Indus Dyeing

& Manufacturing Company Limited



Annual Report 2017

CONTENTS

Company profile	02
Vision and mission statement	04
Chairman's review	05
Directors' review	07
Key operating and financial results	11
Pattern of holding of shares	12
Statement of compliance with the Code of Governance	14
Review report to the members on statement of compliance	16
with best practices of Code of Corporate Governance	
Notice of annual general meeting	17
Auditors' report	20
Balance sheet	21
Profit & loss account	22
Statement of other comprehensive income	23
Cash flow statement	24
Statement of changes in equity	25
Notes to the financial statement	26
Form of proxy	121
Dividend mandate form	123

Company Profile

Board of Directors

1	Mian Mohammad Ahmed	Chairman
2	Mr. Shahzad Ahmed	Chief Executive

3 Mian Riaz Ahmed

4 Mr. Naveed Ahmed

5 Mr. Kashif Riaz

6 Mr. Imran Ahmed

7 Mr. Irfan Ahmed

8 Mr. Shafqat Masood

9 Mr. Shahwaiz Ahmed

10 Sheikh Nishat Ahmed

11 Mr. Farooq Hassan Nominee N.I.T.

Audit committee

1	Sheikh Nishat Ahmed	Chairman
2	Mr. Kashif Riaz	Member
3	Mr. Irfan Ahmed	Member

Human resource and remuneration committee

1	Sheikh Nishat Ahmed	Chairman
2	Mr. Shahwaiz Ahmed	Member
3	Mr. Irfan Ahmed	Member

Company secretary

Mr. Ahmed Faheem Niazi

Group Chief financial officer

Mr. Zahid Mahmood

Chief financial officer

Mr. Arif Abdul Majeed

Chief Internal auditor

Mr. Yaseen Hamidia

Legal Advisor

Mr. M. Yousuf Naseem (Advocates & Solicitors)

Registered office

Office # 508, Tel. 111 - 404 - 404 5th floor, Beaumont Plaza, Fax. 009221 - 35693594

Civil Lines Quarters, Karachi.

Symbol of the company IDYM

Website

www.indus-group.com

Auditors

M/s Deloitte Yousuf Adil Chartered Accountants

Registrar & Share Transfer Office

JWAFFS Registrar (Pvt) Ltd.

407-408, Al - Ameera Centre, Tel. 35662023 - 24 Shahrah-e-Iraq, Saddar, Karachi. Fax. 35221192

Factory location

1 P 1 S.I.T.E. Tel. 0223 - 880219 & 252 Hyderabad, Sindh.

•

2 Plot # 3 & 7, Sector - 25, Tel. 021- 35061577 - 9 Korangi Industrial Area, Karachi.

3 Muzaffergarh, Bagga Sher, Tel. 0662 - 490202 - 205 District Multan.

4 Indus Lyallpur Limited. Tel. 041 - 4689235 - 6

38th Kilometre, Shaikhupura Road, District Faisalabad.

5 Indus Home Limited. Tel. 042 - 35385021 - 7 2.5 Kilometre, 111 - 404 - 405

Off Manga Raiwind Road, Manga Mandi, Lahore.

INDUS DYEING & MFG. CO. LIMITED

VISION

To be leading and diversified company, offering a wide range of quality products and services.

MISSION

We aim to provide superior products, Financial security, performance and service quality that fully meet the needs of our customers and to maintain the financial strength of the company.

CHAIRMAN'S REVIEW

FOR THE YEAR ENDED JUNE 30, 2017

It is my privilege and pleasure in presenting to the members of Indus Dyeing and Manufacturing Company Limited, review on the performance of the Company for the financial year ended June 30, 2017

BUSINESS OVERVIEW

Your Group earned post-tax profit of Rs 1,035 million as compared to Rs 449 million for the corresponding period. During the year under review the sales increased to Rs 27,573 million from Rs 24,901 million due to increase in yarn prices. The profit for the year increased mainly due to the increase in Home Textiles sale in overseas markets, decrease in the cotton and fuel prices along with the savings in finance cost as compared to the previous year.

Earnings per share of the Company on a standalone basis were Rs. 37.95 per share as compared to Rs. 5.08 per share last year. The consolidated earnings per share were Rs. 57.28 per share as compared to Rs. 24.85 per share for last year.

BUSINESS REVIEW

The year under review was quite challenging for the spinning industry as yarn prices remained depressed on lower demand in both domestic and export markets. The policy of china on usage of their cotton reserves and reduction of imported cotton made a major impact on cotton yarn export and hence on the yarn prices.

We are at the beginning of the cotton season in Pakistan, but unfortunately there is no cotton crop management policy and no real functional government at a time that is key in determining the textile sectors performance over the next twelve months. Textile constitutes the largest sector in Pakistan's Export and the country is faced with a serious current account deficit situation at a time when both our overall exports and textile exports have been declining for more than three years. Availability of gas and RLNG is a major concern for textile industry which is up to some extend is being provided to the industry but their utility prices are uncompetitive as compared to other regional countries. Despite these challenges, the intelligent business moves of the management in the areas of cotton procurement, sales and financial management has made the operating results profitable to a greater extent.

On home textile side, this year proved good for the company as it has earned profit after tax of Rs. 411 million as compared to last year profit after tax of Rs. 379 million, which shows overall better performance in export revenues and production. Higher commodities prices namely cotton, coal and RLNG this year as compared to the last year and persistent annual increase in minimum wages have put pressure on the competitiveness in the export market, making it difficult to get export orders. Capex of Rs. 106 million was incurred and this includes procurement of Washing Range at Rs. 51 million, Zimmer Dryer at Rs. 23 million and Multihead Embroidery Machine at Rs 6 million. This Capex is related to the printing section which will improve printing capability of the company.

In continuation of our last Annual Report with reference to Company's venture into the renewable energy sector; our wholly owned subsidiary "Indus Wind Energy Limited" has made considerable progress. Alhamdulillah, we have achieved all the major milestones set forth including Approval of Grid studies and obtaining evacuation letter from NTDC, Grant of Generation License from NEPRA, Registration of Allotted Land from Government of Sindh and Approval of Feasibility Studies from EDGOS. Moreover, the Company

is at present in final stages of negotiations to conclude agreements with Machinery Suppliers, EPC contractors and Financial Institutions for Project Financing. The only stumbling block in the implementation of the our project is obtaining the power tariff from the Federal Government which our Company is striving hard along with other project developers for which we are highly optimistic. Needless to say, the Project IWEL would be a game changer in contributing to growth of our Company with its undeniable potential.

FUTURE OUTLOOK

High input costs are resulting in the closure of a large number of textile mills engaged in the manufacturing of yarn and fabric. Both the spinning and weaving sectors have faced the brunt of a higher cost of doing business despite being integral to the textile value chain, the situation has made the sector unviable throughout the country.

Though the cotton availability is expected to remain comfortable or may improve further from that of previous year, cotton prices are expected to be subdued since China is diluting their stock reserves and decline in manmade fiber prices due to lower crude oil prices internationally. Measures are being taken to save costs and rationalize operations, which are likely to yield positive results. Competition from other exporting countries with lower cotton cost and strength of the Pak Rupee against US Dollar may affect our future profitability. The operating margins are also under pressure due to high input costs towards electricity and manpower.

With respect to home textile division current market is giving tough competition in term of price and operational compliance. Forecasts about the World Economy and Country Economy are positive that both will grow in year 2018 as compared to year 2017. Government is also considering to extend DLTL scope and time period to contain declining trend of export as trade deficit gap is widening and have serious repercussions on FX reserves and economy. In coming year, the management is hopeful of positive developments and recovery of growth in local and global economy. And the management is making all out efforts to run Plant at maximum capacity and keep operation profitable.

CORPORATE GOVERNANCE

The Company is committed to good corporate governance and compliance with best practices. The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their Listing Regulations have been duly complied with. A Statement to this effect is annexed with the Report.

<u>ACKNOWLEDGEMENT</u>

We acknowledge the contribution of each and every employee of the Company. We would like to express our thanks to our customers for the trust shown in our products and the bankers for continued support to the Company. We are also grateful to our shareholders for their confidence in our management.

Karachi.

Dated: October 06, 2017

Chairman
Mian Muhammad Ahmed

rispe d

Directors' Review

For The Year Ended June 30, 2017

The Directors of Indus Dyeing and Manufacturing Company Limited are pleased to present the Annual Report together with the audited Financial Statements for the year ended June 30, 2017 before the Sixtieth Annual General Meeting of the Company.

The consolidated financial highlights of the Company are as under:

	For the Year	For the Year
	Ended	Ended
	June 30, 2017	June 30, 2016
	(Rupees	in 000)
Sales	27,573,192	24,900,934
Gross profit	2,641,910	1,907,450
Other operating Income	124,080	157,730
Finance Cost	(254,998)	(315,097)
Provision for Taxation	(317,382)	(217,752)
Profit for the year after taxation	1,035,345	449,069
Un-appropriated profit brought forward	5,913,069	5,470,799
Un-appropriated profit carried forward	4,786,250	5,913,069
Earnings per share – basic and diluted (net)	Rs. 57.28	Rs. 24.85

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.

CODE OF CONDUCT

The Board has adopted a Business Code of Conduct and all employees are aware of and have signed off on this Statement. The Code of Conduct is rigorously followed throughout the organization as all employees observe the rules of business conduct laid down therein.

VISION AND MISSION

The statement reflecting the Vision and Mission of the Company is annexed to the report.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

It is certified that:

- (i) The financial statements together with notes thereon have been drawn up by management in conformity with the Companies Ordinance, 1984. These statements present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.
- (ii) The Company has maintained proper books of accounts.
- (iii) Appropriate accounting policies have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
- (iv) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and there has been no departure there from.
- (v) The system of internal control is sound in design and has been effectively implemented and monitored.
- (vi) The annual audited financial statements are circulated within four months of the close of the financial year.
- (vii) There are no significant doubts about the Company's ability to continue as a going concern.
- (viii) There has been no material departure from the best practices of corporate governance, as detailed in the Stock Exchange Listing Regulations.

BOARD AUDIT COMMITTEE

The Board of Directors has established an Audit Committee, in compliance with the Code of Corporate Governance, which oversees internal controls and compliance and has been working efficiently since its inception. The Audit Committee reviewed the quarterly, half-yearly and annual financial statements before submission to the Board and their publication. The Audit Committee had detailed discussions with the external auditors on various issues, including their letter to the management. The Audit Committee also reviewed internal auditors' findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

BOARD AND COMMITTEE MEETINGS

During the year ended June 30, 2017, various meetings of the Board of Directors, Board Audit Committee and The Board Human Resource and Remuneration Committee (HR & R) were held. The position of attendance during respective tenure was as follows:

		Board Meetings	Audit Committee Meetings	HR & R Committee Meeting
	Meetings Held	5	4	1
Nan	ne of Director	Attended	Attended	Attended
1.	Mian Muhammad Ahmed	4	-	-
2.	Mian Riaz Ahmed	3	-	-
3.	Mr. Shahzad Ahmed	4	-	-
4.	Mr. Naveed Ahmed	5	-	-
5.	Mr. Irfan Ahmed*^	3	3	1
6.	Mr. Kashif Riaz*	4	4	-
7.	Mr. Shahwaiz Ahmed^	5	-	1
8.	Mr. Shafqat Masood	4	-	-
9.	Mr. Farooq Hassan	5	-	-
10.	Sheikh Nishat Ahmed*^	5	4	1

^{*} Members of the Board Audit Committee.

PATTERN OF SHAREHOLDING

The statement reflecting the pattern of shareholding is annexed to the Report.

KEY OPERATING AND FINANCIAL DATA

Summary of key operating and financial data for the last six financial years is attached to this Report.

STATUTORY PAYMENTS

As on the date of closing, no government taxes, duties, levies and charges were outstanding or overdue except for routine payments of various levies and amounts in dispute pending decision in various appellate forums and the same have been disclosed in the financial statements.

[^] Members of HR & R Committee.

TRADING IN COMPANY SHARES

Apart from the following transactions, the Directors, CEO, CFO and Company Secretary have not traded in Company shares during the year.

Name of Director	Purchase	Sale	Gift
Mr. Irfan Ahmed	NiL	Nil	472,852
Mrs. Aisha Irfan	NiL	Nil	(472,852)

DIVIDEND

The directors proposed 130% final cash dividend i.e. Rs 13/- per share for the year ended June 30, 2017. This shall be in addition to interim cash dividend of 50% percent i.e. Rs 5/- per share already declared and paid during the year.

CERTIFICATE OF RELATED PARTY TRANSACTIONS

It is confirmed that the transactions entered into with related parties have been ratified by the Audit Committee and the Board and the Report provides information about the amounts due from all related parties at the Balance Sheet date.

AUDITORS

The present auditors, M/s. Deloitte Yousuf Adil, Chartered Accountants, whose tenure finished on June 30, 2017, being eligible have offered themselves for reappointment. The Audit Committee has recommended the appointment of M/s. Deloitte Yousuf Adil, Chartered Accountants as the statutory auditors of the Company for the year ending June 30, 2018.

For and Behalf of the Board

Shahzad Ahmed

Chief Executive Officer

Karachi: October 06, 2017

Key Operating and Financial Results

	2012	2013	2014	2015	2016	2017
Operating data						
Turn over	15,282,814	17,943,482	18,849,796	20,514,847	18,269,007	19,932,316
Less : commission	(195,676)	(331,466)	(233,064)	(229,804)	(165,230)	(175,252)
Sales (net)	15,087,138	17,612,016	18,616,732	20,285,043	18,103,777	19,757,064
Gross profit	2,228,151	3,274,429	2,052,994	1,604,924	1,128,954	1,723,694
Profit before tax	1,416,385	2,323,393	1,059,747	423,937	268,893	962,934
Profit after tax	1,252,047	2,347,529	1,187,803	276,346	91,871	685,835
Financial data						
Gross assets	10,255,699	11,315,251	16,124,298	15,667,103	16,782,496	17,229,879
Return on equity	17.72%	27.89%	12.74%	2.96%	0.98%	6.91%
Current assets	3,930,128	4,849,357	6,343,867	5,637,231	6,599,848	7,256,217
Shareholders equity	7,064,724	8,416,927	9,325,254	9,330,865	9,418,035	9,923,532
Long term debts and deferred liabilities	1,187,985	802,608	1,995,294	1,401,166	1,478,333	1,401,927
Current liabilities	2,002,990	2,095,716	4,803,750	4,935,072	5,886,128	5,904,420
Key ratios						
Gross profit ratio	14.77%	18.59%	11.03%	7.91%	6.24%	8.72%
Net profit	8.30%	13.33%	6.38%	1.36%	0.51%	3.47%
Debt / equity ratio	14 : 86	09 : 91	18 : 82	13 : 87	14 : 86	12 : 88
Current ratio	1.96	2.31	1.32	1.14	1.12	1.23
Earning per share (basic and diluted)	69.27	129.89	65.72	15.29	5.08	37.95
Dividend (percentage)						
- Cash	350%	100% Int	150% Int	150% Int	50% Final	50% Int
- Stock	-	-	-			
- Specie dividend	-	100 : 09	-	-	-	-
Statistics						
Production (tons)	40,257	43,427	50,785	51,565	52,684	51,886

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS OF INDUS DYEING & MANUFACTURING CO. LIMITED JUNE 30, 2017

Form 34

THE COMPANIES ORDINANCE, 1984 (SECTION 236)

No. of

Shareholding

1101 01		5			-
Shareholders	From	То		Shares	held
1,221	1	100	· ·		41,853
138	101	500			35,095
31	501	1,000			31,552
23	1,001	5,000			48,970
9	5,001	15,000			51,406
2	15,001	50,000			121,099
2	50,001	100,000			162,700
4	100,001	500,000			1,362,795
2	500,001	800,000			1,074,762
1	800,001	1,100,000			779,818
2	1,200,001	1,500,000			2,749,939
3	1,500,001	2,200,000			6,261,045
1_	2,880,001	5,352,700			5,352,698
1,439					18,073,732
	Categories of sharehold	ding			
Shareholders	No. of Share holders		Shares held	Р	ercentage
Individuals	1,414		355,008		1.96%
Joint Stock Companies	4		1,952		0.01%
Financial Institutions	3		763,774		4.23%
Insurance Companies	1		446,605		2.47%
Mutual Fund	2		525,845		2.91%
Directors, CEO their Spouses	15		15,979,848		88.42%
& Minor Children	1,439		18,073,032	_	100.00%
INDIVIDUALS		1,414			355,008
JOINT STOCK COMPANIES		4			
N.H Capital Fund Limited				10	
Kamal Factory (Pvt) Ltd				1,400	
S.H. Bukhari Securities (Pvt) Ltd				525	
United Securities (Pvt) Ltd				17	
				1,952	

Total

FINANCIAL INSTITUTIONS	3
National Bank of Pakistan	267,657
National Investment Trust	11,227
United Bank Limited Trading Port Folio	484,890
	763,774
INSURANCE COMPANIES	1
State Life Insurance Corp. of Pakistan	446,605
	446,605
MUTUAL FUND	2
CDC-Trustee National Investmet (UNIT) Trust	525,295
CDC-Trustee Akd Index Tracker Fund	550
	525,845
DIRECTORS AND THEIR SPOUSES	15
Mian Mohammad Ahmed	1 400 140
Mian Riaz Ahmed	1,400,149 1
Mr. Shahzad Ahmed	1,349,792
Mr. Naveed Ahmed	2,144,360
Mr. Kashif Riaz	5,352,698
Mr. Imran Ahmed	1,981,959
Mr. Irfan Ahmed	2,134,728
Mr. Shafqat Masood	39,785
Mr. Shahwaiz Ahmed	1,092
Mr. Sheikh Nishat Ahmed	100
Mrs. Salma Jabeen	78,820
Mrs. Lozina Shahzad	779,818
Mrs. Shazia Naveed	3,140
Mrs. Fadia Kashif	549,467
Mrs. Tahia Imran	163,939
	15,979,848
	18,073,032

Shareholders holding 10% or more voting interest in the company as at June 30, 2017

Name	Holding	Percentage
		_
Mr. Kashif Riaz	5,352,698	29.62
Mr.lmran Ahmed	1,981,959	10.97
Mr. Naveed Ahmed	2,144,360	11.86
Mr. Irfan Ahmed	2,134,728	11.81

Detail of purchase / sale of shares by Directors, Company Secretary, Head of Internal Audit Department, Chief Finance Officer, Chief Executive Office and their spouses, minor children during 2016-2017

Name	Purchas	se sold	Gift
Mr. Irfan Ahmed	Nil	Nil	472,852
Mrs. Aisha Irfan	Nil	Nil	(472,852)

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017

The statement is being presented to comply with the Code of Corporate Governance (CCG) ontained in Chapter 5.19 of the Rule Book of Pakistan Stock Exchange Limited (PSX) where the Company is listed, for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner.

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

Category	Names
Independent Directors	Mr. Sheikh Nishat Ahmed
Executive Directors	Mr. Shahzad Ahmed
	Mr. Naveed Ahmed
	Mr. Shafqat Masood
Non-Executive Directors	Mian Mohammad Ahmed
	Mr. Shahwaiz Ahmed
	Mian Riaz Ahmed
	Mr. Kashif Riaz
	Mr. Imran Ahmed
	Mr. Irfan Ahme d
	Mr. Farooq Hassan

The Independent director meets the criteria of independence under clause 5.19.1 (b) of 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 (excluding the listing subsidiaries of listed holding companies where applicable).
- 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 development financial institution or a non-banking financial company, or being a Broker of stock exchange, has been declared as a defaulter by that stock exchange.
- 4) 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.
- 5) There was no casual vacancy occurred in the Board during the year.
- The Board has developed a vision / mission statement and overall corporate strategy and company is in process of developing significant policies that will be approved by the board. A complete record of particulars of significant policies along with the dates on which they were approved or amended will be maintained.
- 7) All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive and non-executive directors, have been taken by the Board.
- 8) The meeting of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 9) In accordance with the criteria specified on clause 5.19.7 of PSX Rule Book, majority of directors of

- the Company are exempt from the requirements of directors' training program. One of the directors is certified under directors' training program.
- 10) There were no new appointments of CFO, Company Secretary and Head of Internal Audit during the year. Previously remuneration of Chief Financial Officer, Head of Internal Audit and Company Secretary was approved by the board.
- 11) The Directors' report for this year has been prepared in compliance with the requirement of the Code of Corporate Governance and fully describes the salient matters required to be disclosed.
- 12) The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
- 13) The directors, CEO and executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholdings.
- 14) The company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.
- 15) The Board has formed an audit committee. It comprises of three members, of whom all are the 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 CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
- 17) The Board has formed a HR and Remuneration Committee. It comprises of three members, all of whom are non-executive directors and chairman of the committee is an independent director.
- 18) The Board has set up an effective internal audit which is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
- 19) The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
- 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 the 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) The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
- 24) We confirm that all other material principles enshrined in the Code of Corporate Governance have been complied with by the company.

On behalf of the Board of Directors

Inadahmad

Shahzad Ahmad Chief Executive

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

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

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

As 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's 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 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 upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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

Chartered Accountants
Engagement Partner:

Naresh Kumar

Date: October 07, 2017

Place: Karachi

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 60th Annual General Meeting of Indus Dyeing & Manufacturing Co. Limited will be held at Indus Dyeing & Mfg. Co. Ltd. Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi on Tuesday, October 31, 2017 at 11:30 A.M. to transact the following business:

ORDINARY BUSINESS:

- 1. To confirm minutes of the Extra Ordinary General Meeting held on March 24, 2017.
- 2. To receive, consider and adopt the Audited Accounts together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2017.
- 3. To appoint auditors for the year ending June 30, 2018 and fix their remuneration. The retiring auditor, M/s. Deloitte Yousuf Adil, Chartered Accountants, being eligible, have offered themselves for reappointment.
- 4. To consider and approve, as recommended by the Board of Directors, the payment of final cash dividend for the year ended June 30, 2017 @ 130% i.e. Rs. 13/- per ordinary share. This shall be in addition to 1st interim cash dividend of 50% (Rs.5/- per Share) already declared and paid during the year.
- 5. To transact any other business with the permission of the chair.

By Order of the Board

Ahmed Faheem Niazi Company Secretary

Karachi

Date: 06-10-2017

Notes:

- i) Members are requested to attend in person along with Computerized National Identity Card ("CNIC") or appoint some other member as proxy and send their proxy duly witnessed, so as to reach the registered office of the company not later then 48 hours before the time of holding the meeting.
- ii) The Share Transfer Books of the Company will remain closed from Tuesday, October 24, 2017 to October 31, 2017 (both days inclusive) and the final dividend will be paid to the Members whose names will appear in the Register of Members on October 23, 2017. Members (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company M/s. Jwaffs Registrar Services (Pvt) Ltd, 407-408, Al-Ameera Center, Shahra-e-Iraq, Saddar, Karachi. All the Members holding the shares through the CDC are requested to please update their addresses and Zakat status with their participants. This will assist in prompt receipt of dividend.
- iii) The Company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the Company reside, provided that the Company receives their demand to participate in annual general meeting through video-link at least 10 days prior to the date of meeting.

In this regard, it is requested to fill the following Form and submit at the registered address of the Company atleast 10 days before holding of the Annual General Meeting:

"I/WE,______ of _____ being a member of Indus Dyeing & Manufacturing Co. Limited, holder of _____ Ordinary Shares as per registered folio # _____ hereby opt for video conference facility at _____."

Signature of Member

- iv) The financial statements of the Company for the year ended 30th June, 2017 along with Auditors' and Directors' Reports thereon and the Chairman's Review Report have been placed on the Company's website: www.indus-group.com.
- v) Shareholders, who by any reasons, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or pending shares. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable, shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001

Pursuant to the provisions of the Finance Act 2016 effective July 1, 2016, the rates of deduction of income tax from dividend payments under the income Tax Ordinance, have been revised as follows:

ſ	(a)	Rate of tax deduction for filer of income tax returns	15%
ſ	(b)	Rate of deduction for non-filer of income tax returns	20%

All members of the Company who hold shares in physical form are therefore requested to send a valid copy of their CNIC and NTN Certificate, to the Company Shares Registrar, M/s Jwaffs Registrar Services (Pvt) Ltd, at the above mentioned address, to allow the Company to ascertain the status of the members.

Members of the Company who hold shares in scrip-less form on Central Depository System (CDS) of Central Depository Company of Pakistan Limited (CDC) are requested to send valid copies of their CNIC and NTN Certificate to their CDC participants CDC Investor Account Services.

Where the required documents are not submitted, the company will be constrained to treat the non-complying members as a non-filer hereby attracting a higher rate of withholding tax.

Withholding Tax on Dividend in case of Joint Account Holders

In order to enable the Company to follow the directives of the regulations to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the principal shareholder) for deduction of withholding Tax on dividends of the Company, shareholders are requested to please complete the forms (earlier dispatched) to furnish the shareholding ratio details of themselves as principal shareholder and their joint holders to the company's share registrar, enabling the company to compute withholding tax of each shareholder accordingly. In the event of non-receipt of the information by 23rd October, 2017, each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

Payment of Cash Dividend Electronically (Mandatory Requirement as per the Company Act, 2017) In accordance with the provisions of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. SECP vide Circular No. 18 of 2017 dated August 01, 2017 has presently waived the condition till October 31, 2017. Any dividend payable after this due date, shall be paid in

the manner prescribed only.

All the shareholders are requested to provide the details of their bank mandate specifying:

i.	Folio Number / CDC Account No.	
ii.	Title of Account:	
iii.	Bank Account:	
iv.	IBAN number:	
V.	Bank Name:	
vi.	Branch Code	Name
	Address:	
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
vii.	CNIC of Shareholder:	

to the Company's Share Registrar M/s. Jwaffs Registrar Services (Pvt) Ltd. Shareholders who hold shares with participants/ Central Depository Company of Pakistan Limited (CDC) are advised to provide the bank mandate details as mentioned above, to the concerned participant / CDC.

If they so desires the shareholders have the option to seek the dividend mandate by using the standardized "Dividend Mandate Form" available on company's website www.indus-group.com

E-mailing of Annual Report along with Notice of Annual General Meeting

Interested Members are encouraged to send their e-mail address with their consent (to opt for transmission of annual reports and AGM notices through e-mail) at company's registered office, to enable the company to transmit the annual report along with AGM notice through e-mail as per SECP's Notification dated: 10th September, 2014.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed unconsolidated balance sheet of Indus Dyeing & Manufacturing Company Limited (the Company) as at June 30, 2017 and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated 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 as applicable in Pakistan 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 CompaniesOrdinance, 1984;
- (b) in our opinion:
 - the unconsolidated balance sheet and unconsolidated profit and loss account together with the notesthereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreementwith 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 inaccordance 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 unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion Zakat deductible at source under 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.

