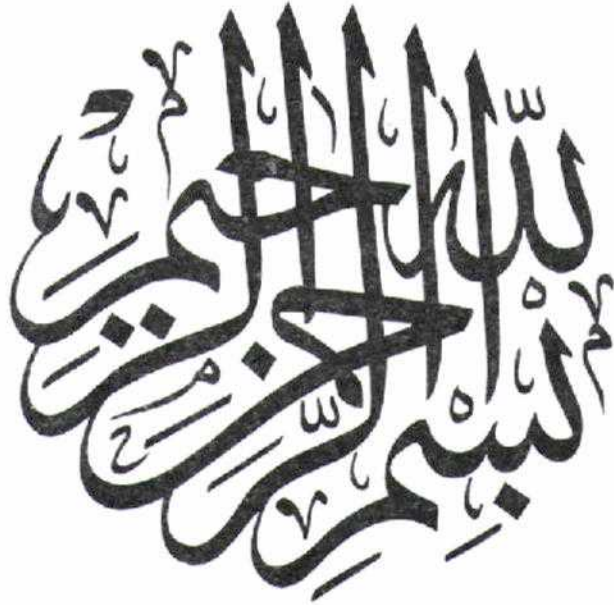


Annual Report 2015



MUBARAK

TEXTILE MILLS LIMITED



24th
ANNUAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2015

VISION STATEMENT

To Be Dynamic, Profitable and Growth Oriented Company

MISSION STATEMENT

To be a foremost company receptive to the needs of our Customers acknowledged for consistently providing fine Quality Product and services by understanding the behavior and preparing fully to meet the challenges of global Market standards and making best efforts in production planning quality of products and marketing strategies and so give consistent financial return to the shareholders on their investment.

ANNUAL REPORT 2015

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MUBARAK TEXTILE MILLS LIMITED

COMPANY PROFILE

BOARD OF DIRECTORS	MR. ZULFIQAR ALI CH. NASEER AHMED MR. ABDUL SHAKOOR SYED HAMEED-UD-DIN MR. IMTIAZ HUSSAIN QURESHI MR. NADEEM ABBAS MR. NAFEES IQBAL	CHIEF EXECUTIVE
AUDIT COMMITTEE	MR. NADEEM ABBAS CH. NASEER AHMED MR. NAFEES IQBAL	CHAIRMAN MEMBER MEMBER
COMPANY SECRETARY	MR. ABDUL SHAKOOR	
CHIEF FINANCIAL OFFICER	M. BABAR KHAN	
AUDITORS	M/S. AHMED MUSHIR & CO., CHARTERED ACCOUNTANTS ENGAGEMENT PARTNER SYED MUHAMMAD HASSAN ALI QADRI	
SHARE REGISTRAR	HAMEED MAJEED ASSOCIATES (PVT) LTD. H.M. HOUSE, 7-BANK SQUARE, LAHORE.	
BANKERS	HABIB METROPOLITAN BANK LTD FAYSAL BANK LIMITED	
REGISTERED OFFICE / MILLS	20-KM OFF FERROZEPUR ROAD, LAHORE, PAKISTAN. TEL: 042-35950674 FAX: 042-35950675	
WEB MAIL	mtmpk.com	
E-Mail	mubarak_textile@yahoo.com	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 24th Annual General Meeting of the Shareholders of MUBARAK TEXTILE MILLS LIMITED, will be held on Saturday the 31st day of October, 2015 at 11:00 a.m. at 20-KM Off Ferozepur Road, Lahore to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the last Annual General Meeting held on 31.10. 2014.
2. To receive, consider and adopt the Audited Accounts together with Directors' and Auditors' Reports for the year ended 30th June, 2015.
3. To appoint auditors for the year ending 30th June, 2016 and fix their remuneration.

ANY OTHER BUSINESS

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

By Order of the Board

LAHORE
Dated: 7th October, 2015

S/d
(ABDUL SHAKOOR)
Company Secretary

NOTES:

1. The share transfer books of the Company shall remain closed from 27th October, 2015 to 05th November, 2015 (both days inclusive).
2. 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. Proxies in order, to be valid must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.
3. CDC shareholders desiring to attend the meeting are requested to bring their original National Identity Cards, Account/Sub Account and particular of participants I.D. numbers and account numbers in CDC, for identification purpose, and in case of proxy, to enclose an attested copy of his/her National Identity Card.
4. Shareholders are requested to notify the Company of any change in their addresses.

DIRECTORS' REPORT

Dear Members,
Assalam-u-Alaikum,

The Directors of your Company are pleased to present before you the Audited Profit & Loss Account, Balance Sheet, Cash Flow Statement and Statement of Changes in Equity for the year ended than as at 30th June, 2015 alongwith Directors' and Auditors' Reports thereon.

FINANCIAL HIGHLIGHTS/RESULTS JUNE, 20 15.

	June, 2015 Rupees	June, 2014 Rupees
Sales/Processing Income	-	-
Operating Profit/(Loss)	(4,318,019)	(4,039,666)
Financial Cost	2,978,725	2,872,603
Taxation for the Year	474,177	957,309
Profit/(Loss) for the year	(465,669)	(1,487,521)
Profit/(Loss) Per Share	(0.09)	(0.28)

The Company earned profit before taxation for Rs. 8,508 after providing for all the administrative and financial charges including depreciation for Rs. 1,050,276 as compared to pre-tax Loss of Rs. (530,212) of the last year.

Due to non favourable working conditions prevailing in the Industry, Energy crises and tight liquidity position, the management could not involve in any business activity and just relied on the rental income so earned and met the necessary / immediate obligations. The management is looking for the better conditions / opportunities for the business to restart/re-run and make the feasible the project.

AUDITOR'S REPORT TO THE MEMBERS:

In reply to auditors observations your directors have the following view:

1. Balance confirmation letters were sent directly to the Debtors & Creditors by the auditors. It's the responsibility of the parties to response.
2. Since the project is being run on conversion basis and according to commercial work requirement the personnel is hired temporarily according to the demand, so there no permanent employees are there and therefore neither provision for gratuity is made and nor any actuarial is conducted.
3. Regarding going concern management of the Company have view that currently revenue being earned from rental income are sufficient to meet the immediate obligations of the Company. For future obligations the management is working on trading in the field of textile products and hope be successful and will be meeting its obligations and there will be no doubt to be a going concern.
4. Due to issue of margin to be maintained in Deposits and limit amount, the Faysal Bank Ltd., do not issued facility letter and kept pending the matter, however, the negotiations with the bank are on way and the issue will be hopefully resolved in couple of days. Mean while it is requested to the bank to confirm our Auditors the amount of mark up payable as at 30.06.2015 . here we would like to mention that the monthly statements of mark up received from the bank and payment against the same made to the bank was provided to the Auditors and outstanding mark up could be ascertained.

