Textile Cess, Social Security, Income Tax, EOBI, Education Cess and Revenue Stamp.

2. **Raw Cotton and Fiber**
   The consumption of Cotton is more than production of Cotton in Pakistan, which results in the Mills buying Cotton at Import Parity. However, since last two years the Government has imposed punitive duties on import of basic Raw Material, thus rendering the Cotton more expensive and making the exportable goods more costly. Even during the current year there is a reduction of 20% in Cotton cultivation areas, hence, creating a shortfall of 3 to 5 Million bales in the current year.

   The Government has imposed punitive duties on import of Fiber, just to protect and subsidized the local Fiber producers in Pakistan for the last 30 years, yet they have failed to become world class efficient, thus, rendering the entire textile chain unable to export.

3. **Appreciation of Pakistani Rupee**
   With regard to the currency change versus US$, from the year 2013 to 2015, the Pakistani Rupee has appreciated by 3%, whereas, the Indian Rupee has depreciated by 8.1%, Bangladesh by 0.6 percent, Sri Lanka by 9.3% and China by 5.1%, making it extremely difficult to compete in the International Market. It is estimated by the Economist that Pakistani Rupee is over-valued by more than 20%.

4. **Cost of Labor**
   As compared to the regional countries, i.e. Vietnam, Sri Lanka, Bangladesh and India, Pakistan has become the most expensive country in terms of labor, as the minimum wage per month in Pakistan is US$.135 as compare to US$.90 in Vietnam, US$. 66 in Sri Lanka, US$.68 in Bangladesh, and U$.90 in

5. **Cost of Power**
   We are paying the highest tariff for Power as compared to the regional countries. The electricity tariff for textile industry in Pakistan is around 11 cents/kilowatt hour as compared to 7 cents in Vietnam, 9 cents in Sri Lanka, 7.3 cents in Bangladesh, 8.5 cents in China and 9 cents in India. The gas tariff, is $8/MMBTU in Pakistan against $4.5 in Vietnam, $3 in Bangladesh, $6 in China and $4.2 in India

We support APTMA's appeal to the Government for urgent remedial measures for survival of the Textile Industry, such as:

- Anomalies with regard to Zero Rating should be resolved on priority.
- Removal of 1.25%Cess collection by the Provisional Government on Textile Raw Material.
- Removal of 5% Sales Tax on import of Cotton.
- Removal of 4% Custom Duty.
- Removal of Gas Infrastructure Development Cess (GIDC) and reduction in Gas Tariff in line with Regional competing Countries.
- Removal of all surcharges on Electricity Tariff
- Provision of DLTL (Draw back of Local Taxes & Levies) @ 5% against export of Yarns.
- Turnover Tax be abolished for the next 5 years
- Inclusion of Long Term Financing Facility (LTFF) in indirect Exports.

Information Technology

Your company has state of art information technology infrastructure and is committed to stay updated with the growing needs and global technologies advancements. Your company is aligning the business and IT in order to fully benefit in a significant and persistent way for data management through ERP. Since last few years, throughout the organization, the world renowned tear one level Oracle EBS based Enterprise Resource Planning – ERP Solution has been rolled out, covering Financials, Supply Chain Management and Oracle Discreet Manufacturing process automation along with other Oracle based customized and integrated modules of Quality Management System and in house developed payroll. Business Intelligences, HRMS and Enterprise Asset Management is potential part of the Corporate Future Strategy. The Group is embraced with state of the art deployment of Network Infrastructure, placement of disaster recovery plan – DRP and business communication over secure medium.

The ERP facilitates information flow between all business functions, and ensure availability of secured / integrated information to its stakeholders all over, and it ensures the smooth flow of centralized reliable information in real-time to all key stakeholders resulting in lucrative process management, data consolidation and ultimately the right decision making.

Human Resource Development

Your company's management is committed towards development of its people and has put substantial efforts that a continuous learning environment exist within the Company.

A corporate culture is maintained that encourage creativity, independence strengthening of technical and leadership skills. Learning interventions at your Company includes preparing selected young and potential leaders. During the year, we have conducted in-house and external trainings covering areas of quality control, safety and health, leadership and core management skills development.

Your Company has a consistent Performance Management Review Process that ensures employee's performance is fairly recognized and improved career paths are developed for the talented employees. We have zero tolerance policy for unethical business practices or individual behavior.

Going Forward

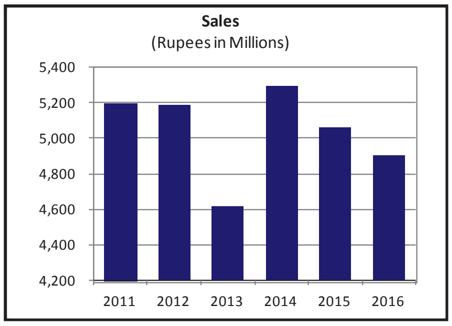
Our commitment to quality is very high; therefore, most of our investments have remained in quality and product diversification. We have plans for a major Balancing Modification Replacement (BMR) of approx. Rs. 720 Million at Tata Mill. This investment includes production of value added Dual Core Yarns along with the major replacement of the old technology machines at the Ring Spinning, Pre Spinning and the Fiber Preparation departments. With this BMR our production capacities will also enhance.

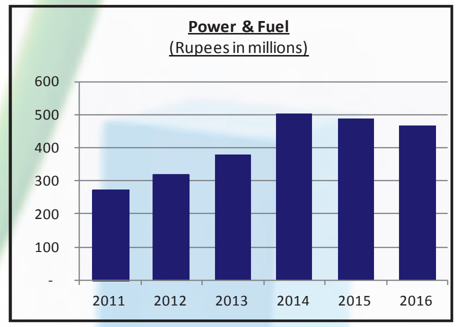
ACKNOWLEDMENT

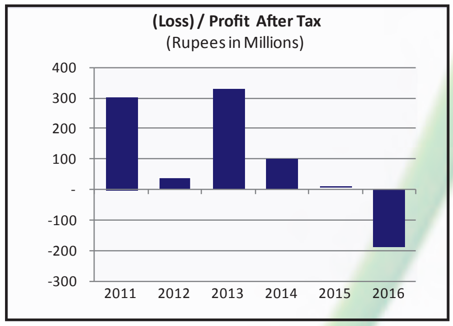
We sincerely acknowledge and appreciate the untiring endeavors of our various teams who are constantly engaged in upholding their commitment to make this organization surpass all the benchmarks of quality and productivity set by the giants of the Industry. As a team we stand highly grateful towards our vendors, bankers and business associates for standing by us during the crests and toughs of the business and socioeconomic conditions all around. Above all, we would like to extend highest order gratitude towards our customers who have continued to value and rely their credence in our product line.

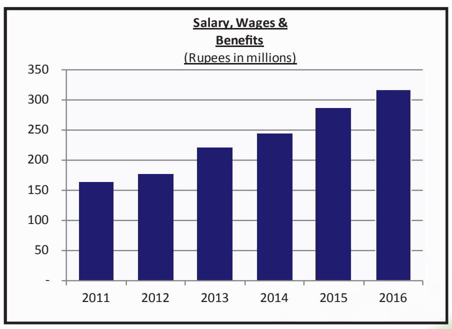
Karachi.
Dated: September 17, 2016

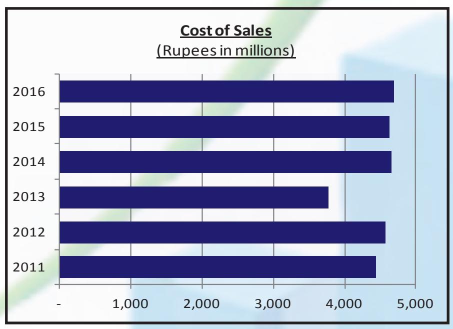
Anwar Ahmed Tata
Chairman

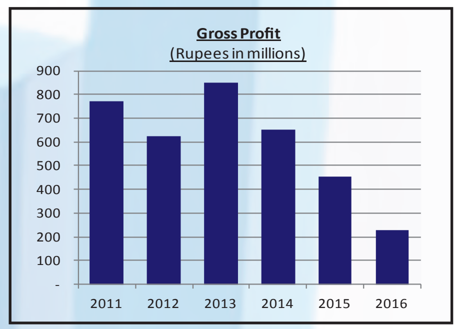

Sales
(Rupees in Millions)
5,400
5,200
5,000
4,800
4,600
4,400
4,200
2011 2012 2013 2014 2015 2016

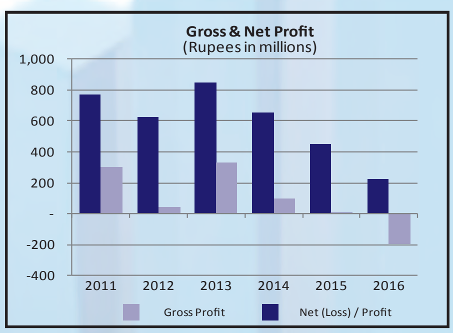

Power & Fuel
(Rupees in millions)
600
500
400
300
200
100
-
2011 2012 2013 2014 2015 2016

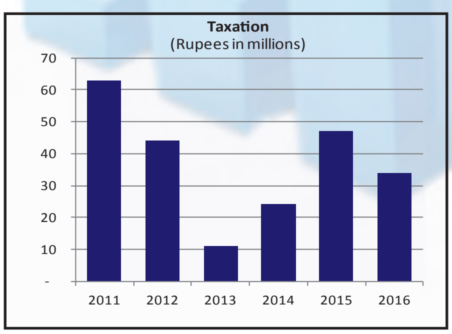

(Loss) / Profit After Tax
(Rupees in Millions)
400
300
200
100
-
-100
-200
-300
2011 2012 2013 2014 2015 2016

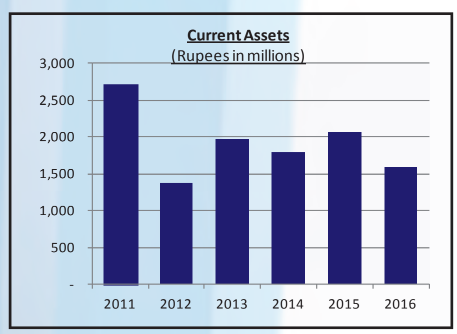

Salary, Wages &
Benefits
(Rupees in millions)
350
300
250
200
150
100
50
-
2011 2012 2013 2014 2015 2016

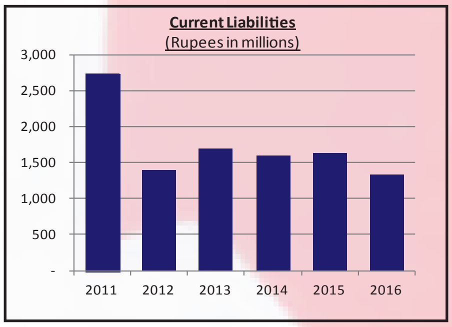

Cost of Sales
(Rupees in millions)
2016
2015
2014
2013
2012
2011
- 1,000 2,000 3,000 4,000 5,000

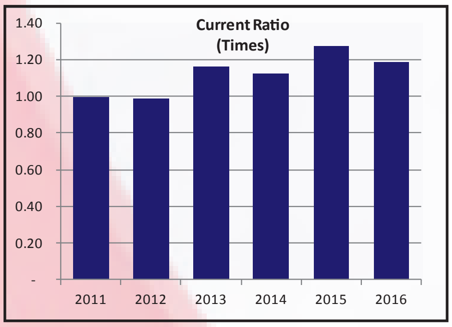

Gross Profit
(Rupees in millions)
900
800
700
600
500
400
300
200
100
-
2011 2012 2013 2014 2015 2016

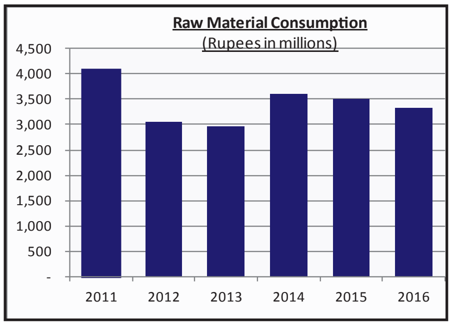

Gross & Net Profit
(Rupees in millions)
1,000
800
600
400
200
-
-200
-400
2011 2012 2013 2014 2015 2016
Gross Profit
Net (Loss) / Profit

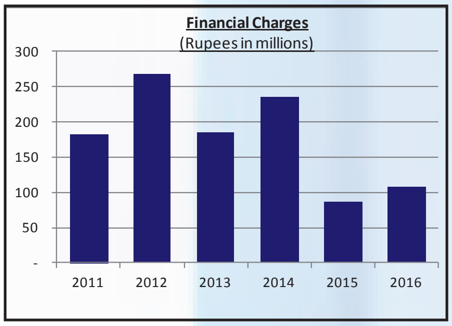

Taxation
(Rupees in millions)
70
60
50
40
30
20
10
-
2011 2012 2013 2014 2015 2016

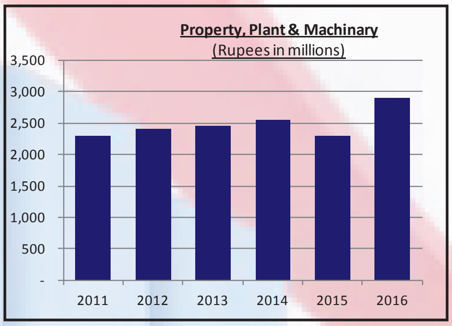

Current Assets
(Rupees in millions)
3,000
2,500
2,000
1,500
1,000
500
-
2011 2012 2013 2014 2015 2016

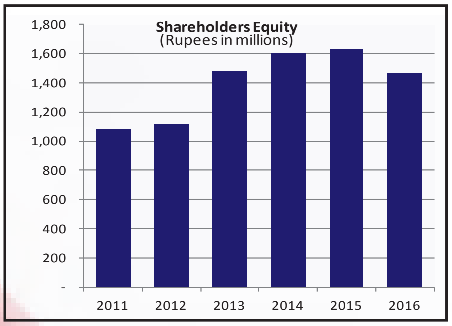

Current Liabilities
(Rupees in millions)
3,000
2,500
2,000
1,500
1,000
500
-
2011
2012
2013
2014
2015
2016

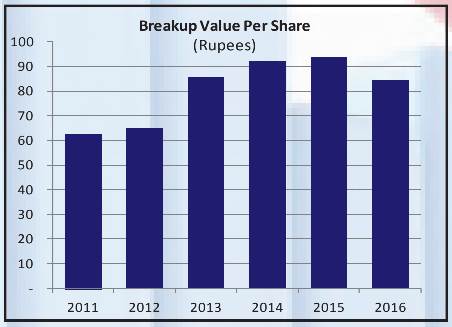

Current Ratio
(Times)
1.40
1.20
1.00
0.80
0.60
0.40
0.20
-
2011
2012
2013
2014
2015
2016

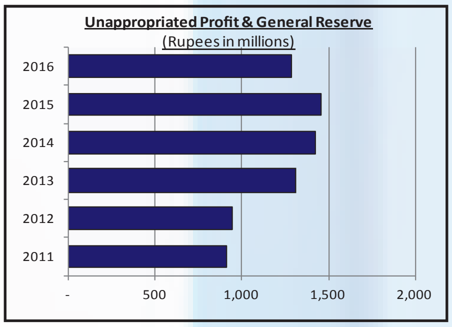

Raw Material Consumption
(Rupees in millions)
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
-
2011
2012
2013
2014
2015
2016

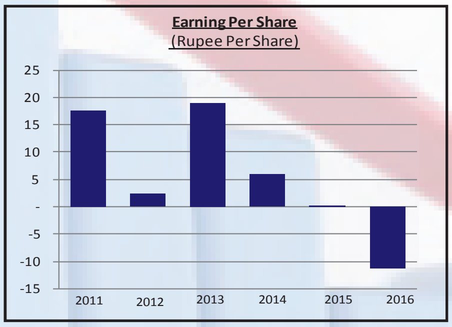

Financial Charges
(Rupees in millions)
300
250
200
150
100
50
-
2011
2012
2013
2014
2015
2016


Property, Plant & Machinary
(Rupees in millions)
3,500
3,000
2,500
2,000
1,500
1,000
500
-
2011
2012
2013
2014
2015
2016


Shareholders Equity
(Rupees in millions)
1,800
1,600
1,400
1,200
1,000
800
600
400
200
-
2011
2012
2013
2014
2015
2016


Breakup Value Per Share
(Rupees)
100
90
80
70
60
50
40
30
20
10
-
2011
2012
2013
2014
2015
2016


Unappropriated Profit & General Reserve
(Rupees in millions)
2016
2015
2014
2013
2012
2011
-
500
1,000
1,500
2,000


Earning Per Share
(Rupee Per Share)
25
20
15
10
5
-
-5
-10
-15
2011
2012
2013
2014
2015
2016

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting before you the 30th Annual Report together with the Audited Accounts for the year ended June 30, 2016.

FINANCIAL RESULTS

The Company made a pre-tax loss of Rs.160.365 million after charging costs, expenses and depreciation for the year ended June 30, 2016.

	(Rupees)
Pre-tax loss for the year	(160,365,447)
Taxation	(34,051,524)
Loss after taxation	(194,416,971)
Other Comprehensive loss	(8,603,603)
Transfer from Surplus on Revaluation of Property Plant & Equipment	49,966,932
Dividend Paid	(17,324,750)
Accumulated Profit Brought Forward	457,640,989
Accumulated Profit Carried Forward	287,262,597

CHAIRMAN'S REVIEW

The Directors of the Company endorse the contents of the Chairman's review, which is deemed to be a part of the Directors' report.

DIVIDEND

Since the results for the year under review are not encouraging, therefore your directors recommend to pass on the dividend for the year.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAME WORK

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 of the Company have been maintained.

c. Appropriate accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

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

e. There are no significant doubts upon the Company's ability to continue as a going concern.

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

g. Key operating and financial data of last six years in a summarized form is annexed.

h. Outstanding duties, statutory charges and taxes if any have been adequately disclosed in the annexed audited financial statements.

i. During the year under review, four Board of Directors Meetings, four Audit Committee Meetings and four Human Resource & Remuneration committee meeting were held. The attendance of the directors is as follow:

Name of Director	Number of Meeting Attended		
	Board Meeting	Audit Committee	Human Resource & Remuneration Committee
Mr. Anwar Ahmed Tata	4	N/A	N/A
Mr. Shahid Anwar Tata	3	N/A	4
Mr. Adeel Shahid Anwar	1	N/A	N/A
Mr. Bilal Shahid Anwar	3	3	4
Mr. Muhammad Naseem	4	4	4
Mr. Muhammad Salman H. Chawala (NIT)	4	N/A	N/A
Mr. Asif Saleem	4	4	N/A

(Leave of absence was granted to the Directors who could not attend the Meetings due to their pre-occupations)

j. During the year the Company arranged training program namely Director's Training Program for an independent director Mr. Muhammad Naseem, from IBA, which is recognized under Securities and Exchange Commission of Pakistan (SECP).

k. The statement of pattern of shareholding of the Company as at June 30, 2016 is annexed. This statement is prepared in accordance with the Code of Corporate Governance.

l. Apart from the following transactions, the Chief Executive, Directors, Chief Financial Officer, Company Secretary and their spouses and minor children did not carry out any transaction in the shares of the company during the year.