Date: October 07, 2017

Place: Karachi

Chartered Accountants
Engagement Partner:

Naresh Kumar

Unconsolidated Balance Sheet As at June 30, 2017

	Note	2017 Rupees	2016 s in '000		Note	2017 Rupees	2016 s in '000
F. W 1 P. 1 P. 1				•			
Equity and liabilities				Assets			
Share capital and reserves				Non-current assets			
Authorized share capital 45,000,000 ordinary shares of Rs. 10 each		450,000	450,000	Property, plant and equipment	13	6,215,360	6,429,479
lssued, subscribed and paid up capital	5	180,737	180,737	Intangibles	14	24,517	26,341
Reserves	6	7,000,000	5,022,432	Long-term investments	15	3,729,680	3,722,723
Unappropriated profits		2,742,795	4,214,866	Long-term deposits	16	4,105	4,105
		9,923,532	9,418,035			9,973,662	10,182,648
Non-current liabilities				Current assets			
Long-term financing	7	1,048,036	1,224,199	Stores, spares and loose tools	17	256,082	218,856
Deferred liabilities	8	353,891	254,134	Stock-in-trade	18	4,203,973	3,599,444
		1,401,927	1,478,333	Trade debts	19	1,296,900	1,424,500
				Loans and advances	20	140,304	119,769
Current liabilities				Trade deposits and short-term prepayments	21	15,440	9,405
Trade and other payables	9	1,522,356	1,211,461	Other receivables	22	34,034	10,097
Interest / mark-up payable	10	41,436	24,593	Other financial assets	23	584,330	275,762
Short-term borrowings	11	3,911,125	4,377,109	Tax refundable	24	475,105	358,270
Current portion long term financing	7	429,503	272,965	Cash and bank balances	25	250,049	583,745
		5,904,420	5,886,128			7,256,217	6,599,848
Contingencies and commitments	12						
		17,229,879	16,782,496			17,229,879	16,782,496

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Arif Abdul Majeed Chief Financial Officer Shahzad Ahmed Chief Executive Officer Naveed Ahmed Director

Unconsolidated Profit and Loss Account For the year ended June 30, 2017

		2017	2016	
	Note	Rupees in '000		
Sales - net	26	19,757,064	18,103,777	
Cost of goods sold	27	(18,033,370)	(16,974,823)	
Gross profit		1,723,694	1,128,954	
Other income	28	48,817	7,263	
		1,772,511	1,136,217	
Distribution cost	29	(323,853)	(361,677)	
Administrative expenses	30	(233,551)	(224,008)	
Other operating expenses	31	(74,732)	(29,785)	
Finance cost	32	(177,441)	(251,854)	
		(809,577)	(867,324)	
Profit before tax		962,934	268,893	
Taxation	33	(277,099)	(177,022)	
Profit for the year		685,835	91,871	
		Rup	Dees	
Earnings per share - basic and diluted	34	37.95	5.08	

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Arif Abdul Majeed Chief Financial Officer Shahzad Ahmed Chief Executive Officer Naveed Ahmed Director

Unconsolidated Statement of Comprehensive Income For the year ended June 30, 2017

	2017	2016
Note	Rupees	s in '000
Profit for the year	685,835	91,871
Items that may be reclassified subsequently to profit and loss	-	-
Items that will not be replaced as because the top and local		
Items that will not be reclassified subsequently to profit and loss		
Remeasurement of defined benefit liability - net of tax 8.1	400	(4,701)
Total other comprehensive income for the year	400	(4,701)
Total outer comprehensive modification for		(1,701)
Total comprehensive income for the year	686,235	87,170
•	•	

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Arif Abdul Majeed Chief Financial Officer Shahzad Ahmed Chief Executive Officer Naveed Ahmed Director

Unconsolidated Cash Flow Statement For the year ended June 30, 2017

		2017	2016
	Note	Rupees	in '000
Α	Cash flows from operating activities		
	Cash generated from operations 35 Taxes paid - net Finance cost paid Gratuity paid 8.1	1,600,719 (324,028) (160,598) (52,469)	1,180,091 (190,243) (282,149) (45,078)
	Net cash generated from operating activities	1,063,624	662,621
В	Cash flows from investing activities		
	Payment for purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment 13.2 Purchase of investments in other financial assets Proceeds from redemption of investments in other financial assets Payment for investment in subsidiary companies 15.2.3 Dividends received	(409,610) 22,853 (1,334,125) 1,010,034 (6,957) 2,955	(738,766) 9,725 (156,155) 47,164 (32,793) 1,661
	Net cash used in investing activities	(714,850)	(869,164)
С	Cash flows from financing activities		
	Proceeds from long-term finance Repayment of long-term finance Dividends paid	260,971 (280,596) (200,084)	553,353 (955,983) (1,808)
	Net cash used in financing activities	(219,709)	(404,438)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	129,065	(610,981)
	Cash and cash equivalents at beginning of the year	(3,793,364)	(3,180,824)
	Effect of exchange rate changes on cash and cash equivalents	3,223	(1,559)
	Cash and cash equivalents at end of the year 36	(3,661,076)	(3,793,364)

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Arif Abdul Majeed Chief Financial Officer

Shahzad Ahmed Chief Executive Officer

Inadaumas

Naveed Ahmed Director

Unconsolidated Statement Of Changes in Equity For the year ended June 30, 2017

		Reserves				
		Capital Revenue				
	Issued, subscribed and paid up capital	Share premium	Merger reserve	General reserve	Unappropriated profits	Total
			Rupees	in '000'		
Balance at June 30, 2015	180,737	10,920	11,512	5,000,000	4,127,696	9,330,865
Comprehensive income for the year ended June 30, 2016						
Profit for the year Other comprehensive income for the year net of tax	-	-	-		91,871 (4,701)	91,871 (4,701)
Total comprehensive income for the year		-		-	87,170	87,170
Balance at June 30, 2016	180,737	10,920	11,512	5,000,000	4,214,866	9,418,035
Comprehensive income for the year ended June 30, 2017						
Profit for the year Other comprehensive income for the year net of tax		-	-		685,835 400	685,835 400
Total comprehensive income for the year	-	-	-	-	686,235	686,235
Transfer to general reserve				1,977,568	(1,977,568)	-
Transactions with owners recognized directly in equity						
Final cash dividend for the year ended						
June 30, 2016 @ Rs. 5 per share	-	-	-	-	(90,369)	(90,369)
Interim cash dividend for the period ended						
September 30, 2016 @ Rs. 5 per share	-	-	-	-	(90,369)	(90,369)
Balance at June 30, 2017	180,737	10,920	11,512	6,977,568	2,742,795	9,923,532

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Arif Abdul Majeed Chief Financial Officer Shahzad Ahmed Chief Executive Officer

Naveed Ahmed Director

Notes to the Unconsolidated Financial Statements For the year ended June 30, 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

Indus Dyeing & Manufacturing Company Limited (the Company) was incorporated in Pakistan on July 23, 1957 as a public limited company under the Companies Ordinance,1984. Registered office of the Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Company is currently listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn. The manufacturing facilities of the Company are located in Karachi, Hyderabad and Muzaffargarh. The Company is also operating two ginning units including one on leasing arrangements in District Lodhran. The Company has the following group entities:

Indus Lyallpur Limited
 Indus Home Limited
 Wholly owned subsidiary
 Wholly owned subsidiary

- Indus Home USA Inc. - Wholly owned subsidiary of Indus Home Limited

Indus Wind Energy Limited - Wholly owned subsidiary
 Sunrays Textile Mills Limited - Associated undertaking
 Indus Heartland Limited - Associated undertaking

2 BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated 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 issued by the 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 or directives of the Companies Ordinance, 1984 shall prevail.

During the year, the Companies Act, 2017 was enacted on May 30, 2017 and came into force at once. Subsequently, Securities and Exchange Commission of Pakistan has notified through Circular No. 17 of July 20, 2017 that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Therefore, these financial statements have been prepared under the Companies Ordinance 1984.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for certain employee retirement benefits which are measured at present value and certain financial instruments which are carried at fair value.

2.3 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June

The following standards, amendments and interpretations are effective for the year ended June 30, 2017. These standards, interpretations 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.

Effective from accounting period beginning on or after:

January 01, 2016

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

	Effective from accounting period beginning on or
Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations	January 01, 2016
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative	January 01, 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization	January 01, 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants	January 01, 2016
Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements	January 01, 2016

Certain annual improvements have also been made to a number of IFRSs, which are not expected to have material impact on the financial statements of the Company.

2.4 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations 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.

Effective from accounting period beginning on or after:

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 01, 2018
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	Effective from accounting period beginning on or after a date to be determined
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealized losses	January 01, 2017
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs, which are not expected to have material impact on the unconsolidated financial statements of the Company.

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
- IFRS 17 Insurance Contracts

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

Estimates and judgments, if any, are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the unconsolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- Provision for current and deferred tax (note 4.1 and 32)
- Provision for gratuity (note 4.2 and 8.1)
- Depreciation rates of property, plant and equipment (note 13)
- Classification and impairment of investment (note 4.5, 14 and 22)
- Net realizable value of stock-in-trade (note 4.7 and 17)
- Provision for impairment of trade debts and other receivables (note 4.8, 18 and 21)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Taxation

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates, remaining taxable income at the current rates, of taxation under normal tax regime after taking into account tax credits and rebates available, if any, or on turnover at the specified rate or Alternative Corporate Tax as defined in section 113C of Income Tax Ordinance, 2001, whichever is higher.

Deferred

Deferred tax is recognized using balance sheet liability method for all major temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the unconsolidated financial statements.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that tax profits and taxable temporary differences will be available against which deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits and taxable temporary differences will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realized. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. The effect of deferred taxation of the portion of the income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of Institute of Chartered Accountants of Pakistan.

4.2 Staff retirement benefit

Defined benefit plan

The Company operates an unfunded gratuity scheme covering all its employees who have completed minimum qualifying period. Provisions are determined based on the actuarial valuation conducted by a qualified actuary using Projected Unit Credit Method. Under this method cost of providing for gratuity is charged to profit and loss account so as to spread the cost over the service lives of the employees in accordance with the actuarial valuation. Past-service costs are recognized immediately in profit and loss account and actuarial gains and losses are recognized immediately in other comprehensive income.

Compensated absences

The Company provides for compensated absences of its employees on unavailed balance of leaves in the period in which the leaves are earned.

4.3 Trade and other payables

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

4.4 Property, plant and equipment

4.4.1 Owned

Property, plant and equipment owned by the Company are stated at cost less accumulated depreciation and impairment loss if any, except freehold land. Depreciation is charged to profit and loss account using the reducing balance method whereby cost of an asset is written-off over its estimated useful life at the rates given in note 13.1.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to flow from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in the profit and loss account in the year the asset is derecognized.

In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and upto the month preceding the disposal respectively.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to income during the year in which they are incurred.

Depreciation methods, useful lives and residual values are reviewed periodically and adjusted, if appropriate, at each

4.4.2 Capital work-in-progress

Capital work-in-progress (CWIP) is stated at cost. All expenditures connected to the specific assets incurred during the installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are ready for their intended use.

4.5 Impairment

4.5.1 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 have 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 reorganization 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.

4.5.2 Non-financial assets

The Company assesses at each reporting date whether there is any indication that assets except deferred tax assets and inventories 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

4.6 Stores, spares and loose tools

These are stated at cost, determined based on moving average cost method less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon.

4.7 Stock-in-trade

These are valued at lower of cost and net realizable value. Cost is determined by applying the following basis:

Basis	OŤ.	val	llati	on

Raw material Weighted average cost

Work-in-progress Weighted average cost of material and share of applicable

overheads

Finished goods Weighted average cost of material and share of applicable

overheads

Packing material Moving average cost
Waste Net realizable value

Stock in transit Accumulated cost till reporting date

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

4.8 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of indicators as discussed in note 4.5.1. Balances considered bad and irrecoverable are written off when identified.

4.9 Investments

4.9.1 Regular way purchase or sale of investments

All purchases and sales of investments are recognized using settlement date accounting. Settlement date is the date that the investments are delivered to or by the Company.

4.9.2 Investment in associate and subsidiaries

Associate is an entity over which the Company has significant influence but not control, generally represented by shareholding of 20% to 50% of the voting rights.

Subsidiary is an entity overwhich the Company has the control, that is the power to govern the financial and operating policies of an entity so as to obtain benefits from its operating activities.

The investments in subsidiary and associate are stated at cost less any impairment losses in these unconsolidated financial statements. Subsequently, the recoverable amount is estimated to determine the extent of impairment losses, if any, and carrying amounts are adjusted accordingly. Impairment losses are recognized as expense in the profit and loss account. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. Reversal of impairment loss is recognized in the profit and loss account adjusted for impairment, if any, in the recoverable amounts of such investments.

4.9.3 Financial assets at fair value through profit or loss - held-for-trading

An investment that is acquired principally for the purpose of generating profit from short-term fluctuations in prices is classified as "fair value through profit or loss - held-for-trading".

Financial assets are initially recognized at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognized at fair value and transaction costs are recognized in the profit and loss account.

Subsequent to initial recognition, equity securities designated by the management as 'at fair value through profit or loss' are valued on the basis of closing quoted market prices available at the stock exchange.

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the profit and loss account.

4.9.4 Derivative financial instruments

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting dates. Derivatives with positive impact at reporting date are included in 'other financial assets' and with negative impacts in 'trade and other payable' in the balance sheet. The resultant gains and losses are included in other income or other expenses respectively.

Derivatives financial instruments entered into by the Company do not meet the hedging criteria as defined by IAS 39, Financial Instruments: 'Recognition and Measurement'. Consequently hedge accounting is not used by the Company.

4.10 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time that such assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit and loss account in the period in which these are incurred.

4.11 Foreign currency transactions and translation

These unconsolidated financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Transactions in other than Pakistani Rupee are translated into reporting currency at the rates of exchange prevailing on the date of transactions except for those covered by forward contracts, which are translated at contracted rates. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date except where forward exchange contracts have been entered into

Gains and losses arising on retranslation are included in profit or loss account.

4.12 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past event, 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.

4.13 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, and is recognized on the following basis:

- Sales are recorded when the significant risk and rewards of ownership of the goods have passed to the customers which coincide with the dispatch of goods to the customers.
- Income on bank deposits are recorded on time proportionate basis using effective interest rate.
- Dividend income is recognized when the right to receive the dividend is established.

4.14 Financial instruments

All financial assets and liabilities are recognized at the time when the Company becomes party to the contractual provisions of the instrument and derecognized when the Company loses control of the contractual rights that comprise of the financial assets and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Other particular recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments.

4.15 Offsetting of financial assets and financial liabilities

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

4.16 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash, balances with banks on current and deposit accounts and short term borrowings excluding loans from directors and their spouses.

4.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the unconsolidated financial statements in the period in which the dividends are approved.

4.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data 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 year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2017 Number o	2016 of shares		Note	2017 Rupees	2016 s in '000
		Ordinary shares of Rs.10/- each			
9,637,116	9,637,116	fully paid in cash		96,371	96,371
		Other than cash			
5,282,097	5,282,097	Issued to the shareholders of YTML	5.1	52,821	52,821
3,154,519	3,154,519	Issued as bonus shares		31,545	31,545
18,073,732	18,073,732			180,737	180,737

- 5.1 These shares were issued pursuant to the Scheme of Amalgamation with Yousuf Textile Mills Limited (YTML), determined as at October 01, 2004, in accordance with agreed share-swap ratio.
- **5.2** There was no movement in issued, subscribed and paid up capital during the year.
- The Company has only 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.
- **5.4** The Company has no reserved shares for issuance under options and sales contracts.

		Note	2017 2016 Rupees in '000	
6	RESERVES			
	Capital			
	Share premium Merger reserve	6.1 6.2	10,920 11,512	10,920 11,512
			22,432	22,432
	Revenue			
	General reserve	6.3	6,977,568	5,000,000
			7,000,000	5,022,432

- 6.1 This represents share premium received in year 2001 in respect of the issue of 3,639,960 right shares at a premium of Rs.3/- per share.
- Merger reserve represents excess of (a) assets of YTML over its liabilities merged with the Company over (b) consideration to shareholders of YTML as per the Scheme of Amalgamation. (Refer note 5.1)
- **6.3** This represents reserves created out of profits of the Company.

			Note	2017 Rupees	2016 in '000
7	LONG-TERM FINANCING				
	Secured				
	From banking companies Less: Payable within one year		7.1 & 7.2	1,477,539 (429,503)	1,497,164 (272,965)
				1,048,036	1,224,199
7.1	Particulars of long-term financing				
		A a	2017		Towns of
	Type and nature of loan	Amount outstanding	Mark up rate per annum		Terms of repayments
		Rupees in '000			
	Term finances	627,018	3 months KIBOR + 0.5% to 0.75%		Quarterly
	Long term finance facility (LTFF)	850,521	2.50% to 7.0%		Quarterly and half yearly
		1,477,539			
			2016		
			Mark up rate		
	Type and nature of loan	Amount	Mark	up rate	Terms of
	Type and nature of loan	Amount outstanding		up rate annum	Terms of Repayments
	Type and nature of loan			-	
	Type and nature of loan Term finances	outstanding	per 3 months K	-	Repayments Quarterly
	- -	outstanding Rupees in '000	per 3 months K	annum IBOR + 0.5% to	Repayments
	Term finances	outstanding Rupees in '000 864,919	per 3 months K	annum IBOR + 0.5% to .75%	Repayments Quarterly Quarterly and
7.2	Term finances	outstanding Rupees in '000 864,919 632,245 1,497,164	9 months K 0 2.50%	IBOR + 0.5% to .75% to 7.0%	Repayments Quarterly Quarterly and
7.2 7.3	Term finances Long term finance facility (LTFF)	outstanding Rupees in '000 864,919 632,245 1,497,164 and equipment of the second	per 3 months K 0 2.50% ne Company	annum IBOR + 0.5% to .75% to 7.0%	Quarterly Quarterly and half yearly
	Term finances Long term finance facility (LTFF) These finances are secured by charge over property, plant at the complex term finance agreements with	outstanding Rupees in '000 864,919 632,245 1,497,164 and equipment of the banking companion	ger 3 months K 0 2.50% ne Company ies which m	annum IBOR + 0.5% to .75% to to 7.0% /	Quarterly Quarterly and half yearly
7.3	Term finances Long term finance facility (LTFF) These finances are secured by charge over property, plant at the complex three is no non-compliance of the financing agreements with penalties or early repayment.	outstanding Rupees in '000 864,919 632,245 1,497,164 and equipment of the banking companion	ger 3 months K 0 2.50% ne Company ies which m	annum IBOR + 0.5% to .75% to to 7.0% /	Quarterly Quarterly and half yearly ompany to
7.3	Term finances Long term finance facility (LTFF) These finances are secured by charge over property, plant at the complex three is no non-compliance of the financing agreements with penalties or early repayment.	outstanding Rupees in '000 864,919 632,245 1,497,164 and equipment of the banking companion	ger 3 months K 0 2.50% ne Company ies which m	annum IBOR + 0.5% to .75% to .75% to to 7.0% IBOR + 0.5% to .75% to	Quarterly Quarterly and half yearly ompany to
7.3	Term finances Long term finance facility (LTFF) These finances are secured by charge over property, plant at the secure is no non-compliance of the financing agreements with penalties or early repayment. Sanctioned amount on long term financing amounts to Rs. 5,	outstanding Rupees in '000 864,919 632,245 1,497,164 and equipment of the banking companion	3 months K 0 2.50% ne Company ies which m 3,905 millio	annum IBOR + 0.5% to .75% to .75% to .7.0% IBOR + 0.5% to .7.0%	Quarterly Quarterly and half yearly ompany to 2016 in '000
7.3	Term finances Long term finance facility (LTFF) These finances are secured by charge over property, plant at the secure of the financing agreements with penalties or early repayment. Sanctioned amount on long term financing amounts to Rs. 5,	outstanding Rupees in '000 864,919 632,245 1,497,164 and equipment of the banking companion	ger 3 months K 0 2.50% ne Company ies which m	annum IBOR + 0.5% to .75% to .75% to to 7.0% IBOR + 0.5% to .75% to	Quarterly Quarterly and half yearly ompany to

8.1 Provision for gratuity

The Company operates unfunded gratuity scheme for all its confirmed employees who have completed the minimum qualifying period of service. Provision is made to cover obligations under the scheme on the basis of valuation conducted by a qualified actuary. The latest valuation was conducted on June 30, 2017 using Projected Unit Credit Method. Details assumptions used and the amounts recognized in these financial statements are as follows:

Significant actuarial assumptions	2017	2016
Discount rate (%)	7.75	7.25
Expected rate of increase in salary level (%)	6.75	6.25
Weighted average duration of defined benefit obligation	7 years	7 years

The expected maturity analysis of undiscounted retirement benefit obligation is:

	Undiscounted paymentsRs. '000
Year 1	21,399
Year 2	23,940
Year 3	31,770
Year 4	37,634
Year 5	34,206
Year 6 and above	129,068

Mortality rates assumed were based on the SLIC 2001-2005 mortality table.

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

	2017 2016 Rupees in '000	
	Rupees	000
Present value of defined benefit obligation	210,024	189,134
Movement in net defined benefit liability		
Balance at the beginning of the year	189,134	167,128
Recognized in profit and loss account		
Current service cost	62,037	47,234
Interest cost	11,810	13,736
	73,847	60,970
Recognized in other comprehensive income Actuarial losses on remeasurement of obligation	(488)	6,114
Benefits paid	(52,469)	(45,078)
Balance at the end of the year	210,024	189,134
Actuarial gains and losses		
Actuarial losses from changes in demographic assumptions	-	4,433
Experience adjustments - loss / (gain)	(488)	1,681
	(488)	6,114

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

	Impact on d	efined benefit	obligation
	Change in assumptions	Increase	Decrease
		(Rupees	s in '000)
Discount rate	1%	192,485	230,693
Salary growth rate	1%	230,693	192,179

8.2

The expected gratuity expense for the next year an benefit liability is expected to increase.	nounts to Rs. 80	0.09 million. This	is the amount by	y which defined
Deferred taxation		Recognized in profit and loss account (Rupees	Recognized in statement of comprehensive income in '000)	balance
Movement for the year ended June 30, 2017		(1.11)	,	
Deductible temporary differences in respect of:				
Provision for:		11		
retirement benefitsprovision of stores and spare partsother financial assets	(13,110) (81) (69)	(24,703) (99) (2,719)	88 - -	(37,725) (180) (2,788)
Unutilized minimum tax paid	(102,629)	(76,723)	-	(179,352)
	(115,889)	(104,244)	88	(220,045)
Taxable temporary differences in respect of:				
- accelerated tax depreciation	180,889	183,023	-	363,912
Deferred tax liability	65,000	78,779	88	143,867
Deferred tax liability	Opening balance	Recognized in profit and loss account	Recognized in statement of comprehensive income	Closing balance
Deferred tax liability Movement for the year ended June 30, 2016	Opening	Recognized in profit and loss account	Recognized in statement of comprehensive	Closing balance
Movement for the year ended	Opening	Recognized in profit and loss account	Recognized in statement of comprehensive income	Closing balance
Movement for the year ended June 30, 2016	Opening	Recognized in profit and loss account	Recognized in statement of comprehensive income	Closing balance
Movement for the year ended June 30, 2016 Deductible temporary differences in respect of:	Opening	Recognized in profit and loss account	Recognized in statement of comprehensive income	Closing balance
Movement for the year ended June 30, 2016 Deductible temporary differences in respect of: Provision for: retirement benefits provision of stores and spare parts	Opening balance	Recognized in profit and loss account (Rupees (11,697) (81)	Recognized in statement of comprehensive income in '000)	Closing balance (13,110) (81)
Movement for the year ended June 30, 2016 Deductible temporary differences in respect of: Provision for: retirement benefits provision of stores and spare parts other financial assets	Opening balance	Recognized in profit and loss account (Rupees (11,697) (81) (69)	Recognized in statement of comprehensive income in '000)	Closing balance (13,110) (81) (69)
Movement for the year ended June 30, 2016 Deductible temporary differences in respect of: Provision for: retirement benefits provision of stores and spare parts other financial assets	Opening balance	Recognized in profit and loss account (Rupees (11,697) (81) (69) (102,629)	Recognized in statement of comprehensive income in '000)	Closing balance (13,110) (81) (69) (102,629)
Movement for the year ended June 30, 2016 Deductible temporary differences in respect of: Provision for: - retirement benefits - provision of stores and spare parts - other financial assets Unutilized minimum tax paid	Opening balance	Recognized in profit and loss account (Rupees (11,697) (81) (69) (102,629)	Recognized in statement of comprehensive income in '000)	Closing balance (13,110) (81) (69) (102,629)

The Company does not account for deferred tax relating to its subsidiaries as it does not plan to receive dividends or realize the benefit from sale of its subsidiaries in foreseeable future. As at year end, the net charge of Rs. 78.87 million in the deferred tax liability balance for the year has been recognized as under:

		Note	2017 Rupees	2016 in '000
	Profit and loss account Other comprehensive income		78,779 88	66,413 (1,413)
			78,867	65,000
9	TRADE AND OTHER PAYABLES			
Ū	Creditors	9.1	83,186	66,602
	Accrued liabilities	0.1	1,065,739	858,420
	Infrastructure cess		244,231	184,298
	Workers' Profits Participation Fund	9.2	51,107	14,447
	Advance from customers		27,954	12,894
	Unclaimed dividends / dividends payable		6,326	25,673
	Withholding tax payable		7,975	7,565
	Others		35,838	41,562
			1,522,356	1,211,461
9.1	This includes Rs. 30.981 million (2016: Rs. 17.987 million) due to related	d parties.		
9.2	Workers' Profits Participation Fund			
	Balance at beginning of the year		14,447	208
	Allocation for the year		51,107	14,442
	Interest charged during the year on the funds utilized by the Company	32		5
	by the company	0Z		
	Payments made during the year		65,554 (14,447)	14,655 (208)
	Balance at end of the year		51,107	14,447
10	INTEREST / MARK-UP PAYABLE			
	On secured loans from banking companies:			
	- Long-term financing		13,786	15,919
	- Short-term borrowings		27,650	8,674
			41,436	24,593
11	SHORT-TERM BORROWINGS			
	From banking companies - secured			
	Running finance / cash finance arrangements	11.1	2,561,920	2,878,948
	Finance against export / import	11.2	1,349,205	1,498,161
		11.3	3,911,125	4,377,109

- 11.1 These carry mark-up ranging from 1 week KIBOR + 0.02% to 1% and 3 months KIBOR + 0.02% to 1% (2016: 1 week KIBOR + 0.05% to 1.25% and 3 months KIBOR + 0.6% to 1.00%). These are secured against charge over current assets of the Company with upto 25% margin and pledge of goods with upto 5% margin.
- 11.2 These carry mark-up ranging from 1% to 2.25% (2016: 1% to 1.5%) on foreign currency borrowing amount. These arrangements are secured against charge over current assets of the Company.
- 11.3 The Company has aggregated short-term borrowing facilities amounting to Rs. 9,970 million (2016:Rs. 9,069 million) from various commercial banks. These are secured against charge over current assets of the Company with upto 25% margin and pledge of goods with upto 5% margin.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 Under the Gas Infrastructure Development Cess Act, 2011, Government of Pakistan levied Gas Infrastructure Development Cess (GIDC) on gas bills at the rate of Rs. 13 per MMBTU on all industrial consumers. In the month of June 2012, the Federal Government revised GIDC rate from Rs. 13 per MMBTU to Rs. 100 per MMBTU and further increased from Rs.100 per MMBTU to Rs. 200 per MMBTU in July 2014.

The Company filed a suit before the High Court of Islamabad, challenging the applicability of Gas Infrastructure Cess Act 2011. The Islamabad High Court has restrained the Federation and gas companies from recovering GIDC over and above Rs. 13 per MMBTU. On August 22, 2014, the Supreme Court of Pakistan declared that the levy of GIDC as a tax was not levied in accordance with the Constitution and hence not valid.

In September 2014, the Federal Government promulgated Gas Infrastructure Cess Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the ground that GIDC was a 'Fee' and not a 'Tax'. In May 2015, the said Ordinance was approved by the Parliament and became an Act.

Following the imposition of the said Act, many consumers filed a petition in Honorable Sindh High Court and obtained stay order against Act passed by the Parliament. On October 26, 2016, the Learned single Judge of Honorable High Court of Sindh had passed an order to refund / adjust the GIDC collected in the future bills of the respective plaintiff. In other similar case, the said order was stayed by the Honorable Sindh High Court through order dated November 10, 2016. The Company intervened in the aforementioned case for clarification and the decision of Court is pending.

In view of aforementioned developments, the Company on prudent basis, recognized provision for GIDC as at June 30, 2017 amounting to Rs. 569.36 million (2016: 419.65 million) in these financial statements.

The management has only recorded provision by way of abundant precaution and management has not passed the burden of GIDC to its customers.

