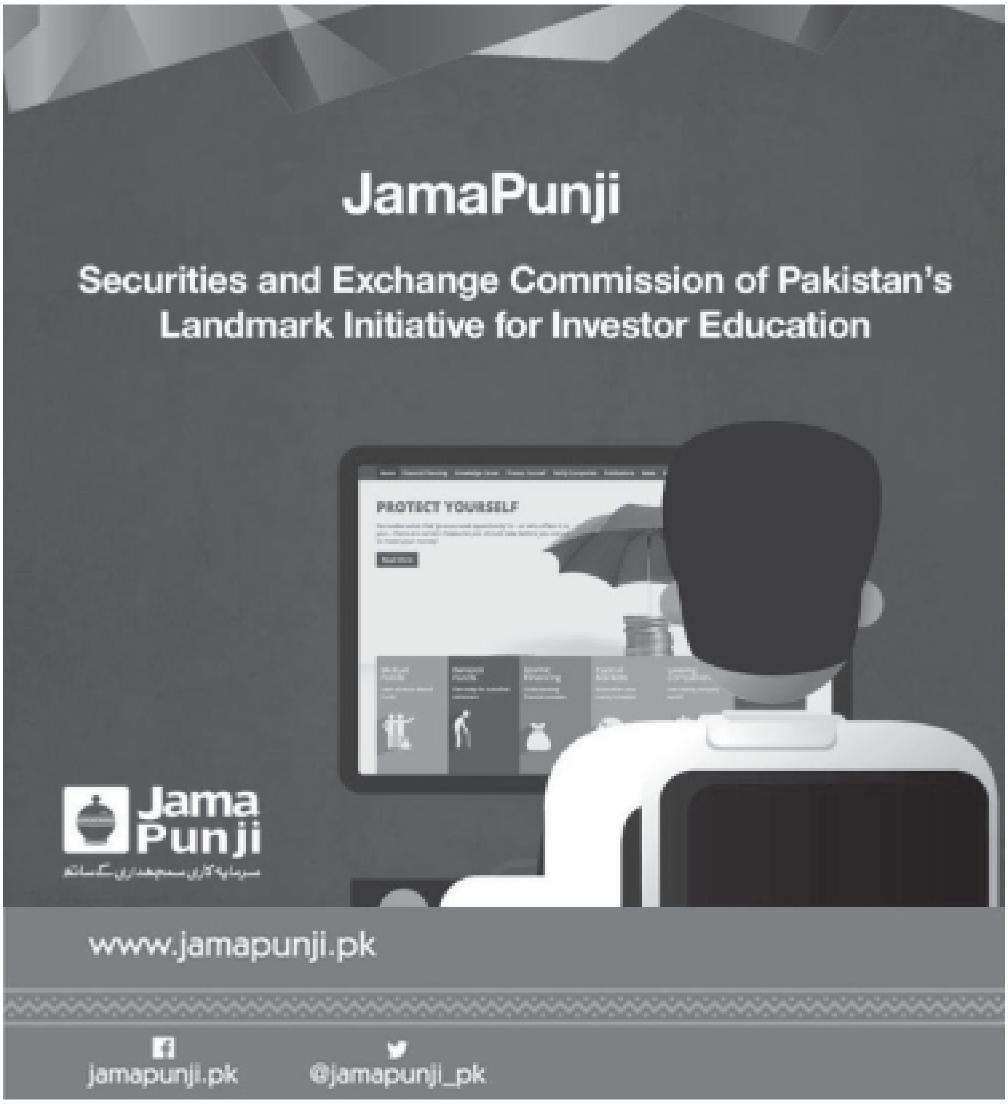
2016

ANNUAL REPORT

KHURSHID SPINNING MILLS LIMITED

In the name of ALLAH,
The Most Beneficent,
The Most merciful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VISION STATEMENT

- We aim at maintaining the confidence of our valued customers by fulfilling their needs, demands and stipulations.
- We will achieve consistent financial performance which creates value for the shareholders.
- Our organization encourages employee participation that also helps us to achieve quality results.
- We believe in innovative technology applications to achieve continuous improvement and ability to avail the required opportunities.
- We intend to involve all employees in the development and implementation of quality systems, which will be reviewed periodically to ensure their effectiveness.
- We aim to improve the profitability of our company through improved efficiency and cost controls.
- We will take effective measures so as to protect the environment and contribute towards the economic strength of the country and function as a good corporate citizen.

MISSION STATEMENT

We aim to strive for market leadership, to maintain full confidence of our customers, ensure continuous improvement in profitability and at maintenance of industry standards by striving for quality products and introduction of innovative quality applications.

COMPANY INFORMATION

Board of Directors	Mr. Muhammad Ashraf	Chairman
	Mr. Muhammad Iqbal	Chief Executive Officer
	Mr. Zeeshan Saeed	Director
	Mr. Muhammad Shahbaz Ali	Director
	Mr. Faseeh Uzaman	Director
	Khawaja Amer Khurshid	Director
	Khawaja Asem Khurshid	Director
Audit Committee	Mr. Zeeshan Saeed	Chairman
	Khawaja Asem Khurshid	Member
	Mr. Muhammad Shahbaz Ali	Member
HR and Remuneration Committee	Mr. Muhammad Shahbaz Ali	Chairman
	Mr. Muhammad Iqbal	Member
	Mr. Faseeh Uzaman	Member
CFO/Company Secretary	Mr. Ali Mudassir	
Auditors	Riaz Ahmad and Company Chartered Accountants 560-F, Raja Road, Gulistan Colony, Faisalabad	
Bankers	National Bank of Pakistan The Bank of Punjab Meezan Bank Limited Habib Metropolitan Bank Limited	
Share Registrar	Corplink (Private) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore	
Registered/Head Office	133-134, Regency the Mall, Faisalabad	
Mills	32 Kilometer, Sheikhupura Road, Faisalabad	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the members, holding Ordinary Shares of Khurshid Spinning Mills Limited will be held on Monday, October 31, 2016 at its Registered Office 133-134, Regency the Mall, Faisalabad at 11:30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on October 31, 2015.

2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2016 together with the Auditors' and Directors' Reports thereon.

3. To appoint the auditors and fix their remuneration for the next financial year. The retiring auditors Messrs Riaz Ahmad and Company, Chartered Accountants, being eligible, have offered themselves for re-appointment.

OTHER BUSINESS:

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

By order of the Board

Dated: October 10, 2016
Faisalabad **(Company Secretary)**

NOTES:

1. The share transfer books of the Company shall remain closed from October 24, 2016 to October 31, 2016 (both days inclusive). Transfers received in order at Registered Office of the Company or our Share Registrar, M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on October 23, 2016 will be considered in time.

