

# Annual Report 2014

L I B A A S



T E X T I L E

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## *Vision*

The Company is focused on some rehabilitation Plan for the best interest of the shareholders and other stakeholders.

## *Mission Statement*

We intend to rehabilitate the Company by getting into some viable business.

## CORPORATE INFORMATION

<b>Board of Directors</b>	Malik Muhammad Yasin Mr. Tahir Bashir Khan Mr. Salman Mahmood Mr. Muhammad Arshad Baig Mr. Asad Baig Syed Sibtul Hassan Gilani Mr. Imtiaz Ahmad	Chairman Chief Executive Officer
<b>Audit Committee</b>	Mirza Muhammad Arshad Baig Syed Sibtul Hassan Gilani Mr. Imtiaz Ahmad	Chairman
<b>HR &amp; R Committee</b>	Mr. Asad Baig Mr. Tahir Bashir Khan Syed Sibtul Hassan Gilani	Chairman
<b>Company Secretary</b>	Shahnawaz Zafar, ACA	
<b>Chief Financial Officer</b>	Shahnawaz Zafar, ACA	
<b>Legal Advisor</b>	Sajid Mahmood Sheikh	
<b>Auditors</b>	Aslam Malik & Co. Chartered Accountants	
<b>Share Registrar</b>	Vision Consulting Limited 1 <sup>st</sup> Floor, 3-C, LDA Flats, Lawrence Road, Lahore Tel: 042-36375531, 36375339 Fax: 042-36374839 E-mail: shares@vcl.com.pk	
<b>Bankers</b>	MCB Bank Limited	
<b>Registered Office</b>	82-N, Model Town (Ext.), Lahore-54000, Pakistan Phones: +92 (042) 35161424-5 Fax: +92 (042) 35160393	

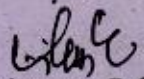
## LIBAAS TEXTILE LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of Libaas Textile Limited will be held on Friday, October 31, 2014, at 03:00 p.m. at Park Plaza Hotel, M. M. Alam Road, Gulberg III, Lahore to transact the following business:

1. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2014 together with the Directors' and auditors' Reports thereon.
2. To appoint auditors and to fix their remuneration. Present auditors M/s. Aslam Malik & co., Chartered Accountants being eligible offer themselves for reappointment.
3. To transact any other business as may be placed before the meeting with the permission of the Chair.

By Order of the Board



Shahnawaz Zafar  
Company Secretary

Lahore  
October 09, 2014

#### Notes:-

- i. The Share Transfer Books of the Company will remain closed from Saturday October 25, 2014 to Friday, October 31, 2014 (both days inclusive).
- ii. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The proxy, in order to be effective, must be received at the registered office of the Company duly stamped and signed not less than 48 hours before the time of the meeting. A proxy must be a member of the company.
- iii. CDC account holders will have to follow the following guidelines for attending the meeting:
  - a. In case of individuals, the account holders, sub account holders and the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing original CNIC or passport (in case of foreign national) at the time of attending the meeting. The shareholders registered in CDC are also requested to bring their participant I. D. numbers and account number in CDC.
  - b. In case of Corporate identity, the Board of Director's Resolution/ Power of Attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting. The nominee shall produce his original CNIC at the time of attending the meeting for identification purpose.
- iv. Shareholders are requested to notify the change of address immediately, if any, to our Share Registrar.

## DIRECTOR'S REPORT

Dear Members,

Assala-Mo-Aliakum Wa Rehmatullah-a-Wa Barakatohu

The Directors of your Company are pleased to present the 23<sup>rd</sup> Annual Report of the company for year ended June 30, 2014.

### National economy

Pakistan succeeded in attaining 4.14 percent growth in the outgoing fiscal year which is the highest level achievement since 2008-09. The economy has taken a turnaround on account of following serious economic agenda and striving sincerely to implement it. Early positive results, particularly stabilizing foreign exchange reserves, appreciation of exchange rate, stability in prices despite heavy adjustments, remarkable industrial growth on account of improved energy supply, exceptional increases in remittances, historical heights of Karachi Stock Exchange, shift in market based (T-Bills and PIB), public debt toward medium to long term, successful launching of Euro Bond and auction of 3G/4G licenses reinforced this view. The international financial institutions are also acknowledging and appreciating the positive improvement in national economy.

A comprehensive agenda of reforms is highly focused on inclusive growth and to reinvigorate the economy, spur growth, maintain price stability, provide jobs to the youth and rebuild the key infrastructure of the economy through removal of bottlenecks like, energy shortages, privatization of bleeding PSEs, circular debt along with creating conducive investment climate to boost exports and tax revenues, and bridge fiscal and current account deficits. Government has shown commitment to develop vibrant and competitive market in order to accelerate and sustain economic growth through productivity, competitiveness, innovation and entrepreneurship.

Pakistan's Stock Market has achieved enormous growth during the current fiscal year as demonstrated by sharp and impressive rise in KSE-100 index as compared to Global Stock Markets including China, India, Tokyo, Hong Kong, UK and USA. The healthy growth of earnings and improvement in business sentiments after the 11<sup>th</sup> May, 2013 general elections were the main triggers for the market appreciation that attracted foreign and domestic investors.