		Note	2017 Rupees	2016 in '000
12.1.2	Claim of arrears of social security contribution not acknowledged, appeal is pending in honorable High Court of Sindh. The			
	management is hopeful for favorable outcome.		453	453
12.1.3	Guarantees issued by banks on behalf of the Company		3,817	3,817
12.1.4	Guarantees issued by banks in favor of gas / electric companies		77,558	77,558
12.1.5	Bank guarantees against payment of infrastructure cess		253,042	195,042
12.2	Commitments			
	Letters of credit for raw material and stores and spares		444,576	1,440,775
	Letters of credit for property, plant and equipment		366,705	64,645
	Civil work contracts		-	20,000
13	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	13.1	6,187,997	6,307,600
	Capital work-in-progress	13.3	27,363	121,879
			6,215,360	6,429,479

	Depreciation Rate	%			,	ß	10	rð.	10	10	10	10	10	20		
	Carrying value at Uune 30,	^ : : :		14,302	127,094	844,541	74,578	89,244	4,415,022	105,931	402,103	6,237	20,090	88,855	6,187,997	
	Accumulated depreciation at June 30, 2017					470,071	103,028	21,072	4,304,711	105,892	314,567	5,122	12,074	114,324	5,450,861	
	Depreciation/ (adjustment) during the year					44,358	8,286	4,697	475,964 (69,071)	11,772	34,156	693	2,086	20,990 (10,204)	603,002	(79,275)
2017	Accumulated depreciation at July 01 2016	- Rupees in '000'				425,713	94,742	16,375	3,897,818	94,120	280,411	4,429	886'6	103,538	4,927,134	
	Cost at June 30, 2017			14,302	127,094	1,314,612	177,606	110,316	8,719,733	211,823	716,670	11,359	32,164	203,179	11,638,858	
	Additions / (disposal) during the year			(009)	75,059	2,026			283,250 (82,818)		122,280		4,212	17,299 (16,584)	504,126	(100,002)
	Cost at July 01, 2016			14,902	52,035	1,312,586	177,606	110,316	8,519,301	211,823	594,390	11,359	27,952	202,464	11,234,734	
	Particulars	V	Owned	Freehold land	Leasehold land	Factory buildings	Non-factory buildings	Office building	Plant and machinery	Electric installations	Power generators	Office equipment	Furniture and fixtures	Vehicles	June 30, 2017	

13.1

Operating Fixed Assets

					2016				
	Particulars	Cost at July 01, 2015	Additions / (disposal) during the year	Cost at June 30, 2016	Accumulated depreciation at July 01,	Depreciation/ (adjustment) during the year	Accumulated depreciation at June 30,	Carrying value at June 30,	Depreciation Rate
	v				Rupees in '000'			<u></u>	%
	Owned								
	Freehold land	14,902	•	14,902		ı	•	14,902	•
	Leasehold land	51,035	1,000	52,035	1	1	ı	52,035	٠
	Factory buildings	1,229,552	83,034	1,312,586	380,593	45,120	425,713	886,873	5
	Non-factory buildings	177,606		177,606	85,535	9,207	94,742	82,864	10
	Office building	110,316		110,316	11,431	4,944	16,375	93,941	5
	Plant and machinery	8,017,856	511,299 (9,854)	8,519,301	3,428,883	475,679 (6,744)	3,897,818	4,621,483	10
	Electric installations	194,428	17,395	211,823	82,491	11,629	94,120	117,703	10
	Power generators	587,390	2,000	594,390	245,686	34,725	280,411	313,979	10
	Office equipment	11,147	212	11,359	1,697	2,732	4,429	6,930	10
	Furniture and fixtures	18,866	980'6	27,952	8,914	1,074	9,988	17,964	10
	Vehicles	192,834	27,144 (17,514)	202,464	90,489	22,596 (9,547)	103,538	98,926	20
	June 30, 2016	10,605,932	656,170 (27,368)	11,234,734	4,335,719	607,706 (16,291)	4,927,134	6,307,600	
13.1.1	Allocation of depreciation	ion		Note	2017 Rupee	2016 Rupees in '000'			
	Manufacturing expense Administrative expense	0 0		27.2 30	574,536 28,466	576,360 31,346			
					603,002	907,709			

13.2 Disposals of operating fixed assets

Part	Particulars	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Gain / (loss)	Particulars of buyers	Mode of disposal
				Rupees in '000'				
_	Leasehold Land	009	1	009	009	,	MEPCO WAPDA Muzaffargarh	Negotiation
_	Plant and machinery	1.524	(1,498)	26	127	101	Muhammad Kamran	Negotiation
. ~	Plant and machinery	1 071	(226)	96	100	. (C	Ahmed Traders	Negotiation
ım	Plant and machinery	5.156	(4,859)	297	320	23	Ahmed Traders	Negotiation
4	Plant and machinery	6.758	(6.369)	388	200	111	Bismillah Textile Traders	Negotiation
. 10	Plant and machinery	2.913	(2,435)	478	200	22	Sunravs Textile Mills Limited	Negotiation
ဖ	Plant and machinery	1,988	(1,626)	362	375	13	Indus Lyallpur Limited	Negotiation
_	Plant and machinery	4,630	(3,871)	759	775	16	Indus Lyallpur Limited	Negotiation
∞	Plant and machinery	2,089	(1,746)	343	350	7	Indus Lyallpur Limited	Negotiation
6	Plant and machinery	18,529	(13,897)	4,632	5,200	268	Mayfair Limited	Negotiation
9	Plant and machinery	7,937	(6,037)	1,900	2,000	100	F.A.G. Textile	Negotiation
7 7	Plant and machinery Plant and machinery	20,031	(16,941) (8,815)	3,090	3,095	23	Gulf Textile Textile Future Concern	Negotiation Negotiation
		82 818	(69 071)	13 747	14 742	995		
	•	02,010	(1.0,00)	14.1.0	7.1.7			
~	Vehicle	1,622	(1,225)	397	400	'm	Rizwan Azam	Negotiation
7	Vehicle	554	(380)	164	270	106	Haider (Employee)	Company policy
က	Vehicle	1,060	(817)	243	300	22	Majid Ali	Negotiation
4	Vehicle	2,303	(786)	1,517	1,800	283	Adamjee Insurance	Claim
2	Vehicle	1,156	(729)	427	450	23	Abidien (Employee)	Company policy
9	Vehicle	52	(31)	21	15	(9)	Azaz Ahmed	Negotiation
7	Vehicle	1,960	(1,120)	840	1,174	334	Adamjee Insurance	Claim
∞	Vehicle	1,808	(1,467)	341	417	9/	Najam UI Islam	Negotiation
ි	Vehicle	1,703	(820)	883	006	17	Adil Ashraf	Negotiation
<u>و</u>	Vehicle	1,045	(869)	347	638	787	Mujahid Islam	Negotiation
: ;	Vehicle	63	(11) (5)	26	09	(22)	Adamjee Anghraf	Claim
4 5	Vehicle	1 131	(7)	348	38	(52)	Asilial Malik Momin	Negotiation
4	Vehicle	2	(4)	09	59	J E	Adamiee Insurance	Claim
15	Vehicle	71	(23)	48	27	(21)	Mirza Autos	Negotiation
16	Vehicle	1,374	(943)	431	450	19	Yaseen Hamidia	Negotiation
		16,033	(9,854)	6,179	7,398	1,219		:
	Aggregate of amounts below Rs. 50,000	551	(320)	201	113	(88)	Various	Company policy / negotiation
	2017	100,002	(79,275)	20,727	22,853	2,125		
		0	000	7.7	0	0.77		
	2016	27,308	(16,291)	11,077	677,8	(1,352)		

			Note	2017 Rupees i	2016 n '000
13.3	Capital work-in-progress				
	Civil works Advance against purchase of vehicles			27,363	20,391 5,241
	Plant and machinery			-	96,247
			13.3.1	27,363	121,879
13.3.1	Capital work-in-progress				
		Civil works	Plant and machinery	Advance against purchase of vehicles	Total
	A4 June 20 2045		(Rupees	s '000)	
	As at June 30, 2015	32,619	-	6,664	39,283
	Additions during the year Transferred to operating fixed assets	75,339 (87,567)	448,897 (352,650)	7,160 (8,583)	531,396 -
	As at June 30, 2016	20,391	96,247	5,241	570,679
	Additions during the year Transferred to operating fixed assets	6,972 -	123,027 (219,274)	4,640 (9,881)	134,639 (229,155)
	As at June 30, 2017	27,363	-	-	476,163
14	INTANGIBLES		Note	2017 Rupees i	2016 n '000
	Intangibles under use		14.1	16,417	-
	Intangibles under implementation		14.2	8,100	26,341
14.1	Intangibles under use			24,517	26,341
	Year ended June 30				
	Net book value as at July 1				-
	Additions Amortization for the year		14.1.1	18,241 (1,824)	-
	Net book value as at June 30			16,417	
	At June 30				
	Cost Accumulated amortization			18,241 (1,824)	-
	Net book value			16,417	
	Annual amortization rate			30%	-
14.1.1	Amortization for the year has been charged to adm	ninistrative expense	s.		
14.2	Intangibles under implementation			Rupe	es in '000
	As at June 30, 2015				26,341
	Additions during the year Transferred to profit and loss account				1,590 (1,590)
	As at June 30, 2016			_	26,341
	Transferred to intangible assets				(18,241)
	As at June 30, 2017			=	8,100

		Note	2017 Rupees	2016 in '000
15	LONG-TERM INVESTMENTS			
	Investment in associate Investment in subsidiaries	15.1 15.2.1, 15.2.2 & 15.2.3	13,476 3,716,204	13,476 3,709,247
			3,729,680	3,722,723
15.1	The investment has been classified as investment in ass	ociates due to common directorsl	nip.	
15.2	Investment in subsidiaries			
15.2.1	Indus Home Limited (IHL)		2,491,204	2,491,204
	IHL is a wholly owned subsidiary of the Company and i products. The subsidiary is incorporated in Pakistan as these unconsolidated financial statements.	•		
			2017 Rupees	2016 in '000
15.2.2	Indus Lyallpur Limited (ILP)			
15.2.2	Indus Lyallpur Limited (ILP) ILP is a wholly owned subsidiary of the Company and is yarn. The subsidiary is incorporated in Pakistan as public unconsolidated financial statements.		1,185,000 facturing, export a	1,185,000 and sale of
15.2.2	ILP is a wholly owned subsidiary of the Company and is yarn. The subsidiary is incorporated in Pakistan as public		Rupees 1,185,000 facturing, export at ILP is carried at 2017	1,185,000 and sale of cost in these
	ILP is a wholly owned subsidiary of the Company and is yarn. The subsidiary is incorporated in Pakistan as public		Aupees 1,185,000 facturing, export at ILP is carried at	1,185,000 and sale of cost in these
	ILP is a wholly owned subsidiary of the Company and is yarn. The subsidiary is incorporated in Pakistan as public unconsolidated financial statements.		Rupees 1,185,000 facturing, export at ILP is carried at 2017	1,185,000 and sale of cost in these
	ILP is a wholly owned subsidiary of the Company and is yarn. The subsidiary is incorporated in Pakistan as public unconsolidated financial statements. Indus Wind Energy Limited (IWE) Opening		facturing, export at ILP is carried at 2017 Rupees	1,185,000 1,185,000 and sale of cost in these 2016 in '000

IWE is a wholly owned subsidiary of the Company and is involved in the business of generation and distribution of power. The subsidiary is incorporated in Pakistan as public unlisted company on February 21, 2015. Investment in IWE is carried at cost in these unconsolidated financial statements.

			2017	2016
		Note	Rupees	in '000
16	LONG-TERM DEPOSITS			
	Electricity		3,790	3,790
	Others		315	315
			4,105	4,105
17	STORES, SPARES AND LOOSE TOOLS			
	Stores, spares and loose tools Less: Provision for slow moving and obsolete stock	17.1	257,082 (1,000)	219,856 (1,000)
	-			
			256,082	218,856

17.1 It includes stores and spares in transit amounting to Rs. 18.7 million (2016: Rs. 20.737 million).

	OTOOK IN TRADE	Note	2017 Rupees i	2016 in '000
8	STOCK-IN-TRADE			
	Raw material - in hand		3,115,787	1,620,855
	- in transit		183,578	1,313,10
			3,299,365	2,933,95
	Work-in-process		218,812	218,24
	Finished goods		584,759	363,74
	Packing material Waste		41,346 59,691	41,89 41,60
			4,203,973	3,599,44
9	TRADE DEBTS			
	Considered good			
	Considered good Secured			
	Secured		440,281	850,64
	-		440,281 30,052	
	Secured Foreign debtors Local debtors	19.1 & 19.2		72,51
	Secured Foreign debtors	19.1 & 19.2	30,052	72,51
	Secured Foreign debtors Local debtors	19.1 & 19.2 19.1 & 19.3	30,052	72,51 923,16
	Secured Foreign debtors Local debtors Unsecured		30,052 470,333	72,51 923,16 501,34
	Secured Foreign debtors Local debtors Unsecured		30,052 470,333 826,567	850,64 72,51 923,16 501,34 1,424,50

- **19.1** This includes balances due from the related parties amounting to Rs. 26.861 million (2016: Rs. 61.67 million) which are not past due.
- 19.2 These are secured against letters of credit in favour of the Company.
- **19.3** Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of credit customers, to assess their recoverability.

19.4	Aging of trade debts	2017 (Rupees	2016 s in '000)
	From 1 to 30 days From 30 to 60 days From 60 to 90 days From 90 to 180 days	786,880 207,439 183,785 118,796	1,272,318 85,959 41,986 24,237
		1,296,900	1,424,500

			2017	2016
		Note	Rupees	in '000
20	LOANS AND ADVANCES			
	Considered good			
	Loans / advances to staff - upto 500,000 Advance income tax - net	20.1	21,115 77,591	19,593 68,718
	Advances to:			
	- Suppliers - Others		4,351 37,247	8,822 22,636
			41,598	31,458
			140,304	119,769
20.1	Advance income tax - net			
	Advance income tax Provision for taxation Workers Welfare Fund	20.1.1	281,989 (196,294) (8,104)	207,423 (133,217) (5,488)
			77,591	68,718

20.1.1 Prior to certain amendments made through the Finance Acts of 2006 & 2008, Workers Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, the Company together with other stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against the Company and other stakeholders. Management has filed a petition before the Honourable Supreme Court of Pakistan against the decision of the Sindh High Court.

During the year, Honourable Supreme Court of Pakistan has passed an order dated November 10, 2016 that the Workers' Welfare Fund (WWF) is a fee, not a tax. Hence, the amendments made through Finance Act, 2006 and 2008 have been declared invalid in the said order. Therefore, the management believe that in the light of the aforementioned judgement, all cases pertaining to WWF, pending for adjudication would be decided in the favour of the Company. The management has filed an application for rectification order amounting to Rs. 125.28 million for the years from 2010 to 2014 contending the fact that they had erroneously paid WWF despite of having exemption available to them.

	,, p, p		
		2017 Rupees	2016 s in '000
21	TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
	Considered good		
	Trade deposits Prepayments	1,577 13,863	894 8,511
		15,440	9,405
22	OTHER RECEIVABLES		
	Considered good		
	Cotton claims Others	13,175 20,859	1,937 8,160
		34,034	10,097

			Note	2017 Rupees	2016 in '000
23	OTHER FINAN	ICIAL ASSETS			
	At fair value th	nrough profit o	r loss - held-for-trading		
		ordinary shares units of mutual f	of listed companies 23.1.1 unds 23.1.2	126,958 457,372	19,016 256,746
				584,330	275,762
23.1	Particulars of	other financial	assets		
23.1.1	Investment in	ordinary share	es of listed companies		
	2017 Number	2016 of shares			
23 1 2	42,000 160,000 45,000 30,000 15,000 1,850,000 11,088 10,000 193,900 25,950 136,900	- 30,000 - - 11,088 - 100,000 - - 60,500	Bestway Cement Limited Engro Fertilizers Limited Engro Corporation Limited Fauji Fertilizer Company Limited Habib Bank Limited K-Electric Limited Pakistan State Oil Company Limited Pak Elektron Limited Pakistan International Airlines Corporation Limited Pioneer Cement Limited Sitara Chemical Industries Limited United Bank Limited	9,203 8,838 14,666 2,479 4,037 12,765 4,295 1,103 584 25,207 11,538 32,243	- - 3,442 - - 4,162 - 708 - - 10,704
20.1.2	2017 Number	2016			
	9,979,741 2,163 1,081 3,965,107 266 497,400 9,917	9,984,026 - 2,067 1,025 - 256 - 7,932	ABL Cash Fund ABL Income Fund HBL Money Market Fund HBL Cash Fund (Formerly PICIC Cash Fund) Meezan Cash Fund Meezan Sovereign Fund Meezan Income Fund NAFA Government Security Liquid Fund	100,151 220 109 199,960 14 38,006 101	100,000 - 202 100 - 12 - 98
	11,013,815 100,000 - 3,505 104	3,109,186 3,452	NAFA Money Market Fund NAFA Islamic Active Allocation Plan-V Pakistan Cash Management Fund UBL Liquidity Plus Fund UBL Money Market Fund	108,580 9,868 - 353 10	156,000 334

256,746

24	Not TAX REFUNDABLE	е	2017 2016 Rupees in '000	
	Sales tax refundable Income tax refundable		139,109 335,996	88,966 269,304
			475,105	358,270
25	CASH AND BANK BALANCES			
	With banks			
	- in deposit accounts 25.	1	12,807	513,526
	- in current accounts		231,151	54,712
	Cash in hand		243,958 6,091	568,238 15,507
			250,049	583,745
25.1	Markup rates on these accounts range between 3.75% - 5.75% per annum (2016:	3.75% -	5.75% per annu	ım)
26	SALES - NET			
	Export sales 26.1, 26.2 Less: Commission	& 26.3	12,205,627 (117,800)	12,365,251 (110,217)
	Local sales		12,087,827	12,255,034
	Yarn Waste		7,222,368 504,321	5,829,199 251,670
			7,726,689	6,080,869
	Less:			
	Sales tax @ 3% on local sales Brokerage		(57,452)	(177,113) (55,013)
			(57,452)	(232,126)
		•	19,757,064	18,103,777

- **26.1** It includes exchange loss of Rs.15.48 million (2016: Rs. 49.784 million) and indirect export of Rs. 878 million (2016: Rs. 485 million).
- 26.2 It includes duty drawback of taxes of Rs. 3.5 million as per duty drawback of taxes order 2016-2017.
- 26.3 This includes indirect exports to related undertakings of Rs. 214 million (2016: Rs. 418 million).

			Note	2017 Rupees	2016 in '000
Manufacturing expenses 27.2 3,948,073 3,808,0516 138,343 138,273,042 16,912,924	27	COST OF GOODS SOLD			
Work in process - Opening 218,243 243,052 (218,812) (569) 24,809 (569)		Manufacturing expenses		3,948,073	3,808,516
- Opening - Closing 218,243 243,052 (218,812) (218,813) (218,813) (218,243) (569) 24,809 (218,243) (569) 24,809 (218,243) (569) 24,809 (218,243) (569) 24,809 (218,243) (644,450) (405,347) (405,347) (405,347) (405,347) (239,103) 37,090 (239,103) 37,090 (239,103) 37,090 (239,103) 37,090 (239,103) (239				18,273,042	16,912,924
- Closing		Work in process			
Timished goods		·			
Finished goods - Opening - Closing - Opening - Closing - Closing - Opening - Closing - Closing stock - Closing stock - Purchases - Cost of raw cotton sold - Closing stock - C				(569)	24,809
- Opening - Closing				18,272,473	16,937,733
- Closing (644,450) (405,347) (239,103) 37,090 (18,033,370) 16,974,823 (16,974,823)		Finished goods			
18,033,370					
Note 2017 2016 Rupees in '000				(239,103)	37,090
Note Rupees in '000				18,033,370	16,974,823
Opening stock Purchases 1,620,855 2,403,864 12,209,723 12,009,723 17,664,297 14,613,587 (226,667) (227,241) (26,667) (3,115,787) (1,620,855) (1,62	27 1	Raw material consumed	Note		
Purchases 16,043,442 12,209,723 17,664,297 14,613,587 Cost of raw cotton sold 28.1 (227,241) (26,667) (3,115,787) (1,620,855) 14,321,269 12,966,065 14,321,269 12,966,065 14,321,269 12,966,065 14,261,361 1,466,278 1,426,136 Packing material consumed 318,423 311,904 Stores and spares consumed 344,199 381,714 Repairs and maintenance 29,916 36,862 Insurance 29,916 36,862 Insurance 19,935 24,488 Rent, rates and taxes 19,960 2,211 Depreciation on operating fixed assets 13.1.1 574,536 576,360 Other 20,590 19,954	27	Naw material consumed			
Cost of raw cotton sold Closing stock 28.1 (227,241) (26,667) (3,115,787) (1,620,855) 14,321,269 12,966,065 14,321,269 12,966,065 14,321,269 12,966,065 14,321,269 12,966,065 1,028,887 1,466,278 1,426,136 1,466,278 1,426,136 1,466,278 1,426,136 1,466,278 1,426,136 1,946,278 1,426,136 1,946,278 1,426,136 1,946,278 1,426,136 1,946,278 1,426,136 1,946,278 1,426,136 1,946,278 1,426,136 1,946,278 1,94					
Closing stock (3,115,787) (1,620,855) 14,321,269 12,966,065 27.2 Manufacturing expenses Salaries, wages and benefits Utilities Packing material consumed Packing material consumed Stores and spares consumed Repairs and maintenance Insurance Rent, rates and taxes Pepreciation on operating fixed assets Other (3,115,787) (1,620,855) 1,028,887 1,426,136 1,426,136 1,426,136 21,426,1				17,664,297	14,613,587
27.2 Manufacturing expenses Salaries, wages and benefits 27.2.1 1,172,236 1,028,887 Utilities 1,466,278 1,426,136 Packing material consumed 318,423 311,904 Stores and spares consumed 344,199 381,714 Repairs and maintenance 29,916 36,862 Insurance 19,935 24,488 Rent, rates and taxes 1,960 2,211 Depreciation on operating fixed assets 13.1.1 574,536 576,360 Other 20,590 19,954			28.1		
Salaries, wages and benefits 27.2.1 1,172,236 1,028,887 Utilities 1,466,278 1,426,136 Packing material consumed 318,423 311,904 Stores and spares consumed 344,199 381,714 Repairs and maintenance 29,916 36,862 Insurance 19,935 24,488 Rent, rates and taxes 1,960 2,211 Depreciation on operating fixed assets 13.1.1 574,536 576,360 Other 20,590 19,954				14,321,269	12,966,065
Utilities 1,466,278 1,426,136 Packing material consumed 318,423 311,904 Stores and spares consumed 344,199 381,714 Repairs and maintenance 29,916 36,862 Insurance 19,935 24,488 Rent, rates and taxes 1,960 2,211 Depreciation on operating fixed assets 13.1.1 574,536 576,360 Other 20,590 19,954	27.2	Manufacturing expenses			
Depreciation on operating fixed assets 13.1.1 574,536 576,360 Other 20,590 19,954		Utilities Packing material consumed Stores and spares consumed Repairs and maintenance Insurance	27.2.1	1,466,278 318,423 344,199 29,916 19,935	1,426,136 311,904 381,714 36,862 24,488
3,948,073 3,808,516		Depreciation on operating fixed assets	13.1.1	574,536	576,360
				3,948,073	3,808,516

27.2.1 It includes staff retirement benefits Rs. 66.2 million (2016: Rs. 53.54 million).

		Note	2017 Rupees	2016 s in '000
28	OTHER INCOME			
	Income from non-financial assets:			
	Scrap sale Gain on disposal of operating fixed assets Profit on trading of raw cotton / fibre	28.1	9,719 2,125 11,862	4,825 - -
	Income from financial assets:			
	Capital gain on sale of investments Unrealized gain on revaluation of foreign currency loans Dividend income Profit on term deposit receipts		18,290 3,223 2,955 643	- - 1,661 777
			48,817	7,263
28.1	Profit on trading of raw cotton / fibre			
	Sales of raw cotton / fibre Less: Cost of goods sold		239,103 (227,241)	26,285 (26,667)
	Profit / (loss) on trading of raw cotton / fibre		11,862	(382)
		Note	2017 Rupees	2016 in '000
29	DISTRIBUTION COST			
	Export			
	Ocean freight Export development surcharge Export charges		64,048 28,597 141,774	83,531 35,449 156,961
	Local			
	Freight Others Insurance		72,154 12,090 5,190	68,726 9,693 7,317
			323,853	361,677

30	ADMINISTRATIVE EXPENSES	Note	2017 Rupees i	2016 n '000
	Salaries and benefits Directors' remuneration Meeting fees Repairs and maintenance Postage and telephone Traveling and conveyance Vehicles running Printing and stationery Rent, rates and taxes Utilities Entertainment Fees and subscription Insurance Legal and professional Charity and donations Auditors' remuneration Depreciation on operating fixed assets Amortization on intangible assets Advertisement Others	30.2 30.3 13.1.1	95,847 35,551 265 4,570 7,635 3,509 5,242 5,175 9,119 8,394 2,269 17,350 1,502 820 1,245 1,455 28,466 1,824 208 3,105	83,915 33,419 199 6,328 7,270 1,622 5,840 4,717 5,460 6,280 3,169 16,583 4,594 4,236 2,668 1,451 31,346
			233,551	224,008

- 30.1 It includes staff retirement benefits Rs. 11.57 million (2016: Rs. 7.16 million).
- **30.2** None of the directors and their spouses have any interest in the donees' fund.

30.3 Auditors' remuneration

Audit fee

Half year review fee	300	300
Fee for certifications	20	20
Out of pocket expenses	35	31
	1,455	1,451
31 OTHER OPERATING EXPENSES		
Loss on trading of raw cotton / fibre 2	8.1 -	382
Workers' Profits Participation Fund	51,107	14,442
Unrealized loss on other financial assets	15,521	1,172
Loss on disposal of operating fixed assets	-	1,352
Exchange loss on foreign currency transactions	-	5,390
Unrealized loss on revaluation of foreign currency loans	-	1,559
Workers' Welfare Fund	8,104	5,488
	74,732	29,785

1,100

1,100

32	FINANCE COST	Note	2017 Rupees	2016 in '000
33	Mark-up on: - long-term finance - short-term borrowings Discounting charges on letters of credit Interest on Workers' Profits Participation Fund Bank charges and commission	9.2	67,118 98,077 6,493 - 5,753	107,880 115,574 16,615 5 11,780 251,854
	Current - For the year - Prior year		196,294 2,026	133,217 (22,608)
	Deferred		198,320 78,779 277,099	110,609 66,413 177,022

33.1 As required by Finance Act, 2017, a tax shall be imposed at the rate of 7.5% on every Public Company other than scheduled bank or modaraba that derives profit for a tax year but does not distribute at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. As the Company has made a profit for the current year, therefore the Company is required to pay tax on profit as mentioned earlier. However, no such decision related to profit distribution has been made by the management of the Company in this regard, therefore no provision for tax on undistributed profit under section 5A of the Income Tax Ordinance, 2001 is recorded in these financial statements

		2017	2016
33.2	Relationship between tax expense and accounting profit		
	Accounting profit before tax	962,934	268,893
	Tax rate	31%	32%
	Tax on accounting profit	298,510	86,046
	Effect of:		
	Income chargeable to tax at reduced rates	(50,921)	114,526
	Prior year charge	2,026	(22,608)
	Tax impact of tax credit	(38,259)	(48,719)
	Recognized / (unrecognized) temporary differences	(25,282)	66,413
	Due to change in tax rate	60,250	-
	Impact of permanent differences	(452)	-
	Impact of super tax	23,829	-
	Others	7,398	(18,636)
	Tax charge as per accounts	277,099	177,022

34 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

				2017	2016
	Profit for the year	Rupees in '000		685,835	91,871
	Weighted average number of ordinary shares outstanding during the year	No. of shares		18,073,732	18,073,732
	Earnings per share - Basic and diluted	Rupees		37.95	5.08
			Note	2017 Rupees	2016 in '000
35	CASH GENERATED FROM OPERATIONS				
	Profit before taxation			962,934	268,893
	Adjustments for:				
	Depreciation Amortization		13.1.1	603,002 1,824	607,706
	Provision for gratuity		8.1	73,847	60,970
	Unrealized loss on other financial assets		31	15,521	1,172
	Unrealized (gain) / loss on revaluation of foreign curn (Gain) / loss on disposal of operating fixed assets	ency loans	13.2	(3,223) (2,125)	1,559 1,352
	Dividend income		28	(2,125)	(1,661)
	Finance cost		32	177,441	251,854
	Cash generated before working capital changes			1,826,266	1,191,845
	Working capital changes:				
	(Increase) / decrease in current assets				
	Stores, spares and loose tools			(37,226)	8,506
	Stock-in-trade			(604,529)	(19,166)
	Trade debts			127,600	(230,642)
	Loans and advances			(11,662)	(9,101)
	Trade deposits and short term prepayments			(6,035)	(83)
	Other receivables			(23,937)	5,426
	Increase in current liability			(555,789)	(245,060)
	Trade and other payables			330,242	233,306
	Cash generated from operations			1,600,719	1,180,091
36	CASH AND CASH EQUIVALENTS				
	Cash and bank balances		25	250,049	583,745
	Short-term borrowings		11	(3,911,125)	(4,377,109)
				(3,661,076)	(3,793,364)

37 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration, including all benefits to chief executive officer and directors of the Company are given below:

	2017				
Particulars	Chief	Chief Directors			Total
	Executive	Executive	Non-Executive		IOlai
			Rupees in '000		
Remuneration including benefits	10,457	19,605	-	54,964	85,026
Medical	793	1,193	-	3,593	5,579
Utilities	1,329	2,174	-	5,122	8,625
Meeting fees	40	100	90	35	265
Total	12,619	23,072	90	63,714	99,495
Number of persons	1	2	7	49	59

	2016							
	Chief Directors			Executives	Total			
Particulars	Executive							
Remuneration including benefits	8,400	17,445	-	36,945	62,790			
Medical	1,382	1,757	-	3,343	6,482			
Retirement benefits	-	-	-	15,557	15,557			
Utilities	-	4,435	-	4,871	9,306			
Meeting fees	20	80	30	9	139			
Total	9,802	23,717	30	60,725	94,274			
Number of persons	1	2	6	40	49			

2016

37.1 Company maintained cars are provided to Chief Executive Officer, directors and executives.

38 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries Indus Lyallpur Limited, Indus Home Limited and Indus Wind Energy Limited, an associate (Sunrays Textiles Mills Limited), key management personnel and post employment benefit scheme. The Company carries out transactions with related parties as per agreed terms. Remuneration of key management personnel is disclosed in note 37 to the unconsolidated financial statements and amount due in respect of staff retirement benefits is disclosed in note 8.1. Other significant transactions with related parties are as follows:

Relationship with Nature of transactions the Company		2017 Rupees	2016 s in '000
Subsidiaries			
	Purchase of yarn	1,139	1,050
	Sale of yarn	216,434	418,566
	Sale of machinery	1,755	-
	Purchase of machinery	-	7,000
	Conversion cost received	273,504	101,465
	Conversion cost paid	61,979	118,005
	Doubling cost received	1,183	-
	Advance against issue of shares	6,957	32,793
Associate	Waste purchase	-	2,164
	Sale of yarn	40,175	-
Balances with related parties:-			
Subsidiaries - receivable		27,972	59,532
Subsidiaries - payable		1,111	17,987
Associate - receivable		-	1,533
Associate - payable		260	-
Other related parties - common d	irectorchin:		
- Receivable	ilectorship.		1,917
		3,170	1,253
- Payable		3,170	1,233

39 FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures.

The Company's principal financial liabilities comprise long-term financing, short-term borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans and advances, trade and other receivables, cash and bank balances and short-term deposits that arrive directly from its operations. The Company also holds long-term and short term investments

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

39.1 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. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Company arises principally from trade debts, loans and advances and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2017 Rupees	2016 in '000
Long-term deposits	4,105	4,105
Trade debts	1,296,900	1,424,500
Loans and advances	21,115	19,593
Trade deposits	1,577	894
Other receivables	34,034	10,097
Other financial assets	457,372	256,746
Bank balances	243,958	568,238
	2,059,061	2,284,173

The trade debts are due from foreign and local customers for export and local sales respectively. Trade debts from foreign customers are secured against letters of credit. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. As at the balance sheet date, there are no past due trade debt balances.

