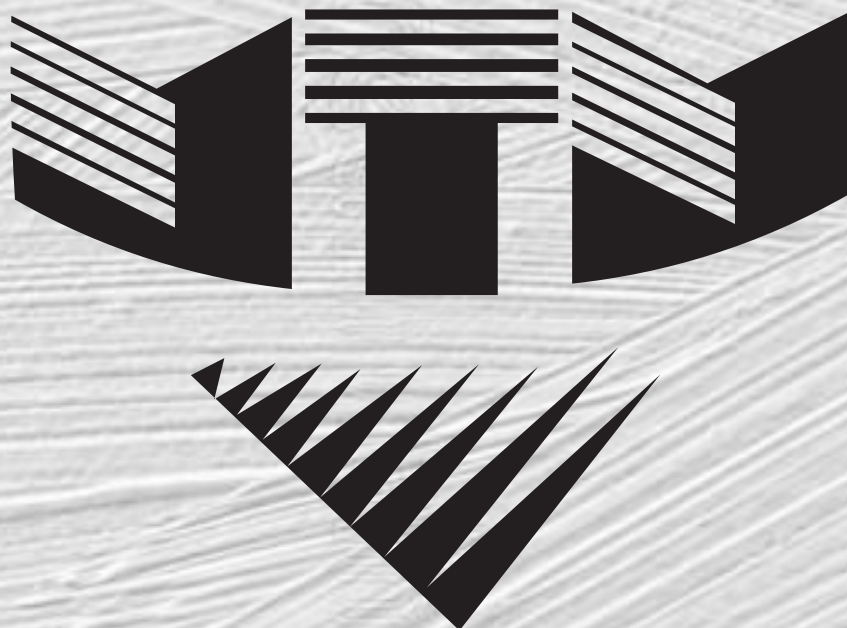


# **Annual Report**

## **2022**



**MUBARAK**

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**TEXTILE MILLS LIMITED**



**31st**

# **ANNUAL REPORT FOR THE YEAR ENDED June 30, 2022**

## **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 2022

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# **MUBARAK TEXTILE MILLS LIMITED**

## **COMPANY PROFILE**

<b>BOARD OF DIRECTORS</b>	MR. ZULFIQAR ALI CH. NASEER AHMED MR. ABDUL SHAKOOR MR. SHAKEEL AHMED MR. IMTIAZ HUSSAIN QURESHI MR. NADEEM ABBAS MR. NAFEES IQBAL MR. ABDUL JABBAR MR. ABDUL RAFFAY SIDDIQUI	CHIEF EXECUTIVE OFFICER        INDEPENDENT INDEPENDENT
<b>AUDIT COMMITTEE</b>	MR. ABDUL JABBAR MR. SHAKEEL AHMED MR. NAFEES IQBAL	CHAIRMAN MEMBER MEMBER
<b>HR AND REMUNERATION COMMITTEE</b>	MR. ZULFIQAR ALI CH. NASEER AHMED MR. ABDUL SHAKOOR	CHAIR PERSON MEMBER MEMBER
<b>COMPANY SECRETARY</b>	MR. ABDUL SHAKOOR	
<b>CHIEF FINANCIAL OFFICER</b>	M. BABAR KHAN	
<b>AUDITORS</b>	M/S Rizwan & Co. CHARTERED ACCOUNTANT	
<b>SHARE REGISTRAR</b>	HAMEED MAJEED ASSOCIATES (PVT) LTD. H.M. HOUSE, 7-BANK SQUARE, LAHORE.	
<b>BANKERS</b>	HABIB METROPOLITAN BANK LTD FAYSAL BANK LIMITED	
<b>REGISTERED OFFICE / MILLS</b>	20-KM OFF FEROZEPUR ROAD, LAHORE, PAKISTAN. TEL: 042-35950674 FAX: 042-35950675	
<b>WEB</b>	www.mtmpk.com info@mtmpk.com	
<b>E-Mail</b>	mubarak_textile@yahoo.com	

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that 31<sup>st</sup> Annual General Meeting of the Shareholders of MUBARAK TEXTILE MILLS LIMITED, will be held on Friday the 28<sup>th</sup> day of October, 2022 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 26.11.2021.
2. To receive, consider and adopt the Audited Accounts together with Directors' and Auditors' Reports thereon for the year ended 30<sup>th</sup> June, 2022.
3. To appoint auditors for the year ending 30th June, 2023 and fix their remuneration.

**ANY OTHER BUSINESS**

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

LAHORE

Dated: October 03, 2022

By Order of the Board

(ABDUL SHAKOOR)  
Company Secretary**NOTES:**

1. The share transfer books of the Company shall remain closed from 27<sup>th</sup> October, 2022 to 31<sup>st</sup> October, 2022 (both days inclusive) transfers received in order on 26<sup>th</sup> October, 2022 will be considered in time.
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-o-Alaikum,

The Directors of the Company MUBARAK TEXTILE MILLS LTD are pleased to present Annual Report of the Company for the year ended 30<sup>th</sup> June, 2022 alongwith the financial statements and Auditors' report thereon.

### FINANCIAL REVIEW:

	June, 2022	June, 2021
Sales/Processing Income	-	-
Operating Profit/(Loss)	(8,210,507)	(17,458,105)
Financial cost:	1,965	1,099
Taxation for year	1,861,931	1,830,549
Profit/(Loss) for the year	(804,697)	6,620,568
Profit/(Loss) per Share	(0.15)	1.23

The company earned profit before taxation for Rs. 1.057(M) after providing for all the administrative and financial charges including depreciation for Rs. 1.609(M) as compared to pre-tax Profit of Rs. 8.451(M) of the last year.

Due to over all crises to the industry and energy problem the Management of the company could not involve in any business activity to make viable the company. However the management is working over stitching of Knitwear garments on conversion basis shortly and hope will be successful to make the company profitable.

### AUDITORS' REPORT TO THE MEMBERS:

In reply to the Auditors' observations your Directors have the following view:

- a) As for as the adverse opinion is concerned, the Management of the Company has a view that through special resolution from members of the Company dated 31.10.2009 the approval was accorded to sale out the Plant & Machinery and put the business on rent/lease (conversion of business), which the Company is doing. We understand that basis for adverse opinion is not fair and it should not qualify the report. The Management is in the process of development of revival plan and the legal counsel of the Company is confident about the outcome of case. Once business plan will be developed, all the matters will be settled accordingly.
- b) Interest free loan from sponsors in long term loan, as and when company needs the sponsors grant and when they need back, The company pay to them.
- c) The matter will be settled after the opinion of the legal advisor.

### 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 4 Board meeting were held, which were attended as follows.

1.	Mr. Zulfiqar Ali	4
2.	Mr. Imtaiz Hussain Qureshi	4
3.	Mr. Ch. Naseer Ahmad	4
4.	Mr. Nadeem Abbass	4
5.	Mr. Nafees Iqbal	4
6.	Mr. Abdul Shakoor	4
7.	Mr. Shakeel Ahmed	4
8.	Mr. Abdul Jabbar	4
9.	Mr. Abdul Raffay Siddiqui	4

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

**KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS:**

PARTICULARS	2022	2021	2020	2019	2018	2017
	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	132,331,234	133,939,949	139,099,569	142,024,924	145,114,408	148,378,344
ACCUMULATED DEPRECIATION	2,242,126	15,096,890	12,326,110	9,004,755	6,311,271	3,047,335
CURRENT ASSETS	2,113,385	2,883,308	14,086,334	12,290,174	11,385,158	12,092,227
CURRENT LIABILITIES	42,992,295	43,182,344	42,337,216	42,002,980	33,839,082	61,547,971
SALES	-	-	-	-	-	-
OTHER INCOME	9,269,706	25,910,321	10,408,222	9,867,796	8,317,916	8,170,998
PRE-TAX PROFIT/(LOSS)	1,057,234	8,451,117	1,887,831	946,199	(3,091,640)	(343,460)
TAXATION	1,861,931	1,830,549	1,704,488	1,658,203	1,149,949	1,225,194

**AUDITORS:**

The present auditors M/s. Rizwan & Co. Chartered Accountants retired and being eligible offer themselves as external auditors of the Company for the year 2022-2023.