5. As far as the compliance of IAS-16 is concerned, the management of the company understand that due to limited resources it is not affordable from an independent valuer, however, to comply with the Standard, Insha Allah will be got conducted in the financial year ending on 30.06.2016. according to Auditors Report, we understand there is no indicators of impairment of the same as there is no Machinery & equipment , but only the Land & building and the same on lease/ rent and the repair and maintainance is carried as and when required to keep the same in good/working condition.

TRADING IN THE SHARES OF THE COMPANY:

No trading in the Shares of the Company was carried out by the Directors, CEO, CFO , Company Secretary and their spouses and minor children.

BOARD MEETING:

During the year 5 Board meeting were held, which were attended as follows.

1.	Mr. Zulfiqar Ali	5
2.	Mr. Imtaiz Hussain Qureshi	5
3.	Ch. Naseer Ahmad	4
4.	Syed Hameed-ud-din	5
5.	Mr. Nadeem Abbass	5
6.	Mr. Nafees Iqbal	4
7.	Mr. Abdul Shakoor	5

Leave of absence were granted to the directors who could not attend the board meeting.

KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS:

PARTICULARS	2015	2014	2013	2012	2011	2010
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
PAID UP CAPITAL	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000
FIXED ASSETS AT COST	27,746,431	28,796,707	29,920,214	31,124,501	32,418,346	52,283,721
ACCUMULATED DEPRECIATION	25,733,051	24,682,775	23,559,268	22,354,981	21,061,136	101,262,753
CURRENT ASSETS	12,291,962	12,100,021	12,157,555	13,012,597	13,310,322	18,127,296
CURRENT LIABILITIES	62,799,662	63,192,328	62,745,848	63,275,763	62,046,459	86,561,845
SALES	-	-	-	-	10,500,400	20,391,091
OTHER INCOME	7,305,252	6,382,057	8,282,086	6,272,874	(7,444,020)	2,830,628
PRE-TAX PROFIT/(LOSS)	8,508	(530,212)	(1,211,205)	(2,864,855)	(11,987,208)	1,154,517
TAXATION	474,177	957,309	793,209	606,019	313,869	403,865

AUDITORS:

The present auditors M/s. Ahmed Mushier & Co. Chartered Accountants retired and being eligible offer themselves as external auditors of the Company for the year 2015-2016.

PATTERN OF SHARE HOLDING:

The pattern of shareholding is annexed to report. The statement is prepared in accordance with the code of corporate Governance.

DIVIDEND:

Due to tight liquidity position the board of Directors has decided to pass over the dividend.

CORPORATE GOVERNANCE:

As required by the Code of Corporate Governance (CCG), the Board of Directors hereby declares that:

1. The financial statements for the year ended June 30, 2015 present fair view of state of affairs; the result of its operations, Cash Flows and Changes in equity.
2. The proper books of accounts have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended June 30, 2015 and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standard (IAS) as applicable in Pakistan have been followed in the preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored
6. There is no doubt about the Company to continue as going concern.
7. There is no material departure from best practices of Corporate Governance as detailed in listing regulations.

LABOUR / MANAGEMENT RELATIONS:

Relations between Management and the employees / workers remained cordial throughout the year. The management places on record its appreciation for the dedication and the hard work of the employees for the progress of the company and hope they will continue their cooperation and team spirit for the prosperity of the company.

For and on behalf of the Board

Lahore.
Dated: 7th October, 2015

(Zulfiqar Ali)
Chief Executive

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CORPORATE GOVERNANCE TO THE MEMBERS

This statement is being presented to comply with the code of Corporate Governance contained in the Listing Regulations # 35 of the Karachi Stock Exchange Ltd., for the purpose of establishing a frame work of good Governance, whereby a listed Company has applied the principles contained in the CCG in the following manners:

1. The Company encourages representation of independent Non-Executive Directors representing minority interest on its Board of Directors and present Board includes two non-executive Directors. The Compliance regarding independent Directors will be made in next election of the Board of Directors.
2. The Directors have confirmed that non of them is serving as a Director in more than seven Listed companies including this company.
3. All the resident Directors of the Company are registered as tax payers and non of them has defaulted in payment of any bank loan or DFI or an INBFI or not being a member of Exchange has been declared as a defaulted by the Exchange(s)
4. The Company has prepared the statement of ethics and business practices to establish the standard of conduct and ensured that appropriate steps have been taken to disseminate it through out the company which have been signed by the Directors and Employees of the company.
5. The Board have developed a 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 has been maintained.
6. All the powers of the Board have duly been exercised and the Board has taken decisions on material transactions including appointment, determination of remuneration and terms & conditions of employment of CEO and other Executive Directors have been taken by the Board/Shareholders.
7. 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 meeting met at least once in every quarter. Written notices of the Board meeting along with agenda and working papers were circulated at least seven days before the meeting. The minutes were appropriately circulated.
8. The Board of Directors of the Company are aware of their responsibilities and fully conversant with the provisions of the Companies Ordinance, 1984 and all other business and regulatory laws and the provisions of Memorandum & Articles of Association required for managing the affairs of the Company on behalf of Shareholders.
9. The Board has approved the appointment of CFO, Company Secretary and head of internal audit including their remuneration and terms & conditions of employment as determined by the Chief Executive officer.
10. The Directors Report for this year has been prepared in compliance with requirement of the code and fully describes all the matters to be disclosed.
11. The Financial Statements of the company were duly endorsed by CEO, and CFO before approval of the Board.
12. The Directors, CEO and Executive do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
13. The Company has complied with all the corporate and financial reporting requirements of the CCG.
14. The Board has formed an audit committee comprising of three members out of which two are non-executive Directors and Chairman of Committee is an executive Director.