The KSE 100 index which was at the level of 21,005.69 at the end of last financial year crossed first the barrier of 25,000 level market at the end of December, 2013 and was closed 29,652.53 level by the end of June, 2014.

The protest marches (August-September 2014), besides holding the capital of Pakistan hostage for weeks has made the already severely battered economy of the country suffer mammoth financial losses. The political uncertainty naturally having negative impact on foreign investment in the country and heads of states of certain countries postponed their visits to the country. On the other hand unexpected heavy rains and floods (September 2014) wreaked widespread destruction across vast swathes of central and southern Punjab and province of Sindh.

### Operations & performance

As already being reported, operations of the company are closed since 2007. Administrative and selling expenses are normal operating expenses of the company. Other income amounting to Rs. 0.330 million are income from short term investment. In the result, the company sustained a loss of Rs. 0.048 million during the year under review against a profit of Rs. 2.329 million during last year. Financial performance of the Company is summarized below:

	(Rupees in '000)	
	2014	2013
Administrative and selling expenses	378	5,205
Other income	330	7,536
Profit/ (loss) after tax	(48)	2,329
(Loss)/ Earnings per share	(0.01)	0.58

### Auditors' observations

The external auditors' of the company in their report to members have pointed out towards note 1.1 to the financial statements which states that the Company had ceased its commercial operations in previous years, and disposed off its fixed assets and these factors indicate existence of material uncertainty which may cast significant doubts on the Company's ability to continue as going concern. The auditors also state that these financial statements have been prepared on going concern and do not include adjustments relating to realization of its assets and liquidation of any liabilities that might be necessary. In this respect we would like to clarify that the company has already paid all its liabilities of the bank and has invested surplus amount into short term deposits in order to earn revenue. In addition to above for revival of the company the board of directors of the company in their meeting held on October 01, 2014 has decided to merge the Libaas Textile Limited into Ghani Global Glass Limited subject to sanction by the Honourable Lahore High Court, Lahore for which a petition under Section 284 to 288 of the Companies Ordinance, 1984 will be filed in due course. Before this certain changes in management of the company has been taken place in the line with the steps for revamping the whole setup. The management is of the firm view that it will succeed to revive the company shortly Inshallah and there will be no need for any adjustments as pointed out by auditors of the company. Keeping these factors financial statements of the company have been prepared on going concern assumption.

### Merger decision

To step forward for revival of your company, the board of directors of your company in tier meeting held on October 01, 2014 has approved the merger scheme of arrangement for merger/amalgamation of Libaas Textile Limited (the company) with and into Ghani Global Glass Limited subject to sanction of the honourable Lahore Hig Court, Lahore for which a petition under Section 284 to 288 of the Companies Ordinance, 1984 will be filed in due course. The scheme shall be subject to such changes and modifications as may be approved by the shareholders and a may be required by the Securities and Exchange Commission of Pakistan and the honourable Lahore High Court, Lahore. Extra-ordinary General Meeting of the shareholders for approval of the merger scheme will be called separately.

### Pay out to the shareholders

The management of your Company believes to pass on return of investment to their shareholders. However, since the company has already sold its entire fixed assets and having no business activity accordingly the company was not in a position to declare any dividend.

**Contribution to national exchequer**

Due to non operational, Libaas Textile Limited did not contribute any presentable amount in shape of taxes, duties and levies to central and/ or provincial governments and local authorities.

**Statutory auditors of the company**

M/s Avais Hyder Liaquat Nauman, Chartered Accountants, Lahore were re-appointed as auditors of the company in annual general meeting held on October 30, 2013. By end of August 2014 M/s Avais Hyder Liaquat Nauman, Chartered Accountants resigned and to fill the casual vacancy, the board of directors of the company appointed M/s Aslam Malik & Co. Chartered Accounts, Lahore as auditors of the company. On the recommendation of audit committee, the board of directors has recommended to appoint M/s Aslam Malik & Co. Chartered Accounts, Lahore as auditors of the company for the year ended June 30, 2015.

**Staff retirement benefit**

At present there are only three employees of the company which are working without any remuneration, accordingly there is no staff retirement scheme in operation.

**Share price trend**

After joining the CDS and resumption of trading at stock exchanges (Karachi and Lahore) during September 2013, share price of Rs. 10 each of LTL opened at Rs. 0.75 and one stage rose as high as Rs. 29.70 and closed at Rs. 9.45 as on June 30, 2014.

**Compliance with the code of corporate governance**

Libaas Textile has adopted the requirements of the Code of Corporate Governance set out by the Karachi Stock Exchange and Lahore Stock Exchange in their Listing Regulations, relevant for the year ended June 30, 2014 and have been duly complied with.

**Statement of Compliance with the best practices of code of corporate governance**

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

**Code of conduct**

The board of Libaas Textile has adopted the code of conduct. All employees are informed of this statement and are required to observe the rules of conduct.

**Audit committee**

An audit committee of the Board has been in existence in accordance with the Code of Corporate Governance, which comprises of three non executive directors. The Audit Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations.