**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, 2022 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, 2022 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



(Zulfiqar Ali)

Chief Executive Officer

Lahore.

Dated: October 3rd, 2022

## ڈائریکٹرز رپورٹ

مبارک ٹیکسٹائل ملز لمیٹڈ (کمپنی) کے ڈائریکٹران کمپنی کی سالانہ رپورٹ برائے سال 30 جون 2022 پیش کرتے ہیں۔

June, 2021

June, 2022

مالیاتی جائزہ

-	-	فروختگی خالص
(17,458,105)	(8,210,507)	آپریٹنگ منافع (نقصان)
1,099	1,965	فنانسنگ منافع
1,830,549	1,861,931	ٹیکسیشن
6,620,568	(804,697)	منافع (نقصان) برائے سال
1.23	(0.15)	فی حصص منافع / (نقصان)

روان سال کمپنی نے ٹیکس سے پہلے (M) 1.057 روپے منافع کمایا تمام خرچے بشمول گھساوٹ (M) 1.609 روپے نکال کے بمقابلہ پچھلے سال کا منافع (M) 8.451 روپے۔  
بوجہ ہوزری کاروباری مندی اور توانائی مسائل کی وجہ سے انتظامیہ کسی کاروبار میں ملوث نہ ہو سکی۔ کوشش ہے گارمنٹس نٹ ویئر کنورژن بنیادوں پر شروع کر کے کمپنی کو نفع مند بنایا جائے۔

### کمپنی حصص کی خرید و فروخت

کمپنی حصص کے خرید و فروخت میں ڈائریکٹران، چیف ایگزیکٹو، چیف فنانشل آفسر، کمپنی سیکرٹری اور ان کے لواحقین نے کوئی حصہ نہیں لیا۔

### بورڈ ممبران

روان سال کے دوران 7 بورڈ ممبران ہوئیں ہر ایک کی حاضری درج ذیل ہے۔

4	1- ذوالفقار علی
4	2- امتیاز حسین قریشی
4	3- چوہدری نصیر احمد
4	4- ندیم عباس
4	5- نفیس اقبال
4	6- عبدالشکور
4	7- شکیل احمد
4	8- عبدالجبار
4	9- عبدالرافع صدیقی

### بہترین کارپوریٹ طریقے:

ڈائریکٹرز بہترین کارپوریٹ طریقوں کو اپنانے کیلئے پُر عزم ہیں۔

- 1- ڈائریکٹرز کی کل تعداد نو ہے۔ جو سب مرد ہیں۔
- 2- بورڈ کے اندر دو آزاد تین نان ایگزیکٹو اور چار ایگزیکٹو ڈائریکٹرز ہیں۔
- 3- آڈٹ کمیٹی میں عبدالجبار (آزاد) شکیل احمد صاحب اور نفیس اقبال شامل ہیں۔
- 4- نان ایگزیکٹو اور آزاد ڈائریکٹرز صرف میٹنگ فیس کے حق دار ہیں۔

شیر ہولڈنگ پیٹرن:

عمومی شیر ہولڈنگ پیٹرن برائے 30 جون 2022 کو ڈ آف کارپوریٹ کے مطابق رپورٹ سے منسلک ہیں۔

منافع مقسمہ:

مالیاتی تنگی حالات کی وجہ سے منجمنٹ نے منافع مؤخر کیا ہے۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹر میسرز رضوان اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں نیز قابلیت کی بناء پر انہوں نے دوبارہ تعیناتی کی پیشکش کی ہے۔

انتظامیہ ملازمین کے تعلقات:

انتظامیہ اور ملازمین کے تعلقات پُر جوش اور بھرپور رہے انتظامیہ ان کی محنت اور جذبہ وفاداری کی حوصلہ افزائی کرتی ہے اور امید کرتے ہیں کہ وہ آئندہ بھی کمپنی کی ترقی کیلئے اپنا تعاون جاری رکھیں گے۔

لاہور:

تاریخ: 3 اکتوبر 2022

برائے بورڈ

(ذوالفقار علی)

چیف ایگزیکٹو آفیسر

**Statement of Compliance with Listed Companies (Code of Corporate Governance)  
Regulations, 2019 ("the Regulations")**

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are eight (9) as per the following:

- a. Male: 9
- b. Female: 0

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Abdul Jabbar Mr. Abdul Raffay Siddiqui
Non-Executive Directors	Mr. Imtiaz Hussain Qureshi Mr. Shakeel Ahmed Mr. Nafees Iqbal
Executive Directors	Mr. Zulfiqar Ali (Chief Executive Officer) Mr. Abdul Shakoor Ch. Naseer Ahmed Mr. Nadeem Abbas

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
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. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
9. The Board has arranged Directors' Training program for the following:

Name of Director
-The Board has not arranged any Director training program.

Following Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program:

Names of Directors
Mr. Zulfiqar Ali Mr. Abdul Shakoor Ch. Naseer Ahmed Mr. Nadeem Abbas Mr. Nafees Iqbal Mr. Imtiaz Hussain Qureshi Mr. Shakeel Ahmed

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

**a) Audit Committee**

Names	Designation held
Mr. Abdul Jabbar	Chairman
Mr. Shakeel Ahmed	Member
Mr. Nafees Iqbal	Member

**b) HR Nomination and Remuneration Committee**

Names	Designation held
Mr. Zulfiqar Ali	Chairperson
Ch. Naseer Ahmed	Member
Mr. Abdul Shakoor	Member

**c) Risk Management Committee**

No Risk Management Committee formed.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings quarterly of the committee were as per following:

**a) Audit Committee**

Four meetings were held during the financial year ended June 30, 2022.

**b) HR Nomination and Remuneration Committee**

One meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2022.

**c) Risk Management Committee**

No meeting of Risk Management Committee was held during the financial year ended June 30, 2022.

15. The board has set up an effective internal audit function by appointing Head of Internal Audit, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. 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 and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	<b>Nomination Committee</b> The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a <b>separate</b> nomination committee and the functions are being performed by the human resource and remuneration committee. The Board shall consider to constitute <b>separate</b> nomination committee after next election of directors.	29
2	<b>Disclosure of significant policies on website</b> The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35
3	<b>Responsibilities of the Board and its members</b> The Board is responsible for adoption of corporate governance practices by the company.	Non-mandatory provisions of the Regulations are partially complied. The company is deliberating on full compliance with all the provisions of the Regulations.	10(1)
5	<b>Directors' Training</b> It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	All the Nine Directors are exempt from Directors Training Program as they have sufficient Education & Experience.	19(1)

20. The two appointed independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.



**Ch. Naseer Ahmed**  
Chairman

Lahore:  
October 3rd, 2022

### **CHAIRMAN'S REVIEW**

I am pleased to present the review on the overall performance of the board and effectiveness of the role played by the board in achieving the Company's objective.

The Company follow the best practices relating to corporate Governance and complies with the relevant requirements of Companies Act, 2017 and the listed Companies (Code of Corporate Governance) Regulations, 2019 with the respect to composition, meetings and procedures of the Board of Directors and its Committees.

For the year ended review, based on the evaluation, the overall performance and effectiveness of the Board has been assessed as satisfactory. During the financial year 2021-22 four Board Meetings were convened. The Board has dully formulated a vision and mission statement, is actively involved in formulation of appropriate policies and procedures and ensure due compliance with all the regulatory requirements. Its closely monitors the performance of its sub committees and is committed to uphold and stable operations.

During the year, the Board considered and approved among other things, quarterly and annual financial statements, appointment of external auditors for the year ended june, 2022.

I am thankful to the Board of Directors of the Company, Shareholders, bankers, financial institutions, valued customers for their support and assistance. I also thank the executive and other employees of the Company for their dedication and hard work.