15. The meeting of the Audit Committee were held at least once in every quarter prior to approval of interim and final results of the Company as required by CCG. The terms of references of the committee have been formed and advised to the committee for compliance.
16. The Board has set up an internal audit function, the audit staff in suitably qualified and experienced for the said purpose and are conversant with the policies and procedures of the company and they are involved in the internal audit function on full time basis.
17. The statutory Auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor childrens do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants(IFAC) guidance of Code of ethics as adopted by institute of Chartered Accountants of Pakistan.
18. 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 regards.
19. The Board has formed an HR and remuneration Committee, it comprises of three members, of whom two are non-executive Directors and Chairman of the Committee is executive Director.
20. The closed period, prior to announcement of interim/ final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to the Directors, employees & stock exchange(s).
21. Material/ price sensitive information has been disseminates among all market participants at once through Stock Exchange(s).
22. We confirm that all other material principles contained in the code have been complied with.

For and on behalf of the Board

Lahore:
Dated: 07th October, 2015

(Zulfiqar Ali)
Chief Executive

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 MUBARAK TEXTILE MILLS LIMITED for the year ended June 30, 2015 to comply with the requirement of Listing Regulation No. 35 Chapter XI of the Karachi and Lahore Stock Exchanges 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 requirement of the code. A review is limited primarily to inquiries of the company's personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system 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 the 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 approval of the related party transactions by the Board of Directors upon recommendation of the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

'Based on our review, except for our reservation detailed in our report on the company's financial statements for the year ended June 30, 2015, 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 of Corporate Governance, as applicable to the company for the year ended June 30, 2015.

Lahore

Dated: 7th October 2015

AHMED MUSHIR & CO.,
CHARTERED ACCOUNTANTS

ENGAGEMENT PARTNER
SYED MUHAMMAD HASSAN ALI QADRI

STATEMENTS OF ETHICS & GOOD BUSINESS PRACTICES

1. Companies' interest & loyalty.
2. Contribution to society & human well being.
3. Avoid harm to others.
4. Honesty to Trustworthiness.
5. Respect the privacy of others.
6. Honor confidentiality.
7. Strive to achieve the highest quality, effectiveness and dignity in both process of product.
8. Acquire and maintain professional competence.
9. Know and respect laws pertaining to professional work.
10. Accept and provide appropriate professional review.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of MUBARAK TEXTILE MILLS LIMITED as at June 30, 2015 and the related profit & 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:

1. We did not received direct balance confirmation from parties, including debtors amounting to Rs.9.765 million, creditors amounting to Rs. 28.518 million and advance payments, representing credit balances of debtors amounting to Rs.1.150million. The company has not performed any age analysis of debtors. Moreover, the company has not complied with the requirement of IFRS-7 with respect to debtors past due but not impaired.
2. The actuarial valuation of gratuity obligation payable to the employees as on June 30, 2015 and June 30, 2014, was not carried out (refer to note 13 of the financial statement), neither any provision was made for existing employees. Had the company provided for such provision on approximate basis the liability would have been Rs. 699,000/-. Due to the said reason we were unable to express our opinion on the adequacy of the said liability as at June 30, 2015 and June 30, 2014.
3. The financial statements of the company have been prepared assuming that company will continue as a going concern as explained in note 2.1 to the accounts. The company has suffered a Loss of Rs. 0.466 Million during the year ended June 30, 2015, however as of that date the company's current liabilities exceed its current assets by Rs. 50.507 million. In our opinion these factors raise the doubt that the company may not be able to continue as a going concern.
4. As explained in the note 15, the Company has obtained short term running facility from Faysal Bank Limited amounting to Rs. 28.8 million, which has not been renewed since January 01, 2015. Though we have received the direct confirmation which states the outstanding balance of the said facility; but markup payable amounting to Rs.0.535 million, was not confirmed by the bank. Resultantly we are unable to verify the accrued mark up and closing balance in absence of such external confirmation, as required by the ISA-505 "External Confirmations".

5. Management has not revalued its property, plant and equipment as required by IAS-16 "Property, Plant and Equipment" to be carried out on consistent basis, ideally after every three years by the independent valuer. Due to cessation of operations indicators of impairment of property plant and equipment exist. Management has not performed any impairment test with regard to such assets.

Except for the contents of the preceding paragraphs from 1 to 5 and the extent to which they affect the annexed financial statements, we report that:

- a) In our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) In our opinion
- I) the balance sheet and profit & loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
- II) The expenditure incurred during the year was for the purpose of the Company's business; and
- III) The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- c) In our opinion because of the matters stated from paragraph 1 to 5, the financial statements do not give a true and fair view of the financial position of the company and of its financial performance and of the loss, its cash flows and statement of changes in equity together with notes forming part thereof for the year ended June 30, 2015.
- d) In our opinion no Zakat was deductible at source under the Zakat and ushr Ordinance, 1980 (XVIII of 1980).

Lahore

Dated: 7th October 2015

AHMED MUSHIR & CO.,
CHARTERED ACCOUNTANTS

ENGAGEMENT PARTNER
SYED MUHAMMAD HASSAN ALI QADRI

BALANCE SHEET AS AT JUNE 30, 2015

	NOTE	2015 (Rupees)	2014 (Rupees)
NON CURRENT ASSETS			
Property, Plant and Equipment	3	27,746,431	28,796,707
Long Term Deposits	4	954,408	954,408
CURRENT ASSETS			
Trade debtors	5	9,765,456	9,902,861
Loans and advances	6	284,457	212,116
Deposits and prepayments	7	520,418	305,852
Tax refunds due from the Government	8	1,636,039	1,636,039
Cash & bank balances	9	85,592	43,153
		12,291,962	12,100,021
		40,992,801	41,851,136
EQUITY & LIABILITIES			
CAPITAL & RESERVES			
Share Capital	10	54,000,000	54,000,000
Unappropriated loss		(95,221,007)	(94,879,724)
Shareholders Equity		(41,221,007)	(40,879,724)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	11	7,815,208	7,939,594
NON CURRENT LIABILITIES			
Long Term Loan	12	11,598,938	11,598,938
DEFERRED LIABILITIES			
	13	-	-
CURRENT LIABILITIES			
Trade & other payable	14	32,689,931	33,055,610
Accrued mark up on Short term running finance		535,034	405,468
Short term running finance - Secured	15	28,773,047	28,773,941
Provision for taxation	16	801,650	957,309
		62,799,662	63,192,328
Contingencies and Commitments	17	-	-
		40,992,801	41,851,136

The annexed notes from 1 to 30 form an integral part of these Financial Statements.