**Relations with stakeholders**

Alhamdulillah during the period under review relations with all stakeholders remained cordial.

**Board of directors**

The Board of Directors, which consist of seven members, have responsibility to independently and transparently monitor the performance of the company and take strategic decisions to achieve sustainable growth in the company value

Election of directors of the company was held in the annual general meeting held on October 30, 2013 and the following directors were elected under section 178 of the companies ordinance, 1984 for a period of three years:

Malik Muhammad Yasin	Chairman
Mr. Tahir Bashir Khan	Chief Executive Officer
Mr. Salman Mahmood	
Mirza Muhammad Arshad Baig	
Mr. Asad Baig	
Syed Sibtul Hassan Gilani	
Mr. Imtiaz Ahmad	

A written notice of the Board meeting along with working papers was sent to the members seven days before meetings. A total of six meetings of the Board of Directors and four meetings the Audit Committee were held during the year ended June 30, 2014. The attendance of the board members' was as follows:

Name of the Director	No. of Board of Directors' Meeting Attended	No. of Audit Committee Meeting Attended
Malik Muhammad Yasin	06	01
Mr. Tahir Bashir Khan	06	-
*Mr. Rahat Bashir Khan	06	01
*Mrs. Saira Tahir	03	-
Mr. Salman Mahmood	05	-
*Mr. Abbas Zai	03	01
*Mrs. Fareeha Abbas	02	-
Mirza Muhammad Arshad Baig	03	03
Mr. Asad Baig	02	-
Syed Sibtul Hassan Gilani	03	03
Mr. Imtiaz Ahmad	03	03

\*Retired on 30-10-2013

Leave of absence was granted to directors who could not attend some of the board meetings.

#### Corporate and financial reporting framework

In compliance with the Code of Corporate Governance, we give statements of Corporate and financial reporting framework;

- The financial statements together with the notes thereon have been drawn up by the management in conformity with the Companies Ordinance, 1984. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
- Proper books of account have been maintained by the company.
- Appropriate accounting policies have consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent.

- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- There has been no departure from the best practices of transfer pricing.
- Information about taxes and levies is given in the notes of accounts.
- The value of investments and bank balances in respect of staff retirement benefits is nil.

#### **Pattern of shareholding under code of corporate governance**

A statement of the pattern of shareholding of certain class of shareholders as at June 30, 2014, whose disclosure is required under the reporting framework, is included in the annexed shareholder's information.

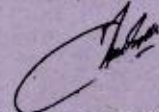
#### **Post balance sheet events**

No material changes or commitments affecting the financial position of the company have occurred between the end of financial year of the company and date of this report except decision of the board of directors for merger of the company with and into Ghani Global Glass Limited subject to the approval of the shareholders of both the companies and sanction by the Honourable Lahore High Court, Lahore.

#### **Acknowledgement**

We thank Allah Subhanatallah for blessing your Company and all of us and we all should obey the commandments of Allah Subhanatallah and Sunnah of our Prophet "Muhammad" (peace be upon him).

For and on behalf of  
Board of Directors



**Tahir Bashir Khan**  
Chief Executive Officer

Lahore  
October 01, 2014

## SIX YEARS AT A GLANCE

	2014	2013	2012	2011	2010	2009
<b>Operating Results</b>						
Sales (Gross)	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-
Profit/(Loss) before tax	(47,937)	2,339,090	(5,650,164)	1,325,000	(12,855,146)	(4,674,316)
<b>Financial data</b>						
Fixed assets	-	-	-	11,250,000	12,500,000	41,377,257
Capital work-in-progress	-	-	-	-	-	-
Intangibles assets	-	-	-	-	10,000	10,000
Long term deposits	-	-	286,650	286,650	286,650	286,650
Current assets	5,952,758	6,236,385	14,776,087	8,276,087	8,276,087	10,968,805
Current liabilities	236,830	462,520	10,410,662	9,510,498	9,435,498	13,556,295
<b>Assets employed</b>	<b>5,715,928</b>	<b>5,773,865</b>	<b>4,651,075</b>	<b>10,302,239</b>	<b>11,637,239</b>	<b>39,086,417</b>
<b>Financed by:</b>						
Ordinary capital	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Accumulated Loss	(39,794,072)	(39,736,135)	(42,075,225)	(36,425,061)	(35,100,061)	(23,472,361)
Shareholder's equity	205,928	263,865	(2,075,225)	3,574,939	4,899,939	16,527,639
Finance and deposits	5,510,000	5,510,000	6,726,300	6,727,300	6,737,300	22,558,778
<b>Fund invested</b>	<b>5,715,928</b>	<b>5,773,865</b>	<b>4,651,075</b>	<b>10,302,239</b>	<b>11,637,239</b>	<b>39,086,417</b>
Earning per-share (Rs.)	(0.01)	0.58	(1.41)	(0.33)	(2.91)	(1.17)
Break-up-value (Rs.)	0.051	0.066	(0.519)	0.894	1.225	4.132
Dividend%	-	-	-	-	-	-