Ch. Naseer Ahmed  
Chairman

Dated:  
October 3rd, 2022

## چیرمین جائزہ رپورٹ

میں کمپنی اور اس کے بورڈ کی سالانہ کارکردگی برائے سال اختتام 30 جون 2022 کا جائزہ پیش کرتے ہوئے مسرت کا اظہار کرتا ہوں۔

کمپنی کے ڈائریکٹرز کمپنی کو موثر انداز سے چلانے کے لیے اپنی ذمہ داریوں سے اور لاگو قوانین سے بخوبی آگاہ ہیں۔ بورڈ کے ممبران کی کارکردگی کو ڈاؤن آف کارپوریٹ گورننس کے قانون 2017 کے تحت مجموعی طور پر پرکھا گیا۔ جائزہ کے عرصے کے دوران کمپنی کی مجموعی کارکردگی تسلی بخش اور موثر رہی۔

سال 2021-22 میں 4 بورڈ مینٹنگز منعقد کی گئیں۔ بورڈ نے کمپنی کا ایک ویژن اور مشن مقرر کیا ہے اور قانونی طریقے کے مطابق معاملات کو چلانے کے لیے پالیسیز مرتب کی ہیں۔ بورڈ اپنی تشکیل کردہ کمیٹی کی کارکردگی کا باقاعدہ جائزہ لیتا ہے اور معاملات میں توازن یقینی بناتا ہے۔

مالی سال کے عرصے کے دوران بورڈ نے دوسرے معاملات کے علاوہ سہ ماہی، ششماہی اور سالانہ حسابات کی منظوری دی ہے۔ آزاد آڈیٹرز کا تقرر۔

لاہور:

تاریخ: 3 اکتوبر 2022



چوہدری نصیر احمد

چیرمین

**INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the members of Mubarak Textile Mills Limited**

**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Mubarak Textile Mills Limited** (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

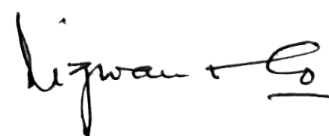
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control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

The Regulations require 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. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.

Further, we would like to highlight that:

- The Board has not appointed a female director as required by Regulation 7 of Chapter II of the Listed Companies Code of Corporate Governance Regulations 2019.
- The Board has not set up an Internal Audit Function as required by Regulation 31 of Chapter X of the Listed Companies Code of Corporate Governance Regulations 2019.
- As per paragraph 19.1 of (Code of Corporate Governance) Regulations, 2019 appropriate arrangements for orientation courses and training of the independent directors have not been carried out.



**ISLAMABAD**  
**Date: 03 October 2022**  
**UDIN: CR202210101FkV41vdUR**

**RIZWAN & COMPANY**  
**CHARTERED ACCOUNTANT**

## STATEMENTS OF ETHICS & GOOD BUSINESS PRACTICES

1. Company's 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 professionalreview.

**INDEPENDENT AUDITORS' REPORT****To the members of Mubarak Textile Mills Limited  
Report on the Audit of Financial Statements****Adverse Opinion**

We have audited the annexed financial statements of **Mubarak Textile Mills Limited** ("the Company"), which comprise the statement of financial position as at June 30, 2022, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

Because of the significance of the matter described in the Basis for Adverse Opinion section of our report, in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs for the year ended June 30, 2022 and of the loss, total comprehensive income, changes in equity and its cash flows for the year then ended.

**Basis for Adverse Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion and after due verification we report that:

- a) The Company has ceased its operations in 2011. As at June 30, 2022 the company's accumulated losses stood at Rs. 84.925 million (Rs. 85.474 million: June 30, 2021). As on this date, the company's current liabilities exceeded its current assets by Rs. 5.203 million (Rs. 5.594 million: June 30, 2021). The Company's plan to enter into trading business in the near future as envisaged by the management has not yet materialized, and we were neither provided with future projections of the Company nor alternate business plan to revive the Company to support going concern assumption. Further, as disclosed in note 17.1 to the financial statements, the Additional Registrar of Companies, Securities and Exchange Commission of Pakistan has filed winding up petition in the Lahore High Court, Lahore in 2019 against the Company which is pending for adjudication.

These conditions and events indicate material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore it may not be able to realize its assets and discharge its liabilities in normal course of business. Because of the circumstances and events as mentioned herein, we are of the opinion that the Company cannot be considered to be a going concern and thus the preparation of these financial statements on a going concern basis is inappropriate.

- b) The Company has obtained interest free loan from sponsors amounting to Rupees 41.487 million which has been classified under long term loans in these financial statements. As stated in note 13 to the financial statements; the terms of long term loans have not been settled. The said loan has not been carried in these financial statements at amortised cost as per International Financial Reporting Standard 9 "Financial Instruments" as per guidelines issued by the Institute of Chartered Accountants of Pakistan under TR 32 – Accounting Directors' Loan. The cumulative effect of this matter has neither been determined nor adjusted in these financial statements.
- c) We could not verify the unclaimed dividend payable pertaining to previous financial years amounting to Rupees 103,962/- in absence of underlying record with the Company. Moreover, the Company has not taken measures to comply with the requirements of Section 244 of the Companies Act, 2017.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a

whole and, in forming our opinion thereon we do not provide a separate opinion on these matters. Following are the key audit matter(s):

Key audit matter	How our audit addressed the key audit matter
<p><b>a) Contingencies and Company's exposure to litigation risk</b></p> <p>The Additional Registrar of Companies, Securities and Exchange Commission of Pakistan has filed winding up petition in the Lahore High Court, Lahore in 2019 against the Company which is pending for adjudication as no hearing has so far been held in this matter as disclosed in note 17.1.</p> <p>Given the nature of the contingency and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgment, which can change over time as new facts emerge and the contingency crystallizes, and therefore, we have identified this as key audit matter.</p>	<p>Our audit procedures amongst others, included the following:</p> <ul style="list-style-type: none"> <li>- We obtained confirmations from legal advisors for current status and any new development during the year and assessing the advice given;</li> <li>- Reading correspondence of the Company with regulatory departments and the Company's external counsel, where available;</li> <li>- Discussing open matters and developments with the management of the Company;</li> </ul> <p>We evaluated that appropriate disclosures and presentation have been made in these financial statements.</p>
<p><b>b) Revenue recognition</b></p> <p>The Company generates its revenue from rental income as the company ceased operations in 2011. The company leased out part of factory land and building for a period of three years.</p> <p>During the year ended June 30, 2022, the Company recognized an amount of Rs. 8.448 million as rental income which is the main source of income necessary for company's ability to continue as going concern. We therefore consider this as a key audit matter.</p>	<p>Our audit procedures amongst others, included the following:</p> <ul style="list-style-type: none"> <li>- Obtained understanding of the internal processes used to record rental income;</li> <li>- Performed test of detail procedures over actual income earned during the year; and</li> <li>- Assessed the adequacy of related disclosures in the financial statements</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information incurred in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

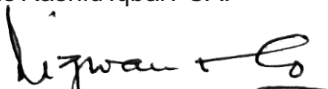
- a) because of the significance of the matters referred in paragraphs (a) to (c) of Basis for Adverse Opinion section above; proper books of account have not been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) because of the significance of the matters referred in paragraphs (a) to (c) of Basis for Adverse Opinion section above; the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Rashid Iqbal FCA.