Mr. Zulfiqar Ali
Chief Executive

Mr. Nafees Iqbal
Director

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>NOTE</u>	<u>2015</u> <u>(Rupees)</u>	<u>2014</u> <u>(Rupees)</u>
Sales / Processing receipts		-	-
Cost of Goods sold		-	-
Gross Loss		-	-
OPERATING EXPENSES			
Administrative	18	<u>4,318,019</u>	<u>4,039,666</u>
Operating Loss		<u>(4,318,019)</u>	<u>(4,039,666)</u>
Other operating income	19	<u>7,305,252</u>	<u>6,382,057</u>
		<u>2,987,233</u>	<u>2,342,391</u>
Finance cost	20	<u>2,978,725</u>	<u>2,872,603</u>
Net Profit / (Loss) for the year before taxation		<u>8,508</u>	<u>(530,212)</u>
Taxation	21	<u>474,177</u>	<u>957,309</u>
Net Profit / (Loss) for the year after taxation		<u>(465,669)</u>	<u>(1,487,521)</u>
BASIC EARNING / (LOSS) PER SHARE	22	<u>(0.09)</u>	<u>(0.28)</u>

The annexed notes from 1 to 30 form an integral part of these Financial Statements.

Mr. Zulfiqar Ali
Chief Executive

Mr. Nafees Iqbal
Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>NOTE</u>	<u>2015</u> (Rupees)	<u>2014</u> (Rupees)
Profit / (Loss) for the year		(465,669)	(1,487,521)
Other Comprehensive Income:		-	
Incremental depreciation transferred from revaluation surplus	11	124,386	130,932
Total Comprehensive Income / (Loss)		<u>(341,283)</u>	<u>(1,356,589)</u>

The annexed notes from 1 to 30 form an integral part of these Financial Statements.

Mr. Zulfiqar Ali
Chief Executive

Mr. Nafees Iqbal
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	NOTE	2015 (Rupees)	2014 (Rupees)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES			
Cash generated / (used) from operation	23	3,736,894	3,753,914
Taxes paid		(844,402)	(979,701)
Finance cost paid		(2,849,159)	(2,777,487)
Net cash inflow/(outflow) from operating activities		43,333	(3,274)
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES			
		-	-
CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES			
Long term loan		-	(140,000)
Net cash (outflow) / inflow from financing activities		-	(140,000)
Net increase/(decrease) in cash & cash equivalents		43,333	(143,274)
Cash & cash equivalents as at July 01, 2014		(28,730,788)	(28,587,514)
Cash & cash equivalents as at June 30, 2015	24	(28,687,455)	(28,730,788)

The annexed notes from 1 to 30 form an integral part of these Financial Statements.

Mr. Zulfiqar Ali
Chief Executive

Mr. Nafees Iqbal
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2015

	PAID UP CAPITAL	RESERVES	ACCUMULATED (LOSS)	TOTAL
	(R U P E E S)			
Balance as at July 01, 2013	54,000,000	-	(93,523,135)	(39,523,135)
Total Comprehensive Income for the year ended June 30, 2014		-	(1,356,589)	(1,356,589)
Balances as at June 30, 2014	54,000,000	-	(94,879,724)	(40,879,724)
Total Comprehensive Income for the year ended June 30, 2015			(341,283)	(341,283)
	<u>54,000,000</u>	<u>-</u>	<u>(95,221,007)</u>	<u>(41,221,007)</u>

The annexed notes from 1 to 30 form an integral part of these Financial Statements.

Mr. Zulfiqar Ali
Chief Executive

Mr. Nafees Iqbal
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1. THE COMPANY AND ITS OPERATIONS:

Mubarak Textile Mills Limited (the company) was incorporated on 11th August, 1991 as a Private Limited Company and was subsequently converted into a Public Limited Company with its shares quoted in Pakistan on the Karachi and Lahore Stock Exchanges. The registered office of the company is situated at 20 k.m off Ferozepure road Lahore. The Project is a composite Knitwear unit comprising of Knitting, Dying, Finishing, Embroidery & stitching. Presently the company is involved in Processing of dyed Fabrics. The Mill is located at 20 k.m off Ferozepure road in district Lahore in the province of the Punjab.

2. SIGNIFICANT ACCOUNTING POLICIES AND STATEMENT OF COMPLIANCE

2.1 Basis of accounting:

The company has suffered a loss of Rs 0.466 million during the year its accumulated losses as at June 30, 2015 were Rs. 95.221 million. As of this date, the company's current liabilities exceeded its current assets by Rs. 50.507 million. These factors raise substantial doubts that company will be able to continue as a going concern and therefore may be unable to realize its assets or discharge its liabilities in the normal course of business.

The management has planned to enter in trading business in the near future, however to sustain the current working capital requirements the management has leased out its property (building).

These financial statements have been prepared on a going concern basis on the assumption that company would be able to obtain the working capital from the sources referred above.

These financial statements do not include adjustments relating to recoverability and classification of recorded assets amount and classification of liabilities that may be necessary to continue as a going concern.

2.2 Statement of compliance:

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan except for the contents of note 13 and the requirement of the Companies Ordinance, 1984 (the ordinance). Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the provision of the Ordinance and the directives issued by Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Ordinance or directives issued by the SECP differ with the requirements of these standards, the requirements of the Companies Ordinance 1984 or the said directives take precedence. The principle accounting policies adopted, remained unchanged from the corresponding year.

New Standards, amendments to approved accounting standards and new interpretations

New amendments to approved accounting standards and interpretation which became effective during the year ended June 30, 2015

There were certain new amendments to the approved accounting standards and a new interpretation issued by the International Financial Reporting Interpretations Committee (IFRIC) which became effective during the year but are considered not to be relevant or have any significant effect on the company's operations and are, therefore, not disclosed in these financial statements.

New standard, amendments to approved accounting standards and new interpretation that is not yet effective and has not been early adopted by the company:

There are certain amendments to the approved accounting standards and a new interpretation issued by the international Financial Reporting Interpretation Committee (IFRIC) which will be effective after July 1, 2015 but are considered not to be relevant or are expected to have any significant effect on the company's operations and are, therefore, not disclosed in these financial statements.