2. A member entitled to attend and vote at this meeting may appoint a person/representative as his/her proxy to attend and vote on his/her behalf. The instrument appointing proxy must be received at the Registered Office of the Company duly signed, stamped and witnessed not later than 48 hours before the meeting.

3. Shareholders are requested to notify the change in their addresses if any, immediately. Moreover, the members who have not yet submitted their Computerized National Identity Cards to the Company are requested to send at their earliest.

4. SECP vide SRO 787(1)/2014 dated September 8, 2014 has provided an option to receive audited financial statements electronically through email. Hence, members who hold shares in physical form and are interested in receiving the annual reports electronically in future are required to submit their e-mail addresses and consent for electronic transmission to the Shares Registrar of the Company.

5. In compliance with SECP notification No. 634(1)/2014 dated July 10, 2014, the audited financial statements and reports of the Company for year ended June 30, 2016 are being placed on the Company's website: www.khurshidgroup.com.pk for the information and review of shareholders.

KHURSHID SPINNING MILLS LIMITED
DIRECTORS REPORT TO THE MEMBERS

The Directors of the Company are pleased to present their 31st Annual Report, comprising of Annual Financial Statements of the Company for the financial year ended June 30, 2016 along with Auditors' Report thereon and other required information prescribed under the Code of Corporate Governance. The comparative financial results of the Company are reproduced hereunder:

	2016	2015
	(RUPEES IN THOUSAND)	
OTHER INCOME	29,988	24,692
ADMINISTRATIVE EXPENSES	(2,273)	(2,106)
OTHER EXPENSES	(35,071)	(37,469)
FINANCE COST	(16,643)	(21,261)
LOSS BEFORE TAXATION	(23,999)	(36,144)
TAXATION	3,378	6,627
LOSS AFTER TAXATION	(20,621)	(29,517)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)	(1.57)	(2.24)

Financial results for the year ended June 30, 2016 shows loss after taxation of Rupees 20.621 million as compared to previous year's loss after taxation of Rupees 29.517 million. There has been no production operation since October 2011 due to overdue debts and non-availability of working capital.

Future Prospects

Due to erratic trends in the prices of raw material and disproportionate selling prices of yarn, adverse economic conditions, increase in prices of power and gas sector, short production of cotton and uncertainty in the economic policies of the Government, the current financial year has passed away with difficulties and challenges for textile industry especially for spinning. This trend may also continue in next financial year. The management of the Company is anticipating that besides domestic problems demand for textile products in international market will also remain low in next financial year. Due to the above mentioned reasons, most of the spinning units have suffered heavy losses in last couple of years. In view of the above, the management of your Company has decided to continue its operations on lease which were given to Messrs Beacon Impex (Pvt.) Limited at monthly lease rent of Rupees 2.000 million and has also been increased to 2.500 million with effect from 01 July 2016. The operations are being carried out by the lessee and proper arrangements have been made by the lessee to keep the assets in good condition. The lessee has also given loan amounting to Rupees 208.559 million to your Company for payment of overdue liabilities of banks, creditors and for Balancing, Modernization and Replacement of plant and machinery and related equipment of the company to keep these assets in working condition and to enhance productivity.

In the meanwhile, we remain focused on cost controls and every possible effort is being made to curtail and keep our internal expenses to a minimum level to reduce the losses of the Company.

Dividend

Since the Company has accumulated losses, therefore, the directors have not recommended any dividend for the year.

Loss per share

Loss per share for the year ended June 30, 2016 was Rupees 1.57.

Key operating and financial data

Key operating and financial data for last 06 years in summarized form is annexed.

Qualifications by the Auditors

The qualification made by the auditors for the going concern is based due to heavy accumulated losses of Rupees 475.460 million. To keep the assets in good running condition, the management has leased out the operating fixed assets of the Company at monthly lease rent of Rupees 2.000 million which has been increased to 2.500 million with effect from 01 July 2016. Moreover, the lessee has also given interest free loan amounting to Rupees 208.559 million to the Company for the payment of overdue liabilities of banks, creditors and for Balancing, Modernization and Replacement (BMR) of plant and machinery and related equipment of the Company. The management has also settled / paid overdue liabilities of majority banks and also arranged rescheduling of unpaid liabilities with The Bank of Punjab and has successfully paid Rupees 158.867 million from total rescheduled amount of Rupees 350.534 million upto 30 June 2016.

In view of favorable settlement/rescheduling of overdue debts with financial institutions, continuation of operations on lease, the management feels there is no question of lack of going concern of the Company.

Auditors

The auditors Messrs Riaz Ahmad & Company, Chartered Accountants retired and being eligible for re-appointment. The Board of Directors has been suggested by the Audit Committee, the re-appointment of Messrs Riaz Ahmad & Company, Chartered Accountants, as auditors of your company for the next financial year.

Pattern of Shareholding

The pattern of shareholding and additional information regarding pattern of shareholding is attached separately.

No trade in the shares of the company was carried out during the year by its Directors, CEO, CFO and Company Secretary and their spouses and minor children except for the purchase of 10,000 shares by Mr. Muhammad Ashraf, Director of the Company.

Compliance with the Code of Corporate Governance

The "Statement of Compliance with the Code of Corporate Governance" is annexed.

Statement on Corporate and Financial Reporting Framework

a) The financial statements, prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

b) Proper books of accounts of the Company have been maintained.

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

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

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

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

Board of Directors and Committees Changes

The following changes occurred on the Board during the period under review:

1. Mr. Muhammad Iqbal was appointed as new Chief Executive Officer of the Company in place of Khawaja Amer Khurshid with effect from April 29, 2016.

2. Mr. Muhammad Ashraf was appointed as Director of the Company in place of Mr. Muhammad Faheem with effect from April 29, 2016. Moreover, subsequently after the balance sheet date Mr. Muhammad Ashraf has also been appointed as new Chairman of the Board of Directors of the Company in place of Khawaja Asem Khurshid.