ISLAMABAD

Date: 03 October 2022

UDIN: AR202210101W3KsHpj1x

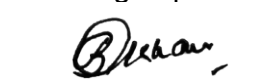
  
**RIZWAN & COMPANY**  
 CHARTERED ACCOUNTANT

**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	NOTE	2022 Rupees	2021 Rupees
<b>NON CURRENT ASSETS</b>			
Property and Equipments	5	132,331,234	133,939,949
Investment Property	6	132,773,000	132,773,000
Long Term Deposits	7	2,089,408	1,770,408
		<u>267,193,642</u>	<u>268,483,357</u>
<b>CURRENT ASSETS</b>			
Trade debtors	8	-	128,720
Loans and advances to employees		36,500	20,000
Tax refunds due from the Government	9	2,016,278	1,984,520
Cash & bank balances	10	60,607	750,068
		<u>2,113,385</u>	<u>2,883,308</u>
		<u>269,307,027</u>	<u>271,366,665</u>
<b>EQUITY &amp; LIABILITIES</b>			
<b>CAPITAL &amp; RESERVES</b>			
Share capital	11	54,000,000	54,000,000
Unappropriated (loss)		(84,925,127)	(85,474,503)
Surplus on Revaluation of Property and Equipments	12	249,923,180	251,181,337
Shareholders equity		<u>218,998,053</u>	<u>219,706,834</u>
<b>NON CURRENT LIABILITIES</b>			
Long term loan	13	41,486,988	41,336,988
Employee benefit obligation	14	1,505,307	1,845,356
		<u>42,992,295</u>	<u>43,182,344</u>
<b>CURRENT LIABILITIES</b>			
Trade creditors & other payable	15	5,400,260	6,542,976
Provision for taxation	16	1,812,457	1,830,549
		<u>7,212,717</u>	<u>8,373,525</u>
Unclaimed Dividend		103,962	103,962
		<u>269,307,027</u>	<u>271,366,665</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	17	-	-

The annexed notes from 1 to 29 form an integral part of these Financial Statements.

  
Mr. Zulfiqar Ali  
Chief Executive

  
Mr. Babar Khan  
Chief Financial officer

  
Mr. Nafees Iqbal  
Director

**STATEMENT OF PROFIT OR LOSS**  
**'FOR THE YEAR ENDED JUNE 30, 2022**

	<b>NOTE</b>	<b>2022 Rupees</b>	<b>2021 Rupees</b>
Sales / Processing receipts		-	-
Cost of Goods sold		-	-
Gross Profit		-	-
<b>OPERATING EXPENSES</b>			
General and Administrative expenses	<b>18</b>	<b>8,210,507</b>	8,983,739
Other operating expenses	<b>19</b>	-	8,474,366
<b>Operating (Loss)</b>		<b>(8,210,507)</b>	<b>(17,458,105)</b>
Other operating income	<b>20</b>	<b>9,269,706</b>	25,910,321
		<b>1,059,199</b>	8,452,216
Finance cost		<b>(1,965)</b>	(1,099)
<b>Net Profit for the year before taxation</b>		<b>1,057,234</b>	8,451,117
Taxation	<b>21</b>	<b>(1,861,931)</b>	(1,830,549)
<b>Net (Loss)/profit for the year after taxation</b>		<b>(804,697)</b>	6,620,568
<b>Basic (loss)/earnings per share</b>	<b>22</b>	<b>(0.15)</b>	1.23

The annexed notes from 1 to 29 form an integral part of these Financial Statements.



Mr. Zulfiqar Ali  
Chief Executive



Mr. Babar Khan  
Chief Financial officer




Mr. Nafees Iqbal  
Director

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>NOTE</u>	<u>2022 Rupees</u>	<u>2021 Rupees</u>
Net (Loss) / Profit for the year		<b>(804,697)</b>	6,620,568
<b>Other Comprehensive Income:</b>			
Gratuity		<b>95,916</b>	(181,451)
<b>Item that will not be reclassified to profit and loss:</b>			
Revaluation surplus on property and equipments		-	130,384,160
Incremental depreciation transferred from revaluation surplus	<b>12</b>	<b>1,258,157</b>	2,181,451
<b>Total Comprehensive Income for the year</b>		<b><u>549,376</u></b>	<b><u>139,004,728</u></b>

The annexed notes from 1 to 29 form an integral part of these Financial Statements.

  
Mr. Zulfiqar Ali  
Chief Executive

  
Mr. Babar Khan  
Chief Financial officer


  
Mr. Nafees Iqbal  
Director

**STATEMENT OF CASH FLOWS**  
**'FOR THE YEAR ENDED JUNE 30, 2022**

	<b>NOTE</b>	<b>2022 RUPEES</b>	<b>2021 RUPEES</b>
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>			
Cash generated from operation	23	2,064,295	1,453,117
Gratuity paid		(671,010)	-
Income tax paid		(1,911,781)	(1,830,173)
Finance cost paid		(1,965)	(1,099)
<b>Net cash (outflow) from operating activities</b>		<b>(520,461)</b>	<b>(378,155)</b>
<b>NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES</b>			
Increase in long term deposit		(319,000)	-
<b>Net cash (outflow) from investing activities</b>		<b>(319,000)</b>	<b>-</b>
<b>CASH INFLOW FROM FINANCING ACTIVITIES</b>			
Long term loan		150,000	300,000
<b>Net cash inflow from financing activities</b>		<b>150,000</b>	<b>300,000</b>
<b>Net (decrease) in cash &amp; cash equivalents</b>		<b>(689,461)</b>	<b>(78,155)</b>
<b>Cash &amp; cash equivalents as at beginning of the year</b>		<b>750,068</b>	<b>828,223</b>
<b>Cash &amp; cash equivalents as at the end of the year</b>	<b>10</b>	<b>60,607</b>	<b>750,068</b>

The annexed notes from 1 to 29 form an integral part of these Financial Statements.

  
Mr. Zulfiqar Ali  
Chief Executive

  
Mr. Babar Khan  
Chief Financial officer

  
Mr. Nafees Iqbal  
Director

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

	PAID UP CAPITAL	ACCUMULATED (LOSS)	SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENTS	TOTAL
	(-----RUPEES-----)			
Balances as at June 30, 2020	54,000,000	(94,095,071)	122,978,628	82,883,557
Total comprehensive income for the year				
Net profit for the year	-	6,620,568	-	6,620,568
Gratuity	-	(181,451)	-	(181,451)
Revaluation surplus during the year	-	-	130,384,160	130,384,160
Incremental depreciation during the year	-	2,181,451	-	2,181,451
Total Comprehensive Income	-	8,620,568	130,384,160	139,004,728
Incremental depreciation transferred	-	-	(2,181,451)	(2,181,451)
<b>Balances as at June 30, 2021</b>	<b>54,000,000</b>	<b>(85,474,503)</b>	<b>251,181,337</b>	<b>219,706,834</b>
<b>Total comprehensive income for the year</b>				
Net (Loss) for the year	-	(804,697)	-	(804,697)
Gratuity	-	95,916	-	95,916
Revaluation surplus during the year	-	-	-	-
Incremental depreciation during the year	-	1,258,157	-	1,258,157
<b>Total Comprehensive Income</b>	<b>-</b>	<b>549,376</b>	<b>-</b>	<b>549,376</b>
Incremental depreciation transferred	-	-	(1,258,157)	(1,258,157)
<b>Balance as at June 30, 2022</b>	<b>54,000,000</b>	<b>(84,925,127)</b>	<b>249,923,180</b>	<b>218,998,053</b>

The annexed notes from 1 to 29 form an integral part of these Financial Statements.



**Mr. Zulfiqar Ali**  
Chief Executive



**Mr. Babar Khan**  
Chief Financial officer



**Mr. Nafees Iqbal**  
Director

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 1 THE COMPANY AND ITS OPERATIONS:

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

### 2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

#### 2.1 Management's assumption of Going Concern

The company has ceased its operation in 2011. The company has earned net (loss) of Rs. 804,697 (2021: Rs. 6,620,568 net profit) during the year ended June 30, 2022 and as on that date its accumulated losses stood at Rs. 84,925,127 (2021: Rs. 85,474,503). As on this date, the company's current liabilities exceeded its current assets by Rs. 5,203,294 (2021: Rs. 5,594,179). These factors raise substantial doubts that the company will be able to continue as a going concern and therefore it 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 part of its land and building.

These financial statements have been prepared on a going concern basis on the assumption that the company would be able to obtain sufficient working capital for its day to day matters from its planned rental income.

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

### 3 BASIS OF PREPARATION

#### 3.1 Statement of compliance:

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain fixed assets which have been stated at revalued amount, investment properties which have been stated at fair value, recognition of certain staff retirement benefits at present value and certain other items as disclosed in relevant accounting policies. These financial statements have been prepared following accrual basis of accounting except for cash flow information.