Credit risk related to equity investments and cash deposits

The Company limits its exposure to credit risk of investments by only investing in listed securities of highly reputed Companies having good stock exchange rating. Credit risk from balances with banks and financial institutions is managed by Finance Director in accordance with the Company's policy.

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:

54

Name of bank	Rating agency	Credit rating Long-term	Short-term
Allied Bank Limited	PACRA	AA+	A1+
Askari Bank Limited	PACRA	AA+	A1+
Bank Alfalah Limited	JCR-VIS	AA	A1+
Bank Islami Pakistan Limited	PACRA	A+	A1
Bank Al-Habib Limited	PACRA	AA+	A1+
Dubai Islamic Bank (Pakistan) Limited	JCR-VIS	A+	A1
Faysal Bank Limited	PACRA	AA+	A1+
Habib Bank Limited	JCR-VIS	AAA	A1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
Industrial and Commercial Bank of China Limited	Moody's	A1	P1
J.S Bank Limited	PACRA	AA-	A1+
Meezan Bank Limited	JCR-VIS	AA	A1+
MCB Bank Limited	PACRA	AAA	A1+
National Bank of Pakistan	JCR-VIS	AAA	A1+
Soneri Bank Limited	PACRA	AA-	A1+
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A1+
United Bank Limited	JCR-VIS	AAA	A1+

39.2 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

39.2.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have 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.

	Carrying Values	Contractual Cash Flows	Less than 1 month	1 to 3 months	3 months to 1 year	1-5 years	More than 5 years
•				Rupees in '00	0'		
Trade and other payables	1,522,356	1,191,089	-	1,191,089	-	-	-
Long-term financing Short-term borrowings	1,477,539 3,911,125	1,477,539 3,911,125	-	-	429,503 3,911,125	1,048,036	-
Interest / mark-up payable	41,436	41,436	-	41,436	-	-	-
2017	6,952,456	6,621,189	-	1,232,525	4,340,628	1,048,036	-
•							
•					3 months to		More than 5
	Carrying Values	Contractual Cash Flows	Less than 1 month	1 to 3 months	1 year	1-5 years	years
	, ,	Cash Flows	month	months			
Trade and other payables	Values	Cash Flows	month	months	1 year		
Trade and other payables Long-term financing Short-term borrowings Interest / mark-up payable	Values	992,257	month	months	1 year 0'		years

The effective rate of interests on non-derivative financial liabilities are disclosed in respective notes.

39.2.2 The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the reporting dates are as follows:

2017 2016 Rupees in '000

6 months or less

- Short-term borrowings

- Long-term loans

3,911,125 1,207,013 **429,503** 272,966

39.3 Market risk management

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

39.3.1 Interest rate risk management

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. Majority of the interest rate risk arises from long and short-term borrowings from financial institutions. At the balance sheet date the interest rate risk profile of the Company's interest-bearing financial instruments is:

	Carrying amo			
	2017	2016		
Fixed rate instruments	Rupees i	n '000		
Financial assets	12,807	513,526		
Financial liabilities	850,521	632,245		
Variable rate instruments				
Financial liabilities				
- KIBOR based	3,188,938	3,743,867		
- LIBOR based	1,349,205	1,498,161		

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss - held-for-trading, therefore, a change in interest rate at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended June 30, 2017 would decrease / increase by Rs. 22.69 million (2016: Rs. Rs. 20.94 million) determined on the outstanding balance at year end. This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

39.3.2 Foreign exchange risk management

Exposure to currency risk	2017			2016		
	Rupees	US Dollar	Rupees	US Dollar		
		Currenc	y in '000			
Trade debts	440,281	4,193	850,643	8,125		
Foreign currency loans	(1,349,205)	(12,850)	(1,498,161)	(14,309)		
	(908,924)	(8,657)	(647,518)	(6,184)		
			2017 Rւ	2016 ipees		
Average rate Balance sheet date rate			104.73 105.00	104.37 104.70		

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. Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company is exposed to foreign currency risk on sales, purchases and borrowings, which, are entered in a currency other than Pak Rupees. The Company enters into forward foreign exchange contracts to cover its exposure to foreign currency sales and receivables.

At June 30, 2017, if the Rupee had weakened / strengthened by 5% against the US dollar with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 45.446 million (2016: Rs. 32.320 million) determined on the outstanding balance at year end. Profit / (loss) is sensitive to movement in Rupee / foreign currency exchange rates in 2017 than 2016 because of high fluctuation in foreign currency exchange rates.

39.3.3 Equity price risk management

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Company has exposure of Rs.13.476 million (2016: Rs. 13.476 million) to listed equity securities of an associate which is held for strategic rather than trading purpose. The Company does not actively trade in these securities.

At the balance sheet date, the Company have exposure of Rs. 3,716 million (2016: Rs. 3,709 million) to unlisted equity securities of subsidiaries which are held for strategic rather than trading purpose. At the balance sheet date, the exposure to listed equity securities at fair value was Rs. 584.330 million (2016: Rs.275.762 million). A decrease / increase of 5% in market prices would have an impact of approximately Rs. 29.217 million (2016: Rs. 13.788 million) determined based on market value of investments at year end.

Determination of fair values 39.4

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date. Consequently, differences can arise between carrying value and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the unconsolidated financial statements approximate their fair values

39.5 Financial instruments by category

Financial assets	Loans & advances	Fair value through profit & loss account - held- for-trading	Total
- June 30, 2017		Rupees in '000 -	
Long-term deposits	4,105	-	4,105
Trade debts	1,296,900	-	1,296,900
Loans and advances	21,115	-	21,115
Trade deposits	1,577	-	1,577
Other receivables	34,034	-	34,034
Other financial assets	-	584,330	584,330
Bank balances	243,958	-	243,958
	1,601,689	584,330	2,186,019

Financial assets - June 30, 2016	Loans & advances	Fair value through profit & loss account - held- for-trading Rupees in '000	Total
Long-term deposits	4,105	· <u>-</u>	4,105
Trade debts	1,424,500	-	1,424,500
Loans and advances	19,593	-	19,593
Trade deposits	894	-	894
Other receivables	10,097	-	10,097
Other financial assets	-	275,762	275,762
Bank balances	568,238	<u>-</u>	568,238
	2,027,427	275,762	2,303,189
		Financial liabilities measured at amortized	Total
		Rupees in	'000
Financial liabilities - June 30, 2017			
Long-term financing		1,477,539	1,477,539
Trade and other payables		1,191,089	1,191,089
Short-term borrowings		3,911,125	3,911,125
Interest / mark-up payable		41,436	41,436
		6,621,189	6,621,189
		Financial liabilities measured at amortized	Total
		cost	
Financial liabilities - June 30, 2016		Rupees in	'000
Long-term financing		1,497,164	1,497,164
Trade and other payables		992,257	992,257
Short-term borrowings		4,377,109	4,377,109
Interest / mark-up payable		24,593	24,593
		6,891,123	6,891,123

39.6 Fair value and categories of financial instruments

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

	Carrying amount			Fair Value				
			Amortized cost					
				· (Rupees in '0	00)			
Financial assets measured at fair value								
Other financial assets	584,330	-	-	584,330	584,330			584,330
Financial assets not measured at fair value								
		June 3	0, 2017					
		(Rupees	in '000)		-			
Long-term deposits	-	4,105	-	4,105				
Trade debts	-	1,296,900	-	1,296,900				
Loans and advances	-	2 1, 115	-	21,115				
Trade deposits	-	1,577	-	1,577				
Other receivables	-	34,034	-	34,034				
Bank balances		243,958	-	243,958				
	-	1,601,689	-	1,601,689				

		Carrying amount				Fair	Value	
	Fairwalus			Tatal	Lawald			Tatal
	Fair value through profit and loss account - held-for- trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value		June 3	0, 2017					
			in '000)		-			
Long-term financing			1 477 520	1 477 520				
Trade and other payables	-	-	1,477,539 1,191,089	1,477,539 1,191,089				
Short-term borrowings	-	-	3,911,125	3,911,125				
Interest / mark-up payable	-	-	41,436	41,436				
	-	-	6,621,189	6,621,189				
			J	une 30, 2016				
		Carrying	amount			Fair	Value	
	Fair value through profit & loss account - held-for- trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
				(Rupees in '0	00)			
Financial assets measured at fair value								
Other financial assets	275,762	-	-	275,762	275,762			275,762
Financial assets not measured at fair value								
		June 3	0, 2016					
		(Rupees	in '000)		-			
Long-term deposits	_	4,105	_	4,105				
Trade debts	-	1,424,500	-	1,424,500				
Loans and advances	-	19,593	-	19,593				
Trade deposits	-	894	-	894				
Other receivables	-	10,097	-	10,097				
Bank balances		568,238 2,027,427		568,238 2,027,427	•			
Financial liabilities		2,021,121		2,021,121	•			
not measured at fair								
not measured at fair value		June 3	0, 2016					
			0, 2016 in '000)		-			
					-			
value			in '000)		-			
Long-term financing Trade and other payables Short-term borrowings	- - -		in '000) 1,497,164 992,257 4,377,109	1,497,164 992,257 4,377,109	-			
value Long-term financing Trade and other payables	- - -		in '000) 1,497,164 992,257	1,497,164 992,257	-			

40 CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital, i.e., its shareholders' equity, is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

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 amount of dividend paid to shareholders or issue new shares.

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

The gearing ratios at June 30, 2017 and 2016 were as follows:

	2017 Rupees	2016 s in '000
Total borrowings (note 7 & 11)	5,388,664	5,874,273
Less: cash and bank balances (note 24)	(250,049)	(583,745)
Net debt	5,138,615	5,290,528
Total equity	9,923,532	9,418,035
Total capital	15,062,147	14,708,563
Gearing ratio	34%	36%

There is no significant change in the gearing ratio of the Company as compared to the last year.

41 CAPACITY AND PRODUCTION

Spinning units	2017	2016
Total number of spindles installed	178,896	175,282
Total number of spindles worked per annum (average)	177,210	172,212
Number of shifts worked per day	3	3
Installed capacity of yarn converted into 20 counts based on 365 days (lbs.)	127,275,682	124,803,260
Actual production for the year after conversion into 20 counts (lbs.)	114,388,159	116,147,507
Ginning units		
Installed capacity to produce cotton bales	72,999	200,750
Actual production of cotton bales	11,918	8,654
Number of shifts	1	2
Capacity attained in (%)	17%	4.31%

It is difficult to describe precisely the production capacity in spinning unit since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed and twist etc. It also varies according to the pattern of production adopted in a particular year.

42 SEGMENT REPORTING

The Company's core business is manufacturing and sale of yarn and it generates more than 90% of its revenue and profit from the production and sale of yarn. Decision making process is centralized at head office lead by Chief Executive Officer who continuously involves in day to day operations and regularly reviews operating results and assesses its performance and makes necessary decisions about resources to be allocated to the segments. Currently the Company has three yarn manufacturing units at Hyderabad, Karachi and Muzaffargarh. Owing to the similarity in nature of the products and services, nature of the production processes, type or class of customers for the products and services, the methods used to distribute the products and the nature of the regulatory environment, all the yarn producing units are aggregated into a single operating segment and the Company's performance is evaluated by the management on an overall basis, therefore these operational segments by location are not separately reportable segments.

43	NUMBER OF EMPLOYEES	Number of	Number of employees		
		2017	2016		
	Average number of employees during the year	2,588	2,237		
	Number of employees as at June 30	2,669	2,330		

43.1 Daily wage employees are not included in the above number of employees.

44 SUBSEQUENT EVENT

The Board of Directors proposed a final dividend for the year ended June 30, 2017 of Rs.234.959 million @ 13 per share in addition of interim dividend Rs 90.369 million @ 5 per share thus making a total Rs. 325.328 million @ 18 per share (2016: Rs. 5 per share) at their meeting held on October 07, 2017 for approval of members at the Annual General Meeting. These financial statements do not reflect this dividend payable which will be accounted for in the year in which it is approved.

45 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements have been authorized for issue on October 06, 2017 by the Board of Directors of the Company.

46 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

47 GENERAL

Figures have been rounded off to the nearest thousand rupees.

Arif Abdul Majeed
Chief Financial Officer

Shahzad Ahmed
Chief Executive Officer

Consolidated Annual Report 2017

CONTENTS

Key operating and financial results	65
Auditors' report	66
Balance sheet	67
Profit & loss account	68
Statement of other comprehensive income	69
Cash flow statement	70
Statement of changes in equity	71
Notes to the financial statement	72

Consolidated key operating and financial results

	2012	2013	2014	2015	2016	2017
Operating data						
Turn over	15,583,895	20,375,904	24,301,493	26,812,047	25,111,229	27,818,111
Less : commission	(198,399)	(353,707)	(267,068)	(251,980)	(180,566)	(244,919)
Sales (net)	15,385,496	20,022,197	24,034,425	26,560,067	24,930,663	27,573,192
Gross profit	2,252,618	3,630,687	2,487,947	2,184,056	1,937,179	2,641,910
Profit before tax	1,789,888	2,523,383	1,866,427	474,828	666,821	1,352,727
Profit after tax	1,571,477	2,547,734	1,996,643	299,887	449,069	1,035,345
Financial data						
Gross assets	10,938,552	12,698,532	20,272,036	19,391,820	20,984,661	21,984,382
Return on equity	21.28%	28.51%	18.75%	2.81%	4.04%	8.65%
Current assets	4,311,122	5,826,529	9,316,161	8,264,447	10,025,542	11,487,926
Shareholders equity	7,384,527	8,936,904	10,646,575	10,674,211	11,115,770	11,966,431
Long term debts and deferred liabilities	1,187,985	808,605	2,395,176	1,843,852	1,737,544	1,694,447
Current liabilities	2,366,040	2,950,413	7,227,675	6,873,757	8,131,347	8,323,504
Key ratios						
Gross profit ratio	14.64%	18.13%	10.35%	8.22%	7.77%	9.58%
Net profit	10.21%	12.72%	8.31%	1.13%	1.80%	3.75%
Debt / equity ratio	07 : 93	12 : 88	16 : 84	13 : 87	12 : 88	11 : 89
Current ratio	1.82	1.97	1.29	1.20	1.23	1.38
Earning per share (basic and diluted)	86.95	140.96	110.47	16.59	24.85	57.28
Dividend (percentage)						
- Cash	350%	100% Int	150% Int	150% Int	50% Final	50% Int
- Stock	-	-	-	-	-	-
- Specie dividend	-	100 : 09	-	-	-	-
Statistics						
Production (tons)	42,057	52,894	63,821	68,361	69,924	70,389

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Indus Dyeing & Manufacturing Company Limited (the Holding Company) and its subsidiary companies (together the Group) as at June 30, 2017 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of the Holding Company and a subsidiary company namely Indus Lyallpur Limited. The financial statements of subsidiaries Indus Home Limited and Indus Wind Energy Limited were audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included for such subsidiaries in the consolidated financial statements, is based solely on the reports of such other auditors. The financial statements of subsidiary Indus Home USA, Inc. are unaudited. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards of Auditing and accordingly included such tests of accounting records and such other audit procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Group and its subsidiary companies as at June 30, 2017 and the results of their operations for the year then ended.

Chartered Accountants

Engagement Partner Naresh Kumar

Date: October 07,2017

Place: Karachi

CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2017

Note	2017 Rupees	2016 in '000		Note	2017 Rupees	2016 in '000
			ASSETS			
			Non current assets			
	450,000	450,000	Property, plant and	14	10,431,373	10,891,778
6	180,737	180,737	Intangible assets	15	27,759	30,973
7	6,999,444	5,021,964	Long-term investments	16	22,567	21,611
	4,786,250	5,913,069	Long-term deposits	17	14,757	14,757
	11,966,431	11,115,770	Current assets		10,496,456	10,959,119
8	1,193,821	1,363,996	Ctavas anavas			
9	500,626	373,548	and loose tools	18	527,318	537,609
	1,694,447	1,737,544	Stock-in-trade	19	6,550,142	5,514,619
			Trade debts	20	2,020,014	1,831,228
			Loans and advances	21	228,353	154,345
			Trade deposits and short-term prepayments	22	28,879	10,921
10	2,130,541	1,687,178	,		09 705	80,652
11	53,005	33,572				
12	5,691,516	6,096,915				676,603
			Taxrefundable	25	754,180	600,456
8	448,442	313,682	Cash and bank balances	26	286,212	619,109
	8,323,504	8,131,347			11,487,926	10,025,542
13						
	21,984,382	20,984,661			21,984,382	20,984,661
	6 7 8 9	450,000 6 180,737 7 6,999,444 4,786,250 11,966,431 8 1,193,821 9 500,626 1,694,447 10 2,130,541 11 53,005 12 5,691,516 8 448,442 8,323,504 13	A50,000 450,000 6 180,737 180,737 7 6,999,444 5,021,964 4,786,250 5,913,069 11,966,431 11,115,770 8 1,193,821 1,363,996 9 500,626 373,548 1,694,447 1,737,544 10 2,130,541 1,687,178 11 53,005 33,572 12 5,691,516 6,096,915 8 448,442 313,682 8,323,504 8,131,347 13	ASSETS Non current assets	Note Rupees in '000 ASSETS Non current assets 450,000 450,000 Property, plant and equipment 14 6 180,737 180,737 Intangible assets 15 7 6,999,444 5,021,964 Long-term investments 16 4,786,250 5,913,069 Long-term deposits 17 11,966,431 11,115,770 Current assets 8 1,193,821 1,363,996 Stores, spares and loose tools 18 1,694,447 1,737,544 Stock-in-trade 19 Trade debts 20 Loans and advances 21 10 2,130,541 1,687,178 Other receivables 23 11 53,005 33,572 Other financial assets 24 12 5,691,516 6,096,915 Tax refundable 25 8 448,442 313,682 Cash and bank balances 26 8 3,323,504 8,131,347 13	ASSETS Non current assets ASSETS Non current assets

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Arif Abdul Majeed Chief Financial Officer Shahzad Ahmed Chief Executive Officer

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

	Note	2017 Rupees	2016 n '000	
Sales - net	27	27,573,192	24,900,934	
Cost of goods sold	28	(24,931,282)	(22,993,484)	
Gross profit		2,641,910	1,907,450	
Other income	29	124,080	157,730	
		2,765,990	2,065,180	
Distribution cost	30	(604,382)	(617,271)	
Administrative expenses	31	(417,385)	(387,254)	
Other operating expenses	32	(138,141)	(79,070)	
Finance cost	33	(254,998)	(315,097)	
		(1,414,906)	(1,398,692)	
		1,351,084	666,488	
Share of profit from associate - net of tax	16.1	1,643	333	
Profit before taxation		1,352,727	666,821	
Taxation	34	(317,382)	(217,752)	
Profit for the year - attributable to ordinary share holders of the Holding	Company	1,035,345	449,069	
Earnings per share - basic and diluted	35	57.28	24.85	

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Arif Abdul Majeed Chief Financial Officer

Shahzad Ahmed Chief Executive Officer

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

2017 2016 Rupees in '000

Profit for the year	1,035,345	449,069
Items that may be reclassified subsequently to profit and loss		
Exchange loss on translation of balances of foreign subsidiary	(88)	(711)
Items that will not be reclassified subsequently to profit and loss		
Remeasurement of defined benefit obligation - net of tax	(3,858)	(6,799)
Total comprehensive income for the year - attributable to ordinary share holders of the Holding Company	1,031,399	441,559

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Arif Abdul Majeed Chief Financial Officer Shahzad Ahmed
Chief Executive Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

		Note	2017 Rupees ii	2016 ees in '000	
A.	CASH FLOWS FROM OPERATING ACTIVITIES				
	Cash generated from operations Taxes paid - net Finance cost paid Gratuity paid	36	1,961,485 (411,807) (235,565) (72,308)	1,753,718 (274,090) (351,591) (71,655)	
	Net cash generated from operating activities	•	1,241,805	1,056,382	
В.	CASH FLOWS FROM INVESTING ACTIVITIES				
	Payment for purchase of property, plant and equipment Proceeds from disposal of property, plant and equipment Payment for purchase of other financial assets Refunds from long-term deposits Dividend received	14.2	(660,652) 53,747 (332,900) - 2,268	(915,858) 18,950 (509,831) 581 1,661	
	Net cash used in investing activities		(937,537)	(1,404,497)	
C.	CASH FLOWS FROM FINANCING ACTIVITIES				
	Long term finance repaid -net Dividend paid		(35,415) (200,085)	(602,975) (1,808)	
	Net cash used in financing activities	,	(235,500)	(604,783)	
	Net decrease in cash and cash equivalents (A+B+C)	-	68,768	(952,899)	
	Cash and cash equivalents at beginning of the year		(5,477,806)	(4,522,598)	
	Effects of exchange rate changes on cash and cash equivalents		3,734	(2,309)	
	Cash and cash equivalents at end of the year	37	(5,405,304)	(5,477,806)	

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Arif Abdul Majeed Chief Financial Officer Shahzad Ahmed
Chief Executive Officer

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

				Reserves			
			Capital		Reve	nue	
	Issued, subscribed and paid up capital	Share premium	Merger reserve	Exchange translation reserve	General reserve	Unappropriated profit	Total
			Rupees in '000'	·			
Balance at June 30, 2015	180,737	10,920	11,512	243	5,000,000	5,470,799	10,674,211
Total Comprehensive income for the year							
Profit for the year	-	-	-	-	-	449,069	449,069
Exchange gain on translation of balances of foreign subsidiary	-	-	-	(711)	-	-	(711)
Remeasurement of defined benefit obligation -net of tax	-	-	-	-	-	(6,799)	(6,799)
Total comprehensive income for the year		-	-	(711)	-	442,270	441,559
Balance at June 30, 2016	180,737	10,920	11,512	(468)	5,000,000	5,913,069	11,115,770
Total Comprehensive income for the year							
Profit for the year						1,035,345	1,035,345
Exchange loss on translation of balances of foreign subsidiary		_	_	(88)	_	1,033,343	(88)
Remeasurement of defined benefit obligation -net of tax				(55)		(3,858)	(3,858)
						(5,555)	(0,000)
Total comprehensive income for the year	-	-	-	(88)	-	1,031,487	1,031,399
Transfer to general reserve	-	-	-	-	1,977,568	(1,977,568)	-
Transactions with owners recorded directly in equity							
Final cash dividend for the year ended June 30, 2016 @ Rs. 5 per share	-	-	-	-	-	(90,369)	(90,369)
Interim cash dividend for the period ended September 30, 2016 @ Rs. 5 per share	-	-	-	-	-	(90,369)	(90,369)
Balance at June 30, 2017	180,737	10,920	11,512	(556)	6,977,568	4,786,250	11,966,431

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Arif Abdul Majeed Chief Financial Officer Shahzad Ahmed Chief Executive Officer

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

1. THE GROUP AND ITS OPERATIONS

1.1 The "Group" consists of Indus Dyeing & Manufacturing Company Limited (the Holding Company), its subsidiaries and associates.

1.1.1 Holding Company

Indus Dyeing & Manufacturing Company Limited (the Holding Company) was incorporated in Pakistan on July 23, 1957 as a public limited Company under the Companies Ordinance, 1984. Registered office of the Holding Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Holding Company is listed on Pakistan Stock Exchange Limited. The principal activity of the Holding Company is manufacturing and sale of yarn. The manufacturing facilities of the Holding Company are located in Karachi, Hyderabad and Muzaffargarh. The Holding Company is also operating two ginning units including one on leasing arrangements in District Lodhran.

1.1.2 Subsidiary Companies

Indus Lyallpur Limited - 100% owned

Indus Lyallpur Limited (ILL) is an unlisted public company limited by shares, incorporated in Pakistan on April 25, 1992 under the Companies Ordinance, 1984. Principal business of the ILL is manufacturing and sale of yarn. Its manufacturing facility is located at 38th kilometer, Shaikhupura road, District Faisalabad in the province of Punjab. Registered office of the ILL is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi.

Indus Home Limited - 100% owned

Indus Home Limited (IHL) was incorporated in Pakistan as a public limited Company on May 18, 2006 under the Companies Ordinance 1984. The registered office of the company is located at 174 Abu Bakar Block, New Garden Town, Lahore. The principal activities of the IHL are to manufacture and export the greige and finished terry cloth and other textile products. The manufacturing facility of the Company is located at Manga Mandi, Lahore. On November 21, 2013, the Holding Company acquired 75 million shares of Indus Home Limited from WestPoint Pakistan LLC for an aggregate purchase consideration of USD 12 million. As a result of the acquisition, the Holding Company acquired controlling interest in Indus Home Limited by way of 100% ownership.

Indus Home USA Inc. (100% owned by Indus Home Limited)

Indus Home USA Inc. was established during the year ended June 30, 2014. Its principal business activity is to act as commission agent to generate sales order in textile sector.

Indus Wind Energy Limited - 100% owned

Indus Wind Energy Limited was established during the year ended June 30, 2015. Its principal business activity is to generate and sale electricity to the national grid.

1.1.3 Sunrays Textile Mills Limited - Associated Company

Sunrays Textile Mills Limited was incorporated in Pakistan on August 27, 1987 as a public limited company under the Companies Ordinance, 1984. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in trade, manufacture and sale of yarn. The Company is also operating a ginning unit and an ice factory on leasing arrangements. The registered office of the Company is situated at Karachi. The mill is located at District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab. The Holding Company has 0.99% voting rights in the Company and it is regarded associate due to common directorship.

1.1.4 Indus Heartland Limited - Associated Company

Indus Heartland Limited was incorporated in Pakistan on February 25, 2011 as a public limited company (unlisted) under the Companies Ordinance, 1984. Registered office of the Company is situated at office No. 508, 5th Floor, Beaumont Plaza, Civil Lines Quarter Karachi. The company has not yet started its commercial operation.

The Holding Company has no voting rights in the Company and it is regarded associate due to common directorship.

1.2 Basis of Consolidation

- The consolidated financial statements include the financial statements of the Holding Company, its subsidiaries and an associate company collectively referred to as "the Group" in these financials
- Subsidiary companies are fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control them is established and excluded from consolidation from the date of disposal or when the control is lost.
- The financial statements of the subsidiaries are prepared for the same reporting year as of the Holding Company for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis.
- Material inter-group balances and transactions have been eliminated.
- Non-controlling Interest in equity of the subsidiary companies are measured at fair value as of the acquisition date of

1.3 Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Holding Company, liabilities incurred by the Holding Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognized in profit and loss account as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit and loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation is measured at fair value at the date of the acquisition.