## PATTERN OF HOLDING OF SHARES HELD BY THE SHAREHOLDERS AS AT JUNE 30, 2014

Incorporation Number: 0024958

Number of Shareholders	From	Shareholding	To	Total Share_held
23	1		100	123
368	101		500	183,627
17	501		1000	17,000
21	1001		5000	61,065
7	5001		10000	55,250
4	10001		15000	48,000
2	15001		20000	38,000
1	20001		25000	25,000
1	30001		35000	35,000
2	35001		40000	75,500
2	45001		50000	96,000
1	55001		60000	60,000
2	65001		70000	135,265
1	75001		80000	80,000
1	80001		85000	81,000
4	95001		100000	396,500
1	110001		115000	112,970
1	195001		200000	200,000
1	245001		250000	250,000
1	2045001		2050000	2,049,700
<b>461</b>				<b>4,000,000</b>

Categories of Shareholders	Share Held	Percentage
Directors, Chief Executive Officer their spouses and minor children.	2,053,200	51.33
Financial Institutions	250,000	6.25
Individuals	1,660,800	41.52
Joint Stock Companies	500	0.01
NIT & ICP	35,500	0.88
	<b>4,000,000</b>	<b>100.00</b>

## DETAIL OF PATTERN OF SHAREHOLDING AS PER REQUIREMENT OF CODE OF CORPORATE GOVERNANCE

### DIRECTORS, CEO THEIR SPOUSES AND MINOR CHILDREN

1.	Mr. Tahir Bashir Khan	Director/Chief Executive	2,049,700
2.	Malik Muhammad Yasin	Director	500
3.	Mr. Salman Mahmood	Director	1,000
4.	Mirza Muhammad Arshad Baig	Director	500
5.	Mr. Asad Baig	Director	500
6.	Syed Sibtul Hassan Gilani	Director	500
7.	Mr. Imtiaz Ahmad	Director	500
			<u>2,053,200</u>

### PUBLIC SECTOR COMPANIES & CORPORATIONS

1.	Indus Associated Consultants		500
			<u>500</u>

### BANKS/NIT & ICP

			HOLDING
1.	National Bank of Pakistan		250,000
2.	Invest Corporation of Pakistan		35,500
			<u>285,000</u>

### SHARE HELD BY THE GENERAL PUBLIC

1,660,800

### SHAREHOLDERS' HOLDING 5% OR MORE OF TOTAL CAPITAL

1.	*Mr. Tahir Bashir Khan		2,049,700
2.	National Bank of Pakistan		250,000
3.	Mr. Bilal Ahmad		200,000

### TRADING BY DIRECTORS, CEO, CFO, CS, THEIR SPOUSES AND MINOR CHILDREN

Nil

\*He is also the director of the company.

## STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE, 2014

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. XI 35 of listing regulation of the Karachi Stock Exchange 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:

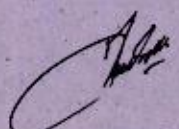
1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the board includes:

Category	Names
Executive Director	Mr. Tahir Bashir Khan
Non-Executive Directors	Malik Muhammad Yasin Mr. Salman Mahmood
Independent Director	Mirza Muhammad Arshad Baig Mr. Asad Baig Syed Sibtul Hassan Gilani Mr. Imtiaz Ahmad

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 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 NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurred on the Board are filled up by the directors within 90 days. However during the year no casual vacancy occurred.
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.
7. All 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 directors have been taken by the board / shareholders.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board arranged orientation course for its directors to acquaint them with the CCG, applicable laws, their duties and responsibilities to enable them to effectively manage the affairs of the company on behalf of shareholders. The company will arrange certification of one director every year on starting of business activities.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment however due to non operation, no remuneration has been received by CFO, Company Secretary and Head of Internal Audit.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by 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 that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises three members which are non-executive directors.
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 Human Resources and Remuneration Committee. It comprises three members, which are non-executive directors. Since there is no employee of the company accordingly no meeting of the committee has been held.
18. The board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
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 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 exchange(s).
22. Material/price sensitive information disseminated among all market participants at once through stock exchange however no such event occurred during the year.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

Lahore:  
October 01, 2014



Tahir Bashir Khan  
Chief Executive Officer

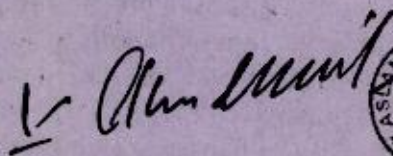
## REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Libaas Textile Limited to comply with the Listing Regulation No. XI 35 of Karachi Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance 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 of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

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 Code of Corporate Governance as applicable for the year ended June 30, 2014.

  
(Aslam Malik & Co)  
Chartered Accountants



Engagement Partner : Mohammad Aslam Malik

Date: 10 OCT 2014  
Place: Lahore

## AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of LIBAAS TEXTILE LIMITED (the Company) as at 30 JUNE 2014 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) In our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion—
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business;
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company; and

Without qualifying our opinion in this regard, we draw attention toward note 1.1 to the financial statements which states that the Company had ceased its commercial operations in earlier years, and has disposed off its fixed assets, due to various adverse causes such as socio-economic crises, frequent variations in foreign currency rates, high cost of limited available energy and other domestic and international policies. These factors indicate existence of material uncertainty which may cast significant doubts on the Company's ability to continue as going concern. These financial statements have been prepared on going concern and do not include adjustments relating to realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as going concern, on the basis of plans disclosed in aforementioned note.