#### 3.3 Functional and presentation currency

These financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

#### 3.4 Key judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- 'Useful lives, residual values and depreciation method and revalued amounts of property, plant and equipment
- 'Fair value of investment property

'Obligation of defined benefit obligation  
 'Allowance for expected credit loss (ECL)  
 'Impairment of financial instruments based upon expected credit loss model  
 'Estimation of provisions  
 'Current income tax expense, provision for current tax

#### 4. ADOPTION OF NEW ACCOUNTING STANDARDS

##### 4.1 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR INTERPRETATIONS TO EXISTING STANDARDS

###### a) Standards, interpretations and amendments to published approved accounting standards that are effective in current year.

A number of new or amended standards became applicable for the current reporting period to the following standards:

**Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)** - (effective for annual periods beginning on or after January 01, 2021). The amendments in Interest Rate Benchmark Reform (the "IBOR" or "Reform") - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the Reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the Reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

**Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)** - (effective for annual periods beginning on or after April 01, 2021). The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

There are other amendments to published approved accounting and reporting standards and interpretations that are applicable for the financial year beginning on July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Company's financial reporting and operations and, therefore, have not been presented in these financial statements.

###### b) New accounting standards, amendments and IFRIC interpretations that are not yet effective.

There are number of other standards, amendments to the published approved accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company and, therefore, have not been presented in these financial statements.

**Reference to the Conceptual Framework (Amendments to IFRS 3)** - (effective for annual periods beginning on or after January 01, 2022). The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

**Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use** (effective for annual periods beginning on or after January 01, 2022). The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

**Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)** - (effective for annual periods beginning on or after January 01, 2022). The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

**Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)** - (effective for annual periods beginning on or after January 01, 2023) The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

**Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)** (effective for annual periods beginning on or after January 01, 2023). The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

**Definition of Accounting Estimates (Amendments to IAS 8)** - (effective for annual periods beginning on or after January 01, 2023). The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements

that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)** - (effective for annual periods beginning on or after January 01, 2023). The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition

**Annual Improvements to IFRS Standards 2018–2020** - (effective for annual periods beginning on or after January 01, 2022) Makes amendments to the following standards:

**IFRS 9** – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

**IFRS 16** – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

**IAS 41** – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The above new standards, amendments and interpretations are not likely to have an impact on Company's financial statements. There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

## 4.2 Investment Properties

Investment properties represent the properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

When an item of property, plant and equipment is transferred to investment property following a change in its use the difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of property, plant and equipment if it is a gain. Upon disposal of the item related surplus on revaluation of property, plant and equipment is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the income statement.

With regard to activities as a lessor, the Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases. Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of profit or loss on a straight-line basis over the lease term and is included in 'other income'

## 4.3 Assets Subject To Finance Lease

'Leases of property 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 and equipment acquired under finance leases are depreciated at the rates stated in note 3.

## 4.4 Taxation

### a) Current

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

### b) Deferred

'As company has ceased its operation its sole income is from 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".

#### **4.5 Store and Spares**

These are valued at moving average cost.

#### **4.6 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.

#### **4.7 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.

#### **4.8 Revenue Recognition**

Revenue is recognized overtime as per IFRS 15 "Revenue from Contracts with Customers" on the basis of input method on the execution of contract activities where the outcome of the construction contract can be estimated reliably as measured by the proportion that contract work performed to date bears to the estimated total contract work. Variable consideration due to contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

'-Revenue from rental income is recognized on 'accrual basis'.

'-Interest income is also recognized on 'accrual basis'.

#### **4.9 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.

#### **4.10 Borrowing Cost**

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

#### **4.11 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.

#### **4.12 Contingencies and Commitments**

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

#### **4.13 Trade and other Payables**

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

## 5 PROPERTY AND EQUIPMENT

The following is the statement of operating fixed assets:

Description	Freehold land	Buildings on freehold land	Electric Installations	Fire Fighting Equipments	Tube well	Sui Gas Installation	Vehicles	Total
Rupees								

## Year ended June 30, 2022

## Net carrying value basis

Opening book value	103,062,500	29,710,500	538,000	40,000	50,000	474,000	64,949	133,939,949
Depreciation charge	-	(1,485,525)	(53,800)	(4,000)	(5,000)	(47,400)	(12,990)	(1,608,715)
Closing net book value	103,062,500	28,224,975	484,200	36,000	45,000	426,600	51,959	132,331,234

## Gross carrying value basis

Cost/revalued amount	103,062,500	29,710,500	538,000	40,000	50,000	474,000	698,360	134,573,360
Revaluation adjustments	-	-	-	-	-	-	-	-
	103,062,500	29,710,500	538,000	40,000	50,000	474,000	698,360	134,573,360
Accumulated depreciation	-	(1,485,525)	(53,800)	(4,000)	(5,000)	(47,400)	(646,401)	(2,242,126)
Revaluation adjustments	-	-	-	-	-	-	-	-
	-	(1,485,525)	(53,800)	(4,000)	(5,000)	(47,400)	(646,401)	(2,242,126)
	103,062,500	28,224,975	484,200	36,000	45,000	426,600	51,959	132,331,234

## Year ended June 30, 2021

## Net carrying value basis

Opening book value	84,875,000	53,195,918	744,491	7,696	63,715	131,563	81,186	139,099,569
Revaluation surplus	121,250,000	8,884,878	(132,042)	33,074	(7,343)	355,593	-	130,384,160
Transfer to Investment property	(103,062,500)	(29,710,500)	-	-	-	-	-	(132,773,000)
Depreciation charge	-	(2,659,796)	(74,449)	(770)	(6,372)	(13,156)	(16,237)	(2,770,780)
Closing net book value	103,062,500	29,710,500	538,000	40,000	50,000	474,000	64,949	133,939,949

## Gross carrying value basis

Cost/revalued amount	103,062,500	42,810,378	942,958	135,294	84,657	1,302,692	698,360	149,036,839
Revaluation adjustments	-	(13,099,878)	(404,958)	(95,294)	(34,657)	(828,692)	-	(14,463,479)
	103,062,500	29,710,500	538,000	40,000	50,000	474,000	698,360	134,573,360
Accumulated depreciation	-	(13,099,878)	(404,958)	(95,294)	(34,657)	(828,692)	(633,411)	(15,096,890)
Revaluation adjustments	-	13,099,878	404,958	95,294	34,657	828,692	-	14,463,479
	-	-	-	-	-	-	(633,411)	(633,411)
Net book value	103,062,500	29,710,500	538,000	40,000	50,000	474,000	64,949	133,939,949

## Depreciation rate % per Annum

-	5	10	10	10	10	20
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- 5.1 The management carried out revaluation of land, building and equipment and transferred part of land and building to investment property due to change in use during previous year. The valuation was carried out by Hamid Mukhtar & Co. (Pvt) Limited on June 30, 2021. The latest revaluation of the entire land, building and equipment has again been carried out by independent valuers Hamid Mukhtar & Co. on June 30, 2022, which reported no material change since the last valuation carried out on June 30, 2021. The entire land, building and equipment has been valued at Rs.264,782,000 at its forced value has been valued at Rs.222,080,000. The revaluation of land, building and equipment has not been incorporated in these financial statements as the management concluded that the difference between revalued amount and fair value/written down value of land, building and equipment is immaterial.

Had there been no revaluation, the cost of the land, building and equipment would have been as follows:

	Rupees
Land	4,248,420
Building	15,766,650
Equipment	4,055,707

- 5.2 Freehold land and building owned by the Company is located at 20-KM, Off Ferozepur Road, Mauza Duloo Khurd, Tehsil Cantt., District Lahore with an area of 24.25 Kanals.

- 5.3 As company has ceased its operations therefore all depreciation has been charged to Administrative expenses.