2. STATEMENT OF COMPLIANCE

2.1 These consolidated financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) 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.

During the year, the Companies Act, 2017 was enacted on May 30, 2017 and came into force at once. Subsequently, Securities and Exchange Commission of Pakistan has notified through Circular No. 17 of July 20, 2017 that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Therefore, these financial statements have been prepared under the Companies Ordinance 1984.

2.2 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention as modified by:

- recognition of certain employee retirement benefits at net present value;
- recognition of certain financial instruments at fair value; and
- investment in associate accounted for under equity method

2.3 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2017

The following standards, amendments and interpretations are effective for the year ended June 30, 2017. These standards, interpretations and the amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group consolidated financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
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	January 01, 2016
Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations	January 01, 2016
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative	January 01, 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortisation	January 01, 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants	January 01, 2016
Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements	January 01, 2016

Certain annual improvements have also been made to a number of IFRSs, which are not expected to have material impact on the financial statements of the Company.

Due to immaterial interest in associated company, certain disclosures as required under IFRS 12 have not been presented in these consolidated financial statements.

2.4 New accounting standards, amendments and IFRS interpretations that are not yet effective:

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

additional disclosures.	
	Effective for accounting periods
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 01, 2018
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	Effective from accounting period beginning on or after a
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	January 01, 2017
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018
	Effective for accounting periods
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs, which are not expected to have material impact on the unconsolidated financial statements of the Company.

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:

12 'Income Taxes'.

- 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
- IFRS 17 Insurance Contracts

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

Estimates and judgments, if any, are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- Provision for current tax and deferred tax (Note 4.1, 9 and 34)
- Provision for staff retirement benefits (Note 4.2, 9.2-9.4)
- Depreciation rates of property, plant and equipment (Note 14.1)
- Classification of investments (Note 4.10 and 16)
- Net realizable value of stock-in-trade (Note 4.7, 19)
- Provision for impairment of trade debts and other receivables (Note 4.8, 4.9 and 20.4)
- Provision for slow moving stores and spares (Note 4.6 and 18.2)

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Taxation

Current

Provision for current taxation is based on taxability of certain income streams of the Group under presumptive / final tax regime at the applicable tax rates, remaining taxable income at the current rates of taxation under normal tax regime after taking into account tax credits and rebates available, if any, or on turnover at the specified rate or Alternative Corporate Tax as defined in section 113C of Income Tax Ordinance, 2001, whichever is higher.

Deferred

Deferred income tax is recognized using balance sheet liability method for all major temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits and taxable temporary differences will be available against which deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits and taxable temporary differences will be available to allow all or part of the assets to be recovered.

4.2 Staff retirement benefits

4.2.1 Defined benefit plan

The Holding Company

The Holding Company operates an unfunded gratuity scheme covering all its employees who have completed minimum qualifying period of service. Provisions are determined based on actuarial valuation conducted by a qualified actuary using Projected Unit Credit Method. Under this method cost of providing for gratuity is charged to profit and loss account so as to spread the cost over the service lives of the eligible employees in accordance with the actuarial valuation. Past-service costs are recognized immediately in profit and loss account and actuarial gains and losses are recognized immediately in other comprehensive income.

Indus Lyallpur Limited

The Company operates an unfunded gratuity scheme covering all its employees who have completed minimum qualifying period. Provisions are determined based on the actuarial valuation conducted by a qualified actuary using Projected Unit Credit Method. Under this method cost of providing for gratuity is charged to profit and loss account so as to spread the cost over the service lives of the eligible employees in accordance with the actuarial valuation. Past-service costs are recognized immediately in profit and loss account and actuarial gains and losses are recognized immediately in other comprehensive income.

Indus Home Limited

The Company operates an unfunded gratuity scheme for all its employees who are eligible under the scheme. Provision is made annually to cover the liability under the scheme. The latest actuarial valuation was carried on June 30, 2017, using projected unit credit method. Past service cost are recognized immediately in profit and loss. Acturial gains and losses are recognised immediately in other comprehensive income.

4.2.2 Compensated absences

The Holding Company and Indus Lyallpur Limited provide for compensated absences of its eligible employees on unavailed balance of leaves in the year in which the leaves are earned.

4.3 Trade and other payables

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

4.4 Property, plant and equipment

4.4.1 Owned

Property, plant and equipment owned by the Group are stated at cost less accumulated depreciation and impairment loss if any, except for freehold and leasehold land which are stated at revalued amount.

Depreciation is charged to income using the reducing balance method whereby cost of an asset is written-off over its estimated useful life at the rates given in note 14.1.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in the profit and loss account in the year the asset is derecognized.

In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and upto the month preceding the month of disposal respectively.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to income during the year in which these are incurred.

Gains and losses on disposal of assets, if any, are recognized as and when incurred.

Depreciation methods, useful lives and residual values are reviewed periodically and adjusted, if appropriate, at each reporting date.

4.4.2 Capital work-in-progress

Capital work-in-progress (CWIP) is stated at cost. All expenditures connected to the specific assets incurred during the installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are ready for their intended use.

4.4.3 Intangible assets

Intangible assets are recognized at cost less accumulated amortization and accumulated impairment loss if any.

4.5 Impairment

4.5.1 Financial assets

The Group assesses at each reporting date whether there is an indication that an asset or a group of assets is impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discontinued to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In determining fair value less cost to sell, an appropriate valuation model is used.

The Group 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 an 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 carried at amortized cost are recognized in profit and loss account.

4.5.2 Non-financial assets

The Group assesses at each reporting date whether there is any indication that assets except deferred tax assets and inventories 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. The 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 has been 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 recognized.

4.6 Stores, spares and loose tools

These are valued at cost determined on moving average cost method less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon.

4.7 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined by applying the following basis:

Basis of valuation

Raw material Weighted average cost

Work in progress Weighted average cost of material and share of

applicable overheads

Finished goods Weighted average cost of material and share of

applicable overheads

Packing material Moving average cost
Waste and scrap Net realizable value

Stock in transit Accumulated cost till reporting date

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

4.8 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of indicators as discussed in note 4.5.1. Balances considered bad and irrecoverable are written off when identified.

4.9 Investments

4.9.1 Regular way purchase or sale of investments

All purchases and sales of investments are recognized using settlement date accounting. Settlement date is the date that the investments are delivered to or by the Group.

4.9.2 Investment in associate

Associate is an entity over which the Holding Company has significant influence, but not control, generally accompanying a shareholding of 20% to 50% of the voting rights or common directorship.

Such investments are accounted for using equity method of accounting and initially are recognized at cost and subsequently adjusted to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses exceeds its interest, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

4.9.3 Financial assets at fair value through profit or loss - held-for-trading

An investment that is acquired principally for the purpose of generating profit from short-term fluctuations in prices is classified as "fair value through profit or loss - held-for-trading".

Financial assets are initially recognized at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognized at fair value and transaction costs are recognized in the profit and loss account.

Subsequent to initial recognition, equity securities designated by the management as 'at fair value through profit or loss - held-for-trading' are valued on the basis of closing quoted market prices available at the stock exchange.

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss - held-for-trading' are taken to the profit and loss account.

4.9.4 Derivative financial instruments

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting dates. Derivatives with positive impact at reporting date are included in 'other financial assets' and with negative impacts in 'trade and other payables' in the balance sheet. The resultant gains and losses are included in other income/ other operating expenses.

Derivatives financial instruments entered into by the Group do not meet the hedging criteria as defined by IAS 39, Financial Instruments: 'Recognition and Measurement'. Consequently hedge accounting is not used by the Group.

4.10 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit and loss account in the period in which they are incurred.

4.11 Foreign currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. Transactions in other than Pakistani Rupee are translated into reporting currency at the rates of exchange prevailing on the date of transactions except for those covered by forward contracts, which are translated at contracted rates. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date except for those covered by forward contracts, which are stated at contracted rates

Gains and losses arising on retranslation are included in profit or loss account.

4.11.1 Foreign subsidiary

The assets and liabilities of foreign subsidiary are translated to rupees at exchange rates prevailing at the balance sheet date. The results of foreign subsidiary are translated at the average rate of exchange for the year.

4.12 Provisions

Provisions are recognized when the Group has a present, legal or constructive obligation as a result of past event, 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.

4.13 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, and is recognized on the following basis:

- Sales are recorded when the significant risk and rewards of ownership of the goods have passed to the customers which coincide with the dispatch of goods to the customers.
- Income on bank deposits are recorded on time proportionate basis using effective interest rate; and
- Dividend income is recognized when the right to receive the dividend is established.

4.14 Financial instruments

All financial assets and liabilities are recognized at the time when the Group becomes party to the contractual provisions of the instrument and derecognized when the Group loses control of the contractual rights that comprise of the financial assets and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Other particular recognition methods adopted by the Group are disclosed in the individual policy statements associated with each item of financial instruments.

4.15 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and net amount is reported in the balance sheet if the Group has a legal right to offset the recognized amounts and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.16 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise cash, balances with banks on current, savings and deposit accounts and short-term borrowings excluding loans from directors and their spouses.

4.17 Dividend distribution

Dividend distribution to the Group's shareholders is recognized as a liability in the consolidated financial statements in the year in which the dividends are approved by the Group's shareholders / directors as appropriate.

4.18 Earnings per share

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

5. BUSINESS COMBINATION

In the previous years, the Holding Company subscribed the entire shareholding Indus Wind Energy Limited comprising 25,000 ordinary shares of Rs. 10 each representing 100% of total issued share capital of Indus Wind Energy Limited at aggregate purchase consideration of Rs.250,000. At the time of subscription, the subsidiary company did not have any assets except for bank balances representing investment made by the Holding Company. As a result, no fair values were determined and the acquisition did not result in goodwill or bargain purchase gain.

6. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2017	2016			2017	2016
No	. of shares		Note	Rupees	s in '000
		Ordinary shares of Rs.10/- each			
9,637,116	9,637,116	fully paid in cash		96,371	96,371
		Other than cash:			
5,282,097	5,282,097	Issued to the shareholders of YTML	6.1	52,821	52,821
3,154,519	3,154,519	Issued as bonus shares		31,545	31,545
18,073,732	18,073,732			180,737	180,737

- **6.1** These shares were issued pursuant to the Scheme of Amalgamation with Yousuf Textile Mills Limited (YTML), determined as at October 01, 2004, in accordance with the agreed share-swap ratio.
- 6.2 There is no movement in issued, subscribed and paid-up capital during the year.
- 6.3 The Holding Company has only 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 Holding Company. All shares rank equally with regard to the Holding Company's residual assets.
- 6.4 The Holding Company has no reserved shares for issuance under options and sales contracts.

7.	RESERVES Capital	Note	2017 Rupees	2016 s in '000
	Share premium	7.1	10,920	10,920
	Merger reserve	7.2	11,512	11,512
	Exchange translation reserve	7.3	(556)	(468)
			21,876	21,964
	Revenue			
	General reserve		6,977,568	5,000,000
			6,999,444	5,021,964
				:

- 7.1 This represents share premium received in year 2001 in respect of the issue of 3,639,960 right shares at a premium of Rs. 3/- per share.
- 7.2 Merger reserve represents excess of (a) assets of YTML overits liabilities merged with the Holding Company over (b) consideration to shareholders of YTML as per the Scheme of Amalgamation (Refer note 6.1).
- 7.3 This represents exchange translation reserve on translation of foreign subsidiary Indus Home USA Inc. (subsidiary of Indus Home Limited)

		Note	2017 Rupees	2016 s in '000
8.	LONG-TERM FINANCING			
	Secured			
	From banking companies Less: Payable within one year	8.1 & 8.2	1,642,263 (448,442)	1,677,678 (313,682)
			1,193,821	1,363,996

8.1 The particulars of above long-term loans are as follows:

	2017		
Type and nature of loan	Amount outstanding	Mark up rate per annum	Terms of repayments
	Rupees in '000		
Long term finance facility (LTFF)	1,015,245	2.50% to 7.0%	Quarterly and half yearly
Term finances	627,018	3 months KIBOR + 0.5%	Quarterly
	1,642,263	to 0.75%	

2016

	Type and nature of loan		Amount outstanding	Mark up rate per annum	Terms of repayments
		•	Rupees in '000		
	Long term finance facility (LTFF)		812,759	5.50% to 11.10%	Half yearly and quarterly
	Term finances		864,919	3 months KIBOR + 0.5% to 1.5%	Quarterly
			1,677,678		
8.2	These finances are secured by charge over p	property, plant ar	nd equipment and lar	nd and buildings of t	he Group.
8.3	There is no non-compliance of the financing a penalties or early repayment.	agreements with	banking companies	which may expose	the Group to
8.4	Sanctioned amount on long term financing an	mounts to Rs. 5,	737 million (2016: 4,	387 million)	
				2017	2016
9.	DEFERRED LIABILITIES		Not	te Rupees	s in '000
	Deferred taxation		9.	148,187.00	68,327
	Staff retirement gratuity:				
	- the Holding Company		9.2	210,024.00	189,134
	- Indus Lyallpur Limited		9.3	•	20,168
	- Indus Home Limited		9.4		95,919
				500,626.00	373,548
9.1	Deferred taxation			Recognized in	
	Movement for the year ended	Opening	Recognized in profit and loss	statement of comprehensive	Closing
	June 30, 2017	balance	account	income	balance
			(Rupe	es in '000)	
	Deductible temporary differences in respect of:				
	Provision for: Γ				
	- retirement benefits	(24,966)	(12,847)	88	(37,725)
	- provision of stores and spare parts - other financial assets	(132) (155)	(48)	-	(180)
	- Other infancial assets	(155)	(2,633)	-	(2,788)
	Unutilized minimum tax paid	(132,271)	(47,080)	-	(179,351)
		(157,524)	(62,608)	88	(220,044)
	Taxable temporary differences in respect of:				
	- accelerated tax depreciation	222,524	141,387		363,911
	- unrealized export debtors	3,327	993		4,320

Opening	profit and loss	comprehensive	Closing
balance	account	income	balance
	(Rupe	es in '000)	

Movement for the year ended June 30, 2016

Deductible temporary differences in respect of:

Provision for:

retirement benefitsprovision of stores and spare partsother financial assets	- - -	(24,320) (132) (155)	(646) - -	(24,966) (132) (155)
Unutilized minimum tax paid	-	(132,271)	-	(132,271)
	-	(156,878)	(646)	(157,524)
Taxable temporary differences in respect of:				
accelerated tax depreciationunrealized export debtors	- 767	222,524 2,560	-	222,524 3,327
	767	68,206	(646)	68,327

9.1.1 The Group has not accounted for deferred tax on differences relating to its subsidiaries as the Holding Company does not have an intention to receive dividends or dispose off its investments in its subsidiaries in forseeable future.

	2017	2016
	Rupees in '000	
Profit and loss account Other comprehensive income	79,772 88	68,973 (646)
	79,860	68,327

9.1.2 Indus Lyallpur Limited - the Subsidiary Company

Management of the Subsidiary Company has restricted the benefit of deferred tax asset only to the extent of taxable temporary difference and remaining net deferred tax asset of Rs. 20.96 million (2016: Rs. 52.907 million) has not been recognized in these consolidated financial statements. The taxable temporary differences include temporary differences arising on fair value adjustments at the time of acquisition.

9.1.3 Indus Home Limited - the Subsidiary Company

The deferred tax liability recognized in the financial statements of the subsidiary relates to unrealized export debtors. The income of the subsidiary company falls under Final Tax Regime; accordingly no deferred tax in respect of fair value adjustments of assets and liabilities has been recognized in these consolidated financial statements.

9.2 Staff retirement gratuity - the Holding Company

The Holding Company operates an unfunded gratuity scheme for all its confirmed employees who have completed the minimum qualifying period of service. Provision is made to cover obligations under the scheme on the basis of valuation conducted by a qualified actuary. The latest valuation was conducted on June 30, 2017 using Projected Unit Credit Method. Details assumptions used and the amounts charged in these consolidated financial statements are as follows:

	2017	2016
Significant actuarial assumptions		
Discount rate (%)	7.75	7.5
Expected rate of increase in salary level (%)	6.75	6.5
Weighted average duration of defined benefit obligation	7 years	7 years
Mantality rates assumed your based on the CLIC 2004 2005 resortality table		

Mortality rates assumed were based on the SLIC 2001-2005 mortality table.

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

	Rupees	in '000
Present value of defined benefit obligation Movement in net defined benefit obligation	210,024	189,134
Balance at the beginning of the year	189,134	167,128
Recognized in profit and loss account		
Current service cost Interest cost	62,037 11,810	47,234 13,736
Recognized in other comprehensive income Actuarial (gain) / loss on remeasurement of obligation	73,847 (488)	60,970 6,114
Benefits paid	(52,469)	(45,078)
Present value of defined benefit obligation as at June 30	210,024	189,134
Actuarial gains and losses		
Actuarial losses due to changes in demographic assumptions Actuarial loss / (gain) due to experience adjustments	- (488)	4,433 1,681
	(488)	6,114

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

Impact on	defined benefit	obligation
Change in assumptions	Increase	Decrease
	(Rupees	s in '000)
1%	192,485	230,693
1%	230,693	192,179

9.3 Staff retirement gratuity - Indus Lyallpur Limited

Significant actuarial assumptions

	2017	2016
Discount rate (%)	7.75	7.5
Expected rate of increase in salary level (%)	6.75	6.5
Weighted average duration of defined benefit obligation	8 years	7 years

Mortality rates assumed were based on the SLIC 2001-2005 mortality table.

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

	2017	2016
	Rupee	s in '000
esent value of defined benefit obligation	23 433	20.1

Present value of defined benefit obligation	23,433	20,168
Movement in net defined benefit obligation		
Balance at the beginning of the year	20,168	14,394
Recognized in profit and loss account		
Current service cost Interest cost	9,915 1,257	10,503 1,073
Recognized in other comprehensive income Actuarial (gain) / loss on remeasurement of obligation Benefits paid	11,172 (2,251) (5,656)	11,576 392 (6,194)
Present value of defined benefit obligation as at June 30	23,433	20,168
Actuarial gains and losses		
Actuarial loss due to experience adjustments	(2,251)	392

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

	Impact on	defined benefit	obligation
	Change in assumptions	Increase	Decrease
		(Rupees	in '000)
Discount rate Salary growth rate	1% 1%	20,715 26,784	26,784 20,669

9.4 Staff retirement gratuity - Indus Home Limited

Significant actuarial assumptions	2017	2016
Discount rate (%)	8.00	7.25
Expected rate of increase in salary level (%)	7.00	6.25
Weighted average duration of defined benefit obligation	8 years	8 years

Mortality rates assumed were based on the SLIC 2001-2005 mortality table.

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

	2017	2016
	Rupees	s in '000
	·	
Present value of defined benefit obligation	118,982	95,919
Movement in net defined benefit obligation		
Balance at the beginning of the year Recognized in profit and loss account	95,919	84,376
Current service cost Interest cost	24,297 6,440	22,987 7,233
Recognized in other comprehensive income	30,737	30,220
Actuarial loss on remeasurement of obligation	6,509	1,706
Benefits paid	(14,183)	(20,383)
Present value of defined benefit obligation as at June 30	118,982	95,919
Actuarial gains and losses		
Actuarial loss due to experience adjustments	6,509	1,706

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

	Impact on	defined benefit	obligation
	Change in assumptions	Increase	Decrease
		(Rupees	in '000)
Discount rate	1%	110,427	128,951
Salary growth rate	1%	129,341	109,919

			2017	2016
		Note	Rupees	s in '000
10.	TRADE AND OTHER PAYABLES			
	Creditors Accrued liabilities Foreign bills payable Infrastructure cess Workers' Profits Participation Fund Workers Welfare Fund Advance from customers Unclaimed dividend Withholding tax payable Others	10.1	249,225 1,320,735 80,363 293,459 75,641 1,589 31,869 6,326 7,975 63,359	170,953 1,060,400 34,890 221,237 36,969 30,081 30,623 25,673 9,420 66,932
	Others		2,130,541	1,687,178
			2,130,341	1,007,170
10.1	Workers' Profits Participation Fund			
	Balance at beginning of the year		36,969	7,528
	Allocation for the year		75,656	36,964
	Interest charged during the year on the funds utilized by the Group	33	569	356
			113,194	44,848
	Payments made during the year		(37,553)	(7,879)
	Balance at end of the year		75,641	36,969
11.	INTEREST / MARK-UP PAYABLE			
	On secured loans from banking companies			
	- Long-term financing - Short-term borrowings		19,817 33,188	18,356 15,216
			53,005	33,572
12.	SHORT-TERM BORROWINGS	Note	2017 Rupees	2016 s in '000
	From banking companies - secured			
	Running finance / cash finance arrangements Finance against import / export	12.1 12.2	4,232,550 1,458,966	3,294,894 2,802,021
		12.3	5,691,516	6,096,915

- 12.1 These carry mark-up ranging from 1 week KIBOR + 0.02% to 1% and 3 months KIBOR + 0.02% to 1% (2016: 1 week KIBOR + 0.05% to 1.25% and 3 months KIBOR + 0.6% to 1%). These are secured against charge over current assets of the Group.
- 12.2 These carry mark-up ranging from 3 month LIBOR + 1% to 3 month LIBOR + 2.25% (2016: 3 month LIBOR + 1% to 3 month LIBOR + 2.25%) on foreign currency borrowing amount. These arrangements are secured against charge over current assets of the Company.
- 12.3 The Group has aggregate short-term borrowing facilities amounting to Rs. 13,454 million (2016: Rs. 13,209 million) from various commercial banks. These are secured against current assets with upto 25% margin.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

Under the Gas Infrastructure Development Cess Act, 2011, Government of Pakistan levied Gas Infrastructure Development Cess (GIDC) on gas bills at the rate of Rs. 13 per MMBTU on all industrial consumers. In the month of June 2012, the Federal Government revised GIDC rate from Rs. 13 per MMBTU to Rs. 100 per MMBTU and further increased from Rs.100 per MMBTU to Rs. 200 per MMBTU in July 2014.

The Company filed a suit before the High Court of Islamabad, challenging the applicability of Gas Infrastructure Cess Act 2011. The Islamabad High Court has restrained the Federation and gas companies from recovering GIDC over and above Rs. 13 per MMBTU. On August 22, 2014, the Honourable Supreme Court of Pakistan declared that the levy of GIDC as a tax was not levied in accordance with the Constitution and hence not valid.

In September 2014, the Federal Government promulgated Gas Infrastructure Cess Ordinance No. VI of 2014 to circumvent earlier decision of the Honourable Supreme Court on the ground that GIDC was a 'Fee' and not a 'Tax'. In May 2015, the said Ordinance was approved by the Parliament and became an Act.

Following the imposition of the said Act, many consumers filed a petition in Honorable Sindh High Court and obtained stay order against Act passed by the Parliament. On October 26, 2016, the Learned single Judge of Honorable High Court of Sindh had passed an order to refund / adjust the GIDC collected in the future bills of the respective plaintiff. In other similar case, the said order was stayed by the Honorable Sindh High Court through order dated November 10, 2016. The Company intervened in the aforementioned case for clarification and the decision of Court is pending.

In view of aforementioned developments, the Company on prudent basis, recognized provision for GIDC as at June 30, 2017 amounting to Rs. 627.747 million (2016: 472.1 million) in these financial statements.

The management has only recorded provision by way of abundant precaution and management has not passed the burden of GIDC to its customers.

		2017 Rupo e	2016 s in '000
13.1.1	Claim of arrears of social security contribution not acknowledged, appeal is pending in honorable High Court of Sindh. The management is hopeful for favorable	453	453
13.1.2	outcome. Guarantees issued by banks on behalf of the Group	3,817	26,970
13.1.3	Guarantees issued by banks in favour of gas and electric distribution companies	234,167	223,286
13.1.4	Bank guarantees against payment of infrastructure cess	308,196	211,042
13.1.5	Bank guarantees in favour of Collector of Customs	-	7,950
13.1.6	Bank guarantees in favour of Government of Sindh	2,625	
13.2	Commitments		
	Letters of credit against property, plant and equipment, stores and spares and raw cotton purchases	1,044,075	1,641,095
	Civil work contracts	73,917	
	Bills discounted	50,333	417,763
	Foreign currency forward contracts - Sale	643,503	423,695
	Foreign currency forward contracts - Purchase	37,824	76,325
	Post dated cheques in favour of: Revenue Department - Government of Pakistan	728,891	722,155
	Note	2017 Rupees	2016 s in '000
14.	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets 14.1 Capital work-in-progress 14.3	10,304,698 126,675	10,746,084 145,694
		10,431,373	10,891,778

10-30 5-10 9 5-10 10 9 9 9 9 Dep. Rate % 143,359 74,578 89,244 123,504 25,420 37,907 1,446,233 116,657 563,526 220,101 7,323,757 Carrying value at June 30, 2017 825,519 113,513 21,072 16,309 103,028 5,515,418 49,064 18,771 313,628 Accumulated depreciation at June 30, 2017 52,339 (49,036) 4,305 (674) (93, 153)(1,313)3,965 8,286 4,697 733,820 12,864 13,351 172,661 Depreciation/ (adjustment) for the year 2017 652,858 94,742 100,649 310,325 37,026 12,678 14,806 16,375 ----- Rupees in '000' 4,874,751 Accumulated depreciation at July 1, 2016 110,316 143,359 177,606 230,170 172,568 41,729 56,678 220,101 2,271,752 12,839,175 877,154 Cost at June 30, (009) 123,855 (80,962) 2,980 (2,962) (775) 407,925 91,324 8,667 (133,520) 496 3,801 5,089 during the Additions/ (disposal) year 110,316 220,701 52,035 177,606 229,674 38,703 51,589 2,263,085 12,564,770 172,550 834,261 at July 1, 2016 Non-factory buildings Furniture and fixtures Plant and machinery Electric installations Factory equipment Power generators Factory buildings Office equipment Leasehold land Office building Freehold land **Particulars** Owned

Operating fixed assets

14.1

20

140,412

133,900

(16,704)

32,261

118,343

274,312

35,534 (24,569)

263,347

Vehicles

10,304,698

7,110,222

(160,880)

1,038,549

6,232,553

17,414,920

16,978,637

June 30, 2017

679,671 (243,388)

				2016				
Particulars	Cost at July 1, 2015	Additions/ (disposal) during the	Cost at June 30, 2016	Accumulated depreciation at July 1, 2015	Depreciation/ (adjustment) for the year	Accumulated depreciation at June 30, 2016	Carrying value at June 30, 2016	De p. Rate
	· · ·			Rupees in '000' -			^	%
Owned								
Freehold land	220,701		220,701			•	220,701	'
Leasehold land	51,035	1,000	52,035	•	1	•	52,035	•
Factory buildings	2,152,674	110,411	2,263,085	522,367	130,491	652,858	1,610,227	5-10
Non-factory buildings	177,606		177,606	85,535	9,207	94,742	82,864	10
Office building	110,316		110,316	11,431	4,944	16,375	93,941	5-10
Plant and machinery	11,967,131	618,782 (21,143)	12,564,770	4,086,617	803,646 (15,512)	4,874,751	7,690,019	10
Electric installations	211,994	17,680	229,674	87,684	12,965	100,649	129,025	
Power generators	788,572	45,689	834,261	266,169	44,156	310,325	523,936	10
Factory equipment	165,887	6,948 (285)	172,550	22,688	14,424 (86)	37,026	135,524	10
Office equipment	36,267	2,916 (480)	38,703	7,992	4,994 (308)	12,678	26,025	10-30
Computers						•		
Furniture and fixtures	40,152	11,644 (207)	51,589	11,869	3,064 (127)	14,806	36,783	
Vehicles	240,056	51,540 (28,249)	263,347	98,687	32,533 (12,877)	118,343	145,004	20
June 30, 2016	16,162,391	866,610 (50,364)	16,978,637	5,201,039	1,060,424 (28,910)	6,232,553	10,746,084	
Allocation of depreciation	ion					Note	2017 Rupees in '000'	2016 in '000'
Manufacturing expense Administrative expense Cost of steam sold						28.2 31	3,903	1,010,163 50,261 -
						' "	13,637	1,060,424