	Opening Balance On 01-07-2015	Purchase / Gift Received	Sales/ Gift	Closing Balance On 30-06-2016
Mr. Anwar Ahmed Tata	8,445,654	46,629	3,343,456	5,148,827
Mr. Shahid Anwar Tata	1,693,022	3,343,456	-	5,036,478
Mr. Muhammad Naseem	3,467	-	2,967	500
Mr. Farooq Advani	3,634	-	3,634	-

AUDITORS

The Auditors Messer Deloitte Yousuf Adil Chartered Accountants retire at the conclusion of the Annual General Meeting and being eligible to offer themselves for reappointment for the financial year ending June 30, 2017.

ON BEHALF OF THE BOARD OF DIRECTORS

Shahid Anwar Tata
Chief Executive

Karachi:
Date: September 17, 2016

KEY OPERATING AND FINANCIAL DATA

Description		2016	2015	2014	2013	2012	2011
OPERATING DATA							
Sales	Rs.'000'	**4,906,547**	5,066,353	5,297,307	4,615,713	5,186,235	5,198,073
Cost of Goods Sold	Rs.'000'	**4,678,634**	4,614,332	4,643,041	3,764,303	4,564,204	4,427,677
Gross Profit	Rs.'000'	**227,914**	452,022	654,266	851,410	622,031	770,396
(Loss) / Profit Before Taxation	Rs.'000'	**(160,365)**	48,127	124,522	340,413	85,119	366,051
(Loss) / Profit After Taxation	Rs.'000'	**(194,417)**	1,161	101,021	328,973	41,375	303,466
FINANCIAL DATA							
Equity Balance	Rs.'000'	**1,460,510**	1,630,889	1,598,445	472,301	1,119,638	1,084,443
Property, Plant & Equipment	Rs.'000'	**2,891,141**	2,287,376	2,556,791	2,454,098	2,400,344	2,291,389
Current Assets	Rs.'000'	**1,579,856**	2,068,139	1,791,631	1,967,311	1,371,909	2,707,393
Current Liabilities	Rs.'000'	**1,333,030**	1,624,130	1,591,008	1,694,464	1,387,803	2,726,725
RATIOS							
PROFITABILITY RATIOS							
Gross Profit Margin	%	**4.65**	8.92	12.35	18.45	11.99	14.82
Operating (Loss) / Profit Margin	%	**(3.39)**	0.91	1.15	7.22	1.42	6.28
Net (Loss) / Profit Margin	%	**(3.27)**	0.95	2.35	7.38	1.64	7.04
LIQUIDITY RATIOS							
Current Ratio	Times	**1.19**	1.27	1.13	1.16	0.99	0.99
Quick Ratio	Times	**0.49**	0.60	0.33	0.26	0.28	0.20
ACTIVITY / TURNOVER RATIOS							
Days in Receivables	Days	**22.93**	47.17	17.51	14.59	8.27	20.47
Accounts Receivable Turnover	Times	**15.70**	7.63	20.56	24.67	43.55	17.59
Inventory Turnover	Times	**5.46**	4.44	3.86	2.53	4.89	2.09
Total Assets Turnover	Times	**1.10**	1.16	1.22	1.04	1.37	1.04
Return on Total Assets	%	**(4.34)**	0.03	2.32	7.43	1.09	6.07
Return on Equity	%	**(6.90)**	0.05	4.10	13.66	1.97	15.31
LEVERAGE RATIOS							
Long Term Debt to Equity Ratio	%	**11.50**	12.01	12.08	13.56	14.11	14.65
Total Debt to Equity Ratio	%	**58.80**	78.47	76.57	83.90	80.26	152.21
Long Term Debt to Total Assets	Times	**0.07**	0.07	0.07	0.07	0.08	0.06
Total Debt to Total Assets	Times	**0.37**	0.44	0.43	0.46	0.45	0.60
Equity to Total Assets	Times	**0.63**	0.56	0.57	0.54	0.55	0.40
Interest Coverage Ratio	Times	**(0.49)**	1.56	1.53	2.84	1.32	3.01
OTHERS							
Earning per Shares	Rs	**(11.22)**	0.07	5.83	18.99	2.39	17.52
Breakup Value of Shares w/o Revaluation Surplus	Rs	**84.30**	94.14	92.26	84.98	64.63	62.60
Breakup Value of Shares with Revaluation Surplus	Rs	**162.66**	141.05	142.39	139.04	121.10	114.42
Cash Dividend	%	**-**	10.00	10.00	20.00	10.00	30.00

ANALYSIS OF THE FINANCIAL STATEMENTS
BALANCE SHEET

Particulars	2016	2015	2014	2013	2012	2011
			------------------- Rupees in '000 -------------------			
Assets						
Non Current Assets						
Property, plant and equipment	**2,891,141**	2,287,376	2,556,791	2,454,098	2,400,344	2,291,389
Intangible assets	**1,956**	3,615	5,336	6,530	7,768	-
Long-term Deposits	**2,077**	1,964	1,964	1,964	1,939	650
Total Non Current Assets	**2,895,174**	2,292,955	2,564,091	2,462,592	2,410,051	2,292,039
Current Assets						
Stores, Spares and loose tools	**50,533**	48,902	54,044	44,130	47,285	49,284
Stock-in-trade	**857,649**	1,040,235	1,203,400	1,486,943	933,111	2,116,356
Trade debts	**312,584**	663,881	257,670	187,118	119,081	295,594
Loans and Advances	**229,348**	190,709	118,166	105,138	94,716	150,003
Trade Deposit & short-term prepayment	**22,019**	1,122	1,667	2,672	3,388	3,426
Other receivables	**362**	71	467	1,304	33,800	12,595
Other financial assets	**14,852**	10,102	-	5,352	8,145	2,483
Sales tax refundable	**32,146**	51,426	27,050	22,961	13,277	10,456
Cash and bank balances	**60,364**	61,691	129,168	111,693	119,105	67,196
Total Current Assets	**1,579,857**	2,068,139	1,791,632	1,967,311	1,371,908	2,707,393
Total Assets	**4,475,031**	4,361,094	4,355,723	4,429,903	3,781,959	4,999,432
Equity and Liabilities						
Share Capital & Reserves						
Share Capital	**173,248**	173,248	173,248	173,248	173,248	173,248
General Reserve	**1,000,000**	1,000,000	1,000,000	1,000,000	-	-
Unappropriated Profit	**287,262**	457,641	425,198	299,053	946,390	911,195
Total Share Capital and Reserves	**1,460,510**	1,630,889	1,598,446	1,472,301	1,119,638	1,084,443
Surplus on revaluation of Property, Plant & Equipment	**1,357,456**	812,709	868,349	936,596	978,445	897,799
Non Current Liabilities						
Long Term Loans	**158,733**	186,412	215,347	267,399	234,982	262,266
Deferred Liabilities	**165,302**	106,954	82,573	59,143	61,091	28,199
Total Non Current Liabilities	**324,035.00**	293,366.00	297,920.00	326,542.00	296,073.00	290,465.00
Current Liabilities						
Trade and other Payables	**353,983**	282,505	275,889	290,583	273,299	244,618
Interest/ Markup accrued on Borrowings	**12,482**	14,996	24,351	31,904	37,048	49,113
Short Term Borrowings	**855,315**	1,229,470	1,209,994	1,270,876	943,064	2,176,452
Current Portion of Long Term Finance	**64,394**	54,205	52,061	74,290	80,822	123,675
Taxation-income tax	**46,856**	42,954	28,713	26,811	53,570	132,867
Total Current Liabilities	**1,333,030**	1,624,130	1,591,008	1,694,464	1,387,803	2,726,725
Total Equity and Liabilities	**4,475,031**	4,361,094	4,355,723	4,429,903	3,781,959	4,999,432

ANALYSIS OF THE FINANCIAL STATEMENTS
BALANCE SHEET VERTICAL ANALYSIS

Particulars	2016	2015	2014	2013	2012	2011
	%	%	%	%	%	%
Assets						
Non Current Assets						
Property, plant and equipment	**64.61**	52.45	58.70	55.40	63.47	45.83
Intangible assets	**0.04**	0.08	0.12	0.15	0.21	-
Long-term Deposits	**0.05**	0.05	0.05	0.04	0.05	0.01
Total Non Current Assets	**64.70**	52.58	58.87	55.59	63.72	45.85
Current Assets						
Stores, Spares and loose tools	**1.13**	1.12	1.24	1.00	1.25	0.99
Stock-in-trade	**19.17**	23.85	27.63	33.57	24.67	42.33
Trade debts	**6.99**	15.22	5.92	4.22	3.15	5.91
Loans and Advances	**5.13**	4.37	2.71	2.37	2.50	3.00
Trade Deposit & short-term prepayment	**0.49**	0.03	0.04	0.06	0.09	0.07
Other receivables	**0.01**	0.00	0.01	0.03	0.89	0.25
Other financial assets	**0.33**	0.23	-	0.12	0.22	0.05
Sales tax refundable	**0.72**	1.18	0.62	0.52	0.35	0.21
Cash and bank balances	**1.35**	1.41	2.97	2.52	3.15	1.34
Total Current Assets	**35.30**	47.42	41.13	44.41	36.28	54.15
Total Assets	**100.00**	100.00	100.00	100.00	100.00	100.00
Equity and Liabilities						
Share Capital & Reserves						
Share Capital	**3.87**	3.97	3.98	3.91	4.58	3.47
General Reserve	**22.35**	22.93	22.96	22.57	-	-
Unappropriated Profit	**6.42**	10.49	9.76	6.75	25.02	18.23
Total Share Capital and Reserves	**32.64**	37.40	36.70	33.24	29.60	21.69
Surplus on revaluation of Property, Plant & Equipment	**30.33**	18.64	19.94	21.14	25.87	17.96
Non Current Liabilities						
Long Term Loans	**3.55**	4.27	4.94	6.04	6.21	5.25
Deferred Liabilities	**3.69**	2.45	1.90	1.34	1.62	0.56
Total Non Current Liabilities	**7.24**	6.73	6.84	7.37	7.83	5.81
Current Liabilities						
Trade and other Payables	**7.91**	6.48	6.33	6.56	7.23	4.89
Interest/ Markup accrued on Borrowings	**0.28**	0.34	0.56	0.72	0.98	0.98
Short Term Borrowings	**19.11**	28.19	27.78	28.69	24.94	43.53
Current Portion of Long Term Finance	**1.44**	1.24	1.20	1.68	2.14	2.47
Taxation-income tax	**1.05**	0.98	0.66	0.61	1.42	2.66
Total Current Liabilities	**29.79**	37.24	36.53	38.25	36.70	54.54
Total Equity and Liabilities	**100.00**	100.00	100.00	100.00	100.00	100.00

ANALYSIS OF THE FINANCIAL STATEMENTS
PROFIT AND LOSS ACCOUNTS

Particulars	2016	2015	2014	2013	2012	2011
	--------------------------------- Rupees in '000					---------------------------------
Sales	**4,906,547**	5,066,353	5,297,307	4,615,713	5,186,235	5,198,073
Cost of Goods Sold	**(4,678,634)**	(4,614,332)	(4,643,041)	(3,764,303)	(4,564,204)	(4,427,677)
Gross Profit	**227,913**	452,021	654,266	851,410	622,031	770,396
Distribution cost	**(129,699)**	(175,154)	(220,753)	(206,549)	(175,742)	(171,249)
Administrative expenses	**(139,657)**	(116,433)	(114,060)	(88,719)	(65,167)	(62,647)
Other operating expenses	**(16,988)**	(27,863)	(23,295)	(38,111)	(40,035)	(27,458)
Financial Cost	**(107,722)**	(86,670)	(235,089)	(184,571)	(267,609)	(182,375)
	(394,066)	(406,120)	(593,197)	(517,950)	(548,553)	(443,729)
Other Income	**5,787**	2,225	63,453	6,953	11,642	39,385
(Loss) / Profit before taxation	**(160,366)**	48,126	124,522	340,413	85,120	366,052
Provision for taxation	**(34,052)**	(46,966)	(23,501)	(11,440)	(43,744)	(62,585)
(Loss) / Profit after taxation	**(194,418)**	1,160	101,021	328,973	41,376	303,467

ANALYSIS OF THE FINANCIAL STATEMENTS
PROFIT AND LOSS ACCOUNTS VERTICAL ANALYSIS

Particulars	2015	2014	2013	2012	2011	2010
	%	%	%	%	%	%
Sales	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Goods Sold	(95.35)	(91.08)	(87.65)	(81.55)	(88.01)	(85.18)
Gross Profit	4.65	8.92	12.35	18.45	11.99	14.82
Distribution cost	(2.64)	(3.46)	(4.17)	(4.47)	(3.39)	(3.29)
Administrative expenses	(2.85)	(2.30)	(2.15)	(1.92)	(1.26)	(1.21)
Other operating expenses	(0.35)	(0.55)	(0.44)	(0.83)	(0.77)	(0.53)
Financial Cost	(2.20)	(1.71)	(4.44)	(4.00)	(5.16)	(3.51)
	(3.39)	0.91	1.16	7.22	1.41	6.27
Other Income	0.12	0.04	1.20	0.15	0.22	0.76
(Loss) / Profit before taxation	(3.27)	0.95	2.35	7.38	1.63	7.04
Provision for taxation	(0.69)	(0.93)	(0.44)	(0.25)	(0.84)	(1.20)
(Loss) / Profit after taxation	(3.96)	0.02	1.91	7.13	0.79	5.84

PATTERN OF SHAREHOLDING
AS AT June 30, 2016

NO. OF SHAREHOLDERS	SHARE-HOLDING FROM	TO	TOTAL SHARES HELD
956	1	100	46,521
466	101	500	112,933
384	501	1000	269,091
177	1001	5000	455,448
41	5001	10000	298,953
13	10001	15000	163,999
6	15001	20000	109,218
3	20001	25000	71,500
3	25001	30000	82,272
1	30001	35000	35,000
3	45001	50000	148,612
3	50001	55000	156,867
1	55001	60000	55,545
3	65001	70000	201,750
1	85001	90000	85,300
1	140001	145000	145,000
1	195001	200000	200,000
1	200001	205000	202,824
1	230001	235000	232,000
1	240001	245000	241,315
3	280001	285000	852,337
1	320001	325000	320,664
1	430001	435000	434,798
1	2215001	2220000	2,217,498
1	5035001	5040000	5,036,478
1	5145001	5150000	5,148,827
2074			**17,324,750**

CATEGORIES OF SHAREHOLDERS

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDER	SHARES HELD	PERCENTAGE
Directors, their Spouse(s) and Minor Children	8	10,841,880	62.58
Associated Companies, Undertakings and Related Parties	1	434,798	2.51
Public Sector companies & Corporations	5	25,814	0.15
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarbas and pension funds	2	203,488	1.17
Mutual Funds	1	2,217,498	12.80
Others	17	145,403	0.84
General Public	2,040	3,455,869	19.95
	2,074	17,324,750	100.00

DETAIL OF CATEGORIES OF SHAREHOLDERS
As At June 30, 2016

		No. of Shareholders	Shares Held
DIRECTORS, THEIR SPOUSE(S) & MINOR CHILDREN			
Mr. Anwar Ahmed Tata	(Chairman/Director)	1	5,148,827
Mr. Shahid Anwar Tata	(Chief Executives)	1	5,036,478
Mr. Adeel Shahid Anwar	(Director)	1	26,872
Mr. Bilal Shahid Anwar	(Director)	1	1,099
Mr. Mohammad Naseem	(Director)	1	500
Mr. 'Asif Saleem	(Director)	1	66,125
Mrs. Parveen Anwar (W/o of Mr. Anwar Ahmed Tata)		1	241,315
Mrs. Saiqa Shahid (W/o of Mr. Shahid Anwar Tata)		1	320,664
		8	**10,841,880**
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES			
Island Textile Mills Ltd.		**1**	**434,798**
PUBLIC SECTOR COMPANIES AND CORPORATIONS			
Investment Corporation of Pakistan		2	19,982
National Development Finance Corporation		1	3,223
IDBL (ICP Unit)		1	1,365
National Bank Of Pakistan		1	1,244
		5	**25,814**
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARBAS AND PENSION FUNDS			
Central Insurance Co. Ltd.		1	664
Trustee National Bank of Pakistan Employee Pension Fund		1	202,824
		2	**203,488**
MUTUAL FUNDS			
CDC - Trustee National Investment (Unit) Trust		**1**	**2,217,498**
OTHERS			
M/S Naseer Shahid Ltd.		1	23
M/S Guardian Modaraba Management (Pvt) Ltd		1	5,483
M/S Naveena Industries		1	85,300
M/S Securities & Exchange Authority.		1	1
Trustee-Loads (Pvt) Ltd. Non-Management Staff Gratuity Fund		1	3,500
Ali Husain Rajabali Ltd		1	10,000
Y.S. Securities & Services (Pvt) Ltd.		1	132
Fateh Textile Mills Ltd.		1	65
Trustee National Bank Of Pakistan Emp Benevolent Fund Trust		1	7,117
N H Capital Fund Ltd		1	2
Maple Leaf Capital Limited		1	1
M.R.A. Securities (Pvt) Limited		1	800
Apex Capital Securities (Pvt) Limited		1	18,000
Ismail Abdul Shakoor Securities (Private) Limited		1	2,402
Seven Star Securities (Pvt.) Ltd.		1	7,000
Ebrahimyan Company Private Limited		1	5,000
Fikree's (SMC-Pvt) Ltd.		1	577
		17	**145,403**
GENERAL PUBLIC			
Local		**2,040**	**3,455,869**
Grand Total		**2,074**	**17,324,750**

Shareholders Holding 5% or more
As At June 30, 2016

	Shares Held	Percentage
Anwar Ahmed	5,148,827	29.72
Shahid Anwar	5,036,478	29.07
CDC - Trustee National Investment (Unit) Trust	2,217,498	12.80

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

Tata Textile Mills Limited (the company) has applied the principles contained in the CCG in the following manner:

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

Category	Names
Independent Director	Mr. Muhammad Naseem
Executive Director	Mr. Shahid Anwar Tata
	Mr. Adeel Shahid Anwar
Non-Executive Directors	Mr. Anwar Ahmed Tata
	Mr. Bilal Shahid Anwar
	Mr. Salman H. Chawala (NIT)
	Mr. Asif Saleem

The independent director meets the criteria of independence under clause 5.19.1of the CCG.