Financial statements of company for the year ended June 30, 2013 were audited by another firm of Chartered Accountants, M/s Awais Hyder Liaquat Numan Chartered Accountants, whose report dated October 4, 2013 expressed qualified opinion thereon.

Date: 10 OCT 2014  
Place: Lahore

*Mohammad Aslam Malik*  
(Aslam Malik & Co)  
Chartered Accountants



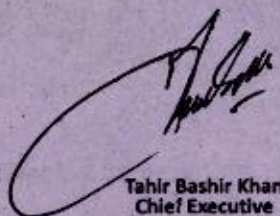
Engagement Partner : Mohammad Aslam Malik

## BALANCE SHEET AS AT JUNE 30, 2014

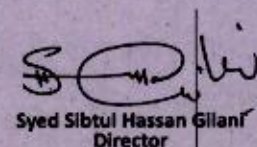
ASSETS	Note	2014 Rupees	2013 Rupees
<b>Current assets</b>			
Short Term Investment	4	5,745,966	-
Other Receivable - considered good		56,672	-
Advance Income Tax		27,630	-
Cash at Bank		122,490	6,236,385
		<u>5,952,758</u>	<u>6,236,385</u>
<b>TOTAL ASSETS</b>		<u>5,952,758</u>	<u>6,236,385</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorised Share capital			
5,000,000 (2013: 5,000,000) ordinary shares of Rs. 10/- each		<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid up capital			
4,000,000 (2013: 4,000,000) ordinary shares of Rs. 10/- each		40,000,000	40,000,000
fully paid in cash			
Accumulated loss		(39,794,072)	(39,746,135)
		205,928	253,865
<b>Non-current liabilities</b>			
Share deposit money	5	5,510,000	5,510,000
<b>Current liabilities</b>			
Trade and other payables	6	236,830	472,520
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>5,952,758</u>	<u>6,236,385</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		

Auditors Report is annexed.

The annexed notes 1 to 13 form an integral part of these financial statements.



Tahir Bashir Khan  
Chief Executive

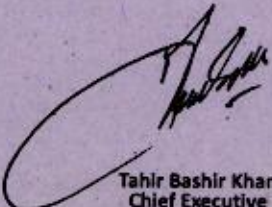


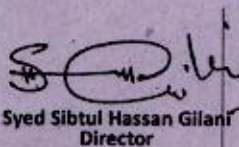
Syed Sibtul Hassan Gilani  
Director

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
Administrative and selling expenses	8	(377,880)	(5,204,512)
Operating loss		(377,880)	(5,204,512)
Financial Charges		(25)	(2,648)
Other income	9	329,968	7,536,250
Profit / (Loss) before taxation		(47,937)	2,329,090
Taxation		-	-
Profit / (Loss) after taxation		(47,937)	2,329,090
Earnings/ (Loss) per share - basic and diluted	11	(0.01)	0.58

Auditors Report is annexed.

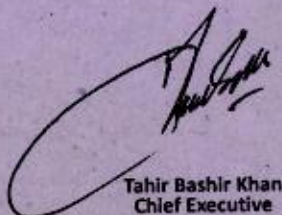
  
 Tahir Bashir Khan  
 Chief Executive

  
 Syed Sibtul Hassan Gilani  
 Director

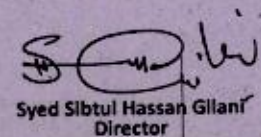
## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2014

	2014 Rupees	2013 Rupees
Net profit / (loss) for the year	(47,937)	2,329,090
Other comprehensive income	-	-
Total comprehensive profit / (loss) for the year	(47,937)	2,329,090

Auditors Report is annexed.



Tahir Bashir Khan  
Chief Executive

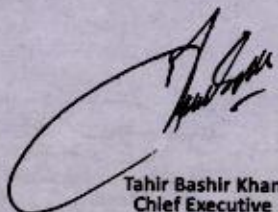


Syed Sibtul Hassan Gillani  
Director

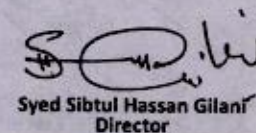
## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2014

	Share capital	Unappropriated Profit / (loss)	Total
	.....(Rupees).....		
Balance as at 01 July 2012	40,000,000	(42,075,225)	(2,075,225)
Profit for the year	-	2,329,090	2,329,090
Balance as at 30 June 2013	<u>40,000,000</u>	<u>(39,746,135)</u>	<u>253,865</u>
Balance as at 01 July 2013	40,000,000	(39,746,135)	253,865
Loss for the year	-	(47,937)	(47,937)
Balance as at 30 June 2014	<u>40,000,000</u>	<u>(39,794,072)</u>	<u>205,928</u>

Auditors Report is annexed.