	NOTE	2022 Rupees	2021
<b>6 INVESTMENT PROPERTY</b>			
Land	6.1	103,062,500	103,062,500
Building	6.2	29,710,500	29,710,500
		<u>132,773,000</u>	<u>132,773,000</u>
<b>6.1 Land</b>			
Opening balance		103,062,500	-
Fair value adjustment		-	-
Transfer from owners' property and equipment		-	103,062,500
		<u>103,062,500</u>	<u>103,062,500</u>
<b>6.2 Building:</b>			
Opening balance		29,710,500	-
Fair value adjustment		-	-
Transfer from owners' property and equipment		-	29,710,500
		<u>29,710,500</u>	<u>29,710,500</u>
6.3	At the end of the previous year, part of land and building was reclassified from owner's occupied property to investment property as a result of change in use.		
6.4	These are leased to third parties or held for appreciation in value. Changes in fair values shall be recognised and presented separately as "gain / (loss) from change in fair value of investment property" in statement of profit or loss.		
6.5	The land, building and equipment of the Company has been valued by independent professionally qualified valuers as at June 30, 2021. The valuers made reference to market evidence of transaction prices for similar properties for land and depreciated replacement cost method was used for valuation of buildings. Fair value hierarchy i.e. Level 1, 2 and 3 are assigned based on degree of observable inputs as disclosed in note 21.2. As of reporting date; according to management's estimate based on desk top valuation carried out by the independent valuers on June 30, 2022, there is no material change in fair value of land, building and equipment carried out by Hamid Mukhtar & Co. (Pvt) Limited on June 30, 2021 and has decided to maintain the values at Rs.132,773,000 (2021: Rs.132,773,000).(also see note 5.1)		

	NOTE	2022 Rupees	2021
<b>7 LONG TERM DEPOSITS</b>			
Comprise of securities/deposits in respect of:			
Telephone		31,000	31,000
Electricity		167,880	167,880
Gas cylinder		1,856,700	1,537,700
Other		33,828	33,828
		<u>2,089,408</u>	<u>1,770,408</u>

Long term security deposits represent deposits against receipt of non-financial services. These are carried at nominal value as effect of amortization is not material in respect of these financial statements.

	NOTE	2022 Rupees	2021
<b>8 TRADE DEBTORS</b>			
Un Secured - Considered doubtful	8.1	-	7,072,063
Written off during the year		-	(6,943,343)
		<u>-</u>	<u>128,720</u>
8.1	Management carried out an exercise to identify long outstanding receivable which are not likely to be received due to various reasons and based on such exercise decided to write off the relevant amount under this head of account.		

	NOTE	2022	2021
		Rupees	
<b>9 TAX REFUNDS DUE FROM THE GOVERNMENT</b>			
Sales tax refundable	9.1	-	1,531,023
Income tax refundable/Advance income tax		<b>2,016,278</b>	1,984,520
		<b>2,016,278</b>	3,515,543
Less: Written off during the year		-	(1,531,023)
		<b>2,016,278</b>	1,984,520

- 9.1 Management carried out an exercise to identify long outstanding receivable under this head of account and after due verification decided to write off the entire amount.

	NOTE	2022	2021
		Rupees	
<b>10 CASH AND BANK BALANCES</b>			
Cash in hand		<b>47,603</b>	686,215
Cash with banks			
- current accounts		<b>13,004</b>	63,853
		<b>60,607</b>	750,068
<b>11 SHARE CAPITAL</b>			
<b>Authorized</b>			
8,000,000 (2021: 8,000,000) Ordinary shares of Rs. 10 each		<b>80,000,000</b>	80,000,000
<b>Issued subscribed and paid up</b>			
5,400,000 (2021: 5,400,000) Ordinary shares of Rs. 10 each			
Issue for cash		<b>54,000,000</b>	54,000,000

## 12 SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT

Revaluation of Property and Equipment has been carried out on June 20, 2003, by independent valuers M/s Hamid Mukhtar & Co. (Pvt) Ltd registered surveyors and valuation consultants on the basis of market value in respect of land, building and plant and machinery respectively and verified by M/s Yousaf Adil & Co. Chartered Accountants and subsequently revaluation was again carried out in respect of land, building and electric equipments by independent valuers M/s Surval on December 23, 2016 on the basis of market value and further verified by Ilyas Saeed & Co. Chartered Accountants. The management carried out revaluation of land, building and equipment and transferred part of land and building to investment property due to change in use. The valuation was carried out by Hamid Mukhtar & Co. (Pvt) Limited on June 30, 2021.

The latest revaluation of land, building and equipment has been carried out by independent valuers Hamid Mukhtar & Co. on June 30, 2022, which reported no material change since the last valuation carried out on June 30, 2021. The revaluation of land, building and equipment has not been incorporated in these financial statements as the management concluded that the difference between revalued amount and written down value of land, building and equipment is immaterial.

	NOTE	2022	2021
		Rupees	
<b><u>Surplus on revaluation of Property and Equipment:</u></b>			
Opening balance		<b>251,181,337</b>	122,978,628
Surplus during the year transferred to SOCI		-	130,384,160
Incremental depreciation for the year transferred to statement of comprehensive income	12.1	<b>(1,258,157)</b>	(2,181,451)
		<b>249,923,180</b>	251,181,337

- 12.1 Surplus on revaluation of operating Property and Equipment to the extent of depreciation charged on appreciated value of corresponding operating Property and Equipment has been transferred to statement of comprehensive income.

	NOTE	2022	2021
		Rupees	
<b>13 LONG TERM LOANS</b>			
<b>Un secured</b>			
- Sponsor	13.1	<u>41,486,988</u>	<u>41,336,988</u>
13.1 Term of these interest free loans have not yet been settled. These loans, however, are being considered by the company's management on long term basis. 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 reliability.			

#### 14 EMPLOYEE BENEFIT OBLIGATION

##### 14.1 The amounts recognised in the statement of financial position are determined as follows:

	NOTE	2022	2021
		Rupees	
Present value of the defined benefit obligation		<u>1,505,307</u>	<u>1,845,356</u>

##### 14.2 The amounts recognised in the statement of profit or loss:

Current service costs		313,517	280,889
Interest cost		<u>113,360</u>	<u>82,788</u>
		<u>426,877</u>	<u>363,677</u>

##### 14.3 Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation		1,845,356	1,300,228
Service cost		313,517	280,889
Interest cost		113,360	82,788
Benefits paid		(671,010)	-
Actuarial losses		10,118	3,875
Experience adjustments		<u>(106,034)</u>	<u>177,576</u>
		<u>1,505,307</u>	<u>1,845,356</u>

##### 14.4 Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages) are as follows:

	NOTE	2022	2021
		Rupees	
Discount rate used for Interest Cost in P&L Charge		10.00%	8.50%
Discount rate used for year end obligation		13.25%	10.00%
Salary increase used for year end obligation			
Salary Increase FY2022		N/A	N/A
Salary Increase FY2023		12.25%	9.00%
Salary Increase FY2024		12.25%	9.00%
Salary Increase FY2025		12.25%	9.00%
Salary Increase FY2026		12.25%	9.00%
Salary Increase FY2027		12.25%	9.00%
Salary Increase FY2028 onward		12.25%	9.00%
Next salary is increased at		1-Jul-22	1-Jul-21
Mortality Rates		SLIC 2001-2005 Setback 1Year	SLIC 2001-2005 Setback 1Year
Withdrawal Rates		Age-Based (per appendix)	Age-Based (per appendix)
Retirement Assumption		Age 60	Age 60