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

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy has occurred on the Board during the year under review.

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

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

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and condition of employment of the Chief Executive and other executive and non-executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.

9. During the year the Company arranged training program namely Director's Training Program for an independent director Mr. Muhammad Naseem, from IBA, which is recognized under Securities and Exchange Commission of Pakistan (SECP).

10. No new appointment of CFO, Company Secretary and Head of Internal Audit was made during the year.

11. The directors' report for the year ended June 30, 2016 has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by Chief Executive and Chief Financial Officer before approval of the Board.

13. The directors, chief executive and executives do not hold any interest in the share of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an audit committee. It comprises three members, all of them are non-executive directors and the chairman of the committee is an independent director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors including the chairman of the committee who is also an Independent director.

18. The Board has setup an effective internal audit function within the Company.

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

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through Stock Exchange.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

ON BEHALF OF THE BOARD OF DIRECTORS

SHAHID ANWAR TATA
CHIEF EXECUTIVE

Karachi
Dated: September 17, 2016

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **30th Annual General Meeting** of the Shareholders of **Tata Textile Mills Limited** will be held on **Thursday,** the **October 20, 2016 at 12:30 p.m.** at **5th Floor, Textile Plaza, M. A. Jinnah Road, Karachi** to transact the following businesses:

ORDINARY BUSINESS

1. To confirm the minutes of the 29th Annual General Meeting held on October 21, 2015
2. To receive, consider and adopt Annual Audited Accounts of the Company for the year ended June 30, 2016 together with the Directors' and Auditors' Report thereon.
3. To appoint Auditors for the year ending June 30, 2017 and fix their remuneration. The retiring auditors, M/s. Deloitte Yousuf Adil, Chartered Accountants, being eligible, have offered themselves for reappointment.

SPECIAL BUSINESS

Special Resolution

4. To consider and, if thought fit, pass with or without modification, the following proposed Special Resolutions to alter / amend the existing Object Clause of the Memorandum of Association from single to multi-purpose Object Clause to the extent set out in the draft Special Resolutions read with the Statement u/s. 160 (1) (b) of the Companies Ordinance, 1984 subject to the approval of the Company Registration Office, Securities and Exchange Commission of Pakistan, Karachi.
5. To consider and if thought fit, pass with or without modification, the Special Resolutions pertaining to the additions/alterations in the Articles of Association of the Company, to the extent set out in the draft Special Resolutions read with the Statement u/s. 160 (1) (b) of the Companies Ordinance, 1984.

Ordinary Resolution

6. To consider and pass the following ordinary resolutions:

   a) "RESOLVED that the transactions carried out in normal course of business with associated companies as disclosed in Note No. 34 of the audited financial statements for the year ended June 30, 2016 be and are hereby ratified and approved."

   b) "RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2017 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

7. To transact any other ordinary business or businesses with the permission of the **Chairman.**

Statement under section 160 of the Companies Ordinance, 1984 in the above matter mentioned in item No.4 to 6 is annexed.

By Order of the Board of Directors

Tata Textile Mills Limited

Farooq Advani
Company Secretary

Karachi:

Dated: September 29, 2016

Notes:

1. The Share Transfer Books of the Company will remain closed from October 12, 2016 to October 20, 2016 (both days inclusive).
2. A member entitled to attend and vote at this meeting is entitled to appoint another person as his/her proxy to attend and vote. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the time of holding meeting. A copy of shareholder's attested CNIC must be attached with the proxy form.

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 additionally an

1. attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the Board of Directors' resolution/power of attorney with specimen signature of the nominee.
2. Members are requested to promptly notify any change in their address.
3. Members who have not yet submitted photocopies of their CNIC to the Company's Share Registrar, are requested to send the same at earliest.
4. **E-Voting**: Pursuant to SECP's Companies (E-Voting) Regulations, 2016, Members can also exercise their right to vote through e-voting by giving their consent in writing at least 10 days before the date of the meeting to the Company on the appointment of Executive Officer by the Intermediary as Proxy.
5. **Video Conference Facility**: Pursuant to provision of SECP Circular No.10 of 2014 dated May 21, 2014, if the Company receives consent from Members holding aggregate 10% or more shareholding residing in geographical location to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.
6. **Distribution of Annual Report through Email**: The SECP vide SRO 787(I)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of annual general meeting electronically through email. Shareholders of the Company who wish to receive the Company's Annual Report and notices of annual general meeting by email are requested to provide the completed Electronic Communication Consent Form already dispatched, to the Company' Share Registrar, Central Depository Company of Pakistan Limited.

Statement of Material Facts Concerning Special Business Pursuant to Section 160(1)(b) of the Companies Ordinance, 1984

This statement sets out the material facts concerning the Special Business, given in agenda item No. 4 to 6 the Notice will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Special Business.

1. Agenda No. 4 of the Notice-Alter / amend the existing Object Clause of the Memorandum of Association of the Company

   In order to expand existing business activities of the Company for generation of high returns and distribution of more profit to the shareholders, the management has decided to alter / amend its existing Memorandum of Association from sole to multi-purpose Object Clause and accordingly, proposed to pass the following Special Resolutions for the alterations / amendments of the Clause III of the Memorandum of Association of the Company.

   RESOLVED that the existing Object Clause III of the Memorandum of Association of the Company be and is hereby substituted to be read as under:

   III. The objects for which the Company is established are:

   RESOLVED FURTHER that existing Sub-clause 1 be and is hereby deleted and the following new Sub-clauses 1 to 27 be and are hereby added in Object Clause III of the Memorandum of Association to be read as under:

   1. To carry on businesses related to manufacturing of all kinds of yarns and other textile products.
   2. To carry on business of textile manufacturing, import and export of fibres, textile products of all types and related activities including printing, dyeing, mercerizing, quilting, block panel and rotary printing in both reactive and pigment dyes, bleaching, stitching, finishing, embroidery and other related process for fabrics, denim, home textiles, garments, hospitality/institutional textiles and other allied items.
   3. To carry on the business of knitting, weaving, spinning, extruding, processing, converting, crimping, twisting, texturing, buying, selling, importing, exporting, handling and dealing in all kinds of yarns, fibres yarns, synthetic yarns, man-made, natural, cellulosic and non-cellulose fibres, yarns, films, cotton, wool, jute, flex, linen, hemp fabrics and raw materials thereof, including polyester, nylon, cotton, viscose, acrylic, mod-acrylic, acetate, polyamide, rayon, polypropylene, polyurethane, polystyrene and glass fibres yarn and fibrous materials or allied product, by-products or substances or substitutes for all or any of them.

To carry on all or any of the business as manufacturers, buyers, sellers, indenters, importers, exporters, distributors, agents and general traders, stockist, commission agents and dealers of all kinds of yarns, fabrics,

1. embroidery, tapestry and all other articles of silk, cotton, woolen and worsted materials and all sorts of apparels, dressing materials, mixed, blended products, nylon, polyester, fibre, yarn, hosiery, leather products and mixed fabrics, natural silk fabrics and garments.
2. To grow, cultivate, collect, produce, process, prepare set up and carry on the business of agricultural farming, crop farming, fruit farming, tunnel farming and allied products and purchase, seeds, feeds, fertilizers, pesticides, irrigation systems for the said purposes.
3. To carry on the business as manufacturer, assemblers, buyer, seller, importer, exporter, supplier and dealer of agricultural tractors, agricultural equipments, agricultural machineries, automobiles, spare parts and components of all kinds.
4. To provide and arrange technical training, education, aid and advice to growers, sellers, distributors, agents on various types of agricultural farming and develop, establish, construct design scientific and non-scientific laboratories, research centers etc. for the purpose.
5. To purchase, sell, import export, distribute, supply and trade in crops, fertilizers, fruits, vegetables and to deal in all types of agricultural products and by products including but not limited to seeds, pesticides, fertilizers, etc.
6. To manufacture, prepare, refine, deodorize, hydrogenate, import, export, buy, sell, market, distribute or otherwise deal in any or all kinds of cooking oil i.e. palm oil, groundnut oil, cottonseed oil, rapeseed oil, linseed, olive, walnut, coconut, corn oil and seeds of all kinds and different vitamins vegetable cooking oil etc. and other allied products and by-products like soap, glycerin etc. of every type and description and to set up, install, own, manage, operate and run vegetable oil mills and plants for this purpose.
7. To manufacture, produce, process, prepare, pack, bottle, can, import, export, buy, sell, market, distribute or otherwise deal in any or all types of foods including without limitation all kinds of raw, processed and prepared food and food products including dairy products, meat, fish, vegetables, poultry, fruit and fruit juices, powders, syrups and allied products.
8. To carry on the business of processor, cultivator, grower, buyer, seller, importer, exporter, supplier, commission agent, distributor and dealer in all kinds of fruits, foods, beverages, vegetables, groceries, dairies, poultries and allied products.
9. To carry on the business of dealers in meat, live-cattle, meat products, poultry products, canned goods, sea foods, fish products and preserved meat, hides, fat, grease and other animal products.
10. To carry on the business of and maintain cold storage plants and chambers for the preservation of meat, fish, agricultural products, fruits, vegetables, pickles, jams, milk, dairy products and consumable products of all kinds, perishable items including canned and preserved provisions of all kinds and to build, give and take on lease, manage, run or control cold stores and freezing houses.
11. To carry on the business and deal in all kinds of livestock, poultry and fish feeds, feed milk, feed concentrates, feed additives, mineral mixture, vitamins, De-oiled cakes, feed supplement, veterinary medicines, biological and like products for the use in livestock development.
12. To grow, cultivate, produce, process, prepare and render marketable dairy and agricultural products and to buy, sell, import, export, manufacture, prepare, distribute, dispose of or deal in such products, whether in raw state or after processing or preparing.
13. To undertake and carry on all types of business related to agricultural products including but not limited to farming, dairy farming, cattle farming, seeds, pesticides and other plant remedies and to do all such things as are incidental to or conducive to carrying on all or any of the business of the company.
14. To carry on the business as farmers, milk gardeners, agriculturists, horticulturists, goat-keepers and as manufacturers, importer and exporter of all kinds of condensed milk, jam, jellies, pickles, chutneys, marmalades, vinegars, ketchups, juices, squashes, syrups, food items, fruit and fruit products, food powders, (edibles) drinks, beverages, essences, ice creams, milk preparations, meat, sausages, prawns, potted meat, table delicacies and preserved foods/fruits of all kinds.
15. To establish fruit farms, fruit processing units and run or take over running fruit farms and fruit processing units, restaurants, hotels, refreshment rooms and clubs.
16. To set up an industrial undertaking for manufacturing of all types and kinds of chemicals including polyethylene, textile chemicals, dyes and allied products.

To manufacture, produce, refine, process, formulate, buy, sell, export, import, prepare or otherwise deal in all types of heavy and light chemicals, chemical elements, compounds including polyethylene, grinding, textile chemicals, dye chemicals, laboratory and scientific chemicals of any

1. nature used or capable of being used in the textile industry, pharmaceutical industry, agricultural chemicals, fertilizers, petrochemicals or any mixtures, derivatives and compounds thereof.
2. To carry on the business of chemists, druggists, importers, exporters and manufacturers of and dealers in pharmaceutical, medical, chemical, industrial and other preparations and articles, compounds, drugs and deals in chemical, surgical and scientific apparatus and materials.
3. To construct and manage modern slaughter houses and all other ancillary activities of meat processing within the country and provide hygienic slaughtering facilities, fresh and healthy meat and also quality meat products to the public.
4. To construct and manage modern, well equipped and hygienically operating abattoirs/slaughter houses to produce quality meat for export or domestic consumption.
5. To set up, operate, maintain and develop wind power generation projects to generate, accumulate, distribute and supply electricity and light to sister concern companies / branches, W.A.P.D.A., K-Electric, industries, cities, towns, streets, docks, markets, theatres, buildings and places both public and private.
6. To carry out the construction and manufacture of wind, thermal gas, hydroelectric and thermal energy projects such as gas energy, solar energy, bio-thermal energy, coal energy and to construct, establish and install necessary power stations, cables, wires, lines, accumulators, lamps and works.
7. To import, purchase, supply and acquire all kinds of raw and other materials for generation of energy / electricity and sell, transmit and deliver the same thus generated anywhere in Pakistan.
8. To initiate, organize and to carry on the business of manufacturer, importer, exporter, assembler and supplier of all kinds of heavy and light apparatus for the purpose of electric generation and also manufacture, import, export, supply and assemble accumulate wire, lumps, meters, batteries and all kind of engineering goods.

RESOLVED FURTHER that the existing Sub-clauses 2 to 23 be and are hereby renumbered as 28 to 49.

2. Agenda No. 5 of the Notice-Amendment / Change in Article of Association of the Company

The existing Articles of Association of the Company are being amended / altered in order to incorporate provisions pertaining to video conferencing, transmission of annual audited accounts to the Members through CD/DVD/USB/email and E-voting in light of various Regulations, Circulars and Notifications issued by the Securities and Exchange Commission of Pakistan and accordingly, pass the following Special Resolutions:

RESOLVED that attendance of the general meeting through video conference to its members at places other than the town in which general meeting is taking place be and is hereby allowed, subject to requirements and conditions prescribed by the Commission.

FURTHER RESOLVED that Article 42 A or new paragraph in existing Article 42 be and is are hereby added in the Articles of Association to be read as under:

42-A Attendance at General Meeting through Video Conference

The company may provide video conference facility to its Members at places other than the town in which general meeting is taking place after considering the geographical dispersal of its Members, subject to the condition that Members collectively holding ten percent (10%) or more shareholding residing at a geographical location provide their consent to participate in the general meeting through video conference at least ten (10) days prior to the date of the general meeting. The company shall arrange video conference facility subject to availability of such facility in that city and an intimation to the Members shall be given by the Company at least five (5) days before the date of general meeting regarding venue of video conference facility along with complete information. However, the quorum, as required under the Ordinance, as well as the Chairman of the general meeting, shall be present at the place of the general meeting.

FURTHER RESOLVED that both members and non-members be and are hereby given voting rights in the general meeting of the Company through electronic means managed by an Intermediary.

FURTHER RESOLVED that Article 53 A or new paragraph in existing Article 53 be and are hereby added in the Articles of Association to be read as under:

53-A E-Voting

The provisions and requirements for E-voting as prescribed by the Commission from time to time shall be deemed to be incorporated in these Articles of Association, irrespective of the other provisions of these Articles and notwithstanding anything contradictory therein.”

FURTHER RESOLVED that existing Article 59 of the Articles of Association be and is hereby substituted to be read as under:

59. Form of Proxy:

An instrument appointing a proxy shall be in the form specified in Regulation 39 of the Table 'A' in the First Schedule to the Ordinance or Schedule II of the Companies (E-Voting) Regulations, 2016 or of the in any other form which the Directors may approve."

FURTHER RESOLVED that Article 63 A or new paragraph in existing Article 63 be and are hereby added in the Articles of Association to be read as under:

63A. Qualification Shares:

The qualification of every Director shall be the holding of 500 shares in the Company in his own name. A Director may act before acquiring his qualification, but shall in any case acquire the same within two months from his appointment.

FURTHER RESOLVED that the transmission for annual balance sheet and profit and loss account, auditor's report and directors' report to its members either through CD/DVD/USB or hard copy at their registered addresses be and is hereby arranged by the Company, subject to requirements and conditions prescribed by the Commission and accordingly.

FURTHER RESOLVED that a new paragraph in existing Article 123 be and is are hereby added in the Articles of Association to be read as under:

123. Transmission of Annual Audited Accounts

The balance sheet, profit & loss accounts, auditors' report, and directors' report etc., ("annual audited accounts") shall be transmitted to the members of the Company through CD/DVD/USB at their registered address, subject to the requirements prescribed by the Securities and Exchange Commission of Pakistan from time to time. The Standard Request Form shall be placed on Company's website for the purpose of communication of the requisition of annual audited accounts through CD/DVD/USB.

FURTHER RESOLVED that the Company Secretary be and is hereby fully authorized and empowered to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required and to sign such documents and take such steps from time to time, as and when necessary.

The Directors of the Company have no direct or indirect interest in the proposed alterations / amendments in the Memorandum and Articles of Association, except to the extent of their shareholdings and remuneration in the Company.

3. Agenda Item No. 6(a) of the Notice – Transactions carried out with associated companies during the year ended June 30, 2016 to be passed as an Ordinary Resolution.

   The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 5.19.6 (b) of the Code of Corporate Governance, 2012.

   During the Board meeting it was pointed out by the Directors that as the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the associated companies, the quorum of directors could not be formed for approval some of these transactions specifically, therefore, these transactions have to be approved by the shareholders in the General Meeting.

   In view of the above, the transactions carried out during the financial year ended June 30, 2016 with associated companies shown in note No. 34 of the financial statements are being placed before the shareholders for their consideration and approval/ratification.

   The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

4. Agenda Item No. 6(b) of the Notice – Authorization to the Chief Executive Officer for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2017 to be passed as an Ordinary Resolution.

   The Company is expected to be conducting transactions with associated companies in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore, such transactions with associated companies have to be approved by the shareholders.

   In order to comply with the provisions of clause 5.19.6 (b) of the Code of Corporate Governance, 2012, the shareholders may authorize the Chief Executive Officer to approve transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2017.

   The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan
Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21-3454 1314
www.deloitte.com

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Tata Textile Mills Limited** for the year ended June 30, 2016 to comply with the requirements of Regulations of the Pakistan Stock Exchange where the Company is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

Deloitte Yousuf Adil

Chartered Accountants

Engagement Partner:
Mushtaq Ali Hirani

Dated: September 17, 2016
Karachi

Member of
Deloitte Touche Tohmatsu Limited

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan
Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21-3454 1314
www.deloitte.com

Auditors' Report to the Members

We have audited the annexed balance sheet of **Tata Textile Mills Limited** (the Company) as at June 30, 2016 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

b) in our opinion:

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

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

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

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the loss, its cash flows and changes in equity for the year then ended; and

d) in our opinion, 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.

