

Annual Report 2023



MUBARAK
TEXTILE MILLS LIMITED



32nd

ANNUAL REPORT

FOR THE YEAR ENDED

June 30, 2023

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 2023

CONTENTS

COMPANY PROFILE	3
NOTICE OF ANNUAL GENERAL MEETING	4
DIRECTORS' REPORT	5-8
STATEMENT OF COMPLIANCE	9-11
CHAIRMAN REVIEW	12-13
INDEPENDENT AUDITOR'S REVIEW REPORT	14
STATEMENT OF ETHICS	15
INDEPENDENT AUDITORS' REPORT	16-18
STATEMENT OF FINANCIAL POSITION	19
STATEMENT OF PROFIT OR LOSS	20
STATEMENT OF COMPREHENSIVE INCOME	21
STATEMENT OF CASH FLOWS	22
STATEMENT OF CHANGES IN EQUITY	23
NOTES TO THE FINANCIAL STATEMENTS	24-37
PATTERN OF SHAREHOLDING AS PER CODE OF CORPORATE GOVERNANCE	38
PATTERN OF SHAREHOLDINGS	39



MUBARAK TEXTILE MILLS LIMITED

COMPANY PROFILE

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 32nd Annual General Meeting of the Shareholders of MUBARAK TEXTILE MILLS LIMITED, will be held on Friday the 27th day of October, 2023 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 28.10.2022.
2. To receive, consider and adopt the Audited Accounts together with Directors' and Auditors' Reports thereon for the year ended 30th June, 2023.
3. To appoint auditors for the year ending 30th June, 2024 and fix their remuneration.

ANY OTHER BUSINESS

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

LAHORE

Dated: October 03, 2023

By Order of the Board

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

1. The share transfer books of the Company shall remain closed from 26th October, 2023 to 31st October, 2023 (both days inclusive) transfers received in order on 25th October, 2023 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 30th June, 2023 alongwith the financial statements and Auditors' report thereon.

FINANCIAL REVIEW:

	June, 2023	June, 2022
Sales/Processing Income	-	-
Operating Profit/(Loss)	(8,861,763)	(8,210,507)
Financial cost:	983	1,965
Taxation for year	1,904,837	1,861,931
Profit/(Loss) for the year	(1,514,083)	(804,697)
Profit/(Loss) per Share	(0.28)	(0.15)

The company earned profit before taxation for Rs. 0.391(M) after providing for all the administrative and financial charges including depreciation for Rs. 1.521(M) as compared to pre-tax Profit of Rs. 1.057(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.

TRADING IN THE SHARES OF THE COMPANY

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

BOARD MEETING

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

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

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

KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS:

PARTICULARS	2023	2022	2021	2020	2019	2018
	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	134,426,067	132,331,234	133,939,949	139,099,569	142,024,924	145,114,408
ACCUMULATED DEPRECIATION	3,106,154	2,242,126	15,096,890	12,326,110	9,004,755	6,311,271
CURRENT ASSETS	3,491,116	2,113,385	2,883,308	14,086,334	12,290,174	11,385,158
CURRENT LIABILITIES	44,972,922	42,992,295	43,182,344	42,337,216	42,002,980	33,839,082
SALES	-	-	-	-	-	-
OTHER INCOME	8,585,000	9,269,706	25,910,321	10,408,222	9,867,796	8,317,916
PRE-TAX PROFIT/(LOSS)	390,754	1,057,234	8,451,117	1,887,831	946,199	(3,091,640)
TAXATION	1,904,837	1,861,931	1,830,549	1,704,488	1,658,203	1,149,949

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 2023-2024.

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, 2023 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, 2023 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



(Zulfikar Ali)

Chief Executive Officer

Lahore.