Tahir Bashir Khan  
Chief Executive

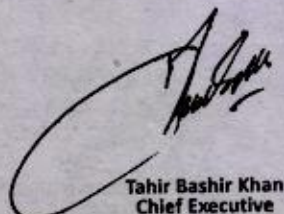


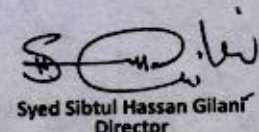
Syed Sibtul Hassan Gilani  
Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/ (Loss) before taxation		(47,937)	2,329,090
<b>Adjustments:</b>			
Balance written off			4,355,322
Other Income			(7,536,250)
		(47,937)	(851,838)
<b>(Increase) / Decrease in current assets</b>			
Profit receivables		56,672	-
Other Receivable		27,630	10,707,415
Income Tax - Profit		84,302	10,707,415
		(132,239)	9,855,577
<b>(Increase) / Decrease in current liabilities</b>			
Trade and other payables		(235,690)	(2,401,892)
<b>Cash generated (used) in operations</b>		(367,929)	7,453,685
Financial charges paid			
Income tax paid			
<b>Net cash from / (used in ) operating activities</b>		(367,929)	7,453,685
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed asset		-	-
Sale of fixed assets		-	-
<b>Net cash inflow from / (used in ) investing activities</b>		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term loan from directors			(1,217,300)
Short Term Investment		(5,745,966)	-
<b>Net cash inflow from / (used in) financing activities</b>		(5,745,966)	(1,217,300)
<b>Net increase / (decrease) in cash and cash equivalents</b>		(6,113,895)	6,236,385
<b>Cash and cash equivalents at the beginning of the year</b>		6,236,385	-
<b>Cash and cash equivalents at the end of the year</b>		122,490	6,236,385

Auditors Report is annexed.

  
 Tahir Bashir Khan  
 Chief Executive

  
 Syed Sibtul Hassan Gilani  
 Director

## NOTES TO THE FINANCIAL STATEMENT

### 1. THE COMPANY AND ITS OPERATIONS

Libaas Textile Limited (the Company) was incorporated in Pakistan on August 27, 1991 as a private limited company under Companies Ordinance 1984. The Company was converted into Public Limited Company on June 13, 1993. Its shares are quoted on Karachi and Lahore stock exchanges. The registered office of the Company is situated at Lahore. The Principal activity of the Company is to manufacture and sell all types of glass products.

#### 1.1 Going Concern Assumption

The Company had ceased its commercial operations in earlier years, and has disposed off its fixed assets, due to various adverse causes such as socio-economic crises, frequent variations in foreign currency rates, high cost of limited available energy and other domestic and international policies. These factors indicate existence of material uncertainty which may cast significant doubts on the Company's ability to continue as going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in normal course of business.

It is important to point out that the foregoing indicators have been caused by various temporary factors. The management is confident that the Company shall achieve profitability and easing of cash flow going forward. For this purpose, the Board of Directors have undertaken following steps for revamping the whole setup:

- i. The Company has paid all its outstanding liabilities with banks through financial support of directors. Further, it has invested surplus amount into short term deposits in order to earn short term revenue.
- ii. The Company has entered into an agreement with Ghani Global Glass Limited for merger and changes in management of the company have taken place,
- iii. Plans have been laid for process of merger of the Company into Ghani Global Glass Limited which is on its way to go into production in March 2015.

These financial statements have been prepared on going concern assuming above factors to be fruitful and do not include adjustments relating to realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as going concern.

### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of, and include Accounting and Financial Reporting Standards for public limited company issued by the regulators, Institute of Chartered Accountants of Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions and directives of Companies Ordinance, 1984 shall prevail.

As fully explained in note 1 above, since the cessation of operations is temporary and considering the company as going concern, these financial statements have been prepared under the historical cost convention.

### 3 SIGNIFICANT ACCOUNTING POLICIES

- Preparation of financial statements in conformity with approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgments in the process of applying company's policies. Estimates and judgments are continually evaluated and are based on historical experience, including future events expectations. The areas where assumptions and estimates are significant to the company's financials, are exercised for calculation of provision for doubtful balances, income taxes, useful life and residual values of property plant and equipments, and others as and where considered necessary.

#### STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

- 3.1 The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the dates given against each:

##### 3.1.1 THE FOLLOWING STANDARDS, AMENDMENTS AND INTERPRETATIONS OF APPROVED ACCOUNTING STANDARDS BECAME EFFECTIVE DURING THE YEAR:

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2013, are considered not to be relevant or to have any significant impact on the company's financial reporting and operations.

##### 3.1.2 NEW ACCOUNTING STANDARDS AND IRFIC INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the company's operations or not expected to have significant impact on the company's financial statements other than increase in disclosures in certain cases, unless stated otherwise.