Deloitte Yousuf Adil

Chartered Accountants

Engagement Partner:
Mushtaq Ali Hirani

Dated: September 17, 2016
Karachi

Member of
Deloitte Touche Tohmatsu Limited

FINANCIAL STATEMENTS
for the year ended June 30, 2016

BALANCE SHEET
AS AT JUNE 30, 2016

	Note	2016	2015
		.... Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,891,140,912	2,287,376,109
Intangible assets	5	1,955,850	3,614,433
Long term deposits		2,077,499	1,964,069
		2,895,174,261	2,292,954,611
CURRENT ASSETS			
Stores, spares and loose tools	6	50,533,417	48,902,324
Stock-in-trade	7	857,648,831	1,040,235,238
Trade debts	8	312,583,612	663,881,219
Loans and advances	9	229,347,554	190,708,185
Trade deposits and short-term prepayments	10	22,018,996	1,122,056
Other receivables		361,572	70,559
Other financial assets	11	14,852,385	10,102,385
Sales tax refundable		32,145,846	51,425,565
Cash and bank balances	12	60,364,083	61,691,214
		1,579,856,296	2,068,138,745
TOTAL ASSETS		4,475,030,557	4,361,093,356
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	173,247,500	173,247,500
General reserve		1,000,000,000	1,000,000,000
Unappropriated profit		287,262,597	457,640,989
		1,460,510,097	1,630,888,489
Surplus on revaluation of property, plant and equipment	14	1,357,455,591	812,708,606
NON-CURRENT LIABILITIES			
Long-term finance	15	158,733,060	186,412,262
Deferred liabilities	16	165,301,658	106,954,018
		324,034,718	293,366,280
CURRENT LIABILITIES			
Trade and other payables	17	353,982,506	282,505,297
Interest / mark-up accrued on borrowings	18	12,482,293	14,995,910
Short-term borrowings	19	855,315,054	1,229,469,974
Current portion of long-term finance	15	64,394,380	54,205,165
Provision for income tax		46,855,918	42,953,635
		1,333,030,151	1,624,129,981
CONTINGENCIES AND COMMITMENTS	20		
TOTAL EQUITY AND LIABILITIES		4,475,030,557	4,361,093,356

The annexed notes from 1 to 41 form an integral part of these financial statements.

SHAHID ANWAR TATA
CHIEF EXECUTIVE

ANWAR AHMED TATA
CHAIRMAN/DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		……………..Rupees………………	
Sales - net	21	**4,906,547,408**	5,066,353,330
Cost of goods sold	22	**(4,678,633,526)**	(4,614,331,553)
Gross profit		**227,913,882**	452,021,777
Distribution cost	23	**(129,698,805)**	(175,153,619)
Administrative expenses	24	**(139,657,268)**	(116,433,351)
Other operating expenses	25	**(16,988,302)**	(27,863,281)
Finance cost	26	**(107,721,514)**	(86,670,045)
		(394,065,889)	(406,120,296)
Other income	27	**5,786,560**	2,225,437
(Loss) / profit before taxation		**(160,365,447)**	48,126,918
Provision for taxation	28	**(34,051,524)**	(46,965,937)
(Loss) / profit for the year		**(194,416,971)**	1,160,981
Other comprehensive income			
Items that will not be reclassified subsequently through profit or loss			
Remeasurement of defined benefit plan		**(9,033,603)**	(735,841)
Less: deferred tax thereon		**430,000**	18,102
		(8,603,603)	(717,739)
Total comprehensive income for the year		**(203,020,574)**	443,242
Earnings per share - basic and diluted	29	**(11.22)**	0.07

The annexed notes from 1 to 41 form an integral part of these financial statements.

SHAHID ANWAR TATA
CHIEF EXECUTIVE

ANWAR AHMED TATA
CHAIRMAN/DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		..................Rupees..................	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(160,365,447)**	48,126,918
Adjustments for :			
Depreciation	4.2	**130,000,869**	124,677,105
Amortization	5	**1,744,727**	1,741,923
Provision for staff gratuity and compensated absences		**32,788,193**	29,755,718
Provision for doubtful debts		**220,004**	-
Finance cost	26	**107,721,514**	86,670,045
(Gain) / loss on disposal of property, pant and equipment	25 & 27	**(4,620,721)**	2,517,469
Loss on sale and lease back (Ijarah)	25	**-**	5,831,998
Operating cash flows before changes in working capital		**107,489,139**	299,321,176
(Increase) / decrease in current assets			
Stores, spares and loose tools		**(1,631,093)**	5,142,125
Stock-in-trade		**182,586,407**	163,164,320
Trade debts		**351,077,603**	(406,211,463)
Loans and advances		**(13,880,383)**	(39,713,397)
Trade deposits and short-term prepayments		**(20,896,940)**	544,674
Other receivables		**(291,013)**	395,949
Other financial assets		**(4,750,000)**	(10,102,385)
Sales tax refundable		**19,279,719**	(24,375,866)
Increase in current liabilities			
Trade and other payables		**71,311,557**	6,271,341
Cash generated from / (used in) operations		**690,294,996**	(5,563,526)
Finance cost paid		**(110,235,131)**	(96,024,975)
Income tax paid		**(61,342,870)**	(61,228,336)
Staff gratuity and compensated absences paid		**(21,778,552)**	(16,733,635)
Net cash generated from / (used in) operating activities		**496,938,443**	(179,550,472)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(102,458,601)**	(107,616,470)
Proceeds from disposal of property, plant and equipment		**13,196,606**	18,993,064
Proceeds from sale and lease back (Ijarah)		**-**	225,011,436
Purchase of intangible assets		**(86,144)**	(20,526)
Long term deposits		**(113,430)**	-
Net cash (used in) / generated from investing activities		**(89,461,569)**	136,367,504

	Note	2016	2015
		……….Rupees……….	
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance obtained		44,666,899	25,302,300
Repayment of long-term finance		(62,156,886)	(52,092,135)
Short-term borrowings repaid - net		(424,997,603)	(284,279,880)
Dividend paid		(17,159,098)	(16,979,741)
Net cash used in financing activities		(459,646,688)	(328,049,456)
Net decrease in cash and cash equivalents (A+B+C)		(52,169,814)	(371,232,424)
Cash and cash equivalents at beginning of the year		(333,741,472)	37,490,952
Cash and cash equivalents at end of the year	30	(385,911,286)	(333,741,472)

The annexed notes from 1 to 41 form an integral part of these financial statements.

SHAHID ANWAR TATA
CHIEF EXECUTIVE

ANWAR AHMED TATA
CHAIRMAN/DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

	Note	Issued, subscribed and paid up capital	Revenue reserve General reserve	Revenue reserve unappropriated profit	Total
		..............Rupees..............			
Balance as July 01, 2014		173,247,500	1,000,000,000	425,197,725	1,598,445,225
Total comprehensive income for the year					
Profit for the year		-	-	1,160,981	1,160,981
Loss on remeasurement of defined benefit plan		-	-	(735,841)	(735,841)
Less: deferred tax thereon		-	-	18,102	18,102
Other comprehensive income - net of tax		-	-	(717,739)	(717,739)
		-	-	443,242	443,242
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation		-	-	37,108,709	37,108,709
- disposal of property, plant and equipment		-	-	12,216,063	12,216,063
		-	-	49,324,772	49,324,772
Transaction with owners					
Final cash dividend for the year ended June 30, 2014 @ Re. 1 per share		-	-	(17,324,750)	(17,324,750)
Balance as June 30, 2015		**173,247,500**	**1,000,000,000**	**457,640,989**	**1,630,888,489**
Total comprehensive income for the year					
Loss for the year		-	-	(194,416,971)	(194,416,971)
Loss on remeasurement of defined benefit plan		-	-	(9,033,603)	(9,033,603)
Less: deferred tax thereon		-	-	430,000	430,000
Other comprehensive income - net of tax		-	-	(8,603,603)	(8,603,603)
		-	-	(203,020,574)	(203,020,574)
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation		-	-	48,985,698	48,985,698
- disposal of property, plant and equipment		-	-	981,234	981,234
	14	-	-	49,966,932	49,966,932
Transaction with owners					
Final cash dividend for the year ended June 30, 2015 @ Re. 1 per share		-	-	(17,324,750)	(17,324,750)
Balance as June 30, 2016		**173,247,500**	**1,000,000,000**	**287,262,597**	**1,460,510,097**

The annexed notes from 1 to 41 form an integral part of these financial statements.

SHAHID ANWAR TATA
CHIEF EXECUTIVE

ANWAR AHMED TATA
CHAIRMAN/DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

Tata Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan on April 15, 1987 under the Companies Ordinance, 1984 and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 6th floor, Textile Plaza, M.A. Jinnah Road, Karachi, in the province of Sindh. The principal activity of the Company is manufacturing and sale of yarn. The Company's manufacturing facilities are located at District Muzaffargarh, in the province of Punjab.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- property, plant and equipment measured at revalued amounts less accumulated depreciation thereon;
- recognition of certain staff retirement benefits at present value; and
- certain financial instruments measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgment that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Areas where judgments and estimates made by the management that may have a significant effect on the amounts recognised in the financial statements are included in the following notes:

- Revaluation of certain items of property, plant and equipment (note 3.1)
- Useful lives of property, plant and equipment (note 3.1)
- Useful lives of intangible assets (note 3.2)
- Valuation of stores and spares and stock-in-trade (note 3.3 and 3.4)
- Impairment of financial and non-financial assets (note 3.9)
- Staff retirement benefit - gratuity scheme (note 3.15)
- Taxation (note 3.22)

2.5 Initial application of standards, amendments to existing standards

a) New Standards, and amendments which became effective during the year

New standard relevant to the Company

During the year the Company has adopted IFRS 13 'Fair Value Measurement' , which became effective during the year beginning on or after 01 January 2015. IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the prices that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants at the measurement date . It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments Disclosures: .The application of IFRS 13 does not have any significant impact on the financial statements of the Company except for certain additional disclosures in note 35.1 and 35.2 to the financial statements.

New standards and amendments not relevant to the Company

The following are some other new standards and amendments including certain annual improvements to several IFRS, effective for the year ended June 30, 2016. These new standards and amendments are not relevant to the Company's operations.

Standards and amendments	Effective date (accounting periods beginning on or after)
- IFRS 10 – Consolidated Financial Statements	1 January 2015
- IFRS 11 – Joint Arrangements	1 January 2015
- IFRS 12 – Disclosure of Interests in Other Entities	1 January 2015
- IAS 27 (Revised 2011) – Separate Financial Statements	1 January 2015
- IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	1 January 2015

b) Standards and amendments to published standards that are not yet effective and have not been early adopted by the Company

The following standards and amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards or Amendments	Effective date (accounting periods beginning on or after)
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	1 January 2016
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Deferred Indefinitely
Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception	1 January 2016
Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative	1 January 2016

Standards or Amendments	Effective date (accounting periods beginning on or after)
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	1 January 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	1 January 2017
Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization	1 January 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants	1 January 2016
Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements	1 January 2016

Certain annual improvements have also been made to a number of IFRS which are not relevant to the Company and therefore have not been presented here.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property, plant and equipment

Property, plant and equipment except free hold land, building, plant and machinery and electric installations are stated at cost less accumulated depreciation and impairment, if any.

Freehold land, building, plant and machinery and electric installations are stated at revalued amount being the fair value at the date of revaluation, less subsequent accumulated depreciation and impairment losses, if any. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the reporting date.

Depreciation is charged to income applying the reducing balance method at the rates specified in note 4. Depreciation on all additions in fixed assets is charged from the month in which the asset is available for use and on disposals upto the month preceding the month of disposal.

The residual values, depreciation method and assets' useful lives are reviewed and adjusted, if appropriate, at reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are, if material, recognised as separate items of property, plant and equipment.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Improvements are capitalised when it is probable that future economic benefits will flow to the Company and the cost of the item can be measured reliably. Assets so replaced, if any, are derecognised.

Gains and losses on disposal of assets are taken to the profit and loss account, and the related surplus on revaluation of property, plant and equipment is transferred directly to unappropriated profits.

Capital work-in-progress

Capital work-in-progress (CWIP) is stated at cost less any impairment loss, if any. All expenditures connected to specific assets incurred during installation and construction period are carried under CWIP. Expenditures include borrowing costs as referred to in note 3.17. Items are transferred to operating property, plant and equipment as and when assets are ready for their intended use.

3.2 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably.

Costs associated with developing or maintaining computer software programs are generally recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any, thereon.

Intangible assets with a definite useful life are amortised on a straight line basis over its useful life. Amortization on all additions in intangible assets is charged from the month in which the asset is available for use and on disposals upto the month of disposal. Amortization charge is recognised in the profit and loss account. The rates of amortization are disclosed in note 5.

3.3 Stores, spares and loose tools

These are valued at cost. The cost is determined on moving average basis less allowance for obsolete and slow moving items. Stores and spares in transit are stated at invoice values plus other charges incurred thereon upto the reporting date.

3.4 Stock-in-trade

Stock-in-trade is valued at lower of cost and net realizable value. Cost is determined on the following basis:

- Raw material - at moving average cost.
- Material in transit - at invoice value plus other charges incurred upto reporting date.
- Work-in-process - at average manufacturing cost.
- Finished goods - at average manufacturing cost.

Average manufacturing cost signifies, in relation to work in process and finished goods, the moving average cost which consist of prime cost and appropriate manufacturing overheads.

Waste stock is valued and recorded at net realizable value.

Net realizable value (NRV) represents the estimated selling price at which the stock in trade can be realized in the normal course of business less net estimated cost of completion and selling expense.

Where NRV charge subsequently reverses, the carrying value of the stock in trade is also increased to the extent that the revised carrying value does not exceed the amount that would have been determined had no NRV charge been recognised. A reversal of NRV is recognised in the profit and loss account.

3.5 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortized cost using effective interest rate method. A provision for impairment of trade debts and other receivables is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of provision is charged to the profit and loss account. Trade debts and other receivables are written off when considered irrecoverable.

Exchange gains or losses arising in respect of trade and other receivables in foreign currency are adjusted from their respective carrying amounts.

3.6 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 consist of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amount of cash and subject to insignificant risk of change in value, and short-term running finances. Running finances under mark-up arrangements are shown with short term borrowings in current liabilities on the balance sheet.

3.7 Financial instruments

Financial assets

The Company classifies its financial assets at initial recognition in the following categories depending on the purpose for which the financial assets were acquired:

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

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term and are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivables and cash and bank balances in the balance sheet.

(iii) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or the management intends to dispose of the investments within twelve months from the reporting date.

(iv) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has intention and ability to hold till maturity are classified in this category.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of investments are recognised on trade date (the date on which the Company commits to purchase or sell the asset). Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest rate method.

Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in the profit and loss account as a reclassification adjustment. Mark-up on available-for-sale debt securities calculated using the effective interest rate method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account as part of other income when the Company's right to receive payments is established. Amortization of premium on acquisition of the investments is carried out using the effective yield method and charged to profit and loss account.

The fair values of quoted equity investments are based on current market prices. Subsequent to initial measurement equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment in value, if any.

The Company assesses at each reporting date whether there is objective evidence that any investment is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit and loss account as a reclassification adjustment. Impairment losses recognised in the profit and loss account on equity instruments classified as available-for-sale are not reversed through the profit and loss account.

Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

3.8 Derivatives

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair values. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the profit and loss account.

3.9 Impairment

Financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Company assesses at each reporting date whether there is objective evidence that any investment is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit and loss account as a reclassification adjustment. Impairment losses recognised in the profit and loss account on equity instruments classified as available-for-sale are not reversed through the profit and loss account.

Non-financial assets

The Company assesses at each reporting date whether there is any indication that assets except deferred tax assets and stock in trade may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in revaluation surplus.

3.10 Offsetting of financial assets and financial liabilities

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

3.11 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rate prevailing at the dates of transactions. Monetary assets and liabilities in foreign currencies are translated at year end into Pak Rupees using the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translations of monetary assets and liabilities denominated in foreign currencies at reporting date are included in profit and loss account.

3.12 Share capital

Ordinary shares are classified as equity and are recorded at their face value.

3.13 Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved for distribution to shareholders.

3.14 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets is credited to the 'Surplus on revaluation of property, plant and equipment' shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Company has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated January 13, 2003:

a) depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and

b) an amount equal to incremental depreciation for the year net of deferred taxation is transferred from 'Surplus on revaluation of property, plant and equipment' to accumulated profits through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

3.15 Staff retirement benefits

The Company manages two unfunded schemes for its workmen and non-workmen categories, the details of which are as follows:

Defined benefit plan - Workmen

The Company operates a gratuity scheme for all its employees under workmen category who have completed the minimum qualifying period of service as defined under the respective scheme. Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation and charged to profit and loss and other comprehensive income. All actuarial gains and losses are recognised in 'other comprehensive income' as they occur. The most recent valuation was carried out as at June 30, 2016 using 'Projected Unit Credit Method'. The amount recognized in the balance sheet represents the present value of defined benefit obligation.

Defined benefit plan - Non workmen

The Company also maintains an unfunded contributory gratuity scheme for its employees under non-workmen category. Under this scheme, every eligible employee is entitled to receive benefit of one month salary based on last month of each year's service. The Company accounts for liability of each employee at year end and such liability is treated as full and final with respect to that year. In future years, the liability amount is not revised for any increase or decrease in salary.

Compensated absences

The Company provides for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned. Under the policy, leaves of 10 and 14 days for non-workmen and workmen category respectively can be accumulated and carried forward.

3.16 Ijarah contracts

Ijarah agreements irrespective of whether significant portion of risks and rewards relating to ownership of the asset are retained by the lessor are classified as operating leases. Payments made under these agreements are recognized in the profit and loss account on straight-line basis over the period of the agreement.

3.17 Borrowing cost

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset. Borrowing costs eligible for capitalization are determined using effective interest rate method.

3.18 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of the past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.19 Diminishing musharika finance

Diminishing musharika finance is recognised initially at cost less attributable transaction cost. Subsequent to initial recognition this is stated at original cost less principal repayment.

3.20 Trade and other payables

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

3.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added in the carrying amount of the borrowing.

3.22 Taxation

Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits and rebates available, if any or on turnover at the specified rates or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessment framed / finalized during the year.

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. After considering, the effects on deferred taxation on the portion of income subject to final tax regime.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release - 27 of the Institute of Chartered Accountants.

3.23 Revenue recognition

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

- Sales are recorded on dispatch of goods or on segregation of goods for delivery against confirmed customers orders where risks and rewards are transferred to the customer.
- Interest income is accrued on a time proportion basis by reference to the principal outstanding and at the applicable effective interest rate.

3.24 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. 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 period. 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.