The Board has also re-constituted the Audit Committee and HR and Remuneration Committee as under:

Audit Committee

Mr. Zeeshan Saeed	Chairman
Khawaja Asem Khurshid	Member
Mr. Muhammad Shahbaz Ali	Member

HR and Remuneration Committee

Mr. Muhammad Shahbaz Ali	Chairman
Mr. Muhammad Iqbal	Member
Mr. Faseeh Uzaman	Member

Board of Directors and Audit Committee Meetings

During the year under review four meetings were held and number of meetings attended by each Director is as follows:

Name of Directors	Number of meetings attended
Khawaja Asem Khurshid	4
Khawaja Amer Khurshid	4
Mr. Muhammad Faheem	3
Mr. Muhammad Iqbal	4
Mr. Zeeshan Saeed	4
Mr. Muhammad Shahbaz Ali	4
Mr. Faseeh Uzaman	4
Mr. Muhammad Ashraf	1

Likewise, five meetings of the Audit Committee were held during the year, with the following attendance:

Name of Directors	Number of meetings attended
Mr. Zeeshan Saeed	5
Khawaja Asem Khurshid	5
Mr. Muhammad Shahbaz Ali	5

Acknowledgment

We would like to take this opportunity to express my appreciation to the employees of the company for their hard work and commitment. We would also like to express our gratitude to the valued shareholders and financial institutions for extending their co-operation.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Faisalabad
October 10, 2016

MUHAMMAD IQBAL
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE TO THE MEMBERS

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Chapter 5.19 of Rule Book of Pakistan Stock Exchange Limited (PSX) for the purpose of establishing the 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 representation of independent non-executive directors and directors representing minority interests on its Board of Directors (The Board). At present the board includes:

   Non-Executive Directors

   Khawja Amer Khurshid
   Khawaja Asem Khurshid

   Independent Directors

   Mr. Muhammad Ashraf
   Mr. Muhammad Iqbal
   Mr. Zeeshan Saeed
   Mr. Muhammad Shahbaz Ali
   Mr. Faseeh Uzaman

   The independent directors 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.

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

4. One casual vacancy has been occurred during the year due to resignation of Mr. Muhammad Faheem which was filled within stipulated time.

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

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

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

8. All the meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board met at least once in each quarter during the year ended 30 June 2016. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Company has arranged the prescribed training program for one Director to carry out its orientation course, to acquaint him with the code, applicable laws, his duties and responsibilities to enable him to effectively manage the affairs of the Company.

10. The Board has approved terms of appointment and remuneration including terms and conditions of employment of Chief Financial Officer (CFO), Company Secretary and the Head of Internal Audit.

11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and it 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 by the Board.

13. The Directors, CEO and executives do not hold any interest in the shares of the Company, other than that disclosed in the pattern of shareholding.

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

15. The Board has formed an Audit Committee. It comprises of three members, who are non-executive directors including the chairman of the Committee.

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 an HR and Remuneration Committee. It comprises of 3 members, who are non-executive directors including the Chairman of the committee.

18. The Board has set-up an effective internal audit function.

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

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

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

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

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 CCG have been complied with.

By order of the Board

Mr. Muhammad Iqbal
Chief Executive Officer
Date: October 10, 2016

KEY OPERATING AND FINANCIAL DATA

	2016	2015	2014	2013	2012	2011
	(RUPEES IN THOUSAND)					
Summary of Profit and Loss Account						
Sales	-	-	-	-	104,593	349,746
Gross loss	-	-	-	-	(79,673)	(60,125)
Loss before taxation	(23,999)	(36,144)	(19,406)	23,944	(74,144)	(76,087)
Taxation	3,378	6,627	9,444	12,993	15,872	16,760
(Loss) / profit after taxation	(20,621)	(29,517)	(9,962)	36,937	(58,272)	(59,327)
Summary of Balance Sheet						
Total assets	437,392	457,283	473,185	508,928	542,088	638,593
Long term loans / leases	164,927	188,915	431,613	462,657	359,507	341,874
Deferred liabilities	71,374	77,830	87,096	97,103	145,270	167,765
Current liabilities	357,243	332,409	82,804	76,100	140,838	174,209
Net assets	(156,152)	(141,871)	(128,328)	(126,932)	(103,527)	(45,255)
Represented by:						
Share capital	131,748	131,748	131,748	131,748	131,748	131,748
Accumulated loss	(462,125)	(454,364)	(452,264)	(461,475)	(523,633)	(495,337)
	(330,377)	(322,616)	(320,516)	(329,727)	(391,885)	(363,589)
Surplus on revaluation of property, plant and equipment and Investment properties - net of deferred income tax	174,255	180,745	192,188	202,795	288,358	318,334
	(156,122)	(141,871)	(128,328)	(126,932)	(103,527)	(45,255)
Ratios:						
Gross loss to sales %age	N/A	N/A	N/A	N/A	(76.17)	(17.19)
Loss before tax to sales %age	N/A	N/A	N/A	N/A	(70.89)	(21.75)
Loss after tax to sales %age	N/A	N/A	N/A	N/A	(55.71)	(16.96)
Current ratio	1:0.012	1:0.005	1:0.002	1:0.005	1:0.84	1:0.30

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

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

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

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

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

The Company has not complied with the corporate and financial reporting requirements of the Code. The financial statements of the Company have not been prepared in accordance with the requirements of the approved accounting standards as applicable in Pakistan. Therefore, the financial statements do not give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended.

Based on our review, except for the above instance of non-compliance, 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 30 June 2016.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood
Date:
FAISALABAD

AUDITORS' REPORT TO THE MEMBERS

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

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

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

(a) as explained in Note 1.2 to the financial statements, the Company has prepared these financial statements on going concern assumption. However, as at 30 June 2016, the Company reported loss after taxation of Rupees 20.621 million. Moreover, it has accumulated loss of Rupees 475.460 million, its total liabilities exceed its total assets by Rupees 156.152 million and its current liabilities exceed its current assets by Rupees 352.862 million. Moreover, the Company has suspended its operations since October 2011 due to overdue debts and non-availability of working capital.

In view of the matters discussed in the preceding paragraph, we consider that due to closure of operations, the Company will be unable to settle its liabilities in the normal course of business. Consequently the going concern assumption used in the preparation of the annexed financial statements is not appropriate. The financial statements do not disclose this fact.

(b) except for the effects of the matter stated in paragraph (a) above, in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(c) except for the effects of the matter stated in paragraph (a) above, in our opinion:

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

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

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

(d) in our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter stated in paragraph (a) above, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof do not conform with approved accounting standards as applicable in Pakistan, and, do not give the information required by the Companies Ordinance, 1984, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and

(e) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood
Date:

BALANCE SHEET AS AT 30 JUNE 2016

	NOTE	2016 (RUPEES IN THOUSAND)	2015 (RUPEES IN THOUSAND)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
17 000 000 (2015: 17 000 000) ordinary shares of Rupees 10 each		170,000	170,000
Issued, subscribed and paid up share capital			
13 174 800 (2015: 13 174 800) ordinary shares of Rupees 10 each fully paid in cash		131,748	131,748
Reserves	3	(462,125)	(454,364)
Total equity		(330,377)	(322,616)
Surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax	4	174,225	180,745
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	130,175	156,476
Long term loans	6	34,752	32,439
Deferred income tax liability	7	71,374	77,830
		236,301	266,745
CURRENT LIABILITIES			
Trade and other payables	8	111,189	91,430
Short term borrowings	9	208,559	-
Current portion of non-current liabilities	10	33,276	239,160
Provision for taxation		4,219	1,819
		357,243	332,409
TOTAL LIABILITIES		593,544	599,154
CONTINGENCIES AND COMMITMENTS	11		
TOTAL EQUITY AND LIABILITIES		437,392	457,283