14.2 Disposals of operating fixed assets:

1 Plant and machinery 2 18,019 3 Plant and machinery 1,293 4 Plant and machinery 1,524 5 Plant and machinery 1,524 5 Plant and machinery 1,571 6 Plant and machinery 5,156 7 Plant and machinery 6,758 8 Plant and machinery 2,913 9 Plant and machinery 18,529 10 Plant and machinery 10,192 11 Plant and machinery 10,192 12 Plant and machinery 10,192 13 Plant and machinery 10,192 13 Plant and machinery 10,192 14 Vehicle 2,303 5 Vehicle 1,060 4 Vehicle 5,24 7 Vehicle 1,060 4 Vehicle 1,060 8 Vehicle 1,060 8 Vehicle 1,045 11 Vehicle 6,3 12 Vehicle 1,374 14 Vehicle 6,7 13 Vehicle 1,374 15 Vehicle 1,374 16 Vehicle 1,374 17 Vehicle 46 18 Vehicle 9,50 19 Vehicle 1,359 20 Vehicle 1,359 21 Vehicle 1,359 22 Vehicle 1,359 23 Vehicle 2,918 24 Vehicle 5,4 24,016 1 Power generators 73,462 2 Power generators 73,462 2 Power generators 73,462 3 Ofice Equipment 5,9 3 Ofice Equipment 6,6 5 Ofice Equipment 7,7 5 Ofice Equipment 7	preciation	value	proceed	(loss)	Particulars of buyers	disposal
2 Plant and machinery 3 Plant and machinery 4 Plant and machinery 5 Plant and machinery 6 Plant and machinery 7 Plant and machinery 8 Plant and machinery 9 Plant and machinery 9 Plant and machinery 10 Plant and machinery 11 Plant and machinery 12 Plant and machinery 13 Plant and machinery 14 Plant and machinery 15 Plant and machinery 16 Plant and machinery 17 Plant and machinery 18 Plant						
3 Plant and machinery 4 Plant and machinery 5 Plant and machinery 6 Plant and machinery 7 Plant and machinery 8 Plant and machinery 9 Plant and machinery 9 Plant and machinery 18,529 10 Plant and machinery 10 Plant and machinery 11 Plant and machinery 12 Plant and machinery 13 Plant and machinery 14 Plant and machinery 15 Plant and machinery 16 Plant and machinery 17 Plant and machinery 18,529 18,529 19 Plant and machinery 10,192 13 Plant and machinery 10,192 14,060 15 Vehicle 1,060 1,070 1,07	(11,934)	13,066	7,890	(5,176)	Abid Azeem Traders	Auction
4 Plant and machinery 5 Plant and machinery 6 Plant and machinery 7 Plant and machinery 8 Plant and machinery 10 Plant and machinery 11 Plant and machinery 12 Plant and machinery 13 Plant and machinery 14 Plant and machinery 15 Plant and machinery 16 Plant and machinery 17 Plant and machinery 18,529 18,529 19 Plant and machinery 10,192 11 Plant and machinery 10,192 12 Plant and machinery 11,097 13 Plant and machinery 15,097 14 Vehicle 1,622 1 Vehicle 1,622 1 Vehicle 1,060 1 Vehicle 1,060 1 Vehicle 1,156 1 Vehicle 1,166 1 Vehicle 1,1703 10 Vehicle 1,1703 10 Vehicle 11 Vehicle 11 Vehicle 12 Vehicle 13 Vehicle 14 Vehicle 15 Vehicle 17 Vehicle 16 Vehicle 17 Vehicle 18 Vehicle 19 Vehicle 19 Vehicle 19 Vehicle 10 Vehicle 11 Vehicle 12 Vehicle 13 Vehicle 14 Vehicle 15 Vehicle 17 Vehicle 18 Vehicle 19 Vehicle 19 Vehicle 10 Vehicle 11 Vehicle 11 Vehicle 12 Vehicle 13 Vehicle 14 Vehicle 15 Vehicle 17 Vehicle 16 Vehicle 17 Vehicle 17 Vehicle 18 Vehicle 19 Vehicle 19 Vehicle 10 Vehicle 11 Vehicle 11 Vehicle 12 Vehicle 11 Vehicle 12 Vehicle 13 Vehicle 14 Vehicle 15 Vehicle 15 Vehicle 16 Vehicle 17 Vehicle 17 Vehicle 18 Vehicle 19 Vehicle 19 Vehicle 10 Vehicle 11 Vehicle 11 Vehicle 12 Vehicle 13 Vehicle 14 Vehicle 15 Vehicle 15 Vehicle 16 Vehicle 17 Vehicle 17 Vehicle 18 Vehicle 19 Vehicle 19 Vehicle 19 Vehicle 10 Vehicle 11 Vehicle 11 Vehicle 12 Vehicle 13 Vehicle 14 Vehicle 15 Vehicle 16 Vehicle 17 Vehicle 17 Vehicle 18 Vehicle 19 Vehicle 19 Vehicle 19 Vehicle 10 Vehicle 11 Vehicle 11 Vehicle 12 Vehicle 13 Vehicle 14 Vehicle 15 Vehicle 16 Vehicle 17 Vehicle 17 Vehicle 18 Vehicle 19 Vehicle 19 Vehicle 10 Vehicle 11 Vehicle 11 Vehicle 11 Vehicle 12 Vehicle 13 Vehicle 14 Vehicle 15 Vehicle 16 Vehicle 17 Vehicle 17 Vehicle 18 Vehicle 19 Vehicle 10 Vehicle 10 Vehicle 11 Vehicle 11 Vehicle 11 Vehicle 1	(10,647)	7,372	1,300	(6,072)	Tahir Mehmood	Auction
5 Plant and machinery 6 Plant and machinery 7 Plant and machinery 8 Plant and machinery 9 Plant and machinery 10 Plant and machinery 11 Plant and machinery 12 Plant and machinery 13 Plant and machinery 14 Plant and machinery 15 Plant and machinery 16 Plant and machinery 17 Plant and machinery 18 Plant and machinery 19 Plant and machinery 10 Plant and machinery 11 Powericle 11 Power generators 12 Power generators 13 Vehicle 14 Vehicle 15 Vehicle 16 Vehicle 17 Power generators 16 Power generators 17 Power generators 18 Power generators 19 Power generators 19 Power generators 10 Power generators 10 Plant and machinery 10 Plant and machinery 11 Plant and machinery 12 Plant and machinery 13 Plant and machinery 14 Power generators 15 Power generators 16 Power generators 17 Power generators 17 Power generators 17 Power generators 18 Power generators 17 Power generators 18 Power generators 18 Power generators 18 Power generators 19 Power generators 19 Power generators 10 Power generat	(459)	834	500	(334)	Bismillah Engineering Services	Auction
6 Plant and machinery 7 Plant and machinery 8 Plant and machinery 9 Plant and machinery 10 Plant and machinery 11 Plant and machinery 12 Plant and machinery 13 Plant and machinery 14 Plant and machinery 15,097 16 Plant and machinery 17,937 17,937 18,529 18,529 19,101 19 Plant and machinery 10,192 13 Plant and machinery 10,192 13 Plant and machinery 10,192 13 Plant and machinery 15,097 133,520 1 Vehicle 2 Vehicle 3 Vehicle 4 Vehicle 5 54 1,060 4 Vehicle 5 2 1,060 4 Vehicle 1,156 6 Vehicle 1,200 1 Vehicle 1,200 1 Vehicle 1,303 10 Vehicle 11 Vehicle 11 Vehicle 12 Vehicle 13 Vehicle 14 Vehicle 15 Vehicle 15 Vehicle 16 Vehicle 17 Vehicle 16 Vehicle 17 Vehicle 17 Vehicle 18 Vehicle 19 Vehicle 19 Vehicle 19 Vehicle 19 Vehicle 10 Vehicle 10 Vehicle 11,374 17 Vehicle 18 Vehicle 19 Vehicle 19 Vehicle 10 Vehicle 10 Vehicle 11,359 12 Vehicle 11,359 13 Vehicle 12 Vehicle 13 Vehicle 14 Power generators 14 Power generators 15 Power generators 16 Power generators 17 Power generators 18,529 18,529 18,529 18,529 18,529 18,520	(1,499)	25	125	100	Muhammad Kamran	Negotiation
7 Plant and machinery 8 Plant and machinery 9 Plant and machinery 10 Plant and machinery 11 Plant and machinery 11 Plant and machinery 12 Plant and machinery 13 Plant and machinery 15,097 133,520 1 Vehicle 1,060 4 Vehicle 5,54 1,156 6 Vehicle 1,060 8 Vehicle 1,060 8 Vehicle 1,060 8 Vehicle 1,060 8 Vehicle 1,045 11 Vehicle 63 1,045 11 Vehicle 63 12 Vehicle 1,045 12 Vehicle 1,045 14 Vehicle 62 1,045 15 Vehicle 1,045 16 Vehicle 1,045 17 Vehicle 16 Vehicle 1,045 18 Vehicle 1,045 19	(977)	94	100	6	Ahmed Traders	Negotiation
Plant and machinery 2,913 18,529 18,529 19,111 18,529 19,111	(4,859)	297	320	23	Ahmed Traders	Negotiation
9 Plant and machinery	(6,369)	389	500	111	Bismillah Textile Traders	Negotiation
10 Plant and machinery 11 Plant and machinery 12 Plant and machinery 10,192 15,097 133,520 14 Vehicle 1,622 2 Vehicle 1,622 2 Vehicle 1,624 1,156 6 Vehicle 1,200 1,156 6 Vehicle 1,200 1,156 6 Vehicle 1,200 1,045 1,04	(2,435)	478	500	22	Sunrays Textile Mills Limited	Negotiation
1 Plant and machinery 20,031 10,192 15,097 133,520 1 Vehicle 1,622 2 Vehicle 1,060 4 Vehicle 2,303 5 Vehicle 1,960 8 Vehicle 1,960 1,156 6 Vehicle 1,045 1,0	(13,897)	4,632	5,200	568	Mayfair Limited	Negotiation
1	(6,037)	1,900	2,000	100	F.A.G. Textile	Negotiation
1 Vehicle 1,622 2 Vehicle 1,622 2 Vehicle 1,060 4 Vehicle 1,156 6 Vehicle 1,260	(16,941)	3,090	3,095	5	Gulf Textile	Negotiation
133,520 1 Vehicle 1,622 2 Vehicle 554 3 Vehicle 1,060 4 Vehicle 2,303 5 Vehicle 1,156 6 Vehicle 1,260 7 Vehicle 1,808 9 Vehicle 1,808 9 Vehicle 1,703 10 Vehicle 63 12 Vehicle 67 13 Vehicle 62 15 Vehicle 71 16 Vehicle 71 16 Vehicle 375 17 Vehicle 1,374 18 Vehicle 375 19 Vehicle 1,374 10 Vehicle 1,374 11 Vehicle 3,75 12 Vehicle 1,340 13 Vehicle 1,540 14 Vehicle 1,359 15 Vehicle 1,359 16 Vehicle 1,359 17 Vehicle 1,360 18 Vehicle 1,359 19 Vehicle 1,359 10 Vehicle 1,359 11 Power generators 73,462 12 Power generators 73,462 14 Vehicle 540 15 Vehicle 540 16 Vehicle 540 17 Vehicle 540 18 Vehicle 540 19 Vehicle 540 10 Vehicle 540 11 Power generators 73,462 12 Power generators 73,462 13 Office Equipment 589 14 Office Equipment 570 15 Office Equipment 570 16 Office Equipment 570 17 Other (assets having net book value of less	(8,815)	1,377	1,400	23	Textile Future Concern	Negotiation
1 Vehicle	(8,285)	6,812	5,450	(1,362)	Mayfair Limited	Negotiation
2 Vehicle	(93,153)	40,367	28,380	(11,986)		
2 Vehicle				3	Rizwan Azam	
3 Vehicle 1,060 4 Vehicle 2,303 5 Vehicle 1,156 6 Vehicle 52 7 Vehicle 1,960 8 Vehicle 1,808 9 Vehicle 1,703 10 Vehicle 63 12 Vehicle 67 13 Vehicle 67 13 Vehicle 71 16 Vehicle 71 16 Vehicle 71 16 Vehicle 950 19 Vehicle 1,374 17 Vehicle 950 19 Vehicle 950 19 Vehicle 1,375 10 Vehicle 1,375 10 Vehicle 1,375 11 Vehicle 375 12 Vehicle 1,374 17 Vehicle 1,375 18 Vehicle 1,375 19 Vehicle 1,375 10 Vehicle 1,375 10 Vehicle 1,359 13 Vehicle 1,359 14 Vehicle 1,359 15 Vehicle 1,359 16 Vehicle 1,359 17 Vehicle 1,359 18 Vehicle 1,359 19 Vehicle 1,359 10 Vehicle 1,359 11 Power generators 73,462 12 Power generators 73,462 14 Power generators 73,462 15 Power generators 73,462 16 Office Equipment 57 16 Office Equipment 57 17 Office Equipment 57 18 Office Equipment 57 19 Office Equipment 57 10 Office Equipment 57 10 Office Equipment 57 11 Other (assets having net book value of less	(1,225)	397	400	100	Heider (Frankeyee)	Negotiation
4 Vehicle 2,303 5 Vehicle 1,156 6 Vehicle 52 7 Vehicle 1,960 8 Vehicle 1,960 8 Vehicle 1,045 10 Vehicle 1,045 11 Vehicle 63 12 Vehicle 67 13 Vehicle 1,131 14 Vehicle 62 15 Vehicle 71 16 Vehicle 71 17 Vehicle 46 18 Vehicle 950 19 Vehicle 375 20 Vehicle 2,918 21 Vehicle 1,374 22 Vehicle 1,359 23 Vehicle 1,359 24 Vehicle 1,359 25 Vehicle 1,359 26 Vehicle 1,359 27 Vehicle 1,359 28 Vehicle 743 29 Vehicle 743 20 Vehicle 754 21 Power generators 73,462 2 Power generators 73,462 2 Power generators 73,462 1 Factory Equipment 540 1 Office Equipment 57 1 Office Equipment 56 1 Office Equipment 57 1 Office Equipment 57 1 Office Equipment 57 1 Office Equipment 56 1 Office Equipment 57 1 Office Equipment 57 1 Office Equipment 57 1 Office Equipment 56 1 Office Equipment 57 1 Office Equipment 57 1 Other (assets having net book value of less	(390)	164	270	106	Haider (Employee)	Company polic
5 Vehicle 1,156 6 Vehicle 52 7 Vehicle 1,960 8 Vehicle 1,960 8 Vehicle 1,703 10 Vehicle 1,703 10 Vehicle 63 12 Vehicle 67 13 Vehicle 62 15 Vehicle 71 16 Vehicle 71 16 Vehicle 950 19 Vehicle 950 19 Vehicle 950 19 Vehicle 1,374 17 Vehicle 2,918 21 Vehicle 375 10 Vehicle 1,375 10 Vehicle 1,359 11 Power generators 73,462 12 Power generators 73,462 13 Power generators 73,462 14 Vehicle 7,500 15 Power generators 73,462 16 Power generators 73,462 17 Factory Equipment 7,500 18 Office Equipment 57 18 Office Equipment 57 18 Office Equipment 57 19 Office Equipment 57 10 Other (assets having net book value of less	(817)	243	300	57	Majid Ali	Negotiation
6 Vehicle 52 7 Vehicle 1,960 8 Vehicle 1,808 9 Vehicle 1,703 0 Vehicle 1,045 11 Vehicle 63 12 Vehicle 67 3 Vehicle 1,131 4 Vehicle 62 5 Vehicle 71 6 Vehicle 71 6 Vehicle 950 9 Vehicle 375 10 Vehicle 2,918 21 Vehicle 1,540 12 Vehicle 1,359 3 Vehicle 743 4 Vehicle 54 2 Vehicle 1,359 3 Vehicle 743 4 Vehicle 54 2 Vehicle 1,359 3 Vehicle 743 4 Vehicle 54 2 Vehicle 1,359 3 Vehicle 743 4 Vehicle 54 2 Power generators 73,462 2 Power generators 7,500 80,962 1 Factory Equipm	(786)	1,517	1,800	283	Adamjee Insurance	Claim
7 Vehicle 1,960 8 Vehicle 1,808 9 Vehicle 1,703 10 Vehicle 1,045 11 Vehicle 63 12 Vehicle 67 13 Vehicle 67 13 Vehicle 62 15 Vehicle 71 16 Vehicle 950 19 Vehicle 950 19 Vehicle 950 10 Vehicle 1,374 17 Vehicle 2,918 18 Vehicle 950 19 Vehicle 375 10 Vehicle 1,359 14 Vehicle 1,359 15 Vehicle 1,359 16 Vehicle 1,359 17 Vehicle 1,359 18 Vehicle 743 19 Vehicle 743 10 Vehicle 1,359 10 Vehicle 7,43 10 Vehicle 7,500 11 Power generators 7,500 11 Power generators 73,462 11 Power generators 73,462 12 Power generators 73,462 13 Vehicle 1,359 14 Vehicle 54 15 Vehicle 743 16 Vehicle 743 17 Office Equipment 95 16 Office Equipment 95 17 Office Equipment 95 18 Office Equipment 95 19 Office Equipment 95 10 Office Equipment 95 10 Office Equipment 95 11 Office Equipment 95 12 Office Equipment 95 13 Office Equipment 95 14 Office Equipment 95 15 Office Equipment 95 16 Office Equipment 95 17 Office Equipment 96 17 Office Equipment 96 18 Office Equipment 96 19 Office Equipment 96 19 Office Equipment 96 10 Office Equipment 96 10 Office Equipment 96 11 Office Equipment 96 12 Office Equipment 96 13 Office Equipment 96 14 Office Equipment 96 15 Office Equipment 96 16 Office Equipment 96 17 Office Equipment 96 18 Office Equipment 96 19 Office 97 10 Other (assets having 97)	(729)	427	450	23	Abidien (Employee)	Company polic
3 Vehicle 1,808 9 Vehicle 1,703 1,045 1,703 1,045	(31)	21	15	(6)	Azaz Ahmed	Negotiation
9 Vehicle 1,703 10 Vehicle 1,045 11 Vehicle 63 2 Vehicle 67 33 Vehicle 1,131 44 Vehicle 62 55 Vehicle 71 66 Vehicle 950 19 Vehicle 950 19 Vehicle 950 19 Vehicle 1,540 22 Vehicle 1,359 33 Vehicle 1,359 34 Vehicle 743 44 Vehicle 54 24,016 1 Power generators 73,462 7 Power generators 73,462 7 Power generators 75,500 1 Factory Equipment 2,962 1 Factory Equipment 600 1 Office Equipment 57 3 Office Equipment 57 3 Office Equipment 65 5 Office Equipment 96 5 Office Equipment 96 5 Office Equipment 96 5 Office Equipment 97 5 Office	(1,120)	840	1,174	334	Adamjee Insurance	Claim
10 Vehicle 1,045 11 Vehicle 63 12 Vehicle 67 13 Vehicle 67 14 Vehicle 62 15 Vehicle 71 16 Vehicle 71 16 Vehicle 950 19 Vehicle 950 19 Vehicle 950 19 Vehicle 950 19 Vehicle 1,374 10 Vehicle 1,340 11 Vehicle 1,340 12 Vehicle 1,359 13 Vehicle 743 14 Vehicle 744 15 Power generators 73,462 16 Power generators 73,462 17 Factory Equipment 2,962 18 Factory Equipment 600 10 Office Equipment 950 11 Office Equipment 950 12 Office Equipment 950 13 Office Equipment 950 14 Office Equipment 950 15 Office Equipment 950 16 Office Equipment 950 17 Office Equipment 950 17 Office Equipment 950 18 Office Equipment 950 19 Office Equipment 950 10 Office Equipment 950 11 Office Equipment 950 12 Office Equipment 950 13 Office Equipment 950 14 Office Equipment 950 15 Office Equipment 950 16 Office Equipment 950 17 Office Equipment 950 17 Office Equipment 950 18 Office Equipment 950 19 Office Equipment 950 10 Office Equipment 950 10 Office Equipment 950 11 Office Equipment 950 12 Office Equipment 950 13 Office Equipment 950 14 Office Equipment 950 15 Office Equipment 950 16 Office Equipment 950 17 Office Equipment 950 17 Office Equipment 950 18 Office Equipment 950 1	(1,467)	341	417	76	Najam UI Islam	Negotiation
11 Vehicle 63 2 Vehicle 67 3 Vehicle 1,131 4 Vehicle 62 5 Vehicle 71 6 Vehicle 1,374 7 Vehicle 46 8 Vehicle 950 9 Vehicle 375 0 Vehicle 2,918 11 Vehicle 1,540 2 Vehicle 1,540 2 Vehicle 1,359 3 Vehicle 743 4 Vehicle 743 4 Vehicle 743 4 Vehicle 754 24,016 1 Power generators 73,462 7,500 80,962 1 Factory Equipment 7,500 1 Office Equipment 59 3 Office Equipment 59 0 Office Equipment 59 3 Office Equipment 59 0 Office Equipment 59 3 Office Equipment 59 0 Office Equipment 59 1 Office Equipment 59 3 Office Equipment 59 6 Office Equipment 59 1 Office Equipment 59 2 Office Equipment 59 3 Office Equipment 59 4 Office Equipment 59 5 Office Equipment 59 6 Office Equipment 59 777	(820)	883	900	17	Adil Ashraf	Negotiation
2 Vehicle 67 3 Vehicle 1,131 4 Vehicle 62 5 Vehicle 71 6 Vehicle 1,374 7 Vehicle 950 9 Vehicle 375 0 Vehicle 2,918 1 Vehicle 1,540 2 Vehicle 1,359 3 Vehicle 1,359 3 Vehicle 743 4 Vehicle 743 4 Vehicle 754 2 Power generators 73,462 7,500 8 0,962 1 Factory Equipment 2,962 1 Leasehold Land 600 1 Office Equipment 59 6 Office Equipment 59 6 Office Equipment 46 6 Office Equipment 26 6 Office Equipment 26 7777 1 Other (assets having net book value of less	(698)	347	638	291	Mujahid Islam	Negotiation
3 Vehicle 1,131 4 Vehicle 62 5 Vehicle 71 6 Vehicle 1,374 7 Vehicle 46 8 Vehicle 950 9 Vehicle 2,918 1 Vehicle 1,540 2 Vehicle 1,359 3 Vehicle 743 4 Vehicle 54 24,016 1 Power generators 73,462 2 Power generators 73,462 2 Power generators 73,462 2 Power generators 73,462 3 Vehicle 1,359 4 Vehicle 54 24,016 5 Office Equipment 600 6 Office Equipment 59 6 Office Equipment 57 6 Office Equipment 600 777 1 Other (assets having net book value of less	(11)	52	60	8	Adamjee	Claim
4 Vehicle 62 5 Vehicle 71 6 Vehicle 1,374 7 Vehicle 46 8 Vehicle 950 9 Vehicle 3,75 0 Vehicle 1,540 2 Vehicle 1,389 3 Vehicle 743 4 Vehicle 54 Power generators 73,462 7,500 80,962 1 Factory Equipment 2,962 1 Coffice Equipment 57 1 Office Equipment 57 1 Office Equipment 46 5 Office Equipment 26 6 Office Equipment 26 7777 1 Other (assets having net book value of less	(7)	60	38	(22)	Ashraf	Negotiation
5 Vehicle 71 6 Vehicle 71 7 Vehicle 46 8 Vehicle 950 9 Vehicle 375 0 Vehicle 1,540 2 Vehicle 1,540 2 Vehicle 7,43 4 Vehicle 743 4 Vehicle 743 4 Vehicle 743 4 Vehicle 743 6 Vehicle 743	(783)	348	400	52	Malik Momin	Negotiation
6 Vehicle 1,374 7 Vehicle 46 8 Vehicle 950 9 Vehicle 3,75 0 Vehicle 2,918 11 Vehicle 1,359 3 Vehicle 743 4 Vehicle 743 4 Vehicle 743 4 Vehicle 743 6 Power generators 73,462 7,500 80,962 1 Factory Equipment 2,962 1 Leasehold Land 600 1 Office Equipment 59 2 Office Equipment 59 3 Office Equipment 59 4 Office Equipment 600 6 Office Equipment 777 6 Office Equipment 777 7 Other (assets having net book value of less	(4)	58	59	2	Adamjee Insurance	Claim
17 Vehicle	(23)	48	27	(21)	Mirza Autos	Negotiation
1	(943)	431	450	19	Yaseen Hamidia	Negotiation
19 Vehicle	(21)	25	10	(15)	Muhammad Ashraf	Negotiation
1	(627)	323	725	402	Waqas Zia (Employee)	Company polic
21 Vehicle	(222)	153	540	387	Mubashir Waqar	Negotiation
1	(2,596)	322	900	578	Zain Hassan	Auction
23 Vehicle	(1,146)	394	1,200	806	Zarar Butt	Negotiation
24, Vehicle 54 24,016 1 Power generators 73,462 7,500 80,962 1 Factory Equipment 2,962 1 Leasehold Land 600 1 Office Equipment 59 3 Office Equipment 57 4 Office Equipment 46 5 Office Equipment 26 777 1 Other (assets having net book value of less	(1,168)	191	985	794	Irshad Waqar	Negotiation
24,016 24,016	(671)	72	685	613	Waseem Shoukat	Auction
Power generators	(48)	6	14	8	Sajid Hussain Khan	Auction
Record R	(16,353)	7,663	12,457	4,794		
80,962 1 Factory Equipment 2,962 1 Leasehold Land 600 1 Office Equipment 589 2 Office Equipment 57 3 Office Equipment 46 5 Office Equipment 26 777 1 Other (assets having net book value of less 1	(45,456)	28,006	10,000	(18,006)	Adamjee Insurance Co. Ltd	Negotiation Auction
1 Factory Equipment 2,962 1 Leasehold Land 600 1 Office Equipment 589 2 Office Equipment 57 3 Office Equipment 46 5 Office Equipment 26	(3,580)	3,920	2,000	(1,920)	Bismillah Engineering Services	Auction
1 Leasehold Land 600 1 Office Equipment 589 2 Office Equipment 57 3 Office Equipment 46 5 Office Equipment 26 777 1 Other (assets having net book value of less	(49,036)	31,926	12,000	(19,926)		
1 Oflice Equipment 589 2 Oflice Equipment 57 3 Oflice Equipment 57 4 Oflice Equipment 46 5 Oflice Equipment 26 777 1 Other (assets having net book value of less	(1,313)	1,649	110	(1,539)	Bismillah Engineering Services	Auction
2 Office Equipment 59 3 Office Equipment 57 4 Office Equipment 46 5 Office Equipment 26 777 1 Other (assets having net book value of less	-	600	600		MEPCO WAPDA Muzaffargarh	Negotiation
3 Office Equipment 57 4 Office Equipment 46 5 Office Equipment 26 777 1 Other (assets having net book value of less	(537)	52	54	2	Neo Tech Hafeez Centre	Negotiation
4 Oflice Equipment 46 5 Oflice Equipment 26 777 1 Other (assets having net book value of less	(48)	11	5	(6)	Rizwan Azam	Negotiation
Oflice Equipment 26 777 1 Other (assets having net book value of less	(41)	16	10	(6)	Tahir Mehmood	Negotiation
777 1 Other (assets having net book value of less	(35)	11	10	(1)	Massadiq	Negotiation
Other (assets having net book value of less	(14)	12	8	(4)	Amin Zaman	Negotiation
net book value of less	(675)	102	87	(15)		
	(350)	201	113	(89)	Various	Company policy negotiation
2017 243,388	(160,880)	82,508	53,747	(28,761)		
2016 50,365	(28,911)	21,454	18,950	(2,505)		

44.2	Conital work in manage		Note	2017 Rupees in	2016 '000
14.3	Capital work-in-progress Civil work Plant and machinery Vehicles			126,675 - -	39,023 101,430 5,241
			14.3.1	126,675	145,694
14.3.1	Capital work-in-progress				
		Civil work	Plant and machinery	Vehicles	Total
			(Rupee	es '000)	
	As at June 30, 2015	50,067	39,712	6,667	96,446
	Additions during the year	94,028	542,120	7,160	643,308
	Transferred to operating fixed assets	(105,072)	(480,402)	(8,586)	(594,060)
	As at June 30, 2016	39,023	101,430	5,241	145,694
	Additions during the year	107,133	123,027	4,640	234,800
	Transferred to operating	(19,481)	(224,457)	(9,881)	(253,819)
	fixed assets As at June 30, 2017	126,675	-	-	126,675
				2017	2016
45	INTANOIDI E AGOSTO		Note	Rupees in	'000
15.	INTANGIBLE ASSETS Intangibles under use		15.1	19,660	4,633
	Intangibles under implementation		_	8,099	26,340
45.4	Into polible a un de a una		=	27,759	30,973
15.1	Intangibles under use Year ended June 30				
	Net book value as at July 1			4,633	6,619
	Additions			18,241	-
	Amortisation for the year		15.1.1	(3,214)	(1,986)
	Net book value as at June 30 At June 30			19,660	4,633
	Cost			25,595	7,354
	Accumulated amortisation			(5,935)	(2,721)
	Net book value		_	19,660	4,633
	Annual amortisation rate		_	30%	30%
15.1.1	Amortisation for the year has been charged to adm	ninistrative expe	nses.		
15.2	Intangibles under implementation As at June 30, 2015				26,340
	Additions during the year Transferred to profit and loss account				1,590 (1,590)
	As at June 30, 2016				26,340
	Transferred to intangible assets				(18,241)
	As at June 30, 2017				8,099

		Note	2017 Rupees	2016 in '000
16.	LONG-TERM INVESTMENT			
	Investment in associate	16.1	22,567	21,611
16.1	Investment in associate - Sunrays Textile Mills Limited			
	Cost Share of post acquisition profits:		1,716	1,716
	Opening Dividend received		19,895 (687)	19,562
	Share of profit from associate for the year		1,643	333
			20,851	19,895
			22,567	21,611
	Number of shares held		68,654	68,654
	Ownership interest		0.99%	0.99%
	Market value (Rupees in '000)		13,559	14,601
	Cost of investment (Rupees in '000)		1,716	1,716

- **16.1.1** Due to common directorship, the investment has been classified as investment in associates.
- **16.1.2** Summarized financial highlights as at and for the year ended June 30 are as follows:

Note	2017 Rupees	2016 s in '000
Total assets Total liabilities Revenue Comprehensive income for the year 17. LONG-TERM DEPOSITS	4,044,544 1,589,845 4,256,597 141,738	3,456,181 1,061,650 3,858,477 33,703
Electricity Others	10,502 4,255 14,757	10,502 4,255 ———————————————————————————————————

			2017	2016
18.	STORES, SPARES AND LOOSE TOOLS	Note	Rupees	in '000
	Stores, spares and loose tools	18.1	577,517	583,008
	Less: provision for slow moving and obsolete stock	18.2	(50,199)	(45,399)
			527,318	537,609
18.1	It include stores and spares in transit amounting to Rs. 93.73 n	nillion (2016: Rs. 84.8	3 million).	
			2017	2016
		Note	Rupees	in '000
18.2	Movement in provision for slow moving & obsolete stock			
	Opening balance Provision for the year		45,399 4,800	35,414 9,985
	Closing Balance		50,199	45,399
40	OTOOK IN TRADE			
19.	STOCK-IN-TRADE			
	Raw material			
	- in hand - in transit	19.1	4,438,861 291,168	2,749,020 1,396,743
			4,730,029	4,145,763
	Work-in-process		671,686	467,680
	Finished goods	19.1	1,034,081	808,900
	Packing material		44,621	45,023
	Waste		69,725	47,253
			6,550,142	5,514,619
19.1	The stock of work-in-process and finished goods have been wri (2016: 40.215) and Rs. 5.6 million (2016: Rs. 16.491 million) re		realizable values b	y Rs. Nil million
			2017	2016
		Note	Rupees	in '000
20.	TRADE DEBTS			
	Considered good			
	Secured			
	Foreign debtors Local debtors		933,467 87,346	1,147,223 182,665
	Unsecured	20.1	1,020,813	1,329,888
	Local debtors		999,201	501,340
			2,020,014	1,831,228
	Less: provision for doubtful debts		-	
		20.2	2,020,014	1,831,228

- **20.1** These are secured against letters of credit in favour of the Group.
- **20.2** Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of credit customers.