	NOTE	2022	2021
		Rupees	
<b>15 TRADE CREDITORS AND OTHER PAYABLES</b>			
Trade creditors	15.1	2,933,598	3,503,069
Accrued expenses		491,212	506,241
Other Liabilities		1,975,450	2,533,666
		<u>5,400,260</u>	<u>6,542,976</u>
<b>15.1 Trade creditors:</b>			
As at 30 June 2021		3,503,069	20,883,340
Less: Paid/written back during the year		<u>(569,471)</u>	<u>(17,380,271)</u>
		<u>2,933,598</u>	<u>3,503,069</u>
<b>16 PROVISION FOR TAXATION</b>			
Opening balance		1,830,549	1,704,448
Add: Provision for the year		1,812,457	1,830,549
		<u>3,643,006</u>	<u>3,534,997</u>
Less: Paid during the year		<u>(1,830,549)</u>	<u>(1,704,448)</u>
		<u>1,812,457</u>	<u>1,830,549</u>
<b>16.1</b> Income / (Loss) declared by the company for the financial year ending June 30, 2021 (tax year 2021) have been deemed to be assessed as declared as per section 120 of the Income Tax Ordinance, 2001.			
<b>17 CONTINGENCIES AND COMMITMENTS</b>			
<b>17.1 Contingencies:</b>			
a) The Additional Registrar of Companies, Securities and Exchange Commission of Pakistan has filed winding up petition in the Lahore High Court, Lahore in 2019 against the Company which is pending for adjudication as no hearing has so far been held in this matter.			
b) Assessment proceeding under Rule 44(4) of Income Tax Rules 2002 is in process for tax years 2017 & 2018 and decision is pending.			
<b>17.2 Commitments</b>			
There are no capital commitments as at the year end (2021: Nil).			
	NOTE	2022	2021
		Rupees	
<b>18 ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits	18.1	4,608,284	3,800,890
Traveling and conveyance		14,730	45,760
Communication expenses		103,069	95,184
Printing & stationery		54,358	37,456
Rent, rates and taxes		148,771	139,352
Fee and subscription		260,610	216,010
Entertainment		105,521	104,073
Repair & maintenance		509,981	995,256
Auditors' remuneration	18.2	215,000	215,000
Advertisement & Publicity		104,400	61,825
Legal & professional charges		155,398	202,203
Power and fuel		321,220	296,810
Depreciation	5	1,608,715	2,770,780
Miscellaneous		450	3,140
		<u>8,210,507</u>	<u>8,983,739</u>

**18.1** This include meeting fees of Rs. 85,000 paid to Independent Directors during the year.

	NOTE	2022	2021
		Rupees	
<b>18.2 Auditors' remuneration</b>			
Statutory audit		150,000	150,000
Half yearly review		50,000	50,000
Out of pocket expenses		15,000	15,000
		<u>215,000</u>	<u>215,000</u>
<b>19 OTHER OPERATING EXPENSES</b>			
Trade debts written off		-	6,943,343
Sales tax receivable written off		-	1,531,023
		<u>-</u>	<u>8,474,366</u>
<b>20 OTHER OPERATING INCOME</b>			
Rental Income		8,447,840	8,530,050
Other liabilities/trade creditors written back		821,866	17,380,271
		<u>9,269,706</u>	<u>25,910,321</u>
<b>21 TAXATION</b>			
Current year		<u>1,861,931</u>	<u>1,830,549</u>

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

As company has ceased its operation its sole income is from 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".

## 22 BASIC (LOSS)/EARNING PER SHARE

	NOTE	2022	2021
		Rupees	
(Loss)/Profit after Taxation attributable to ordinary shareholders		<u>(804,697)</u>	<u>6,620,568</u>
		Number of shares	
Weighted average number of ordinary shares		<u>5,400,000</u>	<u>5,400,000</u>
		Rupees	
(Loss)/Earnings per share		<u>(0.15)</u>	<u>1.23</u>
<b>22.1</b> There is no dilutive effect on the basic earning per share.	NOTE	2022	2021
		Rupees	
<b>23 CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		1,057,234	8,451,117
Adjustment for non cash charges and other items:			
Depreciation	5	1,608,715	2,770,780
Non- cash employee benefits expenses		426,877	363,677
Finance cost		1,965	1,099
		<u>2,037,557</u>	<u>3,135,556</u>
Working capital changes	23.1	<u>(1,030,496)</u>	<u>(10,133,556)</u>
		<u>2,064,295</u>	<u>1,453,117</u>

**23.1 WORKING CAPITAL CHANGES****(Increase) / decrease in current assets**

Trade debtors	128,720	9,724,573
Tax refundable from government	-	1,531,023
Loans and advances	(16,500)	(5,000)
	112,220	11,250,596

**(Decrease) in current liabilities**

Trade and other payables	(1,142,716)	(21,384,152)
	<u>(1,030,496)</u>	<u>(10,133,556)</u>

**24 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES****24.1 FINANCIAL ASSETS AND LIABILITIES**

2022					
Interest Rate Range Per Annum	Mark up Bearing		Non Mark up Bearing		Total
	Maturity up to one year	Maturity after one year	Maturity up to one year	Maturity after one year	
Financial assets					
Long term deposits	-	-	-	2,089,408	2,089,408
Loans and advances	-	-	36,500	-	36,500
Cash and bank balance	-	-	60,607	-	60,607
	-	-	97,107	2,089,408	2,186,515

2021					
Interest Rate Range Per Annum	Mark up Bearing		Non Mark up Bearing		Total
	Maturity up to one year	Maturity after one year	Maturity up to one year	Maturity after one year	
Financial assets					
Long term deposits	-	-	-	1,770,408	1,770,408
Trade debtors	-	-	128,720	-	128,720
Loans and advances	-	-	20,000	-	20,000
Cash and bank balance	-	-	750,068	-	750,068
	-	-	898,788	1,770,408	2,669,196

2022					
Interest Rate Range Per Annum	Mark up Bearing		Non Mark up Bearing		Total
	Maturity up to one year	Maturity after one year	Maturity after one year	Maturity after one year	
Financial Liabilities					
Long term loans	-	-	-	41,486,988	41,486,988
Employee benefit obligation	-	-	-	1,505,307	1,505,307
Trade and other payables	-	-	5,400,260	-	5,400,260
	-	-	5,400,260	42,992,295	48,392,555

2021					
Interest Rate Range Per Annum	Mark up Bearing		Non Mark up Bearing		Total
	Maturity up to one year	Maturity after one year	Maturity after one year	Maturity after one year	
Financial Liabilities					
Long term loans	-	-	-	41,336,988	41,336,988
Employee benefit obligation	-	-	-	1,845,356	1,845,356
Trade and other payables	-	-	6,542,976	-	6,542,976
	-	-	6,542,976	43,182,344	49,725,320

**24.2 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:

	NOTE	2022 Rupees	2021
Long term deposits		2,089,408	1,770,408
Trade debtors		-	128,720
Cash and bank balances		60,607	750,068
		<b>2,150,015</b>	<b>2,649,196</b>

**(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.

**24.3 FAIR VALUE MEASUREMENT**

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

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IFRS 9. The carrying amount of trade receivables and payables are assumed to approximate their fair values.

As at June 30, 2022 the Company did not hold any financial instruments carried at fair value. Moreover, investment property and operating fixed assets are measured at fair value.

The investment property and freehold land and building in operating fixed assets were valued on June 30, 2022 carried out by external independent valuer M/s Hamid Mukhtar & Co. (Pvt) Limited.

As at June 30, 2022			
Level 1	Level 2	Level 3	Total
Rupees			

**Assets**

Investment Property carried at Fair Value	-	-	132,773,000	132,773,000
Freehold Land, Building & Equipment	-	-	132,279,275	132,279,275
	-	-	265,052,275	265,052,275

As at June 30, 2021			
Level 1	Level 2	Level 3	Total
Rupees			

**Assets**

Investment Property carried at Fair Value	-	-	132,773,000	132,773,000
Freehold Land, Building & Equipment	-	-	133,875,000	133,875,000
	-	-	266,648,000	266,648,000

NOTE	2022	2021
	Rupees	

**Reconciliation of net increase in level 3 fair values:**

Fair value at beginning of the year	266,648,000	139,018,383
Depreciation charged during the year	(1,595,725)	(2,754,543)
Remeasurement recognized in OCI	-	130,384,160
Fair value at end of the year	265,052,275	266,648,000

The Company has revalued its freehold land, buildings and equipment on June 30, 2022 by independent valuer M/s Hamid Mukhtar & Co. (Private) Limited on the basis of market values of similar properties. The fair value of free hold land, buildings and equipment is a level 3 recurring fair value measurement.

**Interest rate used for determining fair value:**

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are of short term in nature, fair value significantly approximates to carrying value.