	NOTE	2016 (RUPEES IN THOUSAND)	2015 (RUPEES IN THOUSAND)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	325,099	353,860
Investment properties	13	102,179	95,967
Long term deposits		5,733	5,733
		433,011	455,560
CURRENT ASSETS			
Loans and advances	14	2,418	-
Sales tax refundable		1,801	1,608
Cash and bank balances	15	162	115
		4,381	1,723
TOTAL ASSETS		437,392	457,283

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016	2015
		(RUPEES IN THOUSAND)	
OTHER INCOME	16	29,988	24,692
ADMINISTRATIVE EXPENSES	17	(2,273)	(2,106)
OTHER EXPENSES	18	(35,071)	(37,469)
FINANCE COST	19	(16,643)	(21,261)
LOSS BEFORE TAXATION		(23,999)	(36,144)
TAXATION	20	3,378	6,627
LOSS AFTER TAXATION		(20,621)	(29,517)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)	21	(1.57)	(2.24)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	(RUPEES IN THOUSAND)	
LOSS AFTER TAXATION	(20,621)	(29,517)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Surplus on revaluation of property, plant and equipment and investment properties (i)	-	-
Items that may be reclassified subsequently to profit or loss	-	-
	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(20,621)	(29,517)

(i) Surplus on revaluation of property, plant and equipment and investment properties is presented under separate head below equity in accordance with the requirements of section 235 of the Companies Ordinance, 1984.

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(23,999)	(36,144)
Adjustments for non-cash charges and other items:		
Depreciation	35,283	37,716
Credit balances written back	-	(690)
Gain on remeasurement of fair value of investment properties	(5,983)	-
Finance cost	16,643	21,261
	21,944	22,143
Working capital changes		
Increase in current assets:		
Loans and advances	(10)	-
Sales tax refundable	(193)	(1,608)
	(203)	(1,608)
Increase in trade and other payables	18,698	21,236
Cash generated from operations	40,439	41,771
Finance cost paid	(6,999)	(9,981)
Income tax paid	(2,408)	-
Increase in long term deposits	-	(3,804)
Net cash generated from operating activities	31,032	27,986
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(28)	(37)
Net cash used in investing activities	(28)	(37)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(30,957)	(28,014)
Net cash used in financing activities	(30,957)	(28,014)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	47	(65)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	115	180
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 15)	162	115

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

CHIEF EXECUTIVE OFFICER **DIRECTOR**

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

	SHARE CAPITAL	RESERVES			TOTAL EQUITY
		CAPITAL	REVENUE		
		EQUITY PORTION OF SHAREHOLDERS' LOAN	ACCUMULATED LOSS	TOTAL	
	---(RUPEES IN THOUSAND)---				
Balance as at 30 June 2014	131,748	-	(452,264)	(452,264)	(320,516)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	14,082	14,082	14,082
Loss for the year	-	-	(29,517)	(29,517)	(29,517)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	(29,517)	(29,517)	(29,517)
Equity portion of shareholders' loan	-	13,335	-	13,335	13,335
Balance as at 30 June 2015	131,748	13,335	(467,699)	(454,364)	(322,616)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	12,860	12,860	12,860
Loss for the year	-	-	(20,621)	(20,621)	(20,621)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	(20,621)	(20,621)	(20,621)
Balance as at 30 June 2016	131,748	13,335	(475,460)	(462,125)	(330,377)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

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

1. THE COMPANY AND ITS OPERATIONS

1.1 Khurshid Spinning Mills Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 133-134, Regency The Mall, Faisalabad. The Company manufactures and deals in all types of yarn.

1.2 Going concern assumption

The Company reported loss after taxation of Rupees 20.621 million (2015: Rupees 29.517 million). Moreover, the Company has accumulated loss of Rupees 475.460 million (2015: Rupees 467.699 million), its total liabilities exceed its total assets by Rupees 156.152 million (2015: Rupees 141.871 million) and its current liabilities exceed its current assets by Rupees 352.862 million (2015: Rupees 330.686 million) as at the balance sheet date. Moreover, the Company's operations are suspended since October 2011 due to overdue debts and non-availability of working capital which raise doubts about the Company being a going concern. Therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The management has leased out the operating fixed assets along with investment properties of the Company as mentioned in Note 12.1.3. Now operations are being carried out by the lessee and proper arrangements are made by the lessee to keep the assets in good condition. The lessee has also given loan to the Company to manage its affairs in the best interest of the Company as mentioned in Note 9. The management believes that in view of favorable conditions and settlement / rescheduling of liabilities with the bank, the Company would be able to continue as a going concern. Consequently, these financial statements have been prepared on a going concern basis and do not include any adjustments that may be necessary, should the Company be unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by 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 or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except for certain property, plant and equipment and investment properties which are carried at their fair value.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments 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 Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provision for doubtful receivables

The Company reviews its receivable balances against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

d) Standard that is effective in current year and is relevant to the Company

IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 01 January 2015) is mandatory for the Company's accounting periods beginning on or after 01 July 2015. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

e) Standards and amendments to published standards that are effective in current year but not relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2015 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2016 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the de-recognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Company's financial statements.

IAS 16 (Amendments), 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

On 25 September 2014, IASB issued Annual Improvements to IFRSs: 2012 – 2014 Cycle, incorporating amendments to four IFRSs more specifically in IAS 34 'Interim Financial Reporting', which is considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 January 2016. The amendment is unlikely to have a significant impact on the Company's financial statements and has therefore not been analyzed in detail.

g) Standards and amendments to published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2016 but are considered not to be relevant to the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.3 Employee benefit

The Company has curtailed the unfunded gratuity scheme for its employees due to the discontinuance of the Company's operations since the financial year ended 30 June 2012.

2.4 Taxation

Current

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

Deferred

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

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

2.5 Property, plant, equipment and depreciation

Operating fixed assets

All operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss, except those subject to revaluation which are stated at revalued amount less accumulated depreciation and any identified impairment loss. Capital work-in-progress is stated at cost less any recognized impairment loss. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the construction / erection period of qualifying assets and other directly attributable costs of bringing the asset to working condition.

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 repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to surplus on revaluation of operating fixed assets except to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit and loss account, in which case the increase is recognized in profit and loss account. A revaluation deficit is recognized in profit and loss account, except to the extent that it offsets an existing surplus on the same asset recognized in surplus on revaluation of operating fixed assets.