- IFRS 2 "Share-based payments" (effective for annual period beginning on or after July 01, 2014)
- IFRS 3 "Business combinations" (effective for annual period beginning on or after July 01, 2014)
- IFRS 8 "Operating segments" (effective for annual periods beginning on or after July 01, 2014)
- IAS 16 "Property, plant & equipment" (effective for financial years beginning on or after July 01, 2014 and January 01, 2016)
- IAS 19 "Employee benefits" (effective for financial years beginning on or after July 01, 2014)
- IAS 24 "Associates and Joint ventures" (effective for financial years beginning on or after July 01, 2014)
- IAS 32 "Financial Instruments: (Presentation)" (effective for financial years beginning on or after January 01, 2014)
- IAS 36 "Impairment of assets" (effective for financial years beginning on or after January 01, 2014)
- IAS 39 "Financial Instruments: (Recognition and measurement)" (effective for financial years beginning on or after January 01, 2014)

- IAS 40 "Investment property" (effective for annual period beginning on or after July 01, 2014)
- IAS 41 "Agriculture" (effective for annual period beginning on or after January 01, 2016)
- IRFIC 21 "Levies" (effective for annual period beginning on or after January 01, 2014)

In addition to the above amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2014. The company expects that such improvements to the standards will not have any material impact on the company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

IFRS 1 - First time adoption of International Financial Reporting Standards

IFRS 9 - Financial instruments

IFRS 10 - Consolidated financial statements

IFRS 11 - Joint arrangements

IFRS 12 - Disclosure of interest in other entities

IFRS 13 - Fair value measurement

### 3.1.3 Standards, Interpretations and amendments to published approved standards that are not yet effective and not considered relevant to the company

There are other standards, amendments to published approved standards and new interpretations that are mandatory for accounting periods beginning on or after 01 July, 2013 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.

### 3.2 Property, Plant and Equipment (owned)

These are stated at cost less accumulated depreciation less accumulated impairment loss. The company has no Property, Plant and Equipments.

#### Depreciation

Depreciation on all fixed assets is charged to profit or loss account on the reducing balance method.

The Company has disposed of all its fixed assets, therefore no depreciation has been provided for.

### 3.3 Investments

Classification of investments is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisitions, except for "Investments at fair value through profit or loss" which is initially measured at fair value. The Company assesses at the end of each reporting period whether there is any objective evidence

### 3.4 Taxation

#### Current

Provision for current taxation is based on taxable income at current tax rates after taking into account tax rebates and tax credits available, if any.

### 3.5 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists the assets' recoverable amount 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 after adjustment of surplus against revaluation of fixed assets.

### 3.6 Financial Instruments

Financial instruments are carried on the balance sheet date include investments, trade debts, loans and advances, other receivables, cash and bank balances, accrued mark up and trade and other payables etc. Financial assets and liabilities are recognized when the company becomes party to the contractual provision of the 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 initially measured at fair value.

Financial assets are de-recognized when the company loses control of the contractual rights that comprise the financial asset.

### 3.7 Staff Benefits

The company operates an unapproved unfunded gratuity scheme for all its permanent employees who have completed a minimum qualified period of service, and currently there is no permanent employee of the Company. Hence no provision for gratuity has been provided for.

### 3.8 Financial Assets and Liabilities

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument and de-recognized when the company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired, Financial instruments are initially recorded at cost on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting date. The gain or loss relating to financial instruments is recognized immediately in the profit and loss account for the year.

The particular recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments.

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

### 3.9 Revenue Recognition

Profit on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

### 3.10 Segment Reporting

A segment is a distinguishable component within the company that is engaged in providing products and under a common control environment (geographical segment), which is subject to risks and returns that are different from those of other segments.

The Company has ceased its commercial operations, hence there is no need of segment reporting.

### 3.11 Trade debts and other Receivables

Trade debtors and other receivables are carried at original invoice amount less an estimate made for doubtful debts based on review of all outstanding amounts at year end. Bad debts, if any, are written off when identified. Provision for bad and doubtful debt, if any, is made after ascertaining the status.

### 3.12 Trade and other payables

Liabilities for trade and other payables are stated at their cost which is the fair value of consideration to be paid in future for goods or services whether billed to company or not.

### 3.13 Related party transaction

All transactions between company and related party are accounted for at arm's length price as an independent business in accordance with 'comparable Uncontrolled Price Method'. The company has voluntarily applied Sub-Regulation (Xiii) of listing regulations 37 notified by the Karachi Stock Exchange Limited vide circular KSE/N-269 dated January 19,2009 requires the company to place before the board of directors for their consideration and of approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions in accordance with normal business price recording proper justification for using if any, alternate pricing mechanism.

### 3.14 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and balance with banks on current and

	Note	2014 Rupees	2013 Rupees
<b>4 SHORT TERM INVESTMENT</b>			
Profit receivable on investment		5,745,966	-
		<u>5,745,966</u>	<u>-</u>

This represents Musharika Certificate of First Habib Modaraba carrying return at the rate ranging between 8.83% to 9% (2013: Nil). The certificates are due to mature upto August 2014.

<b>5 SHARE DEPOSIT MONEY</b>	<b>5.1</b>	<u>5,510,000</u>	<u>5,510,000</u>
------------------------------	------------	------------------	------------------

The share deposits money was acquired in 2001 by the current management, the Company is of the view that conversion of the deposits depends upon the revival of the Company, as such, till such time these have been retained in the said status.