**Fair value hierarchy:**

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analysis financial instruments carried at fair value by valuation method. The different values have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: input other than quoted prices included with in Level 1 that are observable for assets and liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change occurred. However, there is no transfers between levels during the year.

## 25 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

Description	2022		2021	
	Chief Executive	Working Directors	Chief Executive	Working Directors
Basic salary	-	-	-	-
House rent allowance	-	-	-	-
Other allowances	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

25.1 The Chief Executive officer and working Director is not drawing any remuneration from the company. Meeting fees paid to independent directors is disclosed in note 18.1.

## 26 NUMBER OF EMPLOYEES

	2022	2021
Total number of employees as at June 30	<u>9</u>	<u>11</u>
Average number of employees during the year	<u>8</u>	<u>10</u>

## 27 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 in the preceding financial years.


## 28 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 03-10-2022 by the Board of Directors of the company.

## 29 GENERAL

29.1 Figures have been rounded off to the nearest rupee.

  
Mr. Zulfiqar Ali  
Chief Executive

  
Mr. Babar Khan  
Chief Financial officer

  
Mr. Nafees Iqbal  
Director

**Form 34**  
**(Section 236)**  
**Pattern of Holding of Shareholders**  
**As on June 30, 2022**

Number of shareholders	Shareholdings		Total Number of Shares Held	Percentage of Total Capital
	From	To		
76	1 -	100	2,558	0.05
438	101 -	500	215,742	4.00
31	501 -	1000	30,600	0.57
36	1001 -	5000	94,500	1.75
13	5001 -	10000	111,600	2.07
5	10001 -	15000	61,500	1.14
1	15001 -	20000	16,000	0.30
2	25001 -	30000	55,500	1.03
1	30001 -	35000	31,500	0.58
1	35001 -	40000	40,000	0.74
1	50001 -	55000	55,000	1.02
1	65001 -	70000	66,000	1.22
1	80001 -	85000	82,500	1.53
1	90001 -	95000	93,500	1.73
1	100001 -	105000	100,500	1.86
1	405001 -	410000	409,000	7.57
1	3930001 -	3935000	3,934,000	72.85
<b>611</b>			<b>5,400,000</b>	<b>100.00</b>

Sr.#	Name	No of Shareholders	Shares Held	Percentage of Capital
1.	Directors, Chief Executive Officer, their spouse and minor children	7	5,500	0.1019
2.	General Public (Local)	597	5,311,499	98.3611
3.	Others	7	83,001	1.5371
	<b>Total</b>	<b>611</b>	<b>5,400,000</b>	<b>100.0000</b>

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

Sr.#	Name	Shares Held	Percentage of Capital
<b>Directors, Chief Executive Officer, their spouse and minor children</b>			
1	MR. SHAKEEL AHMED	1,000	0.0185
2	MR ZULFIQAR ALI	1,000	0.0185
3	CH. NASEER AHMAD	1,000	0.0185
4	MR. NAFEES IQBAL	500	0.0093
5	MR. IMTIAZ HUSSAIN QURESHI.	500	0.0093
6	MR. NADEEM ABBAS	500	0.0093
7	MR. ABDUL SHAKOOR	1,000	0.0185
<b>Running Total of: Directors, Chief Executive Office, and their spouse and minor children</b>		<b>5,500</b>	<b>0.1019</b>
<b>Banks Developments Financial Institutions, Non Banking Financial Institutions</b>			
1	TIME SECURITIES (PVT.) LTD.	10,500	0.1944
2	MAPLE LEAF CAPITAL LIMITED	1	0.0000
3	CAPITAL VISION SECURITIES PVT LIMITED	500	0.0093
4	CAPITAL VISION SECURITIES (PVT) LTD.	2,000	0.0370
5	RS PUBLISHERS (PRIVATE) LIMITED	3,000	0.0556
6	HUSSAIN MILLS LIMITED	66,000	1.2222
7	Y.S. SECURITIES & SERVICES (PVT) LTD.	1,000	0.0185
<b>Running Total of: Banks Developments Financial Institutions, Non Banking Financial Institutions</b>		<b>83,001</b>	<b>1.5371</b>
<b>General Public (Local)</b>		<b>5,311,499</b>	<b>98.3611</b>
<b>GRAND TOTAL</b>		<b>5,400,000</b>	<b>100.0000</b>
<b>Shareholders having more than 5% Shares</b>			
1	MR. REHAN AHMED	3,934,000	72.8519
2	MR. MUZAFFAR AHMAD	409,000	7.5741
<b>TOTAL</b>		<b>4,343,000</b>	<b>80.4259</b>

# MUBARAK TEXTILE MILLS LIMITED

## FORM OF PROXY

Please quote Reg. folio Number

--

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

of \_\_\_\_\_

Being a Member of Mubarak Textile Mills Limited, Hereby appoint

\_\_\_\_\_  
(NAME)

\_\_\_\_\_ another Member of the Company or failing

\_\_\_\_\_  
(NAME)

of \_\_\_\_\_

(Being a Member of the Company) as my / our Proxy to attend, act and vote for me / us and on my / our behalf, at the 31st Annual General Meeting of the Company to be held on Friday 28th October 2022 at 20-km Off Ferozepur Road, Lahore, at 11.00 a.m. and at any adjournment thereof.

As witness my hand this \_\_\_\_\_ Day of \_\_\_\_\_ 2022

Signed by \_\_\_\_\_

In the presence of \_\_\_\_\_

Folio No.	CDC Account No.	
	Participant I.D	Account No.

Affix Revenue  
Stamps of  
appropriate Value

**Note:**

1. This form of proxy duly completed must be deposited at the Company's Registered office at 20-km Off Ferozepur Road, Lahore or company's shares registrar Hameed Majeed Associates (Pvt.) LTD. HM House, 7 Bank square, Lahore not less than 48 hours before the time of meeting.
2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities  
In Addition to the above, the following requirements have to be met.
  - a) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
  - b) The proxy shall produce his original CNIC or original passport at the time of the meeting.
  - c) In case of a 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)

## پراکسی فارم

میں / ہم \_\_\_\_\_  
 ساکن \_\_\_\_\_ بطور ممبر (ز) مبارک ٹیکسٹائل ملز لمیٹڈ  
 حامل \_\_\_\_\_ عام حصص، محترم / محترمہ \_\_\_\_\_  
 ساکن \_\_\_\_\_ یا ان کے حاضر نہ ہو سکنے کی صورت میں \_\_\_\_\_  
 ساکن \_\_\_\_\_ کو اپنے / ہمارے ایما، پراکسی کے مورخہ 28 اکتوبر 2022ء بروز  
 جمعہ 11.00 بجے کمپنی کے رجسٹرڈ آفس 20، گلوئیٹر آف فیروز پور روڈ، لاہور میں ہونے والے 31 واں سالانہ عمومی اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے  
 کیلئے اپنا / ہمارا بطور نمائندہ (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

ممبر کے دستخط

گواہ کے دستخط

گواہ کے دستخط

نام: \_\_\_\_\_  
 CNIC / پاسپورٹ نمبر: \_\_\_\_\_  
 ایڈریس: \_\_\_\_\_

نام: \_\_\_\_\_  
 CNIC / پاسپورٹ نمبر: \_\_\_\_\_  
 ایڈریس: \_\_\_\_\_

رہیدی ٹکٹ پر دستخط

اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط  
 کے نمونے سے مشابہت ہونا لازمی ہے

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر
	شہرت دار کی شناخت اکاؤنٹ نمبر

اہم نکات:

- 1۔ ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے شیئرز رجسٹرار کے دفتر میں موصول ہو جانا چاہیے۔
- 2۔ اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹس آف پراکسی جمع کراتا ہے تو اس صورت میں تمام انسٹرومنٹ آف پراکسی کا عدم قرار دیئے جائیں گے۔

3۔ سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے مزید برآں درج ذیل شرائط کو پورا کریں گے۔

- (i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔
- (ii) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔
- (iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