3.25 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker (CODM). The Company considers Chief Executive as its CODM who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information about the Company’s products, as required by the approved accounting standards, is presented in note 38 to these financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2016	2015
		..........Rupees..........	
Operating assets	4.1	2,828,414,869	2,251,768,849
Capital work in progress	4.5	62,726,043	35,607,260
		2,891,140,912	2,287,376,109

4.1 Operating assets

Particulars	Cost/ revaluated amount at July 01, 2015	Additions during the year	Disposals during the year	Adjustment for accumulated depreciation on revaluation	Revaluation surplus during the year	Cost/ revalued amount at June 30, 2016	Accumulated depreciation at July 01, 2015	Depreciation for the year	Depreciation on disposals	Adjustment for accumulated depreciation on revaluation	Accumulated depreciation at June 30, 2016	Written down value at June 30, 2016	Rate
	....					Rupees					....		%
Owned													
Freehold land	131,764,565	-	-	-	47,967,935	179,732,500	-	-	-	-	-	179,732,500	-
Buildings on freehold land	512,167,010	4,443,210	-	(82,743,915)	146,442,669	580,308,974	71,728,540	25,512,460	-	(82,743,915)	14,497,085	565,811,889	5
Plant and machinery	1,804,595,374	68,165,819	(5,261,121)	(286,212,208)	405,110,268	1,986,398,132	247,265,595	88,493,786	(65,379)	(286,212,208)	49,481,794	1,936,916,338	5 -10
Factory and workshop equipment	13,418,899	691,995	-	-	-	14,110,894	7,198,403	841,653	-	-	8,040,056	6,070,838	10
Electric installations	60,355,838	452,250	-	(36,982,235)	38,395,533	62,221,386	35,752,045	4,322,416	-	(36,982,235)	3,092,226	59,129,160	10
Lease hold improvements	26,089,214	-	-	-	-	26,089,214	9,452,565	1,663,665	-	-	11,116,230	14,972,984	10
Furniture and fixtures	21,925,449	628,333	-	-	-	22,553,782	7,776,594	1,451,780	-	-	9,228,374	13,325,408	10
Office equipment	26,908,495	681,211	(33,900)	-	-	27,555,806	13,726,161	2,189,777	(32,875)	-	15,883,063	11,672,743	5-30
Vehicles	48,317,639	277,000	(11,218,547)	-	-	37,376,092	26,205,565	4,225,409	(7,839,429)	-	22,591,545	14,784,547	20
	2,645,542,483	75,339,818	(16,513,568)	(405,938,358)	637,916,405	2,936,346,780	419,105,468	128,700,946	(7,937,683)	(405,938,358)	133,930,373	2,802,416,407	
Under Diminishing Musharka Arrangement													
Plant and machinery *	26,665,089	-	-	(1,966,551)	1,966,551	26,665,089	1,333,255	1,299,923	-	(1,966,551)	666,627	25,998,462	5
June 30, 2016	**2,672,207,572**	**75,339,818**	**(16,513,568)**	**(407,904,909)**	**639,882,956**	**2,963,011,869**	**420,438,723**	**130,000,869**	**(7,937,683)**	**(407,904,909)**	**134,597,000**	**2,828,414,869**	

FOR COMPARATIVE PERIOD

Particulars	Cost/ revalued amount at July 01, 2014	Additions / (transfer) during the year	Disposals during the year	Sale and leased back assets (Ijarah)	Cost / revalued amount at June 30, 2015	Accumulated depreciation at July 01, 2014	Depreciation/ (transfer) for the year	Depreciation on disposals	Depreciation on sale and leased back assets	Accumulated depreciation at June 30, 2015	Written down value at June 30, 2015	Rate
	....				Rupees				....			%
Owned												
Freehold land	131,764,565	-	-	-	131,764,565	-	-	-	-	-	131,764,565	-
Buildings on freehold land	503,290,636	8,876,374	-	-	512,167,010	48,759,789	22,968,751	-	-	71,728,540	440,438,470	5
Plant and machinery	1,989,189,735	71,522,219	(19,857,889)	(236,258,691)	1,804,595,374	169,532,746	85,325,386	(2,177,280)	(5,415,257)	247,265,595	1,557,329,779	5 -10
Factory and workshop equipment	12,503,899	915,000	-	-	13,418,899	6,524,605	673,798	-	-	7,198,403	6,220,496	10
Electric installations	60,355,838	-	-	-	60,355,838	33,018,290	2,733,755	-	-	35,752,045	24,603,793	10
Lease hold improvements	26,089,214	-	-	-	26,089,214	7,604,048	1,848,517	-	-	9,452,565	16,636,649	10
Furniture and fixtures	20,957,950	967,499	-	-	21,925,449	6,273,791	1,502,803	-	-	7,776,594	14,148,855	10
Office equipment	26,085,815	2,133,402	(1,310,722)	-	26,908,495	12,316,348	2,691,671	(1,281,858)	-	13,726,161	13,182,334	5-30
Vehicles	57,141,937	3,238,450	(12,062,748)	-	48,317,639	28,868,084	5,599,169	(8,261,688)	-	26,205,565	22,112,074	20
	2,827,379,589	87,652,944	(33,231,359)	(236,258,691)	2,645,542,483	312,897,701	123,343,850	(11,720,826)	(5,415,257)	419,105,468	2,226,437,015	
Under Diminishing Musharka Arrangement												
Plant and machinery *	-	26,665,089	-	-	26,665,089	-	1,333,255			1,333,255	25,331,834	5
June 30, 2015	**2,827,379,589**	**114,318,033**	**(33,231,359)**	**(236,258,691)**	**2,672,207,572**	**312,897,701**	**124,677,105**	**(11,720,826)**	**(5,415,257)**	**420,438,723**	**2,251,768,849**	

* The title and ownership of assets under diminishing musharika are in the joint name of bank and the Company.

4.2 Depreciation for the year has been allocated as under:

	Note	2016	2015
		..........Rupees..........	
Cost of goods manufactured	22.1	**122,199,634**	115,801,753
Administrative expenses	24	**7,801,235**	8,875,352
		130,000,869	124,677,105

4.3 Had there been no revaluation the related figures of freehold land, buildings on freehold land, plant and machinery and electric installations, would have been as follows :

	June 30, 2016			June 30, 2015		
	Cost	Accumulated depreciation	Written down value	Cost	Accumulated depreciation	Written down value
	..........Rupees..........					
Freehold land	**39,744,364**	**-**	**39,744,364**	39,744,364	-	39,744,364
Buildings on freehold land	**282,372,287**	**148,483,486**	**133,888,801**	277,929,078	141,545,612	136,383,466
Plant and machinery	**2,141,635,751**	**987,283,154**	**1,154,352,597**	2,078,409,388	929,120,902	1,149,288,486
Electric installations	**58,945,751**	**37,646,562**	**21,299,189**	58,493,501	35,326,048	23,167,453
	2,522,698,153	**1,173,413,202**	**1,349,284,951**	2,454,576,331	1,105,992,562	1,348,583,769

Revaluation of freehold land, buildings on freehold land and plant and machinery was carried out on September 30, 2003, June 30, 2008, June 30, 2012 and December 31, 2015. All the revaluations were conducted by the independent professional valuer M/s. Iqbal A. Nanjee & Co. on the basis of market value or depreciated replacement values as applicable. Revaluation surplus has been credited to surplus on revaluation of property, plant and equipment account to comply with the requirement of Section 235 of the Companies Ordinance, 1984.

4.4 Disposal of property, plant and equipment

Details of property, plant and equipment disposed off during the year are as follows:

Particulars	Cost / revalued amount	Accumulated depreciation	Written down value	Sale Proceeds	Mode of disposal	Particulars of buyer
	..................Rupees..................					
Machinery	1,184,735	4,937	1,179,798	1,050,000	Negotiation	Muhammad Ramzan House No. 4, Hyder Colony, Clarkabad Road, Radha Kishan, Kasuar.
Machinery	1,343,951	5,600	1,338,351	800,000	Negotiation	Kohinoor Textile Mills Limited 42, Lawrence Road, Lahore.
Machinery	500,000	8,333	491,667	315,000	Negotiation	Island Textile Mills Ltd. 6th Floor, Textile Plaza, M.A. Jinnah Road, Karachi.
Machinery	359,145	7,482	351,663	300,000	Negotiation	Island Textile Mills Ltd. 6th Floor, Textile Plaza, M.A. Jinnah Road, Karachi.
Machinery	718,290	14,964	703,326	600,000	Negotiation	Island Textile Mills Limited 6th Floor, Textile Plaza, M.A. Jinnah Road, Karachi.
Machinery	1,155,000	24,063	1,130,937	1,350,000	Negotiation	Island Textile Mills Limited 6th Floor, Textile Plaza, M.A. Jinnah Road, Karachi.
Vehicle	692,575	480,210	212,365	690,000	Negotiation	Maaz Saleem House No. 2290, Block-2, Metrowill-3, Malir, Karachi.
Vehicle	861,788	718,208	143,580	815,000	Negotiation	Maaz Saleem House No. 2290, Block-2, Metrowill-3, Malir, Karachi.
Vehicle	1,328,265	935,939	392,326	1,080,000	Negotiation	Ayub Ali House No. 2150, Street No. 6, Gulistan Colony, Madina Masjid Road, Lyari, Karachi.
Vehicle	1,816,080	1,236,484	579,596	1,140,000	Negotiation	Muhammad Imran House No. 875, Hussainabad, Block-3, F.B.Area, Karachi.
Vehicle	1,694,802	788,195	906,607	1,525,000	Negotiation	Bank Islami Pakistan Limited 11th Floor, Executive Tower, Dolman City, Marine Drive, Clifton, Karachi.
Vehicle	1,752,362	1,481,627	270,735	1,366,800	Negotiation	Muhammad Yameen House No. 875/3, Hussainabad, F.B. Area, Karachi.
Vehicle	1,645,475	955,377	690,098	1,320,000	Negotiation	Noman Ahmed Siddiqui House no. A-98, Block-2, Gulshan-e-Iqbal, Karachi.
Vehicle	1,335,200	1,215,728	119,472	785,000	Negotiation	Muhammad Ali Mujahid House No. 206, Johar Town, Lahore
Items having book value of less than Rs 50,000 each	125,900	60,536	65,364	59,806	Negotiation	
June 30, 2016	**16,513,568**	**7,937,683**	**8,575,885**	**13,196,606**		
June 30, 2015	33,231,359	11,720,826	21,510,533	18,993,064		

4.5 Capital work in progress

	2016	2015
	..........Rupees..........	
Civil works	**37,119,241**	23,000,954
Machinery and electric installations	**25,606,802**	12,606,306
	62,726,043	35,607,260

5. INTANGIBLE ASSETS

	Cost			Amortization				
	As at July 01, 2015	Additions	As at June 30, 2016	As at July 01, 2015	Charge for the year	As at June 30, 2016	Book value as at June 30, 2016	Rate of Amortization
	.... Rupees							%
License fee	713,128	-	713,128	371,027	142,625	513,652	199,476	20
ERP software	8,003,331	86,144	8,089,475	4,730,999	1,602,102	6,333,101	1,756,374	20
	8,716,459	**86,144**	**8,802,603**	**5,102,026**	**1,744,727**	**6,846,753**	**1,955,850**	

For comparative period

	Cost			Amortization				
	As at July 01, 2014	Additions	As at June 30, 2015	As at July 01, 2014	Charge for the year	As at June 30, 2015	Book value as at June 30, 2015	Rate of Amortization
	.... Rupees							%
License fee	692,602	20,526	713,128	229,770	141,257	371,027	342,101	20
ERP software	8,003,331	-	8,003,331	3,130,333	1,600,666	4,730,999	3,272,332	20
	8,695,933	20,526	8,716,459	3,360,103	1,741,923	5,102,026	3,614,433	

	2016	2015
	..........Rupees..........	

6. STORES, SPARES AND LOOSE TOOLS

	2016	2015
Stores and spares	**50,525,742**	48,889,870
Loose tools	**7,675**	12,454
	50,533,417	48,902,324

6.1 Stores, spares and loose tools include items which may result in fixed capital expenditure but are not distinguishable.

7. STOCK-IN-TRADE

	2016	2015
Raw material	**514,636,744**	555,405,305
Work-in-process	**41,588,970**	42,238,206
Finished goods	**276,998,841**	422,769,486
Waste stock	**24,424,276**	19,822,241
	857,648,831	1,040,235,238

7.1 The above balances are net of provision for write-down of inventories to their net realizable values aggregating to Rs. 3.55 million (2015: Rs. 5.69 million)

8. TRADE DEBTS

	Note	2016	2015
		..........Rupees..........	
Considered good			
Export - secured	8.1	**45,197,530**	579,323,966
Local - unsecured	8.2	**267,386,082**	84,557,253
Considered doubtful			
Local - unsecured		**220,004**	-
		312,803,616	663,881,219
Less: provision for doubtful debts	8.4	**(220,004)**	**-**
		312,583,612	663,881,219

8.1 These are secured against letters of credit in favor of the Company.

8.2 Trade debts are non-interest bearing and are generally on 7 to 90 days credit term.

8.3 As at June 30, 2016, trade debts aggregating Rs. 241.9 million (2015: Rs. 82.51 million) were past due for which the Company has made a provision of Rs 0.22 million (2015: Nil). The ageing of these past due trade debts is as follows:

	2016	2015
	..........Rupees..........	
Ageing of past due but not impaired		
1-30 days	**206,154,768**	72,111,518
31-90 days	**34,270,304**	9,359,043
91 days and above	**1,480,473**	1,039,132
	241,905,546	82,509,693

	Note	2016	2015
		..........Rupees..........	

8.4 The movement in provision during the year is as follows:

Balance at the beginning of the year		-	-
Provision during the year		220,004	-
Balance at the end of the year		220,004	-

9. LOANS AND ADVANCES

	Note	2016	2015
Considered good			
Due from employees	9.1	9,907,248	8,967,570
Advance to creditors		7,015,956	1,840,338
Advance for expenses		129,608	289,693
Advance income tax		165,736,585	140,977,599
Advance against letters of credit		26,459,331	14,876,204
Advance ijarah rental		20,098,826	23,756,781
		229,347,554	190,708,185

9.1 These represent short term interest free loans to employees as per Company's policy. These are adjustable against salaries and recoverable within a period of one year.

10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	Note	2016	2015
		..........Rupees..........	
Bank guarantee margin		311,241	311,241
Prepayments		21,707,755	810,815
		22,018,996	1,122,056

11. OTHER FINANCIAL ASSETS

	Note	2016	2015
Held-to-maturity			
Term Deposit Receipts	11.1	14,852,385	10,102,385

11.1 These represent term deposit receipts held for a period of six months with a markup rate of 4.05% to 6% per annum (2015: 5.8% to 6.8%).

12. CASH AND BANK BALANCES

	Note	2016	2015
		..........Rupees..........	
Cash at bank			
In current accounts		55,166,331	57,024,462
In savings accounts	12.1	3,673,468	3,589,961
		58,839,799	60,614,423
Cash in hand		1,524,284	1,076,791
		60,364,083	61,691,214

12.1 These carry markup rates ranging from 3.75% to 4.5% (2015: 4.5% to 6.5%) per annum.

13. SHARE CAPITAL

2016	2015		2016	2015
Number of shares			……….Rupees……….	
		Authorised		
20,000,000	20,000,000	Ordinary shares of Rs. 10 each	200,000,000	200,000,000
		Issued, subscribed and paid-up capital		
		Ordinary shares of Rs. 10 each:		
13,100,000	13,100,000	- issued for cash	131,000,000	131,000,000
4,224,750	4,224,750	- issued as bonus shares	42,247,500	42,247,500
17,324,750	17,324,750		173,247,500	173,247,500

13.1 The Company has one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

13.2 Following shares of the Company were held by an associated company as at the reporting date.

Name of associated company	2016	2015
	Number of ordinary shares of Rs. 10 each	
Island Textile Mills Limited	434,789	434,789

13.3 The Company has no reserved shares for issuance under options and sales contracts.

14. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

This represents surplus over book value resulting from the revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations. (refer note 4.3).

	Note	2016	2015
		……….Rupees……….	
Balance at July 01		830,884,672	881,453,435
Revaluation surplus during the year		639,882,956	-
Transferred to unappropriated profit on account of :			
- incremental depreciation		(48,985,698)	(37,108,709)
- disposal of property, plant and equipment		(981,234)	(12,216,063)
Related deferred tax liability		(2,497,298)	(1,243,991)
		(52,464,230)	(50,568,763)
Balance at June 30		1,418,303,398	830,884,672

	Note	2016	2015
		..........Rupees..........	
Less:			
Related deferred tax liability			
Balance at July 01		18,176,066	13,104,592
Effect of revaluation carried out during the year		28,175,155	-
Adjustment due to change in rate on :			
- normal tax		(1,136,004)	(1,123,251)
- income subject to final tax regime	14.1	18,129,888	7,438,716
Transferred to profit and loss on account of:			
- incremental depreciation - net of deferred tax		(2,448,257)	(1,037,781)
- disposal - net of deferred tax		(49,041)	(206,210)
Balance at June 30		(60,847,807)	(18,176,066)
		1,357,455,591	812,708,606

14.1 This represents effect on opening deferred tax liability due to revision of deferred tax rate from 2.46% to 4.76% (2015:1.66% to 2.46%) in order to incorporate the affect of change in proportion of export sales to local sales which falls under Final Tax Regime (FTR).

15. LONG-TERM FINANCE

	Note	2016	2015
		..........Rupees..........	
From banking companies - secured			
Demand finances	15.1	99,202,033	85,979,377
Term finances	15.2	58,953,444	77,063,000
Car finance	15.3	20,073	1,131,860
Export oriented projects (EOP)	15.4	41,230,983	51,140,890
Diminishing musharika	15.5	23,720,907	25,302,300
		223,127,440	240,617,427
Less: Current portion shown under current liabilities			
Demand finances		(33,067,344)	(21,494,844)
Term finances		(18,109,556)	(16,250,000)
Car finance		(20,073)	(755,287)
Export oriented projects (EOP)		(6,871,831)	(14,123,640)
Diminishing musharka		(6,325,576)	(1,581,394)
		(64,394,380)	(54,205,165)
		158,733,060	186,412,262

15.1 The facilities are secured against first pari passu charge over land, building, plant and machinery of the Company, specific charge over new machinery. These facilities are subject to mark-up rate of 3 months' KIBOR plus 1.5% per annum (2015: 3 months' KIBOR plus 1.5%) in 20 quarterly payments upto June 2019.

15.2 The finances are secured against first pari passu charge on all present and future fixed assets including land, building, plant and machinery and charge on specific machinery. These facilities are subject to markup at the rate 3 and 6 months average KIBOR plus 1% and 1.25% per annum (2015: 3 and 6 months' average KIBOR plus 1% and 1.25%). These are repayable in equal half yearly installments upto October 2020.