An annual transfer from surplus on revaluation of operating fixed assets to accumulated loss is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful life at the rates given in Note 12.1. The Company charges the depreciation on additions from the month when the asset is available for use and, whereas no depreciation is charged on the assets de-recognized during the month. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

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

2.6 Investment properties

Land and buildings held to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.9 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the profit and loss account.

2.10 Financial instruments

Financial instruments carried on the balance sheet include deposits, loans and advances, cash and bank balances, long term financing, long term loans, short term borrowings and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are measured initially at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

2.11 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

2.12 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.13 Other receivables

Other receivables are carried at original invoice value less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Receivables considered bad are written off when identified.

2.14 Revenue recognition

Revenue from rental income is recognized when rent is accrued.

2.15 Borrowing cost

Interest, mark-up and other charges on long term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long term finances. All other interest, mark-up and other charges are recognized in profit and loss account.

2.16 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.17 Offsetting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

	2016	2015
	(RUPEES IN THOUSAND)	
3. RESERVES:		
Composition of reserves is as follows:		
Capital reserve		
Equity portion of shareholders' loans (Note 3.1)	13,335	13,335
Revenue reserve		
Accumulated loss	(475,460)	(467,699)
	(462,125)	(454,364)

		2016	2015
		(RUPEES IN THOUSAND)	
3.1	**Equity portion of shareholders' loans**		
	Opening balance	13,335	-
	Gain on recognition of shareholders' loan at fair value (Note 3.1.1)	-	13,335
	Closing balance	13,335	13,335

3.1.1 Fair value of shareholders' loan has been estimated at the present value of future cash flows discounted at effective interest rate of 7.13 percent (2015: 7.13 percent) per annum.

4. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES - NET OF DEFERRED INCOME TAX

		2016	2015
	Property, plant and equipment (Note 4.1)	119,652	126,740
	Investment properties (Note 4.2)	54,573	54,005
		174,225	180,745
4.1	**Property, plant and equipment**		
	Balance as on 01 July	126,740	138,751
	Add:		
	Increase in surplus on revaluation of property, plant and equipment - net of deferred income tax	3,908	-
	Adjustment of deferred income tax liability due to the re-assessment (Note 7)	1,864	2,071
		132,512	140,822
	Less:		
	Transferred to accumulated loss in respect of incremental depreciation charged during the year - net of deferred income tax	(12,860)	(14,082)
	Balance as on 30 June	119,652	126,740

4.1.1 Revaluation of plant and machinery and power generation house of the Company was carried out on 30 June 2016 by an independent valuer, Messrs Zafar Iqbal and Company by reference to prevailing market prices. Previously revaluation was carried out by independent valuers on 30 September 1995, 17 March 2005, 15 June 2011 and 11 April 2003.

		2016	2015
4.2	**Investment properties**		
	Balance as on 01 July	54,005	53,437
	Add:		
	Related deferred income tax liability (Note 7)	568	568
	Balance as on 30 June	54,573	54,005
5.	**LONG TERM FINANCING**		
	Secured		
	The Bank of Punjab:		
	Demand Finance - I (Note 5.1 and Note 5.3)	82,890	113,847
	Demand Finance - II (Note 5.2 and Note 5.3)	80,561	73,230
		163,451	187,077
	Less: Current portion shown under current liabilities (Note 10)	33,276	30,601
		130,175	156,476

5.1 The Demand Finance-I is restructured by the Bank by conversion of entire principal outstanding liability of the Company including merger / transfer of principal liability of A.K. Exports (Private) Limited (an associated company) amounting to Rupees 109.073 million. The demand finance is repayable in repayable in 25 quarterly installments up to 31 March 2019 and chargeable at cost of funds rate of 6.58 (2015: 7.13) percent per annum. However, actual rate of mark-up will be applicable as approved by State Bank of Pakistan from time to time.

5.2 This Demand Finance-II is restructured by the Bank by conversion of entire overdue mark-up payable by the Company including merger / transfer of mark-up liability payable by A.K. Exports (Private) Limited (an associated company) amounting to Rupees 51.209 million. This demand finance is non-interest bearing and will be repayable in 12 equal quarterly installments of Rupees 9.065 million each, commencing from 30 June 2019 after complete adjustment of principal liability as given in Note 5.1.

5.2.1 The Company has determined the amortized cost of its mark-up free demand finance using the effective interest method. Rate of cost of funds used to calculate the amortized cost is the fair market rate applicable on the financial instruments of similar nature and condition. The effective cost of funds rate is 6.58 (2015: 7.13) percent per annum. The reconciliation of principal amount and carrying value is given hereunder:

	2016	2015
	(RUPEES IN THOUSAND)	
Principal outstanding	108,777	108,777
Effect of adjustment	(35,547)	(46,827)
Amortization charged to profit and loss account using the effective interest method (Note 19)	7,331	11,280
Carrying value as at 30 June	80,561	73,230

5.3 The security on the Demand Finances is secured by way of creation of first exclusive equitable mortgage of Rupees 419.521 million on Company's fixed assets located at 35-Kilometer Sheikhupura Road, Faisalabad along with token registered mortgage of Rupees 0.100 million and personal guarantee of the directors of the Company.

6. LONG TERM LOANS

Unsecured

	2016	2015
From sponsor directors / shareholders (Note 6.1)	34,752	32,439
Others - Beacon Impex (Private) Limited (BIL)	-	208,559
	34,752	240,998
Less: Current portion shown under current liabilities (Note 10)	-	208,559
	34,752	32,439

6.1 From sponsor directors / shareholders

	2016	2015
Opening balance	32,439	45,774
Add: Fair value adjustment (Note 19)	2,313	-
Less: Gain on recognition of shareholders' loans at fair value	-	(13,335)
Closing balance	34,752	32,439

6.1.1 These represent unsecured interest free loans obtained from sponsor directors / shareholders of the Company. These loans are repayable in one bullet installment on 30 June 2020.

	2016	2015
	(RUPEES IN THOUSAND)	

7. DEFERRED INCOME TAX LIABILITY

	2016	2015
Balance as on 01 July	77,830	87,096
Add: Adjustment of deferred income tax liability due to the re-assessment	1,754	-
	79,584	87,096
Less:		
Transferred to surplus on revaluation of property, plant and equipment (Note 4.1)	1,864	2,071
Transferred to surplus on revaluation of investment properties (Note 4.2)	568	568
Deferred income tax liability on account of incremental depreciation charged during the year transferred to profit and loss account	5,778	6,627
	8,210	9,266
Deferred income tax liability recognized	71,374	77,830

7.1 The Company has accumulated tax losses of Rupees 279.328 million including unabsorbed depreciation as at 30 June 2016 (2015: Rupees 276.256 million). The related deferred income tax asset amounting to Rupees 3.748 million (2015: Rupees 0.537 million) has not been recognized as sufficient tax profit would not be available in the foreseeable future.