2.3 Accounting convention

These financial statements have been prepared under the Historical Cost Convention and modified by revaluation of land, building and plant and machinery during the year ended 30th September, 1996 and subsequently during financial year ending September 30, 2003.

2.4 FINANCIAL INSTRUMENTS AND MEASUREMENT

Financial assets

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss:

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

b) Loans and receivables:

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

c) Available-for-sale financial assets:

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

d) Held to Maturity:

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity and are carried at amortised cost.

All financial assets are recognised at the time when the company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised at trade date i.e. the date on which the company commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction cost for all financial assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account.

The fair value of quoted investments are based on current prices. If the market for the financial asset is not active (and for unlisted securities), the company measures the investment at cost less impairment in value if any. Available for sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held to maturity investments are carried at amortised cost using effective interest rate method.

Financial assets are derecognised when the right to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial liabilities

All financial liabilities are recognised at the time when the company becomes a party to the contractual provision of the instrument.

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

Derivative financial instruments

These are initially recorded at cost and are remeasured to fair value at subsequent reporting dates.

Off - Setting

A financial asset and financial liabilities of a particular party is offset against each other and the net amount is reported in the balance sheet if the company has a legally enforceable right to set off the recognised amount and also intends either to settle on a net basis or realise the asset and settle the liabilities simultaneously.

2.5 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 any such indication exist, the assets recoverable amount is estimated and impairment losses are recognised.

2.6 Staff Retirement Benefits

The company operates an un-funded Gratuity Scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme. Provision for gratuity is made annually to cover obligation under the scheme. In accordance with the actuarial recommendations. Liability is provided annually on the basis of last drawn salary, length of service of the employee.

2.7 Property, Plant and Equipment

Property, Plant and Equipments are stated at cost or revaluation less accumulated depreciation except freehold land which is stated at cost or revaluation. Surplus arising out of revaluation of Property, Plant and Equipment is directly transferred to "Surplus on Revaluation of Property, Plant and Equipment".

Depreciation is charged to income applying the reducing balance method at the rates specified in note 3. Depreciation on additions is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain and losses on disposal of assets is taken to profit and loss account.

2.8 Assets subject to finance lease

Leases of property, plant and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance lease balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. Finance cost are charged to the Profit and Loss Account over the lease period. Property, plant and equipment acquired under finance leases are depreciated at the rates stated in note 3.

2.9 Taxation

2.9.1 Current

Provision for current taxation is based on the taxable income at the current rates of taxation (it may be pointed out that the taxable income falls under the presumptive tax regime) after taking into account tax credits and tax rebates available, if any.

2.10 Store and spares

These are valued at moving average cost.

2.11 Provisions

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

2.12 Cash and cash equivalent

For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand with banks and short term borrowings.

2.13 Revenue recognition

Local sales are recorded on dispatch of goods to the customers.

Export sales are accounted for on shipment basis and exchange difference if any on account of export proceeds are adjusted in the period of realization. Export bills receivable at the balance sheet date are accounted for at the value realised subsequently.

Processing charges are booked on completion of jobs.

2.14 Foreign Currency translation

Transactions in foreign currencies are translated into Pak rupees at the rates of the exchange approximately those prevailing on the date of transactions. Monetary assets and liabilities at rates of exchange ruling on the balance sheet date. Exchange differences are included in profit and loss account currently.

2.15 Borrowing Cost

Borrowing cost related to the financing of major projects is capitalized. All other borrowing costs are expensed as incurred.

2.16 Trade Debtors

Trade debtors originated by the company are recognized and carried at original invoice less any allowance for any uncollectible amounts. Known bad debts, if any, are written-off and provision is made against debts considered doubtful.

2.17 Contingencies and commitments

Capital commitments and contingencies, unless those are actual liabilities, are not incorporated in the accounts.

2.18 Trade and other payables

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

3 PROPERTY, PLANT AND EQUIPMENT

Particulars	COST / REVALUATION				DEPRECIATION				W.D.V. As at June 30, 2015	
	As at July 01, 2014	Additions / Transfer	Deletions	As at June 30, 2015	As at July 01, 2014	Deletion/ Adjustment	Transfer	Charged for the year		To June 30, 2015
				Rate %						
OWNED:										
Land - freehold	9,700,000	-	-	9,700,000	-	-	-	-	-	9,700,000
Building on freehold land	37,976,096	-	-	37,976,096	5	20,168,781	-	890,366	21,059,147	16,916,949
Electric installations	3,656,657	-	-	3,656,657	10	3,084,421	-	57,224	3,141,645	515,012
Fire fighting equipment	102,220	-	-	102,220	10	87,739	-	1,448	89,187	13,033
Tube well	399,050	-	-	399,050	10	253,634	-	14,542	268,176	130,874
Sui gas installation	947,099	-	-	947,099	10	659,541	-	24,756	724,297	222,802
Vehicles	698,360	-	-	698,360	20	368,659	-	61,940	450,599	247,761
Rupees	53,479,482	-	-	53,479,482		24,682,775	-	1,050,276	25,733,051	27,746,431

Particulars	COST / REVALUATION				DEPRECIATION				W.D.V. As at June 30, 2014	
	As at July 01, 2013	Additions / Transfer	Deletions	As at June 30, 2014	As at July 01, 2013	Deletion/ Adjustment	Transfer	Charged for the year		To June 30, 2014
				Rate %						
OWNED:										
Land - freehold	9,700,000	-	-	9,700,000	-	-	-	-	-	9,700,000
Building on freehold land	37,976,096	-	-	37,976,096	5	19,231,554	-	937,227	20,168,761	17,807,315
Electric installations	3,656,657	-	-	3,656,657	10	3,020,830	-	63,582	3,084,421	572,236
Fire fighting equipment	102,220	-	-	102,220	10	86,130	-	1,609	87,739	14,481
Tube well	399,050	-	-	399,050	10	237,477	-	16,157	253,634	145,416
Sui gas installation	947,099	-	-	947,099	10	672,034	-	27,507	699,541	247,558
Vehicles	698,360	-	-	698,360	20	311,234	-	77,425	388,659	309,701
Rupees	53,479,482	-	-	53,479,482		23,559,268	-	1,123,507	24,682,775	26,796,707