15.3 These represent finance secured against vehicles acquired from such financing and guarantee of the Company. These are subject to mark-up at the rate of 13% and 3 months' KIBOR + 1% per annum (2015: 13% and 3 months' KIBOR +1%) per annum and are repayable in 60 equal monthly installments. The unavailed facility at June 30, 2016 is Rs.19.98 million (2015: Rs. 18.11 million).

15.4 These loans are secured against joint/first pari passu charge on all present and future fixed assets including land, building, plant and machinery and charge on specific machinery. These loans are subject to mark-up ranging from 3 month KIBOR plus 1.5% per annum (2015: 3 month KIBOR + 1.5%). These loans are repayable in 26 quarterly installments.

15.5 The facility is obtained to finance the import of machineries which is subject to profit chargeable at the rate of three months KIBOR + 1.25% per annum. The facility is secured against first exclusive hypothecation charge over musharka assets upto their respective values and 25% security margin over and above of facility limit is being covered through first pari pasu hypothecation charge over plant and machinery of the Company. This loan is repayable in 16 quarterly installments ending on February 26, 2020.

16. DEFERRED LIABILITIES

	Note	2016	2015
		……….Rupees……….	
Staff gratuity	16.1	**95,243,734**	73,758,121
Compensated absences		**3,041,588**	4,483,957
Deferred taxation	16.2	**67,016,336**	28,711,940
		165,301,658	106,954,018

16.1 Staff gratuity

	Note	2016	2015
Defined benefit plan			
Workmen	16.1.1	**42,797,569**	27,824,745
Non-workmen	16.1.13	**52,446,165**	45,933,376
		95,243,734	73,758,121

16.1.1 Workmen - Defined benefit scheme

The details of the workmen - defined benefit plan obligation based on actuarial valuations carried out by independent actuary as at June 30, 2016 under the Projected Unit Credit Method, are as follows:

Net liability in the balance sheet

	2016	2015
Present value of defined benefit obligation	**42,797,569**	27,824,745

16.1.2 Expense recognised in the profit and loss account

	2016	2015
Current service cost	**11,739,269**	11,708,245
Interest cost	**2,486,552**	1,876,986
	14,225,821	13,585,231

16.1.3 Remeasurement losses / (gains) recognised in other comprehensive income

	2016	2015
Actuarial losses on defined benefit obligation		
Changes in financial assumptions	**12,228,951**	-
Changes in demographic assumptions	**-**	-
Experience adjustments	**(3,195,348)**	735,841
	9,033,603	**735,841**

	Note	2016	2015
		..........Rupees..........	

16.1.4 Movement in defined benefit obligation

Opening defined benefit obligation	27,824,745	19,864,973
Current service cost	11,739,269	11,708,245
Interest cost	2,486,552	1,876,986
Actuarial loss	9,033,603	735,841
Benefits paid during the year	(8,286,600)	(6,361,300)
Closing defined benefit obligation	42,797,569	27,824,745

16.1.5 Movement in net liability in the balance sheet

Opening balance of net liability as at July 01	27,824,745	19,864,973
Add: Charge for the year	14,225,821	13,585,231
Remeasurement loss recognised in other comprehensive income	9,033,603	735,841
Less: Payment made during the year	(8,286,600)	(6,361,300)
Closing balance of net liability as at June 30	42,797,569	27,824,745

16.1.6 The principal assumptions used in the valuation of gratuity (Workmen - Defined benefit scheme)

	2016	2015
Discount rate (% per annum)	10.50	10.50
Expected rate of salary increase (% per annum)	10.50	8.50
Mortality rate	Adjusted SLIC 2001-05	SLIC 2001-05
Expected withdrawal rate for actuarial assumptions	Moderate	Moderate

16.1.7 Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

		Impact on obligation	
		Increase in assumption	Decrease in assumption
		..........Rupees..........	
Discount rate	1%	(6,545,865)	8,251,569
Expected rate of salary increase	1%	8,398,266	(6,762,853)
Withdrawal limited	10%	513,571	(556,368)
Mortality rate	1 year	42,798	(42,798)

For comparative period

		Impact on obligation	
		Increase in assumption	Decrease in assumption
		..........Rupees..........	
Discount rate	1%	(2,692,341)	3,234,080
Expected rate of salary increase	1%	3,266,518	(2,760,825)
Withdrawal limited	10%	305,215	(330,954)
Mortality rate	1 year	20,932	(21,059)

The sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for gratuity recognised within the balance sheet.

16.1.8 The scheme exposes the Company to the actuarial risks such as:

Salary risks

The risks that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries' service / age distribution and the benefit.

Longevity risks

The risk arises when the actual lifetime of the retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

16.1.9 Expected contribution to the scheme for the year ending June 30, 2017 is Rs. 19,834,532.

16.1.10 The weighted average duration of the defined benefit obligation is year 15.46 years (2015: 13.62 years).

16.1.11 The expected maturity analysis of undiscounted retirement benefit obligation is:

	Undiscounted payments	
	2016	2015
	……….**Rupees**……….	
Less than a year	**3,133,431**	4,594,267
Between 1-2 years	**4,517,526**	5,464,043
Between 2-3 years	**5,573,764**	6,357,233
Between 3-4 years	**6,437,727**	6,595,803
Between 4-5 years	**7,123,303**	7,441,679
Between 6-10 years	**41,000,243**	42,485,848
11 years and above	**144,565,419**	1,373,722,080

16.1.12 There are no plan assets against defined benefit obligation.

	2016	2015
	……….**Rupees**……….	
16.1.13 Non workmen - Defined benefit scheme		
Opening balance	**45,933,376**	39,385,585
Charge for the year	**11,876,453**	10,113,104
Payment during the year	**(5,363,664)**	(3,565,313)
Closing balance	**52,446,165**	45,933,376

16.2 Deferred taxation

	Balance At July 01, 2015	Deferred tax recognised in: Profit and loss account	Other comprehensive income	Surplus on revaluation of assets	Balance At June 30, 2016
	.... Rupees				
Movement for the year ended June 30, 2016					
Deferred tax liabilities on taxable temporary differences arising in respect of :					
- Property, plant and equipment	15,485,706	12,464,649	-	-	27,950,355
- Surplus on revaluation of property, plant and equipment	18,176,066	(2,497,298)	-	45,169,039	60,847,807
	33,661,772	9,967,351	-	45,169,039	88,798,162
Deferred tax assets on deductible temporary differences arising in respect of :					
- Staff gratuity	(1,814,450)	(2,289,152)	(430,000)	-	(4,533,602)
- Unused tax losses	(3,135,382)	(14,112,842)	-	-	(17,248,224)
	28,711,940	**(6,434,643)**	**(430,000)**	**45,169,039**	**67,016,336**

	Balance At July 01, 2014	Deferred tax recognised in: Profit and loss account	Other comprehe-nsive income	Surplus on revaluation of assets	Balance At June 30, 2015
	.... Rupees				
Movement for the year ended June 30, 2015					
Deferred tax liabilities on taxable temporary differences arising in respect of :					
- Property, plant and equipment	12,800,942	2,684,764	-	-	15,485,706
- Surplus on revaluation of property, plant and equipment	13,104,592	(1,243,991)	-	6,315,465	18,176,066
	25,905,534	1,440,773	-	6,315,465	33,661,772
Deferred tax assets on deductible temporary differences arising in respect of :					
- Staff gratuity	(983,559)	(812,789)	(18,102)	-	(1,814,450)
- Unused tax losses	(6,833,535)	3,698,153	-	-	(3,135,382)
	18,088,440	4,326,137	(18,102)	6,315,465	28,711,940

	Note	2016	2015
		……….Rupees……….	

17. TRADE AND OTHER PAYABLES

	Note	2016	2015
Creditors	17.1	**87,969,465**	43,013,808
Accrued liabilities	17.2	**214,510,171**	190,748,006
Retention money		**1,426,421**	1,414,200
Withholding income tax		**1,814,648**	1,007,159
Workers' profit participation fund	17.3	**-**	3,182,703
Workers' welfare fund		**41,028,508**	38,276,710
Unclaimed dividend		**4,917,895**	4,752,243
Other liabilities		**2,315,398**	110,468
		353,982,506	282,505,297

17.1 Trade payables are non-interest bearing and are normally settled between 12 to 45 days terms.

17.2 This includes Rs. 66 million (2015: 54.03 million) provision for Sindh Development and Infrastructure Cess which was levied by the Excise and Tax Department of Government of Sindh on goods entering or leaving the province through air or sea at prescribed rate under Sindh Finance Ordinance, 2001. The levy was challenged by the Company along with other companies in Sindh High Court (SHC). SHC through its interim order passed on May 31, 2011 ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure cess should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. The management is confident for a favorable outcome, however, as a matter of prudence Company has paid Rs. 66 million upto June 30, 2016 (50%) of the value of infrastructure cess in cash and recorded liability for the remaining amount which is supported by a bank guarantee.

17.3 Workers' Profits Participation Fund

	Note	2016	2015
		……….Rupees……….	
Opening balance		**3,183,345**	7,452,832
Add: Allocation for the year		**-**	3,183,345
Interest on funds utilized in the Company's business (note 26)	17.3.1	**227,762**	457,685
		3,411,107	11,093,862
Less: Payments made to the fund during the year		**(3,411,107)**	(7,910,517)
Closing balance		**-**	3,183,345

17.3.1 Interest on funds utilized is charged @ 9% to 9.5% (2015: 12% to 12.5 %) per annum.

18. INTEREST / MARK-UP ACCRUED ON BORROWINGS

		2016	2015
Long-term finance		**1,714,856**	1,526,595
Short-term borrowings		**10,767,437**	13,469,315
		12,482,293	14,995,910

19. SHORT-TERM BORROWINGS

From banking companies - secured

	Note	2016	2015
Running / cash finances	19.1	**446,275,369**	395,432,686
Finance against import / export	19.2	**409,039,685**	834,037,288
	19.3	**855,315,054**	1,229,469,974

19.1 These are subject to mark-up at the rate of one to three months KIBOR plus spread ranging between 0.5% and 1.00% (2015: three months KIBOR plus 0.6% to 1%) per annum. These facilities are secured against pledge of stock and pari passu charge over stock and receivables.

19.2 These facilities are subject to mark-up at the rate ranging from three months average 1% to 1.35% inclusive of LIBOR (2015: 3 months average 1.9% to 4%, inclusive of LIBOR) per annum. These arrangements are secured against pledge of stock, pari passu charge over stock and receivables of the Company.

19.3 Total facilities available from various commercial banks amounts to Rs. 5,020 million (2015: Rs. 6,245 million) from which the aggregate unavailed short-term borrowings facilities are of Rs. 4,165 million (2015: Rs. 5,016 million).

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

	2016	2015
	……….Rupees……….	
	7,892,813	-

Sui Northern Gas Pipeline Limited (SNGPL) applied tariff for Captive Consumers their billing to the Company, while the Company claims to be an Industrial Consumer. The Company challenged the applicability of tariff on the Company before the Lahore High Court, Multan Bench. The Company has issued a Security Bond for tariff differential amount of Rs. 7.892 million as required by the Court.

Management is confident of favourable outcome and, therefore no provision has been made.

20.2 Commitments

	Note	2016	2015
		……….Rupees……….	
(i) Letters of credit			
- plant and machinery		**382,130,075**	48,232,154
- stores and spares		**11,331,895**	22,560,588
- raw material		**24,281,446**	44,676,024
		417,743,416	115,468,766
(ii) Bank guarantees issued on behalf of the Company	20.2.1	**162,956,151**	118,901,543
(iii) Bills discounted			
- Export		**454,801,532**	173,996,391
- Local		**43,414,500**	19,055,436
		498,216,032	193,051,827
(iv) Rentals under ijarah finance agreements			
- not later than one year		**57,281,720**	59,598,651
- later than one year and not later than 5 years		**188,134,024**	260,137,604
- later than 5 years		**21,424,403**	27,602,860
	20.2.2	**266,840,147**	347,339,115

20.2.1 This includes bank guarantee related to Sindh Development Infrastructure Cess amounting to Rs. 48.40 million (2015: Rs. 48.40 million). Refer note 17.2.

20.2.2 Represents four ijarah agreements entered into with an Islamic Bank in respect of machineries. Total future ijarah payments under agreements are Rs. 266.84 million (2015: Rs. 347.34 million) and are payable in quarterly installments latest by June, 2022. These commitments are secured against the exclusive ownership of machineries and third ranking charge against property, plant and equipment with 25% margin.

	Note	2016	2015
		..........Rupees..........	

21. SALES - NET

	Note	2016	2015
Export			
-Yarn		2,386,532,558	3,182,077,587
-Yarn (indirect export)		954,031,367	1,048,366,849
-Waste		123,357,283	225,319,226
		3,463,921,208	4,455,763,662
Local			
-Yarn		1,306,768,210	502,770,056
-Raw material		411,331	12,069,591
-Waste		218,028,049	132,489,010
		1,525,207,589	647,328,657
Less: Sales tax		(82,581,390)	(36,738,989)
		4,906,547,408	5,066,353,330

22. COST OF GOODS SOLD

	Note	2016	2015
Cost of goods manufactured	22.1	4,536,918,757	4,699,908,879
Finished goods (including waste)			
Opening stock		442,591,727	345,632,820
Closing stock		(301,423,117)	(442,591,727)
		141,168,610	(96,958,907)
Cost of goods sold		4,678,087,367	4,602,949,972
Cost of raw material sold		546,159	11,381,581
		4,678,633,526	4,614,331,553

22.1 Cost of goods manufactured

	Note	2016	2015
Raw material consumed	22.1.1	3,339,206,270	3,506,199,228
Stores and spares		101,601,280	106,768,096
Packing material		82,123,420	94,535,612
Power and fuel		468,811,679	490,089,484
Salaries, wages and benefits	22.2	318,187,845	287,129,164
Depreciation	4.2	122,199,634	115,801,753
Insurance		17,488,762	23,369,472
Repairs and maintenance		14,906,251	17,400,926
Ijarah rentals		57,869,784	34,073,124
Other overheads		13,874,596	19,035,603
		4,536,269,521	4,694,402,462
Work-in-process			
Opening stock		42,238,206	47,744,623
Closing stock	7	(41,588,970)	(42,238,206)
		649,236	5,506,417
		4,536,918,757	4,699,908,879

	Note	2016	2015
		..........Rupees..........	
22.1.1 Raw material consumed			
Opening stock		**555,405,305**	810,022,115
Purchases - net		**3,298,437,709**	3,251,582,418
		3,853,843,014	4,061,604,533
Closing stock	7	**(514,636,744)**	(555,405,305)
		3,339,206,270	3,506,199,228

22.2 Salaries, wages and benefits include Rs. 20.55 million (2015: Rs. 19.11 million) in respect of staff retirement benefits.

23. DISTRIBUTION COST

	Note	2016	2015
Brokerage and commission		**43,897,569**	51,912,510
Staff salaries and benefits	23.1	**10,629,539**	15,051,194
Ocean freight		**15,943,506**	33,350,964
Inland freight on export		**12,774,196**	19,504,073
Inland freight on local sales		**6,642,620**	4,519,980
Bank charges and commission		**18,728,405**	22,049,140
Customers claims		**362,514**	1,555,391
Export development surcharge		**6,970,746**	9,596,615
Wharfage		**5,479,768**	6,492,639
Forwarding charges		**1,183,936**	1,557,005
Miscellaneous export expenses		**1,794,256**	6,076,482
Postage and telegram		**2,116,733**	1,324,964
Others		**3,175,017**	2,162,662
		129,698,805	175,153,619

23.1 Staff salaries and benefits include Rs. 0.98 million (2015: Rs. 0.78 million) in respect of staff retirement benefits.

24. ADMINISTRATIVE EXPENSES

	Note	2016	2015
Staff salaries and benefits	24.1 & 31	**75,518,054**	64,730,286
Traveling and conveyance		**6,113,613**	6,113,862
Charity & donation	24.2	**16,746,722**	8,220,400
Vehicles running and maintenance		**3,883,483**	3,911,790
Legal and professional		**6,642,124**	4,462,460
Rent		**2,863,140**	2,863,140
Electricity		**3,163,968**	2,627,748
Fees and subscription		**3,504,379**	3,098,247
Printing and stationery		**1,144,718**	1,305,529
Postage and telephone		**2,193,303**	1,574,975
Depreciation	4.2	**7,801,235**	8,875,352
Amortization	5	**1,744,728**	1,741,923
Repairs and maintenance		**3,791,322**	3,778,756
Auditors' remuneration	24.3	**1,679,240**	1,381,900
Insurance		**1,031,187**	1,159,646
Provision for doubtful debts		**220,004**	-
Advertisement		**184,160**	171,700
Others		**1,431,888**	1,047,537
		139,657,268	117,065,251

24.1 Staff salaries and benefits include Rs. 4.57 million (2015: Rs. 3.80 million) in respect of staff retirement benefits.

24.2 None of the directors or their spouse had any interest in the donee's fund.

24.3 Auditors' remuneration

	2016	2015
Annual audit fee	**650,000**	650,000
Fee for review of :		
- Condensed interim financial information	**75,000**	75,000
- Code of Corporate Governance	**25,000**	25,000
Tax services	**100,000**	100,000
Certification	**829,240**	531,900
	1,679,240	1,381,900

		Note	2016	2015
			..........Rupees..........	
25.	**OTHER OPERATING EXPENSES**			
	Workers' Profit Participation Fund		**-**	3,183,345
	Workers' Welfare Fund		**2,751,798**	3,549,475
	Loss on disposal of property and equipment		**-**	2,517,469
	Loss on sale and lease back		**-**	5,831,998
	Foreign exchange loss - net		**14,220,504**	12,520,994
	Others		**16,000**	260,000
			16,988,302	27,863,281
26.	**FINANCE COST**			
	Interest / mark-up on :			
	Long-term finance		**20,746,979**	26,059,311
	Short-term borrowings		**76,414,339**	47,734,502
	Workers' Profit Participation Fund	17.3	**227,762**	457,685
	Letters of credits discounting charges		**6,281,334**	10,662,969
	Bank guarantee commission		**1,649,925**	347,231
	Bank charges		**2,401,175**	1,408,347
			107,721,514	86,670,045
27.	**OTHER INCOME**			
	Income from financial assets			
	Profit on bank accounts and term deposit receipts		**1,165,839**	1,557,828
	Gain on sale of investment		**-**	667,609
	Income from non-financial assets			
	Gain on disposals of property plant and equipment		**4,620,721**	-
			5,786,560	2,225,437
28.	**TAXATION**			
	Current			
	-for the year		**46,855,918**	42,953,635
	-for prior year		**(6,369,751)**	(313,835)
	Deferred		**(6,434,643)**	4,326,137
			34,051,524	46,965,937

28.1 The numerical reconciliation between the tax expense and accounting profit has not been presented for the current year in these financial statements as the total income of the Company for the current year attracted minimum tax under Section 113 of the Income Tax Ordinance, 2001 and its export sales fall under final tax regime.