20.3 Aging of debtors From 1 to 30 days From 30 to 90 days From 90 to 180 days From 180 to 360 days More than 360 days 2,890 1,983 2,020,014	1,665,437 138,905 24,371 2,515 - 1,831,228
From 30 to 90 days From 90 to 180 days From 180 to 360 days More than 360 days 2,890 2,020,014	138,905 24,371 2,515 - 1,831,228
From 90 to 180 days From 180 to 360 days More than 360 days 2,890 1,983 2,020,014	24,371 2,515 - 1,831,228
From 180 to 360 days More than 360 days 1,983 2,020,014	2,515 - 1,831,228
More than 360 days 1,983 2,020,014 2017	1,831,228
2,020,014	
2017	
Note Rupees in '00	2016 00
21. LOANS AND ADVANCES	
Considered good	
Loans to staff 26,966	22,280
Advance income tax - net 21.1 108,433	87,872
Advances to:	
- Suppliers 50,513 - Employees 5,194	21,552 5
- Others 37,247	22,636
92,954	44,193
228,353	154,345
21.1 Advance income tax - net	
Advance income tax 313,097	226,671
Less: Provision for taxation (196,294) Less: Workers' Welfare Fund 21.1.1 (8,370)	(133,217) (5,582)
108,433	87,872

21.1.1 Prior to certain amendments made through the Finance Acts of 2006 & 2008, Workers Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, the Company together with other stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against the Company and other stakeholders. Management has filed a petition before the Honourable Supreme Court of Pakistan against the decision of the Sindh High Court.

During the year, Honourable Supreme Court of Pakistan has passed an order dated November 10, 2016 that the Workers' Welfare Fund (WWF) is a fee, not a tax. Hence, the amendments made through Finance Act, 2006 and 2008 have been declared invalid in the said order. Therefore, the management believe that in the light of the aforementioned judgement, all cases pertaining to WWF, pending for adjudication would be decided in the favour of the Company. The management has filed an application for rectification order amounting to Rs. 130.15 million for the years from 2010 to 2014 contending the fact that they had erroneously paid WWF despite of having exemption available to them.

			2017 Rupees	2016 s in '000
22.	TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
	Considered good			
	Security deposits Prepayments		11,785 17,094	2,336 8,585
			28,879	10,921
23.	OTHER RECEIVABLES			
	Considered good			
	Cotton claims Rebate refundable Others Derivative financial asset		13,175 63,138 20,859 1,533	1,937 62,512 13,929 2,274
			98,705	80,652
			·	
		Note	2017 Rupees	2016 s in '000
24.	OTHER FINANCIAL ASSETS			
	At fair value through profit and loss - held for trading			
	Investment in ordinary shares of listed companies Investment in units of mutual funds	24.1 24.1	126,958 607,563	19,016 256,746
	Held to maturity investments			
	Treasury bills - Government of Pakistan Term deposit receipts	24.2 24.3	206,977 52,625	200,841 200,000
			994,123	676,603
				

24.1 Market value of other financial assets

Investment in ordinary shares of listed companies

2017 Numbe	2016 er of shares		2017 Rupees	2016 s in '000
42,000	-	Bestway Cement Limited	9,203	-
160,000	-	Engro Fertilizers Limited	8,838	-
45,000	-	Engro Corporation Limited	14,666	-
30,000	30,000	Fauji Fertilizer Company Limited	2,479	3,442
15,000	-	Habib Bank Limited	4,037	-
1,850,000	-	K-Electric Limited	12,765	-
11,088	11,088	Pakistan State Oil Company Limited	4,295	4,162
10,000	-	Pak Elektron Limited	1,103	-
		Pakistan International Airlines		
100,000	100,000	Corporation Limited	584	708
193,900	-	Pioneer Cement Limited	25,207	-
25,950	-	Sitara Chemical Industries Limited	11,538	-
136,900	60,500	United Bank Limited	32,243	10,704
			126,958	19,016

Investment in units of mutual funds

2017 2016 Number of units

9.984.026	ABL Cash Fund	-	100,000
-	ABL Income Fund	200,301	-
2,067	HBL Money Market Fund	220	202
1,025	HBL Cash Fund		
-	(Formerly PICIC Cash Fund)	109	100
256	Meezan Cash Fund	250,001	-
-	Meezan Sovereign Fund	14	12
7,932	Meezan Income Fund	38,006	-
-	NAFA Government Security		
-	Liquid Fund	101	98
3,109,186	NAFA Money Market Fund	108,580	-
3,452	NAFA Islamic Active Allocation Plan	-V 9,868	-
	Pakistan Cash Management Fund	-	156,000
	UBL Liquidity Plus Fund	353	334
	UBL Money Market Fund	10	-
		607,563	256,746
	1,025 - 256 - 7,932 - 3,109,186	- ABL Income Fund 2,067 HBL Money Market Fund 1,025 HBL Cash Fund - (Formerly PICIC Cash Fund) 256 Meezan Cash Fund - Meezan Sovereign Fund 7,932 Meezan Income Fund - NAFA Government Security - Liquid Fund 3,109,186 NAFA Money Market Fund 3,452 NAFA Islamic Active Allocation Plan Pakistan Cash Management Fund UBL Liquidity Plus Fund	- ABL Income Fund 200,301 2,067 HBL Money Market Fund 220 1,025 HBL Cash Fund (Formerly PICIC Cash Fund) 109 256 Meezan Cash Fund 250,001 - Meezan Sovereign Fund 14 7,932 Meezan Income Fund 38,006 - NAFA Government Security - Liquid Fund 101 3,109,186 NAFA Money Market Fund 108,580 3,452 NAFA Islamic Active Allocation Plan-V Pakistan Cash Management Fund UBL Liquidity Plus Fund 353 UBL Money Market Fund 10

- 24.2 The amount pertains to investment in Government of Pakistan Treasury Bills with Muslim Commercial Bank Carrying interest at 5.95% (2016: 5.85%) and maturity date is August 17, 2017.
- 24.3 The amount relates to investment in short term deposit receipts carrying interest at 5.5% (2016: 5.75%).

25.	TAX REFUNDABLE	Note	2017 Rupees i	2016 n '000
	Sales tax refundable Income tax refundable Others		256,801 496,219 1,160	202,333 396,035 2,088
			754,180	600,456
26.	CASH AND BANK BALANCES			
	With banks			
	- in deposit accounts	26.1	15,327	513,862
	- in current accounts		259,947	85,013
			275,274	598,875
	Cash in hand		10,938	20,234
			286,212	619,109
26.1	The rate of profit on bank deposits ranges from 3.75% to 4.5%	per annum (2016:3.7	75% to 4.5% per an 2017	num). 2016
		Note	Rupeesi	
27.	SALES -net	Note	Rupees	
	Export sales	27.1	18,964,941	18,092,293
	Less: Commission		(164,471)	(147,518)
	Local sales		18,800,470	17,944,775
			0.400.000	0.700.000
	Yarn Towel		8,103,303 134,888	6,783,309 84,080
	Greige Fabric		11,181	25,346
	Waste		603,798	310,435
			8,853,170	7,203,170
	Less:			
	Sales tax @ 3% on local sales		(6,787)	(184,234)
	Discount		(3,015)	(317)
	Brokerage		(70,646)	(62,460)
			(80,448)	(247,011)
				04.000.004

^{27.1} It includes exchange loss of Rs.15.48 million (2016: exchange loss of Rs. 49.784 million) and indirect export of Rs. 998 million (2016: Rs. 485 million).

27,573,192

24,900,934

		Note	2017 Rupees i	2016 n '000
28.	COST OF GOODS SOLD			
	Raw material consumed	28.1	18,411,918	16,051,856
	Manufacturing expenses	28.2	6,965,295	6,437,057
	Outside purchases - yarn		5,729	138,343
			25,382,942	22,627,256
	Work in process			
	- Opening		467,680	696,608
	- Closing		(671,686)	(467,680)
			(204,006)	228,928
	Cost of goods manufactured		25,178,936	22,856,184
	Finished goods			
	- Opening - Closing		856,153 (1,103,807)	993,453 (856,153)
	Ç		(247,654)	137,300
			24,931,282	22,993,484
28.1	Raw material consumed			
	Opening stock		2,749,020	2,986,010
	Purchases		20,330,474	15,845,482
	0 1 6 11		23,079,494	18,831,492
	Cost of raw cotton sold Closing stock		(228,715) (4,438,861)	(30,615) (2,749,020)
	Closing stock		(4,438,001)	(2,749,020)
			18,411,918	16,051,857
28.2	Manufacturing expenses			
	Salaries, wages and benefits	28.2.1	1,961,300	1,671,383
	Fuel, water and power		2,241,422	2,193,889
	Packing material consumed		643,456	575,299
	Stores and spares consumed		984,868	843,435
	Repairs and maintenance Insurance		39,757 38,019	53,419 35,238
	Rent, rates and taxes		2,476	35,238 2,671
	Depreciation on operating fixed assets	14.1.1	978,475	1,010,163
	Other		75,522	51,560
			6,965,295	6,437,057
28.2.1	It includes staff retirement benefits Rs. 101.08 million	(2016: Rs. 82.529 million).		

29.	OTHER INCOME	Note	2017 Rupees in	2016 '000
	Income from non-financial assets:			
	Scrap sale Reversal of liability no longer payable Steam sale		14,571 - 8,257	10,232 90,295 22,921
	Unrealised gain on export debtors Profit on trading of raw cotton Other income	29.1	15 12,422 29,911	- - -
	Income from financial assets:			
	Capital gain on sale of investments Dividend income Profit on fixed deposits Realised gain on revaluation of foreign currency loans Unrealised gain on revaluation of foreign currency loans Unrealized gain on derivative financial instruments Other income		18,290 2,268 2,952 30,536 3,223 1,533 102	1,661 834 29,513 - 2,274
			124,080	157,730
29.1	Profit / (loss) on trading of raw cotton			
	Sales			
	- Local		241,137	26,370
	Less: Cost of goods sold - Local		(228,715)	(26,667)
			12,422	(297)
30.	DISTRIBUTION COST			
	Export			
	Ocean freight Export development surcharge Other export charges		216,121 32,184 162,714	196,794 51,452 178,640
			411,019	426,886
	Local freight Salaries and wages Travelling and conveyance Telephone and postage Insurance Other	30.1	80,260 41,785 11,996 12,825 7,469 39,028	71,934 62,134 8,081 9,720 7,734 30,782
30 1	It includes staff retirement benefits of Rs. 2.25 million (2016: R	- 0.0:!!:\		

	Note	2017 Rupee	2016 s in '000
31.	ADMINISTRATIVE EXPENSES		
	Salaries and benefits Directors' remuneration Meeting fees Repairs and maintenance Postage and telephone Traveling and conveyance Vehicles running Printing and stationery Rent, rates and taxes Utilities Entertainment Fees and subscription Insurance Legal and professional Charity and donations Auditors' remuneration Advertisement 31.1 31	156,619 84,670 265 9,549 10,912 10,229 7,285 6,638 20,253 12,906 3,455 18,878 3,903 8,668 1,245 3,025 50,340 3,214	133,999 69,817 199 13,231 10,301 8,469 7,739 5,750 18,745 10,198 4,169 17,612 6,846 14,286 2,668 3,121 50,261 1,986 59
	Others	5,123	7,798
		417,385	387,254
31.1	It includes staff retirement benefits Rs. 16.347 million (2016: Rs. 12.449 million).	
31.2 31.3	None of the directors and their spouses have any interest in the donees fund. Auditors' remuneration	2017 Rupee:	2016 s in '000
	Ernst & Young Ford Rhodes Sidat Hyder		
	Audit fee Out of pocket expenses	950 70	950 170
		1,020	1,120
	Deloitte Yousuf Adil		
	Audit fee Half year limited review fee Fee for certifications Out of pocket expenses	1,600 300 20 85	1,600 300 20 81
		2,005	2,001
		3,025	3,121

		Note	2017 2016 Rupees in '000	
32.	OTHER OPERATING EXPENSES			
	Workers' Profits Participation Fund		75,656	36,964
	Workers' Welfare Fund		9,263	14,126
	Loss on disposal of fixed assets		28,761	2,505
	Exchange loss on foreign currency transactions	00.4	865	5,910
	Loss from trading of raw cotton	29.1		297
	Unrealised loss on other financial assets		15,380	1,172
	Unrealized loss on revaluation of foreign currency loan		-	1,598
	Others		8,216	16,498
			138,141	79,070
33.	FINANCE COST			
	Mark-up on:			
	- long-term finance - short-term borrowings		67,558 145,610	132,152 133,190
	Discounting charges on letters of credit		6,493	16,615
	Interest on Workers' Profits Participation Fund		569	356
	Bank charges and commission		34,768	32,784
			254,998	315,097
34.	TAXATION			
	Current		250,631	186,656
	Prior		(13,021)	(37,877)
	Deferred		79,772	(37,877) 68,973
	Boloned		317,382	217,752
			317,302	217,732
34.1	Reconciliation between accounting profit and taxable income			
	Accounting profit before tax		1,352,727	666,821
	Tax rate %		31%	32%
	Tax on accounting profit		419,345	213,383
	Effect of:			
	Income chargeable to tax at reduced rates		(109,028)	304,458
	Prior year charge		(13,021)	(37,877)
	Income that is not taxable in determining tax liability		-	(110)
	Impact of permanent differences		(452)	-
	Impact of super tax Recognized / (unrecognized) temporary difference		23,829 (25,282)	-
	Due to change in tax rate		60,250	-
	Tax impact of tax credit		(38,259)	(48,719)
	Tax charge for the year		317,382	217,752
				

35. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Group, which is based on:

		- 17	2017	2016
	Profit for the year	Rupees in '000	1,035,345	449,069
	Weighted average number of ordinary	No of shares	40.070.700	40.070.700
	shares outstanding during the year	No. of shares	18,073,732	18,073,732
	Earnings per share - Basic and diluted (Rupees)	Rupees	57.28	24.85
		Note	2017 Rupees i	2016 n '000
36.	CASH GENERATED FROM OPERATIONS			
	Profit before taxation		1,352,727	666,821
	Adjustments for:			
	Depreciation Amortization Provision for gratuity Unrealised loss on other financial assets Unrealised (gain) / loss on revaluation of foreign curre Unrealised gain on export debtors Unrealised gain on derivative financial instrument Loss on disposal of operating fixed assets Dividend income Share of profit from associate Finance cost Cash generated before working capital changes Working capital changes: (Increase) / decrease in current assets Stores, spares and loose tools Stock-in-trade Trade debts Loans and advances Trade deposits and short term prepayments	14.1.1 15 9.2, 9.3 & 9.4 32 ency loan 29. 16.1 33	1,038,549 3,214 115,756 15,380 (3,223) (15) (1,533) 28,761 (2,268) (1,643) 254,998 2,800,703	1,060,424 1,986 102,766 1,172 1,598 (2,274) 2,505 (1,661) (333) 315,097 2,148,101 77,916 (201,187) (478,347) (17,952) (594)
	Other receivables		(16,520)	18,871
	Increase in current liability		(1,301,928)	(601,293)
	Trade and other payables		462,710	206,910
	Cash generated from operations		1,961,485	1,753,718
37.	CASH AND CASH EQUIVALENTS			
	Cash and bank balances	26	286,212	619,109
	Short-term borrowings	12	(5,691,516)	(6,096,915)
			(5,405,304)	(5,477,806)

38. REMUNERATION TO CHIEF EXECUTIVE OFFICERS AND DIRECTORS

The aggregate amounts charged in the accounts for remuneration, including all benefits to chief executive officer and directors of the Group are given below:

			2017		
Particulars	Chief Executive	Dir	ectors	Executives	Total
	Officers	Executive	Non-Executive		
-			Rupees in '000		
Remuneration					
including benefits	23,709	55,287	-	156,839	235,835
Medical	793	1,193	-	3,593	5,579
Utilities	2,078	2,174		6,136	10,388
Travelling	2,956	-	-	11,436	14,392
Vehicle running	281	-	-	1,379	1,660
Rent	851	-	-	2,553	3,404
Retirement benefits	-	-	-	51,205	51,205
Bonus and others	-	-	-	7,760	7,760
Insurance	-	-	-	185	185
Meeting fee	40	100	90	35	265
Total	30,708	58,754	90	241,121	330,673
Number of persons	2	7	7	145	161

38.1 Group maintained cars and cellular phones are provided to Chief Executive Officers, directors and executives.

			2016			
Particulars	Chief Executive	Directors		Executives	Total	
	Officers	Executive	Non-Executive			
			Rupees in '000			
Remuneration						
including benefits	18,223	40,480	-	161,410	220,113	
Medical	1,382	1,757	-	3,343	6,482	
Utilities	799	4,435	-	5,225	10,459	
Travelling	1,338	-	-	5,593	6,931	
Vehicle running	966	-	-	1,758	2,724	
Rent	811	-	-	2,432	3,243	
Retirement benefits	-	-	-	28,907	28,907	
Bonus and others	-	-	-	5,394	5,394	
Entertainment	17	-	-	-	17	
Meeting fee	20	80	30	9	139	
Total	23,556	46,752	30	214,071	284,409	
Number of persons	2	4	6	122	134	

38.1 Group maintained cars and cellular phones are provided to Chief Executive Officers, directors and executives.

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associate (Sunrays Textiles Mills Limited and Indus Heartland Limited), entities with common directorship, key management personnel and post employment benefit scheme. The Group carries out transactions with related parties on agreed terms. Remuneration of key management personnel is disclosed in note 38 to the consolidated financial statements and amount payable in respect of staff retirement benefits is disclosed in note 9. significant transactions with related parties other than those shown elsewhere in these financial statements, are as follows:

Relationship Nature of transactions		2017 2016 Rupees in '000		
Associate	Sale of yarn Purchase of yarn Conversion cost paid Waste purchases	40,175 8,144 69,962 -	37,581 160,608 - 2,164	
Balances with related part Associate - payable	iies	1,980	3,199 1,733	
Balances with other relate - Receivable - Payable	d parties due to common directorship	- 3,170	1,917 1,253	

40. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial risk management. The responsibility includes developing and monitoring the Group's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Group's financial risk exposures.

The Group's principal financial liabilities, comprise long-term financing, short-term borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has loans and advances, trade and other receivables, cash and bank balances and short-term deposits that arrive directly from its operations. The Group also holds long-term and short term investments, and enters into derivative transactions.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

40.1 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. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. The Group's does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Group arises principally from the trade debts, loans and advances, and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2017	2016	
	Rupees in '000		
Long-term deposits	14,757	14,757	
Other financial assets	607,563	256,746	
Trade debts	2,020,014	1,831,228	
Loans to staff	26,966	22,280	
Trade deposits	11,785	2,336	
Other receivables	98,705	80,652	
Bank balances	275,274	598,875	
	3,055,064	2,806,874	

Trade debts are due from foreign and local customers for export and local sales respectively. Trade debts from foreign customers are secured against letters of credit. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors.

Credit risk related to equity investments and cash deposits

The Group limits its exposure to credit risk of investments by only investing in listed securities of highly reputed Companies having good stock exchange rating. Credit risk from balances with banks and financial institutions is managed by Finance Director in accordance with the Group's policy.

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

Name of bank	Rating agency	Credit rating Long-term	Short-term
Allied Bank Limited	PACRA	AA+	A1+
Bank Alfalah Limited	JCR-VIS	AA	A1+
Bank Islami Pakistan Limited	PACRA	A+	A1
Bank Al-Habib Limited	PACRA	AA+	A1+
Dubai Islamic Bank (Pakistan) Limited	JCR-VIS	A+	A1
Faysal Bank Limited	PACRA	AA+	A1+
Habib Bank Limited	JCR-VIS	AAA	A1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
Industrial and Commercial Bank of China Limited	Moody's	A1	P1
J.S Bank Limited	PACRA	AA-	A1+
Meezan Bank Limited	JCR-VIS	AA	A1+
National Bank of Pakistan	JCR-VIS	AAA	A1+
Soneri Bank Limited	PACRA	AA-	A1+
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A1+
United Bank Limited	JCR-VIS	AAA	A1+

40.2 Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient cash on demand to meet expected working capital requirements. Following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

40.2.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Carrying Values	Contractual Cash Flows	Less than 1 month	1 to 3 months	3 months - 1 year	1 - 5 years
			Rupees in '	000'		
June 30, 2017						
Trade and other payables	2,130,541	1,720,008	3,905	1,302,275	413,828	
Long-term financing	1,642,263	1,642,263	-	-	448,442	1,193,821
Short-term borrowings	5,691,516	5,691,516	621,559	-	5,069,957	-
Interest / mark-up payable	53,005	53,005	-	53,005	-	-
	9,517,325	9,106,792	625,464	1,355,280	5,932,227	1,193,821

June 30, 2016

Trade and other payables Long-term financing Short-term borrowings Interest / mark-up payable

Carrying Values	Contractual Cash Flows	Less than 1 month	1 to 3 months	3 months - 1 year	1 - 5 years
		Rupees in '	000'		
1,419,584	1,358,848	1,072,567	-	286,281	-
1,677,677	1,687,234	-	272,966	1,110,772	303,496
6,096,915	6.096.915	3,522,083	666,130	1,908,702	-
33,573	33,573	8,167	16,087	9,319	-
9,227,749	9,237,306	4,663,553	955,183	3,315,074	303,496

The effective rate of interests on non derivative financial liabilities are disclosed in respective notes.

40.2.2 The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

2017 2016 Rupees in '000

6 months or less

- Short-term borrowings

5,691,516 1,642,263 6,096,915 1,677,678

40.3 Market risk management

- Long-term loans

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

40.3.1 Interest rate risk management

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. Majority of the interest rate risk arises from long and short-term borrowings from financial institutions. At the balance sheet date the interest rate risk profile of the Group's interest-bearing financial instruments is:

Carrying amount 2017 2016 Rupees in '000

Fixed rate instruments

Financial assets Financial liabilities	15,327 1,015,245	513,862 812,759
Variable rate instruments		
Financial liabilities - KIBOR based - LIBOR based	4,859,568 1,458,966	4,159,813 2,802,021

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities. Therefore, a change in interest rate at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit before tax for the year ended June 30, 2017 would decrease / increase by Rs. 31.593 million (2016: Rs. 34.809 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings determined on outstanding balance at year end.

40.3.2 Foreign exchange risk management

	20)1 <i>7</i>	201	6
Exposure to currency risk	Rupees	US Dollar	Rupees	US Dollar
Trade debts Foreign currency loans	933,467 (1,458,966)	8,890 (13,895)	1,147,223 (2,802,021)	10,957 (26,762)
	(525,499)	(5,005)	(1,654,798)	(15,805)
			2017 Rupe	2016 ees
Average rate Balance sheet date rate			104.73 105.00	104.37 104.70

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. Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Group is exposed to foreign currency risk on sales, purchases and borrowings, which, are entered in a currency other than Pak Rupees. The Group enters into forward foreign exchange contracts to cover its exposure to foreign currency sales and receivables.

At June 30, 2017, if the Rupee had weakened / strengthened by 5% against the US dollar with all other variables held constant, profit for the year would have been higher / lower by Rs. 26.28 million (2016: Rs. 82.739 million) determined on the outstanding balance at year end.

40.3.3 Equity price risk management

The Group's listed securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the balance sheet date, the Group has exposure of Rs. 22.567 million (2016: Rs. 21.611 million) to listed equity securities of an associate which is held for strategic rather than trading purpose. The Group does not actively trade these securities.

At the balance sheet date, the exposure to listed equity securities at fair value was Rs. 126.96 million (2016: Rs. 19.02 million). A decrease / increase of 5% on the PSX market index would have an impact of approximately Rs. 6.35 million (2016: Rs. 0.95 million) determined based on market value of investment at year end.

40.4 Determination of fair values

Fair value of financial instruments

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 other than in a forced or liquidation sale.

The carrying values of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair values.