3.1 As company has ceased its operations therefore all depreciation has been charged to Administrative expenses
 3.2 Had There been no revaluation of Property Plant and Equipment the cost would have been Rs. 71,483,207/- (2014: 71,483,207/-) as referred in note 11.2

4	LONG TERM DEPOSITS	NOTE	2015 (Rupees)	2014 (Rupees)
	Comprise of securities/deposits in respect of:			
	Telephone		31,000	31,000
	Electricity		167,880	167,880
	Gas cylinder		721,700	721,700
	Other		33,828	33,828
			<u>954,408</u>	<u>954,408</u>
5	TRADE DEBTORS			
	Un Secured - Considered Good		<u>9,765,456</u>	<u>9,902,861</u>
	These are related to local sales and processing receipts and are unsecured but considered good by the management. However it shall be noted that the company has not maintained any aging for the debtors past due but not impaired as per IFRS - 7 Financial Instruments: Disclosures. Moreover no impairment of receivables was charged during the year.			
6	LOANS AND ADVANCES	NOTE	2015 (Rupees)	2014 (Rupees)
	Employees - Considered Good		<u>284,457</u>	<u>212,116</u>
7	DEPOSITS AND PREPAYMENTS			
	Advance income tax		<u>520,418</u>	<u>305,852</u>
8	TAX REFUNDS DUE FROM THE GOVERNMENT			
	Sales tax refundable		1,531,023	1,531,023
	Income tax refundable		105,016	105,016
			<u>1,636,039</u>	<u>1,636,039</u>
9	CASH AND BANK BALANCES			
	In hand		70,958	5,899
	Cash with banks			
	On current accounts		14,634	37,254
			<u>85,592</u>	<u>43,153</u>
10	SHARE CAPITAL			
	Authorized			
	8,000,000 (2014: 8,000,000) Ordinary shares of Rs. 10 each		<u>80,000,000</u>	<u>80,000,000</u>
	Issued subscribed and paid up			
	5,400,000 (2014: 5,400,000) Ordinary shares of Rs. 10 each			
	Issue for cash		<u>54,000,000</u>	<u>54,000,000</u>
11	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
	Revaluation of Property, Plant and Equipment on 30 th September, 1996 has been carried out by independent valuers Messrs Tracom (Pvt) Ltd registered surveyors and valuation consultants on the basis of prevailing market value and replacement value in respect of land, building and plant and machinery respectively and further verified by M/s Yousaf Adil & Co. Chartered Accountants and later on revaluation was again carried out by independent valuers M/s Hamid Mukhtar & Co (Pvt) Ltd. on June 20, 2003 on the basis of market value and further verified by the same auditors.			
		NOTE	2015 (Rupees)	2014 (Rupees)
	Surplus on revaluation of Property, Plant and Equipment			
	Less:			
	Incremental depreciation upto Sep 30, 2002 transferred to statement of comprehensive income		7,939,594	8,070,526
	Incremental depreciation for the year transferred to statement of comprehensive income	11.2	(124,386)	(130,932)
	Revaluation surplus transferred on disposal of assets		-	-
			<u>7,815,208</u>	<u>7,939,594</u>
11.1	Surplus on revaluation of operating Property, Plant and Equipment to the extent of depreciation charged on appreciated value of corresponding operating Property, Plant and Equipment has been transferred to statement of comprehensive income.			

11.2 Effect of revaluation of Property, Plant and Equipment

Particulars	Original cost of Revalued Assets	Written Down Value At the time of Revaluation	Assessed value	Revaluation Surplus	Effect of Revaluation Conducted As Per Circular-29 dt. 15.10.2002 on	Net Effect of Revaluation
Land	4,248,120	4,248,120	10,749,000	6,500,880	(1,049,000)	5,451,880
Building	15,766,650	13,585,266	20,657,000	7,071,734	(821,836)	6,450,098
Plant and Machinery	51,468,437	36,989,607	88,482,000	51,492,393	(6,583,404)	44,908,989
Vehicles	-	-	-	-	278,567	278,567
	<u>71,483,207</u>	<u>54,822,993</u>	<u>119,886,000</u>	<u>65,065,007</u>	<u>(7,975,473)</u>	<u>57,089,534</u>
Less: Charged to Profit & Loss on Destruction of Plant & Machinery.	-	-	4,249,459	4,249,459	-	4,249,459
	<u>71,483,207</u>	<u>54,822,993</u>	<u>115,638,541</u>	<u>60,815,548</u>	<u>(7,975,473)</u>	<u>52,840,075</u>
Less: Incremental depreciation transferred to statement of comprehensive income upto 30 June 2014						<u>44,900,481</u> 7,939,594
Less: Incremental depreciation transferred to statement of comprehensive income for the year ended 30 June 2015					11	<u>124,386</u> <u>7,815,208</u>

12 LONG TERM LOANS
Un secured

	NOTE	2015 (Rupees)	2014 (Rupees)
Sponsor	12.1	<u>11,598,938</u>	<u>11,598,938</u>
		<u>11,598,938</u>	<u>11,598,938</u>

12.1 Term of these interest free loans have not yet been settled. These loans, however, are being considered by the company's management as long term. As the repayment terms of loans have not been finalized, Amortized cost of these loans as required by IAS-39(Financial Instruments Recognition and Measurement) cannot be calculated with sufficient reliability.

13 DEFERRED LIABILITIES
Staff Gratuity

	NOTE	2015 (Rupees)	2014 (Rupees)
Balance as at July 01, 2014		-	-
Add: Amount recognized during the year	13.1	-	-
Less: Benefits paid during the year		-	-
		<u>-</u>	<u>-</u>

13.1 The company has not charged any provision with respect to gratuity payable. The liability on approximate basis would have been Rs. 699,000/- had the company provided for such provision. Further the company had not provided for any provision for gratuity for existing employees.