			2016	2015
29.	**EARNINGS PER SHARE - BASIC AND DILUTED**			
	There is no dilutive effect on the basic earnings per share of the Company which is based on :			
	(Loss)/profit for the year	**Rupees**	**(194,416,971)**	1,160,981
	Weighted average number of ordinary shares outstanding during the year		**17,324,750**	17,324,750
	Earnings per share	**Rupees**	**(11.22)**	0.07

		Note	2016	2015
			..........Rupees..........	
30.	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	12	**60,364,083**	61,691,214
	Running / cash finances	19.1	**(446,275,369)**	(395,432,686)
			(385,911,286)	(333,741,472)

31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration and benefits to the Chief Executive and Executives are as follows:

	2016		2015	
	Chief Executive	Executives	Chief Executive	Executives
	………………………….. Rupees ………………………..			
Managerial remuneration	9,177,012	65,375,459	9,177,012	50,452,810
Bonus / Ex-gratia	764,751	5,324,333	764,751	4,548,100
Retirement benefits	764,751	5,324,333	764,751	4,548,100
Leave encashment	-	2,662,167	-	2,274,050
Utilities	1,058,908	-	808,369	-
	11,765,422	78,686,292	11,514,883	61,823,060
Number of persons	1	42	1	20

31.1 The Chief Executive and Executive Directors are also entitled for use of car owned and maintained by the Company.

31.2 An amount of Rs 0.23 million (2015: Rs 0.24 million) has been charged in these financial statements in respect of fee paid to Directors for attending Board meetings.

32. PLANT CAPACITY AND ACTUAL PRODUCTION

	2016	2015
Number of spindles installed	44,400	44,400
Number of spindles worked	44,400	44,400
Number of shifts per day	3	3
Installed capacity after conversion into 20/s count-kgs	15,312,002	15,312,002
Actual production of yarn after conversion into 20/s count-kgs	16,418,816	15,307,897

33. NUMBER OF EMPLOYEES

	2016	2015
Average number of employees during the year	1,335	1,339
Number of employees as at June 30	1,352	1,358

34. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. Amounts due from and to related parties and key management personnel, if any, are shown under receivables and payables. Remuneration of key management personnel is disclosed in note 31 and amount due in respect of staff retirement benefits is disclosed in note 16. Other significant transactions with related parties are as follows:

Relationship with the party	Nature of transactions	2016	2015
		……….Rupees……….	
Associated undertakings	Sale of goods	-	816,102
	Share of expenses paid	5,071,677	3,036,178
	Share of expenses received	2,896,734	3,508,558
	Purchase of cotton	54,982,814	114,319,337
	Purchase of machinery	-	6,500,000
	Sale of machinery	2,565,000	1,600,000
	Dividend paid	434,798	434,798
Directors	Rent expense		
	- godown	240,000	240,000
	- office premises	2,863,140	2,863,140

	2016	2015
	.... Rupees	

35. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per balance sheet

Loans and receivables at amortized cost

	2016	2015
- Long term deposits	**2,077,499**	1,964,069
- Trade debts	**312,583,612**	663,881,219
- Loans and advances	**9,907,248**	8,967,570
- Trade deposits	**311,241**	311,241
- Other receivables	**361,572**	70,559
- Cash and bank balances	**60,364,083**	61,691,214
	385,605,255	736,885,872
Held to maturity		
- Other financial assets	**14,852,385**	10,102,385
	400,457,640	746,988,257
Financial liabilities as per balance sheet		
Financial liabilities measured at amortized cost		
- Long term finance including current portion	**223,127,440**	240,617,427
- Trade and other payables	**311,139,350**	240,038,725
- Interest / mark-up accrued on borrowings	**12,482,293**	14,995,910
- Short term borrowings	**855,315,054**	1,229,469,974
	1,402,064,137	1,725,122,036

35.1 Fair values of financial assets and liabilities

(a) Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms' length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values as the items are short term in nature.

(b) Fair value estimation

The Company discloses the financial instruments measured in the balance sheet at fair value in accordance with the following fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (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).

As at year end, there are no financial instruments carried at fair value which require classification in the above mentioned levels.

35.2 The Company's freehold land, building and plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's freehold land, building and plant and machinery as at December 31, 2015 were performed by M/s Iqbal A.Nanjee & Company (Private) Limited (valuer), independent valuer not related to the Company. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery.

Details of Company's free hold land, building, electric installations and plant and machinery and information about the fair value hierarchy as at end of 30 June 2016 and 30 June 2015 are as follows:

	Level 1	Level 2	Level 3	Total
	……………………………………Rupees……………………………………			
Freehold land	-	179,732,500	-	179,732,500
Buildings on free hold land	-	565,811,889	-	565,811,889
Plant and machinery	-	1,942,987,176	-	1,942,987,176
Electric installations	-	59,129,160	-	59,129,160
June 30, 2016	-	2,747,660,725	-	2,747,660,725
Freehold land	-	131,764,565	-	131,764,565
Buildings on free hold land	-	440,438,470	-	440,438,470
Plant and machinery	-	1,563,550,275	-	1,563,550,275
Electric installations	-	24,603,793	-	24,603,793
June 30, 2015	-	2,160,357,103	-	2,160,357,103

There were no transfers between levels of fair value hierarchy during the year.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

36.1 Financial risk factors

Introduction and overview

The Company has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk
- operational risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing risk and fair value of financial instruments.

Financial risk factors and risk management framework

The Company's overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on internal controls set on different activities of the Company by the Board of Directors. These controls reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Board along with the Company's finance and treasury department oversees the management of the financial risks reflecting changes in the market conditions and also the Company's risk taking activities providing assurance that these activities are governed by appropriate policies and procedures and that the financial risk are identified, measured and managed in accordance with the Company policies and risk appetite.

36.1.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company exports yarn and waste stock to foreign customers and maintain foreign currency accounts for the payment to foreign suppliers which exposes it to currency risk. As at June 30, 2016, financial assets include Rs. 53.01 million (2015: Rs. 589.06 million) equivalent to US$ 0.51 million (2015: US$ 5.80 million) and financial liabilities include foreign commission payable and finance obtained against import / export amounting to Rs. 278.93 million (2015: Rs. 853.65 million) equivalent to US$ 2.66 million (2015: US$ 8.39 million). The average rates applied during the year is Rs. 103.40 / US $ (2015: Rs. 100.50 /US $) and the spot rate as at June 30, 2016 was Rs.104.60/ US$ (2015: Rs.101.7 /US$).

At June 30, 2016, if the Pakistan Rupee had weakened/strengthened by 10% against the US Dollar with all other variables held constant, loss / profit for the year would have been lower / higher by Rs. 22.59 million (2015: Rs. 26.46 million), mainly as a result of foreign exchange losses/gains on translation of US Dollar-denominated trade debts and accrued expenses.

(b) Interest rate risk

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

The Company's interest rate risk arises from bank deposit accounts, long term finance, term deposit receipts and short term borrowings amounting to Rs. 1.03 billion (financial liabilities on a net basis) (2015: Rs. 1.42 billion). These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

	Carrying amount	
	2016	2015
	……….Rupees……….	
Variable rate instruments		
Financial assets		
- Saving accounts	**3,673,468**	3,589,961
Financial liabilities		
- Long term finance	**181,896,457**	189,476,537
- Short term borrowings	**855,315,054**	1,229,469,974
	(1,037,211,511)	(1,418,946,511)
Net financial liabilities at variable interest rates	**(1,033,538,043)**	(1,415,356,550)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would have increased or decreased the loss / profit for the year and shareholder's equity by Rs. 12.74 million (2015: Rs. 14.74 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2015.

Fixed rate instruments

The Company has invested an amount of Rs 14.85 million (2015: 10.10 million) at interest rate of 4.05% to 6% per anum (2015: 5.8% to 6.8%) in Term Deposits Receipts (TDRs).

Cash flow sensitivity analysis for fixed rate instruments

A change of 100 basis points in interest rates at the year end would have increased or decreased the loss / profit for the year and shareholder's equity by Rs. 0.12 million (2015: Rs. 0.05 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2015.

(c) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at year end, there are no financial instruments which are subject to equity price risk.

36.1.2 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Out of the total financial assets of Rs. 400.46 million (2015: Rs. 746.99 million), the financial assets which are subject to credit risk amounted to Rs. 398.93 million (2015: Rs. 745.911 million).

The Company is exposed to credit risk from its operating activities (primarily balances with banks, trade debts and loans and advances and other receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The credit risk on liquid funds (cash and bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of major banks where the Company maintains its bank balances are as follows:

Name of bank	Credit rating	
	Short-term	Long-term
Soneri Bank Limited	A1+	AA-
Bank of Punjab	A1+	AA-
Bank Al-Falah Limited	A1+	AA
NIB Bank Limited	A1+	AA-
MCB Bank Limited	A1+	AAA
Allied Bank Limited	A1+	AA+
National Bank of Pakistan	A-1+	AAA
Askari Bank Limited	A-1+	AA
Faysal Bank Limited	A-1+	AA
Samba Bank Limited	A-1	AA
BankIslami Pakistan Limited	A1	A+
Dubai Islamic Bank Pakistan Limited	A-1	A+
JS Bank Limited	A1+	A+
Meezan Bank Limited	A-1+	AA

Credit risk related to receivables

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable, where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

36.1.3 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. 85% of the Company's debt will mature in less than one year at June 30, 2016 (2015: 87%) based on the carrying value of borrowings reflected in the financial statements.

Liquidity and interest risk table

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Average Interest rate	Less than 1 month	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years	Total
2016		....	....	.... Rupees	....	....	....
Long term financing including current portion	3 month KIBOR plus 1% to 1.5%	2,520,073	14,351,188	47,523,119	151,861,237	6,871,823	223,127,440
Trade and other payables	-	-	311,139,350	-	-	-	311,139,350
Interest / mark-up accrued on loans	-	10,767,437	1,714,856	-	-	-	12,482,293
Short-term borrowings							
Running finance / cash finance	one to three month KIBOR plus spread ranging between 0.5% & 1%	-	-	446,275,369	-	-	446,275,369
Finance against import / export	1% to 1.35% inclusive of LIBOR	-	-	409,039,685	-	-	409,039,685
		13,287,510	327,205,394	902,838,173	151,861,237	6,871,823	1,402,064,137
2015		....	....	.... Rupees	....	....	....
Long term financing	9.7% - 12.7%	5,219,423	10,630,367	38,355,395	178,099,242	8,313,000	240,617,427
Trade and other payables	-	-	240,038,725	-	-	-	240,038,725
Interest / mark-up accrued on loans	-	13,469,315	1,526,595	-	-	-	14,995,910
Short-term borrowings							
Running finance / cash finance	one to three month KIBOR plus spread ranging between 0.6% & 1%	-	-	395,432,686	-	-	395,432,686
Finance against import / export	1.9% to 4% inclusive of LIBOR	-	-	834,037,288	-	-	834,037,288
		18,688,738	252,195,687	1,267,825,369	178,099,242	8,313,000	1,725,122,036

36.1.4 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;

- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.
- operational and qualitative track record of the plant and equipment supplier and related service providers.

37. CAPITAL RISK MANAGEMENT

The objectives of the Company when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for stakeholders, and to maintain a strong capital base to support the sustained development of its business. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders or issue new shares. The Company's overall strategy remains unchanged from previous year.

The gearing ratio at June 30, 2016 and June 30, 2015 were as follows:

	2016	2015
	……….Rupees……….	
Total debts	**1,078,442,494**	1,470,087,401
Less: Cash and bank balances	**(60,364,083)**	(61,691,214)
Net debt	**1,018,078,411**	1,408,396,187
Total equity	**1,460,510,097**	1,630,888,489
Adjusted capital	**2,478,588,508**	3,039,284,676
Gearing ratio	**0.41**	0.46

38. OPERATING SEGMENTS

Chief Executive considers the business as a single operating segment as the Company's assets allocation decisions are based on a single, integrated business strategy, and the Company's performance is evaluated on an overall basis.

The information with respect to operating segment is stated below:

(a) 51.2 percent (2015: 67.3 percent) sales of the Company relate to export customers.

(b) As at year end, all non-current assets of the Company are located within Pakistan.

(c) There are no customers whom sales made during the year exceeded 10 percent of total sales for the year.

39. SUBSEQUENT EVENTS

The Board of Directors at their meeting held on September 17, 2016 have proposed a dividend of Rs. Nil (2015: Re 1 per share) for the year ended June 30, 2016, amounting to Rs. Nil (2015: Rs. 17.32 million) subject to the approval of members at the annual general meeting to be held on October 20, 2016.

40. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on September 17, 2016

41. GENERAL

Figures have been rounded off to the nearest Rupee.

SHAHID ANWAR TATA	ANWAR AHMED TATA
CHIEF EXECUTIVE	CHAIRMAN/DIRECTOR

ERP کی سہولیات کی معلومات تمام کاروباری معاملات کے درمیان ترتیب دیئے گئے ہیں اور اس بات کو یقینی بنایا گیا ہے کہ تمام اسٹیک ہولڈرز کو متعلقہ معلومات صحیح وقت میں دستیاب ہوں اس کے علاوہ انتظامیہ کے ڈیٹا کے تحت صحیح فیصلہ کرنے کے مواقع حاصل ہوں۔

انسانی وسائل کی ترقی:
آپ کی کمپنی انتظامیہ اپنے لوگوں کی تربیت اور ترقی کے لئے پرعزم ہے اور اس امر کو یقینی بنانے کے لئے مسلسل کوشاں ہے کہ کمپنی میں متواتر تربیت کا ماحول تشکیل دیا جائے۔
تخلیقی صلاحیتوں، خودمختاری، تکنیکی اور قائدانہ صلاحیتوں کی پذیرائی کے لئے کارپوریٹ کلچر کو برقرار رکھا گیا ہے۔
کمپنی میں بطور تربیت دینے کے عمل، نوجوان اور متوقع لیڈرز کو موقع فراہم کیا جاتا ہے۔ہم نے اس سال کوالٹی کنٹرول، سیفٹی اور ہیلتھ، لیڈرشپ، مینجمنٹ کے لئے درکار صلاحتوں سے متعلق کانفرنسوں کا انعقاد کمپنی کے اندر اور دیگر مقامات پر کیا گیا ہے۔
آپ کی کمپنی ملازمین کی کارکردگی کا تسلسل کے ساتھ جائزہ لینے اور باصلاحیت ملازمین کی ترقی کے لئے بہترین مواقع پیدا کرنے کے لئے پرفارمنس مینجمنٹ ریویو سسٹم رکھتی ہے۔ کمپنی غیر اخلاقی کاروباری سرگرمیوں اور رویوں کے سلسلے میں عدم برداشت کی پالیسی پر کاربند ہے۔

مستقبل پر نظر:
ہماری معیار کے ساتھ وابستگی بہت زیادہ ہے لہذا ہمارا زیادہ تر سرمایہ معیار اور نئی مصنوعات پر خرچ ہوتا ہے۔، ہم نے ٹاٹا مل میں تقریباً 720 ملین روپے کے تحت اہم (BMR) Balancing Modification Replacement کا پروگرام بنایا ہے۔اس سرمایہ کاری سے سوت کی پیداوار بمعہ پرانی ٹیکنالوجی مشینوں کی تبدیلی، دوبارہ اسپنگ اور فائبر کی تیاری کے ڈپارٹمنٹس کو موثر بنانا، اس BMR کے تحت ہماری پیداوار کی صلاحیت میں بھی اضافہ ہوگا۔

اظہار تشکر:
ہم اپنی انتھک محنت اور مشقت کرنے والی ٹیم جنہوں نے اس ادارے کے اغراض و مقاصد کی تکمیل کیلئے اپنی خدمات پیش کی ہیں جس میں مصنوعات کا معیار بھی شامل ہے، بطور ٹیم ہم ان کے اور ہمارے فروخت کنندگان، بینکرز اور کاروباری حضرات کے بے حد مشکور ہیں جنہوں نے اس مشکل دور میں کاروبار اور معاشی اقتصادی حالات کے تحت تعاون کیا۔ ہم اپنے صارفین کے بھی مشکور ہیں جنہوں نے مستقل طور پر ہماری پروڈکٹ لائن پر اعتماد کا اظہار کیا۔

انوار احمد ٹاٹا
چیئرمین

کراچی
مورخہ: 17 ستمبر 2016ء

۳۔ پاکستانی روپے کی قدر دانی:

سال 2013 سے 2015 تک کرنسی کی امریکی ڈالر کے مقابلے میں تبدیلی نے پاکستانی روپے میں 3% کا اضافہ کیا ہے جبکہ انڈین روپے میں 8.1% ، بنگلہ دیش میں 0.6%، سری لنکا میں 9.3% اور چائنا میں 5.1% کی کمی واقع ہوئی ہے۔ اس وجہ سے عالمی مارکیٹ میں مقابلہ کرنا مشکل ہو گیا ہے۔ ماہر اقتصادیات نے یہ تخمینہ لگایا ہے کہ پاکستانی روپے کی قدر 20% سے زیادہ ہے۔

۴۔ مزدور کی لاگت:

علاقائی ممالک یعنی ویتنام، سری لنکا، بنگلہ دیش اور انڈیا سے موازنہ کے تحت پاکستان مزدور کے حوالے سے مہنگا ترین ملک ہے کیونکہ پاکستان میں مزدور کی کم سے کم اجرت 135 امریکی ڈالر ہے جس کا موازنہ ویتنام میں 90 امریکی ڈالر، سری لنکا میں 66 امریکی ڈالر، بنگلہ دیش میں 68 امریکی ڈالر اور انڈیا میں 90 امریکی ڈالر سے کیا جا سکتا ہے۔

بجلی کی لاگت:

ہم بجلی کی مد میں کافی زیادہ ادائیگی کر رہے ہیں اس کا موازنہ علاقائی ممالک سے کیا جا سکتا ہے۔ پاکستان میں ٹیکسٹائیل کی صنعت کیلئے بجلی کے ریٹ تقریباً 11 سینٹ/کلوواٹ فی گھنٹہ ہیں جس کا موازنہ ویتنام میں 7 سینٹ، سری لنکا میں 9 سینٹ، بنگلہ دیش میں 7.3 سینٹ، چائنا میں 8.5 سینٹ اور انڈیا میں 9 سینٹ سے کیا جا سکتا ہے۔ گیس کے ریٹ پاکستان میں 8/MMBTU ڈالر ہے جبکہ ویتنام میں 4.5 ڈالر، بنگلہ دیش میں 3 ڈالر، چائنا میں 6 ڈالر اور انڈیا میں 4.2 ڈالر ہے۔