8. TRADE AND OTHER PAYABLES

	2016	2015
Accrued liabilities	318	355
Advances from customers	12,304	12,304
Others	98,567	78,771
	111,189	91,430

9. SHORT TERM BORROWINGS

This represents unsecured interest free loan obtained from Messrs Beacon Impex (Private) Limited (BIL) for the payment of overdue liabilities of banks, creditors and for Balancing, Modernization and Replacement (BMR) of plant and machinery and related equipment of the Company. The repayment terms and conditions have not been settled. However, BIL may demand the payment within the next financial year. Therefore its classification has been changed from non-current to current.

10. CURRENT PORTION OF NON-CURRENT LIABILITIES

	2016	2015
Long term financing (Note 5)	33,276	30,601
Long term loans (Note 6)	-	208,559
	33,276	239,160

11. CONTINGENCIES AND COMMITMENTS

There was no contingent liability and commitment as at 30 June 2016 (2015: Rupees Nil).

12. PROPERTY, PLANT AND EQUIPMENT

	2016	2015
Operating fixed assets (Note 12.1)	323,331	352,092
Capital work-in-progress (Note 12.2)	1,768	1,768
	325,099	353,860

12.1 OPERATING FIXED ASSETS

	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Power generation house	Electric installations	Factory equipment	Electric equipment and appliances	Total
	RUPEES IN THOUSAND								
At 30 June 2014									
Cost / revalued amount	587,975	1,132	2,984	17,552	66,057	17,990	5,835	2,195	701,720
Accumulated depreciation	(250,519)	(977)	(2,296)	(16,749)	(35,276)	(13,818)	(5,439)	(1,535)	(326,611)
Closing net book value	337,456	155	688	803	30,781	4,172	396	660	375,109
Year ended 30 June 2015									
Opening net book value	337,456	155	688	803	30,781	4,172	396	660	375,109
Additions	13,912	25	33	-	729	-	-	-	14,699
Depreciation charge	(33,862)	(17)	(69)	(161)	(3,084)	(417)	(40)	(66)	(37,716)
Closing net book value	317,506	163	650	642	28,426	3,755	356	594	352,092
At 30 June 2015									
Cost / revalued amount	601,887	1,157	3,017	17,552	66,786	17,990	5,835	2,195	716,419
Accumulated depreciation	(284,381)	(994)	(2,367)	(16,910)	(38,360)	(14,235)	(5,479)	(1,601)	(364,327)
Net book value	317,506	163	650	642	28,426	3,755	356	594	352,092
Year ended 30 June 2016									
Opening net book value	317,506	163	650	642	28,426	3,755	356	594	352,092
Additions	-	-	29	-	-	831	-	-	860
Effect of surplus on revaluation as at 30 June 2016	4,745	-	-	-	917	-	-	-	5,662
Depreciation charge	(31,751)	(16)	(68)	(128)	(2,843)	(382)	(36)	(59)	(35,283)
Closing net book value	290,500	147	611	514	26,500	4,204	320	535	323,331
At 30 June 2016									
Cost / revalued amount	606,632	1,157	3,046	17,552	67,703	18,821	5,835	2,195	722,941
Accumulated depreciation	(316,132)	(1,010)	(2,435)	(17,038)	(41,203)	(14,617)	(5,515)	(1,660)	(399,610)
Net book value	290,500	147	611	514	26,500	4,204	320	535	323,331
Annual rate of depreciation (%)	10	10	10	20	10	10	10	10	

12.1.1 Had there been no revaluation, the cost, accumulated depreciation and book value of the revalued assets would have been as follows:

	Cost	Accumulated depreciation	Net book value
	----------(RUPEES IN THOUSAND)----------		
Plant and machinery	269,551	145,805	123,746
Power generation house	58,765	38,917	19,848
2016	328,316	184,722	143,594
2015	328,316	168,770	159,546

	2016	2015
	(RUPEES IN THOUSAND)	
12.1.2 Depreciation charge for the year has been allocated as follows:		
Administrative expenses (Note 17)	212	247
Other expenses (Note 18)	35,071	37,469
	35,283	37,716

12.1.3 Plant and machinery and other facilities located at mills along with investment properties as mentioned in Note 13 have been given on lease to Messrs Beacon Impex (Private) Limited at monthly rental of Rupees 2.000 million (2015: Rupees 2.000 million).

12.2 Capital work-in-progress

Electric installations	1,768	1,768

13. INVESTMENT PROPERTIES

Balance as on 01 July	95,967	95,967
Further capital expenditure on investment properties	229	-
	96,196	95,967
Fair value gain (Note 16)	5,983	-
Balance as on 30 June	102,179	95,967

13.1 The valuation of investment properties has been carried out as on 30 June 2016 by Messrs Zafar Iqbal and Company on the basis of present prevalent market value of the similar type of property in a similar area and having almost the same covered area. Expenses of capital nature directly related to investment properties amounting to Rupees 0.229 million (2015: Rupees Nil) were incurred during the year as shown above.

14. LOANS AND ADVANCES

Considered good:

Employee - against salary (Note 14.1)	10	-
Income tax	2,408	-
	2,418	-

14.1 This represents unsecured interest free loan given to an employee of the Company for meeting his personal expenditure. This is recoverable in equal monthly installments.

		2016	2015
		(RUPEES IN THOUSAND)	
15.	**CASH AND BANK BALANCES**		
	Cash with banks:		
	On current accounts	138	85
	Cash in hand	24	30
		162	115
16.	**OTHER INCOME**		
	Income from financial assets		
	Profit on saving accounts	-	2
	Income from non-financial assets		
	Rental income	24,000	24,000
	Credit balances written back	-	690
	Gain on remeasurement of fair value of investment properties (Note 13)	5,983	-
	Others	5	-
		29,988	24,692
17.	**ADMINISTRATIVE EXPENSES**		
	Salaries and other benefits	474	500
	Travelling and conveyance	28	76
	Advertisement, printing and stationery	80	75
	Electricity and sui gas	258	261
	Postage and telephone	85	83
	Rent, rates and taxes	111	88
	Repair and maintenance	55	43
	Auditors' remuneration (Note 17.1)	360	350
	Legal and professional	168	30
	Fees, subscription and periodicals	365	257
	Entertainment	77	96
	Depreciation (Note 12.1.2)	212	247
		2,273	2,106
17.1	**Auditors' remuneration**		
	Audit fee	300	300
	Other certifications including half yearly review	60	50
		360	350
18.	**OTHER EXPENSES**		
	Depreciation (Note 12.1.2)	35,071	37,469

		2016	2015
		(RUPEES IN THOUSAND)	
19.	**FINANCE COST**		
	Mark-up on long term financing	6,978	9,922
	Amortization on demand finance calculated by using the effective interest method (Note 5.1)	7,331	11,280
	Fair value adjustment of loans from sponsor directors / shareholders (Note 6.1)	2,313	-
	Bank charges and commission	21	59
		16,643	21,261
20.	**TAXATION**		
	Current (Note 20.1)	2,400	-
	Deferred	(5,778)	(6,627)
		(3,378)	(6,627)

20.1 Provision for current taxation represents tax on other income under the relevant provisions of Income Tax Ordinance, 2001. Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of accumulated tax losses of the Company.