40.5	Financial instruments by category			
		Loan and	Fair value	Total
	A	receivables	through profit	
	Assets as per balance sheet		& loss account	
	- June 30, 2017		Rupees in '000 -	
	Long-term deposits	14,757	-	14,757
	Long-term investments Trade debts	2 020 014	-	2 020 044
	Loans	2,020,014 26,966	-	2,020,014 26,966
	Trade deposits	11,785	-	11,785
	Other receivables	98,705	-	98,705
	Other financial assets	-	734,521	734,521
	Cash and Bank balances	286,212	-	286,212
		2,458,439	734,521	3,192,960
	Assets as per balance sheet			
	- June 30, 2016			
	Long-term deposits	14,757	-	14,757
	Trade debts	1,831,228	-	1,831,228
	Loans	22,280	-	22,280
	Trade deposits	2,336	-	2,336
	Other receivables	80,652	-	80,652
	Other financial assets	-	275,762	676,603
	Cash and Bank balances	619,109	<u> </u>	619,109
		2,570,362	275,762	3,246,965
			Financial	
			liabilities	Total
			measured at amortized	
				s in '000
	Liabilities as per balance sheet - June 30, 2017			
	Long-term financing		1,642,263	1,642,263
	Trade and other payables		1,720,008	1,720,008
	Short-term borrowings		5,691,516	5,691,516
	Interest / mark-up payable		53,005	53,005
			9,106,792	9,106,792
	Liabilities as per balance sheet - June 30, 2016			
	Long-term financing		1,677,678	1,677,678
	Trade and other payables		1,358,848	1,229,240
	Short-term borrowings		6,096,915	6,096,915
	Interest / mark-up payable		33,572	33,572
			9,167,013	9,037,405

40.6 Fair value and categories of financial instruments

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

	Carrying amount			Fair Value				
	Fair value through profit and loss account - held-for- trading	Loans and advances	Amortized cost	Total - June 30, 201	Level 1	Level 2	Level 3	Total
				- (Rupees in '0	000)			
Financial assets measured at fair value								
Other financial assets	734,521	-	-	734,521	734,521			734,521
Financial assets not measured at								
fair value			30, 2017					
		· (Rupee	s in '000)		-			
Long-term deposits	-	14,757	-	14,757				
Trade debts	-	2,020,014	-	2,020,014				
Loans and advances	-	26,966	-	26,966				
Trade deposits	-	11,785	-	11,785				
Other receivables	-	98,705	-	98,705				
Bank balances	-	286,212	-	286,212				
	-	2,458,439	-	2,458,439	•			

	Carrying amount			Fair Value				
	Fair value through profit and loss account held-for- trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value			30, 2017s in '000)					
		(Kupees	· III 000)					
Long-term financing Trade and other payables	-	-	1,642,263 1,720,008	1,642,263 1,720,008				
Short-term borrowings Interest / mark-up payable	-	-	5,691,516 53,005	5,691,516 53,005				
	-	-	9,106,792	9,106,792				
		O a maria		ine 30, 2016		Fair	Malua.	
	Fair value through profit & loss account - held-for-	Loans and advances	Amount Amortized cost	Total	Level 1	Level 2	Value Level 3	Total
Financial assets neasured at fair value								
Other financial assets	275,762	-	-	275,762	275,762			275,76
Financial assets not measured at fair value			30, 2016s in '000)					
		(Kupees	3 111 000)					
_ong-term deposits Trade debts	-	14,757 1,831,228	-	14,757 1,831,228				
oans and advances Frade deposits	-	22,280 2,336	-	22,280 2,336				
Other receivables Bank balances	-	80,652 619,109	-	80,652 619,109				
	-	2,570,362	-	2,570,362				
Financial liabilities not measured at fair value			80, 2016 s in '000)					
Long-term financing Trade and other payables	-	-	1,677,678 1,358,848	1,677,678 1,358,848				
	-	-						

41. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital, i.e., its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

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 amount of dividend paid to shareholders or issue new shares.

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

The gearing ratios at June 30, 2017 and 2016 were as follows:

	2017 Rupee	2016 s in '000
Total borrowings (note 8 & 12) Less: cash and bank balances (note 26)	7,333,779 (286,212)	7,774,593 (619,109)
Net debt Total equity	7,047,567 11,966,431	7,155,484 11,115,770
Total capital	19,013,998	18,271,254
Gearing ratio	37%	39%

There is no significant change in the gearing ratio of the Company as compared to the last year.

2017	2016
Rupees in	'000

42. CAPACITY AND PRODUCTION

Spinning units	2017	2016
Total number of spindles installed	203,856	200,242
Total number of spindles worked per annum (average)	201,608	196,610
Number of shifts worked per day	3	3
Installed capacity of yarn converted into 20 counts based on 365 days (lbs.)	145,211,782	142,739,360
Actual production for the year after conversion into 20 counts (lbs.)	131,375,255	133,416,295
Ginning units		
Installed capacity to produce cotton bales	72,999	200,750
Actual production of cotton bales	11,918	8,654
Number of shifts	1	2
Capacity attained in (%)	17%	4.31%

It is difficult to describe precisely the production capacity in spinning unit since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed and twist etc. It also varies according to the pattern of production adopted in a particular year.

The reason for shortfall in the production of cotton bales is limited availability of raw cotton.

	Weaving unit	Lbs	Lbs
	Normal capacity - Weaving	40,953,000	40,953,000
	Actual Production - Weaving	23,805,425	20,738,494
43.	NUMBER OF EMPLOYEES	No. of 6	employees 2016
	Average number of employees during the year	4,268	4,256
	Number of employees as at June 30	5,698	4,518

43.1 Daily wage employees are not included in above number of employees.

44. SEGMENT REPORTING

The Group's core business is manufacturing and sale of yarn and it generates more than 90% of its revenue and profit from the production and sale of yarn. Decision making process is centralized at head office lead by Chief Executive Officer who continuously involves in day to day operations and regularly reviews operating results and assesses its performance and makes necessary decisions about resources to be allocated to the segments. Currently the Group has five yarn manufacturing units at Hyderabad, Karachi, Muzafargarh, Faisalabad and Lahore. Owing to the similarity in nature of the products and services, nature of the production processes, type or class of customers for the products and services, the methods used to distribute the products and the nature of the regulatory environment, all the yarn producing units are aggregated into a single operating segment and the Group's performance is evaluated by the management on an overall basis, therefore these operational segments by location are not separately reportable segments. The Group also has two ginning units including one on leasing arrangement in District Multan. The Group also holds investments in equity shares of listed companies, long-term strategic investments in an associated company results of which are disclosed in note 16.1 to these consolidated financial statements.

45. SUBSEQUENT EVENT

The Board of Directors proposed a final dividend for the year ended June 30, 2017 of Rs. 234.959 million @ 13 per share in addition of interim dividend Rs. 90.369 million @ 5 thus making a total Rs. 325.328 million @ 18 per share (2016: Rs. 5 per share) at their meeting held on October 06, 2017 for approval of members at their Annual General Meeting. These consolidated financial statements do not reflect the final dividend which will be accounted for in the year in which it is approved.

46. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements have been authorized for issue on October 06, 2017 by the Board of Directors of the Group.

47. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

48. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Arif Abdul Majeed
Chief Financial Officer

Shahzad Ahmed
Chief Executive Officer

Naveed Ahmed Director

2047

2046

شنید کے آخری مراحل میں ہے۔ EPC کنٹر کیٹرزاور مالیاتی ادار بے پر وجیکٹ کی فٹانسٹک کررہے ہیں۔ ہمار بے پر وجیکٹ کے نفاذ میں وفاقی حکومت سے پاور میرف کے حصول میں رکا وٹ ہے جس کے لئے ہماری کمپنی دیگر پر وجیکٹ ڈیویلپر ز کے ساتھ سخت جدوجہد کر ہی ہے۔ جس کے لئے ہم بہت زیادہ مستعد ہیں۔ یہ بتانا ضروری نہیں ہے پر وجیکٹ AIWEL ہماری کمپنی کے فروغ نا قابل تردید تو انا کی میں بدی تبدیلی لانے والاا دارہ ہوگا۔

مستفتل كامنظر

بہت زیادہ لاگی اخراجات دھاگےاور کیڑے کی تیاری میں مصروف عمل ٹیکسٹا ئیل ملز کی بڑی تعدا کو بند کرنے کا نتیجہ ہے۔اسپینگ اور و یونگ سیکٹرز دونوں کو کاروبارا نجام دینے کے لئے بلنداخراجات کا یوجھ در پیش ہے۔ باوجو داس کے کہ ٹیکسٹا ٹیل سیکٹرا پک لازمی جزہے موجودہ حالات نے اس شعبہ کو پورے ملک میں کمز ورکر دیا ہے۔

بہر حال روئی کی دستیابی پچھلے سال کی بنسبت مزید بہتر ہونے کی توقع ہے۔ روئی کی قیمتیں بھی کم ہونے کی توقع ہے جیسا کے چین اپنے اشاک کے ذخائر تحلیل کر رہا ہے اور عالمی سطح پرکروڈ آئل کی قیمتوں میں کی کوجہ سے مصنوئی مین میڈ فائبر کی قیمتیں گر رہی ہیں۔ اخراجات کو کم کرنے اور آپریشن کو محدود کرنے کے لئے اقدامات کئے جارہے ہیں جو مثبت نہائج کا حال ہوگا دیگرا کیسپورٹنگ مما لک سے روئی کی کم ترقیمت کے ساتھ مسابقت میں امریکی ڈالر کے خلاف پاکستانی روپیم شکھم ہوگا جو مستقبل میں منافع پر اثر انداز ہو سکتا ہے۔ بجل اور افرادی قوت کی جانب سے بہت زیادہ لاگی اخراجات کی وجہ سے آپریٹنگ مار جنز بھی دباؤ میں ہیں۔

ہوم ٹیکٹ کیل ڈویژن کے موجودہ مارکیٹ کے حوالے سے قیت اور عملی کام کی تقبیل میں سخت مقابلہ کر رہا ہے ۔ عالمی معیشت اور مکلی معیشت مثبت انداز میں سال 2017 کے مقابلہ کام کی تقبیل میں سخت مقابلہ کر رہا ہے ۔ عالمی معیشت مثبت انداز میں سال 2018 کے مقابلہ کو کی سے مقابلہ کی سے اللہ کی سے اللہ کی سے مقابلہ کی سے مقبلہ کی سے مقابلہ کی سے مقبلہ کے مقبلہ کی سے مق

كار بوريث كورننس

کمپنی اچھی کارپوریٹ اور بہترین عمل کی تغییل کاعبد کرتی ہے۔ کارپوریٹ گوننس کے ضابطے کی ضروریات پاکستان اسٹاک ایکچینج کی جانب سے ان کے اسٹنگ کے قواعد میں ترتیب دیئے گئے ہیں جن کی تغییل کی گئے ہے اس سے متعلق بیان اس رپورٹ کے ساتھ فسلک ہے۔

اعتراف

ہم کمپنی کے ہر ملازم کی کارکردگی کا اعتراف کرتے ہیں۔ہم اپنے کسٹمرزکو بھی ہماری پروڈکٹس بٹس ظاہر کئے گئے اعتاد اور بینکرزکا بھی شکریدادا کرتے ہیں کہ انہوں نے کمپنی کی مسلسل معاونت کی۔ہم اپنے شیئرز ہولڈرز کاشکریدا داکرتے ہیں کہ انہوں نے ہماری انظامیہ پر اپنا بھر پوراعتا دکیا۔

> چیزین میل کھ کھے میال کھا جھ

> > كراچى 6اكتوبر 2017

برائے مالی سال اختتام 30 جون 2017

چيئر مين كا جائزه

بیمیرے لئے اعزازاورخوش قسمتی ہے کہ میں انڈس ڈائنیگ انڈسٹری اینڈ مینونیکچرنگ کمپنی کمیٹٹر کے اراکین کو 30 جون 2017 کوشتم ہونے والے مالی سال کے لئے کمپنی کی کارکردگی پرجائز ہیش کر رہا ہوں۔

عمومي كاروباري جائزه

آپ کے گروپ نے ٹیس کے بعد 1,035 ملین روپے کا نفع حاصل کیاجب کہ پچھلے سال اس مدت کے لئے 449 ملین روپے کا نفع تھا۔ جائزہ کے تحت سال کے دوران دھا گہ کی قیمتوں میں اضافے کی وجہ سے فروخت میں 24,901 ملین روپے سے 27,573 ملین روپے کا اضافہ ہوا۔ ہیرون ملک منڈیوں میں ہوم ٹیکسٹائل فروختگی میں اضافہ کی وجہ سے سال کے لئے نفع میں خاص طور پر اضافہ ہوا۔ روئی اورا پیڑھن کی قیمتوں میں کی کے ساتھ گذشتہ سال کے مقابلے میں مالیت کی لاگتوں میں پچتیں ہو کیں،

ادارے کی فی حصص آمدنی 37.95روپے رہی جو کہ گزشتہ سال فی حصص آمدنی 5.08 روپے تھی۔ مجموی فی حصص آمدنی 57.28 روپے رہی جبکہ اس مت میں گزشتہ سال فی حصص 24.85روپے تھی۔

كاروباركاجا تزه

جائز ہ کے تحت سال کے دوران اسپنیگ انڈسٹری کے لئے کافی مسابقت تھی جیسا کہ دھا گہ کی قیمتیں مکلی اور برآ مدی منڈیوں دونوں میں کم تر طلب کی دجہ سے دباؤمیں رہی۔ اپنے روئی کے ذخائر کے استعال نے چین کی یالیسی اور درآ مدشدہ روئی کی کی نے دھا گے کی برآ مدیرا ہم اثر ڈالااور دھا گرکی قیمتوں میں اضافہ ہوا۔

ہم پاکستان میں روئی کے موسم کے آغاز پر ہیں لیکن بدشتی سے یہاں روئی کی فصل کے لیے کوئی انتظامی پالیسی نہیں ہے اور حکومت کے عومی کر دار کا فقدان ہے جواگلے بارہ مہیؤں پر محیط ٹیکسٹائیل کے شعبوں کی کارکر دگی منتعین کرنے کے لئے بہت اہم ہے۔ پاکستان کی برآ مدات میں ٹیکسٹائیل سب سے برا شعبہ ہے لیکن ہماری مجموعی برآ مدات بشمول ٹیکسٹائیل ایڈ سٹری سے اہم تعلق ہے برآ مدات میں مسلسل تین سالوں سے کی ہور بی ہے۔ جبکہ ملک کوجالیہ اکاؤنٹ کا شدیوخسارہ بھی در پیش ہے۔ گیس اور RLNG کی دملتیا بی کا ٹیکسٹائیل انڈسٹری سے اہم تعلق ہے جوکسی مدتک انڈسٹری کوفراہم کی گئے لیکنٹائیل انڈسٹری کوفراہم کی گئے لیکنٹائیل انڈسٹری کے قیمتیں دیگر علاقائی ہمالک کے مقابلے میں غیرمسابقائد ہیں۔

ان در پیش مشکلات کے باد جود انتظامیہ کاعاقلانہ کاروبار روئی کی خریداری کےعلاقوں میں مرگرم ہے۔ فرختگی اور مالیاتی انتظامات نے آپریٹنگ نتائج بری صد تک نفع بخش بنائے ہیں

ہماری پیچلی سالا نہر پورٹ کے شلسل میں کمپنی کے قابل تجدید تو ان کی کے شعبہ کے ویٹے کے حوالے سے ذیلی ادارہ ہماری ملکیت ہے '' نڈس ونڈ انری کمیٹڈنے قابل قدرتر قی کی ہم نے تمام اہم سنگ میل حاصل کر لئے ہیں۔ بشمول گرڈ اسٹیڈیز کی منظوری ، NTD سے خالی کروانے کے لئے خط کا حصول – NEP RA سے جزیشن السنس کی منظوری ، حکومت سندھ سے الاٹ کردہ زمین کی رجشریشن اور EDGOS سے امکانات کے مطالعہ کی منظوری کمپنی فی الوقت مشینری سیلائیرز کے ساتھ معاہدات کرنے کے لئے گفت و

اہم آپر ٹیننگ اور مالیاتی معلومات پچھلے چے مالی سالوں کے لئے اہم آپریٹنگ اور مالیاتی معلومات کا خلاصہ اس رپورٹ کے ساتھ مسلک کیا گیاہے۔

لازمى ادائيگياں

کھا نہ بند ہونے کی تاریخ پرکوئی سرکاری ٹیکس، ڈیوٹیز ،جر مانداور چارجز واجب الا دانہیں تھے ماسوائے مختلف جرمانوں کی حسب معمول ادائیگیاں اور متنازعہ رقوم جو مختلف اپیلائٹ فور مزیس فیصلے کے النواء میں ہیں۔اور نہیں مالیاتی گوشواروں میں فل ہرکیا گیاہے۔

تسميني خصص ميں خريد وفروخت

درج ذیل ٹرانزیکشن کے علاوہ ،ڈائریکٹران ،ی ای او ،ی ایف اواور کمپنی کے سیکریٹری نے سال کے دوران کمپنی تصص میں کوئی لین وین نہیں گی۔

ڈائر یکٹر کا نام	خيد	فروخت	گفٹ/تخذ
جناب عرفان احمه			472,852
مسزعا ئشة عرفان			(472,852)

و لو پارند

ڈ ائر کیٹران نے 130 فیصد نفذ حتی منا فع جو یز کیا ہے۔جو کہ سال کے لئے فی تصف -131 روپے ہے۔ جبکہ کپنی اس کے علاوہ 50 فیصد 5 روپے فی تصف بطور عبوری ادا کر چکی ہے۔ ہے۔

متعلقه پارٹی ٹرانز یکشن کا سرٹیفیکیٹ

یے تھندیق کا گئے ہے کہآ ڈے کمیٹی اور بورڈ کی جانب سے متعلقہ جماعتوں کے ساتھ ٹرانز یکٹن کی توثیق کا گئی ہے اور تمام متعلقہ جماعتوں سے واجب الا دارقم کے ہارے میں معلومات رپورٹ بیلنس شیٹ ڈیٹ پر پیش کا گئی ہے۔

آؤيٹرز

موجودہ آڈیٹرزمیسرز De loitte یوسف ما دل، چارٹر ڈاکاؤنٹٹس ، جن کی مدت 30 جون 2017 کوٹتم ہوگئی ہے۔ باصلاحیت ہونے کی وجدد وبارہ تقرری کی پیش کش کی گئ ہے۔ آڈٹ کمیٹی نے میسرز De loitte یوسف مادل، چارٹر ڈاکاؤنٹٹس کی برائے سال 30 جون 2018 کوٹتم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کی سفارش کی ہے۔

> > كرا چى:06اكۋېر 2017

- (iv) مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیار پڑس کیا گیا ہے جیسا کہ پاکستان میں قابل اطلاق ہے اور یہاں اسے
 کوئی چھوٹ نہیں دی گئی ہے۔
 - (V) اندرونی کنرول کانظام شخکم ہے اوراس کا موثر طور پرنفا ذاور گرانی کی گئی ہے۔
 - (vi) سالانہ آ ڈٹ شدہ مالیاتی گوشوارے مالی سال ثتم ہونے کے چارمہینوں کے اندرشا کتے کیے ہیں۔
 - (vii) یہاں جاری تثویش کے لئے کمپنی کی صلاحیت کے بارے کوئی مناسب شبہات نبیں ہیں۔
 - (viii) یہاں کارپوریٹ گوزنش کی بہترین عمل ہے کسی مواد کوچھوڑ انہیں کیا گیا ہے۔جیسا کہ اٹاک بیچیخ اسٹنگ قواعد یں بیان کیا گیا ہے۔

بورد آد ٹ کمیٹی

بورڈ کے ڈائر کیٹران نے کارپوریٹ گونٹس کے ضابطہ کی تغییل میں ایک آڈٹ کمیٹی تھکیل دی ہے۔ جواب قیام سے اندرونی اختیار کی دیکھ بھال کرتی ہے اور کا م کوموژ طور پر انجام دیتے ہے۔ آڈٹ کمیٹی بورڈ کو سہائی اور سالانہ مالیاتی گوثوار ہے چیش کرنے اور اس کی اشاعت سے پہلے جائزہ لیتی ہے۔ آڈٹ کمیٹی بیرونی آڈیٹرز سے ٹنلف مسائل پرچشول انتظامیہ کے لئے ان کے خط پرتفصیل سے گفت و شنید کرتی ہے۔ آڈٹ کمیٹی انٹرال آڈیٹرک معلومات کا بھی جائزہ لیتی ہے اور انٹرال اور ایکسٹرال آڈیٹرز سے الگ الگ ملاقاتیں کرتی ہے جیسیا کہ کارپوریٹ گونٹ کے ضابطے کے تخت ضروری ہو۔

بورڈ اور کمپیٹی کے اجلاس

30 جون 2017 کوئتم ہونے والے سال کے دوران بورڈ آف ڈائر بیٹران ، بورڈ آڈٹ کمیٹی اور بورڈ انسانی وسائل اور معاوضہ کمیٹی (HR & R) کے اجلاس منعقد ہوئے تھے۔ متعلقہ مدت کے دوران شرکت کی بوزیش ورج ذمل ہے۔

			عد محال درون الراق ال
HR & R كيٹى كااجلاس	آ ڈٹ میٹی کا اجلاس	بورة كااجلاس	
1	4	5	منعقدها جلال
تثركت	شرکت	شرکت	ڈائر یکٹر کانام
_	-	4	ڈائزیکٹرکانام میان محداحد
_	-	3	ميان رياض احمه
_	-	4	جناب شنراداحم
-	-	5	جناب نو بداحم
1	3	3	جناب عرفان احمه *^
-	4	4	جناب كاشف رياض*
1	-	5	جناب شاه و يزاحمه ^
_	-	4	جناب شفقت مسعود
_	-	5	جناب فاروق حسن
1	4	5	جناب كأشف رياض * جناب شاه ويزاحم ^ جناب شفقت مسعود جناب فاروق صن شخ نشاط احمد *^

^{*} بورڈآ ڈٹ کمیٹی کےارا کین

شيئر ہولڈنگ کاطریقہ کار

گوثوار ہٹیئر ہولڈنگ کے طریقہ کا رکاء کاس ہے جسے رپورٹ کے ساتھ مسلک کیا گیاہے۔

انسانی وسائل اورمعا وضه کمیٹی کے اراکین

برائے مالی سال اختتام 30 جون 2017

ڈائر یکٹرز کا جائزہ

انڈس ڈائئیگ اینڈمینونیکچرنگ کمپنی کمیٹڈ کے بورڈ آف ڈائر بکٹرز 60 ویرسالانہ اجلاس سے پہلے 30 جون 2017 کے مالی سال کے اختیا م کی سالانہ رپورٹ بھراہ آڈٹ شدہ مالیاتی گوشوار مسرت کے ساتھ پیش کرتے ہیں۔

مالياتى جھلكياں

برائے مالی سال اختثام 30 جون 2016	برائے مالی سال اختثام 30 جون 2017	
24,900,934	27,573,192	فروختگی
1,907,450	2,641,910	مجموى نفع
157,730	124,080	دیگرآ مدن
(315.097)	(254,998)	مالياتى لاگت
(217,752)	(317,382)	محصول
449,069	1,035,345	نفع بعدا زمحصول
5,470,799	5,913,069	جمع شده منافع
5,913,069	4,786,250	آ گلایا گیامنافع
24.85 يوپي	57.28روپي	فى خصص آمدنى

چيئر مين كا جائزه

سمپنی کے اُنزیکٹران چیئر مین کے جائزے کے مندرجات کی تو یش کرتے ہیں جواس ڈائزیکٹرر پورٹ کا حصر تصور کیا جائے گا۔

ضابطهاخلاق

بورڈ نے کا روبار کا ضابطہ اخلاق اپنایا ہے اور تمام ملاز مین اس سے آگاہ ہیں اوراس بیان پر دستخط کئے ہیں۔ضابطہ اخلاق پر پورے ادارے میں تختی سے مل کیا جائے گا اور تمام ملاز مین اس میں بیان کردہ کا روباری ضابطہ کے قوانین برعمل کریں گے۔

تصورومقصد

یہ بیان ادارے کے تصوروم تعمد کا عاس ہے جسے رپورٹ کے ساتھ مسلک کیا گیا ہے۔

كار بوريث اور مالياتي مضمون كا داره كار

بيقديق كي جاتى بكه

- (i) مالیاتی گوشوارے اوراس پرنوش ادارے کی انتظامیر کی جانب سے کمپنی آرڈینس 1984 کے مطابق تیار کئے گئے ہیں جواس کے امور کی حالت کوجس میں اس کے کام کا طریقہ کار، پیسے کا بہاؤاور مساوات میں تبریلی کے نتائج کو عمد گی سے پیش کرتے ہیں۔
 - (ii) کمپنی کی اکا ونٹ کی کتابیں یا قاعد گی سے مرتب کی گئی ہیں۔
 - (iii) مالیاتی گوشوار سکی تیاری میں موزوں اکاؤ مٹنگ قوانین کا استقامت سے استعال کیا گیا ہے اورا کاؤ مٹنگ بیانات مناسب اورفتاط فیصلوں کی بنیاد پر ہیں۔

FORM OF PROXY

60 th An	nual General	Meeting			
INDUS D	YEING & MANUF	ACTURING COMP.	ANY LIMITE	ED	
I / We					
of	:				
- in the	district of	Bein	g a membe	er (s) of <u>IN</u>	DUS DYEING &
MANUFA	CTURING COMP	ANY LIMITED here	by appoint		
	of		as my pr	oxy, and failir	ng him,
		of	an	nother Membe	er of the Company
to vote for	r me and on my b	ehalf at the 60 th Anr	nual General	I Meeting of th	ne company to be
held on th	ne 31 st day of Octo	bber 2017 and at my	/ adjournme	nt thereof.	
0: 14			0047	Signed by	y the said Member
		_day of	2017.		
SIGNED II	N THE PRESENCE	OF:			
1.Signatur	e :		2. Signature	:	
Name:			Name:		
Address::-			Address:-		
CNIC/Pass	sport No		CNIC/Pas	ssport No:	
Info	ormation required:	For Member (Shareholder)	For Proxy	For alternate Proxy(*)	
Number	of shares held		(if me	ember)	
Folio No.					
CDC	Participant I.D.				
Account No.	Account no.				

Notes:

- 1. A member entitled to attend and vote at Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member.
- 2. This proxy Form, duly completed and signed, together with Board Resolution / power of Attorney, if any under which it is signed or a notarially certified copy thereof, should be deposited, with our Registrar, Jwaffs Registrar Services (Pvt.) Ltd. 407-408, Al Ammera Centre Sharah Iraq, Saddar Karachi. Telephone No. 35662023-24, not later than 48 hours before the time of holding the meeting.
- 3. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity its common seal should be affixed on the instrument.
- 4. Any alteration made in this instrument of proxy should be initialed by the person who signs it.
- 5. Attested copies CNIC or the passport of the beneficial owner and proxy shall be provided with the proxy from.
- 6. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.
- 7. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register for Members.
- 8. The proxy shall produce his / her original CNIC passport at the time of the meeting.

AFFIX CORRECT POSTAGE

The company Secretary
INDUS DYEING & MANUFACTURING CO. LTD.
5th Floor 508 Beaumont Plaza Beaumont Road
Civil Lines Qtrs Karachi

DIVIDEND MANDATE FORM

Members of Indus Dyeing & Manufacturing Company Limited

Dear Members,

In accordance with Section 242 of the Companies Act, 2017, listed companies are required to pay cash dividend directly into the bank accounts of their shareholders electronically instead of paying the dividend through dividend wan-ants. Therefore, it has become mandatory for all of our valued shareholders to provide the International Bank Account Numbers ("IBAN"s) and other details of Bank Account. In case of joint holders the Account Numbers ("IBAN"s) and other details of Bank Account. In case of joint holders the hank details of Main / Senior shareholder are required and in case of corporate shareholder the bank details will be required as per the title in order to facilitate the payment of cash dividends through electronic mode.

SECP has advised in their Circular No. 18 of 2017 dated August 01, 2017 to all listed companies to ensure that the cash dividends shall only be paid electronically to the shareholders with effect from November 01, 2017.

Therefore; you are requested to kindly provide your bank details as per below format not later than October 31, 2017 to avoid any inconvenience. In this regard, please fill the following details, sign at specified place, attach valid copy of your CNIC and send the same through post at the address of the Share Registrar of the Company (address given below):

Folio No. / CDC Account No.:				
Name of Shareholder:				
CN1C Number of the Shareholder:				
Title of Bank Account:				
Bank Account Number:				
IBAN Number:				
Bank's Name:				
Branch Code:				
Branch Name & Address				
Mobile Number:				
Land Line Number:				
Email Address:				
Date:(Copy Attached)	Signature of the Shareholder	CNIC		
(Note: The shareholders having shares in the CDC accounts must also incorporate the above bank				
details against their CDC accounts being maintained with respective broker / CDC.)				
Address of Share Registrar:				
Mr. Jawed Hassan, CEO				
Jwaffs Registrar Services Pvt Limited				
407-408 Al-ameera Centre Shahra-e-iraq Saddar Karachi. Ph: 0092-021-35662023; E-mail iwaffs@live.com				
Pfl. 0092-021-35062023, E-ff Thanking you.	iaii jwans@iive.com			
manking you.				

Thanking you

Yours faithfully,

Company Secretary

AFFIX CORRECT POSTAGE

The company Secretary INDUS DYEING & MANUFACTURING CO. LTD. 5th Floor 508 Beaumont Plaza Beaumont Road Civil Lines Qtrs Karachi





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Head Office:

Office # 508, 5th Floor, Beaumont Plaza, Civil Lines Quarters, Karachi-75563 (Pakistan)

Tel: (0092-21) 111-404-404 Fax: (0092-21) 35693594

Web: www. indus-group.com