ہم APTMA کی اپیل کی حمایت کرتے ہیں جس میں حکومت کو ٹیکسٹائیل کی صنعت کی بقاء اور کارکردگی کیلئے انسدادی اقدامات پر زور دیا گیا جیسا کہ:

☆ زیرو ریٹنگ سے متعلق بے ضابطگیوں کو فوری طور پر حل ہونا چاہئے۔
☆ ٹیکسٹائیل کے خام مال پر صوبائی حکومت کی جانب سے 1.25% کے سیس کو ختم کیا جائے۔
☆ کاٹن کی درآمدات پر 5% سیلز ٹیکس کو ختم کیا جائے۔
☆ کسٹم ڈیوٹی 4% کو ختم کیا جائے۔
☆ گیس انفراسٹرکچر ڈویلپمنٹ سیس (GIDC) علاقائی ممالک میں گیس کے محصولات کے موازنے کے مطابق ختم کیا جائے۔
☆ بجلی کے ریٹ پر تمام سرچارجز کو ختم کیا جائے۔
☆ DLTL (ڈرابیک آف لوکل ٹیکسز اینڈ لیویز) کے تحت یارن کی برآمدات میں 5% کے حساب سے قانون بنایا جائے
☆ اگلے پانچ سالوں کیلئے ٹرن اوور ٹیکس کو ختم کیا جائے۔
☆ بلاواسطہ برآمدات میں طویل مدتی مالیاتی سہولت (LTFF) شامل کی جائے۔

انفارمیشن ٹیکنالوجی:

آپ کی کمپنی اسٹیٹ آف دی آرٹ انفارمیشن ٹیکنالوجی انفراسٹرکچر رکھتی ہے اور عالمی سطح پر تکنیکی مہارتوں کے مطابق خود کو ڈھالنے اور انہیں اپنانے کے لئے پرعزم ہے۔ آپکی کمپنی ERP کے ذریعے ڈیٹا مینجمنٹ سے موثر اور مسلسل فائدہ اٹھانے کے لئے کاروبار کو انفارمیشن ٹیکنالوجی سے ہم آہنگ کر رہی ہے۔ گزشتہ چند سالوں سے پورے ادارے میں ERP سلوشن کو ترتیب دیا ہے تاکہ سپلائی چین کی انتظامیہ اور Oracle Discreet Manufacturing Process Automation بمعہ دیگر Oracle کی بنیاد پر کوالٹی مینجمنٹ سسٹم کے ماڈلز میں کامیابی حاصل ہوسکے۔ کاروباری حکمت عملی، HRMS اور نیٹ ورک انفراسٹرکچر کے اسٹیٹ آف آرٹ کو بھی منظم کیا جا سکے اس کے علاوہ بحالی کا پلان، DRP اور بزنس کمیونیکیشن کو محفوظ کیا جا سکے۔

چیئرمین کا جائزہ:
السلام علیکم رحمتہ اللہ و برکاتہ

میں بطور چیئرمین ٹاٹا ٹیکسٹائل ملز لمیٹڈ نہایت مسرت کے ساتھ سالانہ آڈٹ شدہ اکاؤنٹ بمعہ آڈٹ رپورٹ برائے مالیاتی سال 30 جون 2016ء پیش کررہا ہوں۔ زیرِنظر مدت کے دوران ادارے کے مالیاتی نتائج حوصلہ افزاء نہیں ہیں کیونکہ کمپنی نے 160.365 ملین روپے قبل از ٹیکس خسارہ برداشت کیا ہے۔

ٹیکسٹائل کی صنعت:
میں اس کاروبار میں ایک طویل عرصہ سے ہوں اور مجھے کسی حکومت میں برآمدی صنعت کی حالتِ زار میں ایسے لاتعلق اور بے حس رویہ کا تجربہ نہیں ہوا جو کہ موجودہ حکومت میں ہے۔ پاکستان میں ٹیکسٹائل کی صنعت ایک بڑا پیداواری مرکز ہے اور سب سے زیادہ ملازمتیں فراہم کرنے والا دوسرا بڑا مرکز ہے۔ اسکے علاوہ برآمدات کے ذریعے زرمبادلہ کی آمدنی تقریباً 60% حاصل کرتا ہے لیکن حکومتی پالیسی کے تحت ٹیکسٹائل کی صنعتیں بند ہورہی ہیں اور برآمدات میں کمی ہورہی ہے۔

آل پاکستان ٹیکسٹائل ملز ایسوسی ایشن (APTMA) کے مطابق ہر روز ایک ٹیکسٹائل مل بند ہورہی ہے اور برآمدات میں بھی مبلغ 25.110 بلین امریکی ڈالر (سال 2014-2013 میں) سے کم ہوکر مبلغ 20.802 بلین امریکی ڈالر (سال 2016-2015 میں) رہ گئی ہے اور اس کمی کا تناسب 17% ہے۔

گزشتہ تین سالوں میں حکومت کی آمدنی میں 1.9 ٹریلین پاکستانی روپے سے لیکر 3.1 ٹریلین پاکستانی روپے کا اضافہ ہوا ہے لیکن یہ اضافہ ٹیکس ادا کرنے والوں کی تعداد میں اضافہ کی وجہ سے نہیں ہوا ہے بلکہ یہ اضافہ ٹیکسز کے ریٹ اور ودہولڈنگ ٹیکسز کے اکاؤنٹ کے تحت ہوا ہے۔

آپ کی کمپنی کی ناقص کارکردگی کے اسباب بہت بڑے ٹیکسز، سرچارجز اور ڈیوٹیز کے بوجھ ہیں جس کی تفصیلات درج ذیل ہیں:

ا۔ کمپنی کی جانب سے حد سے زیادہ ادا کردہ ٹیکسز:
زیرِنظر سال کے دوران کمپنی نے قومی خزانے میں مختلف اکاؤنٹس کے تحت تقریباً 166 ملین پاکستانی روپے شامل کئے ہیں جس میں ودہولڈنگ ٹیکسز، سیلز ٹیکس، انفراسٹرکچر سیس، سروسز پر سیلز ٹیکس، کسٹم ڈیوٹیز، کاٹن سیس، ٹیکسٹائل سیس، سوشل سیکیورٹی، انکم ٹیکس، EOBI، ایجوکیشن سیس اور ریونیو اسٹیمپ وغیرہ شامل ہیں۔

۲۔ خام کاٹن اور فائبر:
پاکستان میں پیداوار کے مقابلے میں کاٹن کا اصراف زیادہ ہے جس کی وجہ سے ملز مالکان درآمدات کے تحت کاٹن خرید رہے ہیں۔ گذشتہ دو سالوں سے حکومت نے خام مال کی درآمدات پر ڈیوٹیز عائد کی ہے جس کی وجہ سے کاٹن کی قیمتوں میں اضافہ ہوا ہے اس کے علاوہ برآمدات کی اشیاء بھی کافی مہنگی ہوگئی ہیں۔ حتیٰ کہ موجودہ سال کے دوران کاٹن پیدا کرنے والے ایریا میں 20% کمی واقع ہوئی ہے اسی وجہ سے موجودہ سال میں 3 سے 5 ملین بیلز کی کمی واقع ہوئی ہے۔

حکومت نے فائبر کی درآمدات پر تعزیری ڈیوٹیز عائد کی ہیں، گزشتہ 30 سالوں میں پاکستان میں صرف مقامی فائبر فراہم کرنے والوں کا تحفظ کیا گیا ہے مگر وہ عالمی معیار قائم کرنے میں ناکام رہے اسی وجہ سے تمام ٹیکسٹائلز کا سلسلہ برآمدات کرنے سے قاصر ہے۔

ڈائریکٹرز کے نام	اجلاس میں حاضری کی تعداد		
	بورڈ	آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریمیونریشن کمیٹی
جناب انوار احمد ٹاٹا	4	ناقابلِ اطلاق	ناقابلِ اطلاق
جناب شاہد انوار ٹاٹا	3	ناقابلِ اطلاق	4
جناب عدیل شاہد انوار ٹاٹا	1	ناقابلِ اطلاق	ناقابلِ اطلاق
جناب بلال شاہد انوار	3	3	4
جناب محمد نسیم	4	4	4
جناب محمد سلمان ایچ چاؤلا (NIT)	4	ناقابلِ اطلاق	ناقابلِ اطلاق
جناب آصف سلیم	4	4	ناقابلِ اطلاق

(غیر حاضری کی اجازت ان ڈائریکٹرز کو دی گئی تھی جو کچھ بورڈ اجلاس میں شرکت نہں کر سکے)۔

(ص) سال کے دوران کمپنی نے IBA سے انفرادی ڈائریکٹر جناب محمد نسیم کیلئے ڈائریکٹرز کے تربیتی پروگرام کے نام سے ایک تربیتی پروگرام کا انتظام کیا۔ جو کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان SECP کے تحت تسلیم کیا گیا ہے۔

(ض) 30 جون 2016ء کے مطابق حصص داران کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔ یہ اسٹیٹمنٹ کمپنی کے ضابطہ اخلاق کے کوڈ کے مطابق تحریر کیا گیا ہے۔

(ط) درج ذیل لین دین کے علاوہ چیف ایگزیکیٹیو، ڈائریکٹرز، چیف فنانشل آفیسر، کمپنی سیکریٹری، ان کی بیویاں اور نابالغ بچے سال کے دوران کمپنی کے شیئرز میں کوئی لین دین نہیں کی۔

	01-07-2015 کو اوپننگ بیلنس	وصول کردہ خریداری/تحائف	فروخت/تحفہ	30-06-2016 کو کلوزنگ بیلنس
جناب انوار احمد ٹاٹا	8,445,654	46,629	3,343,456	5,148,827
جناب شاہد انوار ٹاٹا	1,693,022	3,343,456	-	5,036,478
جناب محمد نسیم	3,467	-	2,967	500
جناب فاروق ایڈوانی	3,634	-	3,634	-

آڈیٹرز:

آڈیٹرز میسرز ڈیلوئیٹ یوسف عادل چارٹرڈ اکاؤنٹینٹ اپنے عہدے کی معیاد سالانہ جنرل میٹنگ کے اختتام پر پوری کر چکے ہیں اور بر بنائے اہلیت خود کو دوبارہ تقرری کے لئے برائے مالیاتی سال 30 جون 2017ء کے لئے پیش کر رہے ہیں۔

کراچی:

مورخہ: 17 ستمبر 2016ء

ازطرف بورڈ آف ڈائریکٹرز

شاہد انوار ٹاٹا

چیف ایگزیکیٹیو

ممبران کیلئے ڈائریکٹرز رپورٹ

ڈائریکٹرز بڑی مسرت کے ساتھ 30 ویں سالانہ رپورٹ مع آڈٹ شدہ اکاؤنٹس برائے سال مختتمہ 30 جون 2016ء پیش کرتے ہیں۔

مالیاتی نتائج:
کمپنی نے 30 جون 2016ء کوختم ہونے والے سال میں قبل ازٹیکس اور بعد از لاگت، اخراجات اور فرسودگی کے 160.365 ملین روپے کا خسارہ کیا ہے۔

	(روپے)
سالانہ قبل ازٹیکس خسارہ	(160,365,447)
ٹیکس	(34,051,524)
خسارہ بعداز ٹیکس	(194,416,971)
دیگر وسیع خسارہ	(8,603,603)
ری ویلیوئیشن پراپرٹی پلانٹ اور دیگر سامان کے سرپلس سے منتقلی	49,966,932
ڈویڈنڈ کی ادائیگی	(17,324,750)
تخمینی منافع آگے لایا گیا	457,640,989
تخمینی منافع آگے لے جایا گیا	287,262,597

چیئرمین کا تجزیہ:
کمپنی کے ڈائریکٹرز نے چیئرمین کے تجزیہ کے مندرجات کی تصدیق کی ہے جسے ڈائریکٹرز رپورٹ کا حصہ تصور کیا جائے۔

ڈویڈنڈ:
رواں سال کیلئے نتائج جو کہ حوصلہ افزا نہیں ہے لہٰذا آپ کے ڈائریکٹرز یہ سفارش کرتے ہیں کہ سال رواں کے ڈویڈنڈ کو موخر کیا جائے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کی تفصیل:
(الف) کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے، اس کے معملات کی حالت، آپریٹنگ نتائج، پیسے کے بہاؤ اور ایکیویٹی میں تبدیلی کی نشاندہی کررہا ہے۔
(ب) کمپنی کی جانب سے اکاؤنٹس کی کتب باقائدہ درست انداز میں مرتب کی گئی ہے۔
(ج) مالیاتی گوشوارے کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا متواتر استعمال اور اکاؤنٹنگ کا تخمینہ معقول اور دانشمندانہ فیصلے کے مطابق کیا گیا ہے۔
(د) مالیاتی گوشوارے کی تیاری میں ایسے بین الاقوامی فنانشیل رپورٹنگ اسٹنڈرز کے استعمال کو یقینی بنایا گیا ہے، جو پاکستان میں لاگو کیے گئے ہیں۔ اور اس سلسلے میں کسی بھی خامی کی صورت میں اس کی وضاحت کی جاتی ہے۔
(ہ) موجودہ حالات میں کمپنی کی قابلیت پر کوئی شکوک وشبہات نہیں ہیں۔
(و) اندرونی کنٹرول کا نظام بہترین اور موثر انداز میں مرتب اور لاگو کرتے ہوئے اس کی مانیٹرنگ کی جاتی ہے۔
(ز) گذشتہ چھ سالوں کی مالیاتی اور اہم آپریٹنگ کی تفصیلات منسلک ہیں۔
(س) واجب الادا رقم، دیگر چارجز اور ٹیکسز اگر کوئی ہے وہ منسلکہ آڈٹ شدہ مالیاتی حسابات میں ظاہر کئے گئے ہیں۔
(ش) زیرنظر سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس، آڈٹ کمیٹی کے چار اجلاس اور ہیومن ریسورس اینڈ ریمیونریشن کمیٹی کے چار اجلاس کا انعقا کیا گیا ہے۔ ان اجلاس میں ڈائریکٹرز کی حاضری درج ذیل ہے:۔

Form of Proxy

I/We ____of ____, being a Member of Tata Textile Mills Limited, holder of _______________________, Ordinary Share(s) as per Register Folio No. ___________________ hereby Appoint Mr.________________________, having CNIC No. ________________ ______________________ as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf at the Annual General Meeting of the company to be held on October 20, 2016 and at any adjournment thereof.

Signed this ___________ day of ____________2016.

Signature across Rs.5
Revenue Stamp

Witness 1 __________________________________

Signature __________________________________

Name _____________________________________

CNIC # ____________________________________

Witness 2 __________________________________

Signature ___________________________________

Name _______________________________________

CNIC # ______________________________________

NOTES:

1. This instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation either under the common seal or under the hand of an official or attorney so authorized. No person shall be appointed as proxy who is not member of the company qualified to vote except that a corporation being a member may appoint a person who is not a member.

2. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the office of the Company not less than 48 (forty eight) hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of a proxy shall not be treated as valid.

3. CDC Shareholders or their Proxies should bring their original CNICs or Passport along with the Participant's ID Number and their Account Number to facilitate their identification. Detail procedure is given in Notes to the Notice of AGM.

پراکسی فارم (مختارنامہ)

میں/ہم ------------------------------ کا/کی ------------------------------

بحیثیت رکن ٹاٹا ٹیکسٹائیل ملز لمیٹڈ اور حامل ---------------- عام حصص بمطابق رجسٹرڈ فولیو نمبر ----------------

بذریعہ ہذا محترم/محترمہ ---------------------------- کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ----------------------------

مورخہ 20 اکتوبر 2016ء، کو

کو اپنے/ ہمارے ایماء پر: --

منعقد ہونے والے کمپنی کے سالانہ اجلاسِ عام میں حقِ رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ ہمارا بطور مختارنامہ (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

آج بروز .... بتاریخ .... 2016 کو میرے/ ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

ممبر کے دستخط

ریونیو کی مہر 5 روپے

گواهان

1۔

دستخط: ------------------------------------

نام: ------------------------------------

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ----------------------

گواهان

2۔

دستخط: ------------------------------------

نام: ------------------------------------

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ----------------------

نوٹ:

1۔ پراکسی تقرری کے آلات تقرر کرنے والے کے دستخط یا اس کے باقاعدہ بااختیار وکیل کے تحریری اجازت نامہ، یا اگر تقرر کرنے والا کارپوریشن ہے تو عام مہر یا ایک آفیشل دستخط کے تحت یا ایسے بااختیار وکیل کے دستخط ہوں گے۔ جو کمپنی کا رکن نہیں ہے اسے پراکسی مقرر نہیں کیا جائے گا سوائے ایک کارپوریشن کے جو ووٹ ڈالنے کے لئے ایک غیر رکن شخص کو پراکسی مقرر کرسکتی ہے۔

2۔ پراکسی اور مختارنامہ یا دیگر اتھارٹی (اگر کوئی ہوں) تقرری کے آلات، جس کے تحت یہ دستخط شدہ ہو یا اس مختارنامہ کی نوٹریلی مصدقہ کاپی، کمپنی کے دفتر میں کم از کم 48 (اڑتالیس) گھنٹے قبل اجلاس جس میں ووٹ دینے کے مقاصد کے لئے انسٹرومنٹ میں نامزد شخص کی جمع کروایا جائے گا، بصورت دیگر پراکسی کا انسٹرومنٹ کارآمد تصور نہ ہوگا۔

3۔ سی ڈی سی حصص یافتگان یا ان کے پراکسیز کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ معہ پارٹیسپنٹ (شرکت) آئی ڈی نمبر اور اکاؤنٹ نمبر اپنی شناخت کی سہولت کے لئے اپنے ہمراہ لانا چاہئے۔ تفصیلی طریقہ کار نوٹس AGM کے نوٹ میں دیا گیا ہے۔

HEAD OFFICE :
6th Floor, Textile Plaza,
M.A. Jinnah Road, Karachi-74000
Ph : 3241-2955-3 Lines, 3242-6761-2-4
Fax : (92-21) 3241-7710
E-Mail : ttm.corporate@tatatex.com

www.tatatex.com

MILLS :
10th K.M. M.M. Road, Khanpur Baggasher,
Muzaffargarh, Pakistan.