21. LOSS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic loss per share which is based on:

		2016	2015
Loss for the year	(Rupees in thousand)	(20,621)	(29,517)
Weighted average number of ordinary shares	(Numbers)	13 174 800	13 174 800
Loss per share	(Rupees)	(1.57)	(2.24)

22. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

22.1 No remuneration, fee or any other expenses have been paid to Chief Executive Officer and Directors of the Company for their services and no employee of the Company falls within definition of executive as defined in Clause (iii) Para 2 Part 1 of the 4th Schedule to the Companies Ordinance, 1984.

22.2 No meeting fee has been paid to the directors of the Company (2015: Rupees 60,000).

		(NUMBER OF PERSONS)	
23.	**NUMBER OF EMPLOYEES**		
	Number of employees as on 30 June	2	3
	Average number of employees during the year	3	3

24. TRANSACTIONS WITH RELATED PARTIES

There was no transaction with any related party during the year except for those given in Note 22.2.

25. PLANT CAPACITY AND ACTUAL PRODUCTION

The Company has suspended its operations since October 2011.

26. FINANCIAL RISK MANAGEMENT

26.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk and use of non-derivative financial instruments.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company has no receivable / payable balances in foreign currency as at 30 June 2016 (2015: Rupees Nil).

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

(iii) Interest rate risk

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

The Company's interest rate risk arises from long term financing. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

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

	2016	2015
	(RUPEES IN THOUSAND)	
Fixed rate instruments:		
Financial liabilities		
Long term financing	82,890	113,847

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. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

The Company does not possess any variable rate financial assets and liabilities as at 30 June 2016 (2015: Rupees Nil).

(b) **Credit risk**

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

	2016	2015
	(RUPEES IN THOUSAND)	
Deposits	5,733	5,733
Loans and advances	10	-
Bank balances	138	85
	5,881	5,818

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2016	2015
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
National Bank of Pakistan	A-1+	AAA	JCR-VIS	5	5
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1	18
The Bank of Punjab	A1+	AA-	PACRA	131	61
Meezan Bank Limited	A-1+	AA	JCR-VIS	1	1
				138	85

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash. At 30 June 2016, the Company had not any unavailed borrowing limits from financial institutions and Rupees 0.162 million (2015: Rupees 0.115 million) cash and bank balances. Management believes the liquidity risk to be high. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2016:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
	(RUPEES IN THOUSAND)					
Non-derivative financial liabilities:						
Long term financing	163,451	191,667	18,968	18,968	37,936	115,795
Long term loans	34,752	34,752	-	-	-	34,752
Trade and other payables	98,885	98,885	98,885	-	-	-
Short term borrowings	208,559	208,559	208,559	-	-	-
	505,647	533,863	326,412	18,968	37,936	150,547

Contractual maturities of financial liabilities as at 30 June 2015:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Non-derivative financial liabilities:						
Long term financing	187,077	244,022	18,967	18,967	37,935	168,153
Long term loans	240,998	240,998	-	208,559	-	32,439
Trade and other payables	79,126	79,126	79,126	-	-	-
	507,201	564,146	98,093	227,526	37,935	200,592

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at 30 June. The rate of mark-up has been disclosed in Note 5 to these financial statements.

26.2 Financial instruments by categories

	2016	2015
	(RUPEES IN THOUSAND)	
	Loans and receivables	
As at 30 June		
Financial assets as per balance sheet		
Deposits	5,733	5,733
Loans and advances	10	-
Cash and bank balances	162	115
	5,905	5,848
	At amortized cost	
Financial liabilities as per balance sheet		
Long term financing	163,451	187,077
Long term loans	34,752	240,998
Trade and other payables	98,885	79,126
Short term borrowings	208,559	-
	505,647	507,201

26.3 Offsetting financial assets and financial liabilities

As on balance sheet date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

26.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order 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 issue new shares or sell assets to reduce debt.

27. RECOGNIZED FAIR VALUE MEASUREMENTS

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. Due to the short-term nature, carrying amounts of most of the financial assets and financial liabilities are considered to be the same as their fair value.

28. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 June 2016	Level 1	Level 2	Level 3	Total
	----------RUPEES IN THOUSAND----------			
Plant and machinery	-	290,500	-	290,500
Power generation house	-	26,500	-	26,500
Investment properties	-	102,179	-	102,179
Total non-financial assets	-	419,179	-	419,179

At 30 June 2015	Level 1	Level 2	Level 3	Total
	--------------------	RUPEES IN THOUSAND	--------------------	
Plant and machinery	-	317,506	-	317,506
Power generation house	-	28,426	-	28,426
Investment properties	-	95,967	-	95,967
Total non-financial assets	-	441,899	-	441,899

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its investment properties, plant and machinery and power generation house. At the end of each reporting period, the management updates the assessment of the fair value of investment properties, plant and machinery and power generation house taking into account the most recent independent valuations. The best evidence of fair value of investment properties is current prices in an active market for similar properties. The best evidence of fair value of plant and machinery and power generation house is to calculate fair depreciated / market value by applying an appropriate annual rate of depreciation on the replacement value / new purchase of the same assets.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's investment properties, plant and machinery and power generation house. As at 30 June 2016, the fair value of these assets has been determined by Messrs Zafar Iqbal and Company.