The Company is of the view that Provisions of Section 71 of the Companies Ordinance 1984 are not applicable because of special conditions the Company is passing through and is negotiating with the contributories for the conversion of these deposits into loans.

### 6 TRADE AND OTHER PAYABLES

Trade creditors	151,830	214,500
Income tax payable	-	148,020
Audit fee payable	85,000	110,000
	<u>236,830</u>	<u>472,520</u>

## 7 CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

- 7.1.1 Property Tax Appeal:** Department has filed a claim amounting to Rs. 2.8 millions against the company which is pending for hearing before the Director Excise and Taxation, Lahore. The management is hopeful that the matter will be resolved in favour of company.
- 7.1.2 Sales Tax Appeal:** Department has filed a claim amounting to Rs 2 millions against the company which is pending for hearing before the Additional Collector Adjudication, Lahore. The management is hopeful that the matter will be resolved in favour of company.
- 7.1.3 Company has file an appeal before Commissioner inland Revenue (Appeal) against order of Assistant Commissioner Inland Revenue.** Amount of Revenue involved is Rs. 2,303,985. For which provision is not accounted for in the financial statements. The management is hopeful that the matter will be resolved in favour of company.
- 7.1.4 Commitments** There were no commitments as at balance sheet date. (2013:Nil)

	Note	2014 Rupees	2013 Rupees
<b>8 ADMINISTRATIVE AND SELLING EXPENSES</b>			
Advertisement Expenses		46,475	
Office Expenses		107,100	57,190
Fee & Subscription		104,235	400,200
Balance written off		-	4,355,322
Audit fee		75,000	143,000
Printing & Stationery		22,135	-
Boarding & Lodging		17,435	-
Conveyance Expenses		1,600	-
Entertainment Expenses		3,900	-
Legal and Professional Charges		-	248,800
		377,880	5,204,512

- 8.1** The number of employees at the end of the year were two (2), working without any remuneration.

### 9 OTHER INCOME

Balances written off - trade creditors	-	7,010,498
Reversal of overstated expenses	-	525,752
Profit on investment	329,968	-
	329,968	7,536,250

## 10 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of directors, major shareholders, key management personnel, associated companies, entities with common directors. Significant transactions other than those disclosed elsewhere in these financial statements. Are as follows:

Party name			
Mr. Tahir Bashir Khan (Director)	Other receivables	-	4,207,415
Mr. Salman Mahmood (Director)	Long term loan to directors	-	1,217,300

## 11 EARNINGS PER SHARE

	2014	2013
	Rupees	Rupees
Profit/ (Loss) for the year	(47,937)	2,329,090
Number of ordinary shares	(Number) 4,000,000	4,000,000
Profit / (loss) per share	(0.01)	0.58

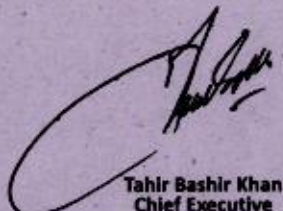
11.1 There is no dilutive effect on the basic earnings / (loss) per share of the Company.

## 12 DATE OF AUTHORIZATION

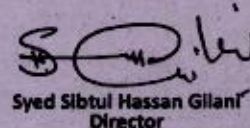
These financial statements have been authorized for issue on 01 OCT 2014 by the Board of Directors of the Company.

## 13 GENERAL

Figures have been rounded off to the nearest of rupees, unless otherwise stated.



Tahir Bashir Khan  
Chief Executive



Syed Sibtul Hassan Gilani  
Director

## FORM OF PROXY

Folio No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

I / We \_\_\_\_\_

of \_\_\_\_\_

being member (s) of Libaas Textile Limited \_\_\_\_\_

hereby appoint Mr./Mrs \_\_\_\_\_

of \_\_\_\_\_

failing him /her Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_

(being the member of the Company) as my / our proxy to attend, act and vote for me/us on my/our behalf at 23<sup>rd</sup> Annual General Meeting of the company to be held on Friday, October 31, 2014 at Lahore and at any adjournment thereof:-

As witness my/ our hand(s) this \_\_\_\_\_ day of October, 2014.

Witness:	(1)	(2)	
Signature:	_____	_____	Signature and Revenue stamp

Name: \_\_\_\_\_

CNIC #: \_\_\_\_\_

Address: \_\_\_\_\_

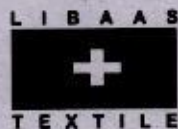
**Important:**

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, 82-N, Model Town Ext, Lahore not less than 48 hours before the time of holding the meeting.
2. No person shall be proxy unless he himself / himself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and / or more than one instruments of proxy are deposited by a member with the Company, all such instruments shall be rendered invalid.

**For CDC Accountholders / Corporate Entities:**

In addition to the above, the following requirements have to be met:

- (i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the proxy form.
- (ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with proxy form.
- (iii) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- (iv) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



Registered Office: 82-N Model Town Ext, Lahore Pakistan.  
Ph: +92-42-35161424-5 Fax: +92-42-35160393 E-mail: [libaas@ghaniglobal.com](mailto:libaas@ghaniglobal.com)