14. TRADE & OTHER PAYABLE

	NOTE	2015 (Rupees)	2014 (Rupees)
Trade creditors		28,518,365	28,621,037
Accrued expenses		516,348	634,855
Advance Payment		1,150,000	1,150,000
Tax deducted at source		822,616	822,616
Unclaimed dividend		103,962	103,962
Other Liabilities		1,578,640	1,723,140
		<u>32,689,931</u>	<u>33,055,610</u>

15 SHORT TERM RUNNING FINANCE - SECURED

	NOTE	2015	2014
Faysal Bank Limited, Mullan			
Running Finance - Secured	15.1	<u>28,773,047</u>	<u>28,773,941</u>
		<u>28,773,047</u>	<u>28,773,941</u>

15.1 This represents the short term running finance facility obtained from faysal Bank Limited (formerly RBS- Royal Bank Of Scotland) with sanctioned limit of Rs. 28.8 million(2014: Rs. 28.8 million) against the deposit under lien of Rs. 28.8 million and personnel guarantee of the director of the company. It carries mark up at a rate 2 % above deposit rate(2014: 2 %). During the year mark up rate was charged ranging from 8.725 % to 10.68 % per annum (2014: 10.68 % to 13.16% per annum). This is secured against deposit under lien of PKR 28.800 million and personnel guarantees of the directors of the company. This finance facility is not renewed since January 01, 2015. The renewal remains pending in front of bank authorities.

16	PROVISION FOR TAXATION	NOTE	2015 (Rupees)	2014 (Rupees)
	Opening balance		957,309	793,209
	Add: Provision for the year		801,650	957,309
	Prior year adjustment		(327,473)	-
			<u>1,431,486</u>	<u>1,750,518</u>
	Less: Paid during the year		-	-
	Adjusted during the year against the assessment completed		629,836	793,209
			<u>801,650</u>	<u>957,309</u>
16.1	Income/ Loss declared by the company for the financial year ending June 30, 2014 (tax year 2014) have been deemed to be assessed as declared as per section 120 of the Income Tax Ordinance, 2001.			
16.2	As company has cease its operation its solely income is income from property. Therefore, company was not required to provide the deferred taxation as there will be no timing difference as per IAS-12 Income Taxes.			
17	Contingencies and Commitments			
	There is no contingency and commitment as at year end (2014: Nil)			
18	Administrative expenses			
		NOTE	2015 (Rupees)	2014 (Rupees)
	Salaries and benefits		2,227,192	2,018,859
	Traveling and conveyance		13,200	49,880
	Communication expenses		87,710	96,671
	Printing & stationery		74,170	62,493
	Rent, rates and taxes		76,412	42,275
	Fee and subscription		174,435	189,915
	Entertainment		9,762	12,406
	Repair & maintenance		71,347	-
	Auditors' remuneration	18.1	187,500	187,500
	Advertisement & Publicity		17,500	51,350
	Legal & professional charges		48,835	78,192
	Power and fuel		275,680	123,188
	Depreciation	3	1,050,276	1,123,507
	Miscellaneous		4,000	3,420
			<u>4,318,019</u>	<u>4,039,666</u>
18.1	Auditors' remuneration			
	Statutory audit		177,500	177,500
	Out of pocket expenses		10,000	10,000
			<u>187,500</u>	<u>187,500</u>
19	OTHER OPERATING INCOME			
	Rental Income		7,305,252	6,382,057
			<u>7,305,252</u>	<u>6,382,057</u>
20	FINANCE COST			
	Mark up short term running finance-secured		2,976,599	2,870,265
	Bank charges		2,126	2,338
			<u>2,978,725</u>	<u>2,872,603</u>
21	TAXATION			
	This relates to:			
	Current year		801,650	957,309
	Prior year		(327,473)	-
			<u>474,177</u>	<u>957,309</u>

		2015 (Rupees)	2014 (Rupees)
22 BASIC EARNING / (LOSS) PER SHARE			
Profit / (Loss) after Taxation attributable to ordinary shareholders		(465,669)	(1,487,521)
		Number of shares	
		2015	2014
No. of ordinary shares issued and subscribed at the end of the year		5,400,000	5,400,000
		R u p e e s	
Earning / (Loss) per share		(0.09)	(0.28)
22.1	There is no dilutive effect on the basic earning/ (Loss) per share.		
23 CASH GENERATED FROM OPERATIONS			
	NOTE	2015 (Rupees)	2014 (Rupees)
profit /(loss) before taxation		8,508	(530,212)
Adjustment for non cash charges and Other items:			
Depreciation	3	1,050,276	1,123,507
Finance cost	20	2,978,725	2,872,603
		4,029,001	3,996,110
Working capital changes	23.1	(300,615)	288,016
		3,736,894	3,753,914
23.1 WORKING CAPITAL CHANGES			
(increase) / decrease in current assets			
Trade debtors		137,405	92,300
Loans and advances		(72,341)	(1,706)
		65,064	90,594
Increase/ (decrease) in current liabilities			
Trade and other payables		(365,679)	197,422
		(300,615)	288,016
24 CASH AND CASH EQUIVALENTS			
Cash and bank balances	9	85,592	43,153
Short term running finance - Secured		(28,773,047)	(28,773,941)
		(28,687,455)	(28,730,788)

25 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial assets and liabilities

Financial assets

Interest Rate Range Per annum	2015				Total
	Mark up Bearing		Non Mark up Bearing		
	Maturity up to one year	Maturity after one year	Maturity up to one year	Maturity after one year	
Long term deposits	-	-	-	954,408	954,408
Trade debtors	-	-	9,765,456	-	9,765,456
Loans and advances	-	-	284,457	-	284,457
Deposits and prepayments	-	-	520,418	-	520,418
Cash and bank balance	-	-	85,592	-	85,592
	-	-	10,655,923	954,408	11,610,331

Financial assets

Interest Rate Range Per annum	2014				Total
	Mark up Bearing		Non Mark up Bearing		
	Maturity up to one year	Maturity after one year	Maturity up to one year	Maturity after one year	
Long term deposits	-	-	-	954,408	954,408
Trade debtors	-	-	9,902,861	-	9,902,861
Loans and advances	-	-	212,116	-	212,116
Deposits and prepayments	-	-	305,852	-	305,852
Cash and bank balance	-	-	43,153	-	43,153
	-	-	10,463,982	954,408	11,418,390

Financial Liabilities

Interest Rate Range Per annum	2015				Total
	Mark up Bearing		Non Mark up Bearing		
	Maturity up to one year	Maturity after one year	Maturity up to one year	Maturity after one year	
Long term loans	-	-	-	11,598,938	11,598,938
Short term running finance - Secured	8.725% to 10.68%	28,773,047	-	-	28,773,047
Accrued mark up on Short term running finance	-	-	535,034	-	535,034
Trade & other payable	-	-	31,867,315	-	31,867,315
		28,773,047	32,402,349	11,598,938	72,774,334