Changes in fair values are analyzed at the reporting date during the annual valuation discussion between the management of the Company and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

29. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

29.1

Description	Note	2016		2015	
		Carried under		Carried under	
		Non-Shariah arrangements	Shariah arrangements	Non-Shariah arrangements	Shariah arrangements
		----------------	(RUPEES IN THOUSAND)	----------------	
Assets					
Loans and advances					
Loans to employees	14	-	10	-	-
Deposits					
Deposits		-	5,733	-	5,733
Bank balances	15	-	138	-	85
Liabilities					
Loan and advances					
Long term financing	5	82,890	80,561	113,847	73,230
Long term loans	6	-	34,752	-	32,439
Short term borrowings	9	-	208,559	-	-
Income					
Profit on saving accounts		-	-	2	-

	Note	2016	2015
		(RUPEES IN THOUSAND)	
29.2 Sources of other income	16		
Profit on saving accounts		-	2
Rental income		24,000	24,000
Credit balances written back		-	690
Gain on remeasurement of fair value of investment properties		5,983	-
Others		5	-
		29,988	24,692

29.3 Relationship with banks

Name	Relationship	
	Non Islamic window operations	With Islamic windows operations
National Bank of Pakistan	✔	
Habib Metropolitan Bank Limited	✔	
Meezan Bank Limited		✔
The Bank of Punjab	✔	

30. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 10, 2016 by the Board of Directors of the Company.

31. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary for the purpose of comparison. However, no significant re-arrangements have been made.

32. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

CHIEF EXECUTIVE OFFICER

DIRECTOR

FORM 34

PATTERN OF SHAREHOLDING

1. Incorporation Number **0014146**

2. Name of the Company **Khurshid Spinning Mills Limited**

3. Pattern of holding of the shares held by the shareholders as at **30-06-2016**

	------Shareholding------		
4. No. of Shareholders	**From**	**To**	**Total Shares Held**
450	1	100	45,000
870	101	500	331,000
231	501	1000	209,000
181	1001	5000	479,100
40	5001	10000	276,900
19	10001	15000	258,100
8	15001	20000	140,700
4	20001	25000	90,800
4	25001	30000	111,300
3	30001	35000	98,400
3	35001	40000	111,100
1	45001	50000	50,000
1	55001	60000	57,500
3	60001	65000	186,200
1	75001	80000	75,100
1	95001	100000	99,900
1	100001	105000	101,900
1	185001	190000	190,000
1	210001	215000	211,300
1	230001	235000	235,000
1	580001	585000	580,600
1	595001	600000	599,300
2	650001	655000	1,300,700
1	855001	860000	857,400
1	1930001	1935000	1,932,000
1	2210001	2215000	2,211,500
1	2335001	2340000	2,335,000
1832			**13,174,800**

5. Categories of shareholders	Share held	Percentage
5.1 Directors, Chief Executive Officers, and their spouse and minor children	4,634,000	35.1732%
5.2 Associated Companies, undertakings and related parties.	-	0.0000%
5.3 NIT and ICP	1,092,400	8.2916%
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	2,150,400	16.3221%
5.5 Insurance Companies	109,500	0.8311%
5.6 Modarabas and Mutual Funds	56,100	0.4258%
5.7 Share holders holding 10%	6,478,500	49.1734%
5.8 General Public		
a. Local	5,120,300	38.8644%
b. Foreign	-	0.0000%
5.9 Others (to be specified)		
Joint Stock Companies	12,100	0.0918%

6. Signature of Company Secretary	
7. Name of Signatory	Muhammad Saqib Ehsan
8. Designation	Company Secretary
9. NIC Number	33100-8192659-7
10 Date	30 06 2016

KHURSHID SPINNING MILLS LIMITED

PROXY FORM

I/We...
.

of..
.

In the district of...being a member/members of **Khurshid Spinning Mills Limited** holding.......................................Ordinary Shares of Rs. 10/-each hereby appoint Mr./Ms...

of...a member of or falling him/her Mr./Ms.
....

of...who is also a member of the Company, vide Registered Folio No. .... as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday, October 31, 2016 at 11:30 A.M. at 133-134, Regency the Mall, Faisalabad - the Registered Office of the Company and at any adjournment thereof.

As witness my/our hand this...................................day of.................................2016

Please affix here
revenue stamp
or Rs. 5
and sign across

1. Witness.....................................
2. Witness.....................................

Date...

Place..

Signature should
Agree with the
Signature registered
With the Company

پروکسی فارم

میں/ہم.............از.............بحیثیت **خورشید سپننگ ملز لمیٹڈ** کے ممبر اور عام حصص یافتہ مطابق شیئرز

رجسٹر فولیو/سی ڈی سی اکاؤنٹ نمبر.............مقرر کرتا ہوں.............فولیو/سی ڈی سی اکاؤنٹ نمبر.............

سی این آئی نمبر یا پاسپورٹ نمبر.............یا بصورت دیگر.............فولیو/سی ڈی سی اکاؤنٹ نمبر.............

سی این آئی نمبر یا پاسپورٹ نمبر.............جو کمپنی کے ممبر بھی ہیں، کو کمپنی کے سوموار 31 اکتوبر 2016ء کو دن 11 بجے منعقد ہونے والے 29ویں

سالانہ اجلاس میں اپنی جانب سے شرکت اور رائے دہی کیلئے اپنا پروکسی مقرر کرتا ہوں۔

دستخط مورخہ 2016ء

گواہی:

1: دستخط ....

نام ....

پتہ ....

سی این آئی سی یا پاسپورٹ نمبر ....

2: دستخط ....

نام ....

پتہ ....

سی این آئی سی یا پاسپورٹ نمبر ....

5 روپے کا
محصول ٹکٹ

دستخط ....

(کمپنی کے پاس دستخط کے نمونے کے مطابق ہوں)

سی این آئی سی / پاسپورٹ نمبر.............

ضروری:

-1 پروکسی فارم ہذا مکمل اور دستخط کے ہمراہ اجلاس کے انعقاد سے کم از کم اڑتالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ آفس یا شیئرز رجسٹرار کے آفس میں میں جمع کرا دیا جائے۔

-2 فارم پر ممبر یا اس کا تحریراً مقرر کردہ اٹارنی دستخط کریگا۔ ممبر کارپوریشن ہونے کی صورت میں اس کی مہر فارم پر ثبت کرنی ہوگی۔

-3 اجلاس میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے تاہم کارپوریشن کسی بھی غیر ممبر کو اپنا پروکسی مقرر کر سکتی ہے۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریشن اینٹٹی

مزید براں مندرجہ ذیل شرائط پر عمل کرنا ہوگا۔

(i) پروکسی فارم پر دو افراد کی گواہی ہونی چاہئے جن کے نام اور سی این آئی سی یا پاسپورٹ نمبر فارم پر درج ہوں۔

(ii) ممبر اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم کے ہمراہ منسلک کرنی ہوں گی۔

(iii) پروکسی اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔

(iv) کارپوریٹ اینٹٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی معہ نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پروکسی فارم کے ہمراہ کمپنی کو پیش کرنے ہوں گے۔

Khurshid Spinning Mills Limited

133-134, Regency the Mall,Faisalabad

Ph: +92 41 2610030 Fax: +92 41 2610027