Financial Liabilities

Interest Rate Range Per annum	2014				Total
	Mark up Bearing		Non Mark up Bearing		
	Maturity up to one year	Maturity after one year	Maturity up to one year	Maturity after one year	
Long term loans	-	-	-	11,598,938	11,598,938
Short term running finance - Secured	10.38% to 13.16%	28,773,941	-	-	28,773,941
Accrued mark up on Short term running finance	-	-	405,468	-	405,468
Trade & other payable	-	-	32,232,994	-	32,232,994
		28,773,941	32,638,462	11,598,938	73,011,341

25.1 FOREIGN EXCHANGE RISK MANAGEMENT

The Company is exposed to foreign exchange risk arising from various currency exposures. Company uses forward exchange contracts, to hedge their exposure to foreign currency risk in the local reporting currency. For financial reporting purposes, Company designates contracts with Company's bankers as fair value hedges or cash flow hedges, as appropriate.

(a) **Credit Risk**

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The company does not believe it is exposed to major concentration of credit risk, however to manage any possible exposure the company applies approved credit limits to its customers.

The management monitors and limits Company's exposure to credit risk through monitoring of client's credit exposure review and conservative estimates of provisions for doubtful receivables, if any, and through the prudent use of collateral policy.

The Company is exposed to credit risk on long-term deposits, trade debts, advances, deposits and bank balances. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	2015	2014
Long term deposits	954,408	954,408
Trade	9,765,456	9,902,861
Deposits and prepayments	520,418	305,852
Cash and bank balances	85,592	43,153

(b) **Interest / Mark up rate risk**

Interest rate risk arises from the possibility that changes in interest rate will affect the value of financial instruments. The Company is exposed to interest rate risk for loans obtained from the financial institutions.

(c) **Capital Management:**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. Capital includes ordinary share capital and reserves.

(d) **Foreign currency risk**

Foreign currency risk may arise against receivable export sale to foreign undertakings, but the company is not exposed to major currency risk.

(e) **Liquidity risk**

Liquidity risk reflects company's inability in raising funds to meet commitments. The management closely monitors company's liquidity and cash flow position to ensure adequate liquidity and manage the assets keeping in view the liquidity position.

25.2 **Fair value of assets and liabilities**

The carrying value of financial assets and liabilities reflected in the financial statements approximated their fair value.

26 **REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS**

The aggregate amount charged in the accounts for the year for remuneration, including certain benefits to the chief executive and executive of the company is as follows;

Description	2015			2014		
	Chief Executive	Working Directors	Executives	Chief Executive	Working Directors	Executive
Basic salary	-	-	-	-	-	-
House rent	-	-	-	-	-	-
Other allowances	-	-	-	-	-	-
No. of person	1	1	-	1	1	-

26.1 The Chief Executive Officer and Working Director is not drawing any remuneration from the company.

27 **NUMBER OF EMPLOYEES**

	2015	2014
Number of employees as at 30 June	13	11
Average number of employees during the year	13	10

28 **RATED CAPACITY AND ACTUAL PRODUCTION**

The rated capacity and capacity attained was not disclosed as all the plant and machinery were disposed off by the company during the preceding financial year.

29 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on October 07, 2015 by the Board of Directors of the company.

30 **GENERAL**

30.1 Figures has been rounded off to the nearest rupee

30.2 Comparatives have been rearranged where necessary

Mr. Zulfqar Ali
Chief Executive

Mr. Nafees Iqbal
Director

Form 34
(Section 236)
Pattern of Holding of Shareholders
As on June 30, 2015

Number of shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total Capital
	From	To		
56	1 -	100	1,514	0.03
464	101 -	500	228,528	4.23
39	501 -	1000	36,945	0.68
50	1001 -	5000	142,508	2.64
12	5001 -	10000	93,601	1.73
8	10001 -	15000	101,000	1.87
1	15001 -	20000	16,404	0.30
1	65001 -	70000	66,000	1.22
1	70001 -	75000	71,000	1.31
1	80001 -	85000	85,000	1.57
1	100001 -	105000	100,500	1.88
1	110001 -	115000	114,000	2.11
1	405001 -	410000	409,000	7.57
1	3930001 -	3935000	3,934,000	72.85
637			5,400,000	100.00

Sr.#	Name	No of Shareholders	Shares Held	Percentage of Capital
1.	Directors, Chief Executive Officer, their spouse and minor children	7	5,000	0.0926
2.	General Public (Local)	624	5,314,999	98.4259
3.	Others	6	80,001	1.4815
	Total	637	5,400,000	100.000

PATTERN OF SHAREHOLDING AS PER REQUIREMENT OF CODE OF CORPORATE GOVERNANCE

Sr.#	Name	Shares Held	Percentage of Capital
Directors, Chief Executive Officer, their spouse and minor children			
1	MR. ZULFIQAR ALI	1,000	0.0185
2	CH. NASEER AHMED	1,000	0.0185
3	SYED HAMEED-UD-DIN	500	0.0093
4	MR. IMTIAZ HUSSAIN QURESHI	500	0.0093
5	MR. NADEEM ABBAS	500	0.0093
6	MR. NAFEES IQBAL	500	0.0093
7	MR. ABDUL SHAKOOR	1,000	0.0185
Running Total of: Directors, Chief Executive Office, and their spouse and minor children		5,000	0.0926
Banks Developments Financial Institutions, Non Banking Financial Institutions			
1	CAPITAL VISION SECURITIES PVT LIMITED	500	0.0093
2	CAPITAL VISION SECURITIES PVT LTD.	2,000	0.0370
3	TIME SECURITIES (PVT.) LTD.	10,500	0.1944
4	HUSSAIN MILLS LIMITED	66,000	1.2222
5	Y.S. SECURITIES & SERVICES (PVT) LTD.	1,000	0.0185
6	MAPLE LEAF CAPITAL LIMITED	1	0.0000
Running Total of: Banks Developments Financial Institutions, Non Banking Financial Institutions		80,001	1.4815
General Public (Local)		5,314,999	98.4259
GRAND TOTAL		5,400,000	100.0000
Shareholders having more than 5% Shares			
1	Rehan Ahmed	3,934,000	72.85
2	Muzaffar Ahmad	409,000	7.57
TOTAL		4,343,000	80.43