Dated: October 3rd, 2023

ڈائریکٹرز رپورٹ

مبارک ٹیکسٹائل ملز لمیٹڈ (کمپنی) کے ڈائریکٹران کمپنی کی سالانہ رپورٹ برائے سال 30 جون 2023 پیش کرتے ہیں۔

June, 2022

June, 2023

مالیاتی جائزہ

-	-	فروختگی خالص
(8,210,507)	(8,861,763)	آپریٹنگ منافع (نقصان)
1,965	983	فنانس کاسٹ
1,861,931	1,904,837	ٹیکسیشن
(804,697)	(1,514,083)	منافع (نقصان) برائے سال
(0.15)	(0.28)	فی حصص منافع / (نقصان)

روان سال کمپنی نے ٹیکس سے پہلے (M) 0.391 روپے منافع کمایا تمام خرچے بشمول گھساوٹ (M) 1.521 روپے نکال کے بمقابلہ پچھلے سال کا منافع (M) 1.057 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۔

5	1- ذوالفقار علی
3	2- امتیاز حسین قریشی
5	3- چوہدری نصیر احمد
5	4- ندیم عباس
5	5- نفیس اقبال
5	6- عبدالشکور
5	7- شکیل احمد
5	8- عبدالجبار
3	9- عبدالرافع صدیقی
1	10- ثناء خالد

بہترین کارپوریٹ طریقے:

ڈائریکٹرز بہترین کارپوریٹ طریقوں کو اپنانے کیلئے پرعزم ہیں۔

- 1- ڈائریکٹرز کی کل تعداد آٹھ ہے۔ جو سب مرد ہیں۔
- 2- بورڈ کے اندر دو آزاد تین نان ایگزیکٹو اور تین 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۔

شیئر ہولڈنگ پیٹرن:

عمومی شیئر ہولڈنگ پیٹرن برائے 30 جون 2023 کو ڈ آف کارپوریٹ کے مطابق رپورٹ سے منسلک ہیں۔

منافع منقسمہ:

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 2023

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 (8) as per the following:

- a. Male: 7
- b. Female: 1

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Abdul Jabbar Mrs. Sana Khalid
Non-Executive Directors	Mr. Shakeel Ahmed Mr. Nafees Iqbal Mr. Nadeem Abbas
Executive Directors	Mr. Zulfiqar Ali (Chief Executive Officer) Mr. Abdul Shakoor Ch. Naseer Ahmed

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
Mr. Abdul Jabbar Mrs. Sana Khalid

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. 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, 2023.

b) HR Nomination and Remuneration Committee

One meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2023.

c) Risk Management Committee

No meeting of Risk Management Committee was held during the financial year ended June 30, 2023.

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	Nomination Committee 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 separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board shall consider to constitute separate nomination committee.	29
2	Disclosure of significant policies on website 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	Responsibilities of the Board and its members 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	Directors' Training It is encouraged that by 30 June 2023, 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 Six 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, 2023

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 2022-23 five 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, 2023.

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, 2023

چیرمین جائزہ رپورٹ

میں کمپنی اور اس کے بورڈ کی سالانہ کارکردگی برائے سال اختتام 30 جون 2023 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 2023-23 میں 5 بورڈ مینٹنر 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 2023



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

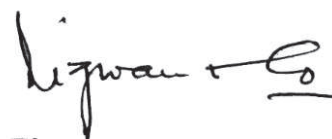
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Mubarak Textile Mills Limited** (the Company) for the year ended June 30, 2023 in accordance with the requirements 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 2023.



ISLAMABAD
Date: 03 October 2023
UDIN: CR202310101XavpE1Chi

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, 2023, 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, 2023 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, 2023 the company's accumulated losses stood at Rs. 85.371 million (Rs. 84.925 million: June 30, 2022). As on this date, the company's current liabilities exceeded its current assets by Rs. 4.324 million (Rs. 5.203 million: June 30, 2022). 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 16.1 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 42.987 million which has been classified under long term loans in these financial statements. As stated in note 11 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" and 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.

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>a) Contingencies and Company's exposure to litigation risk</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 16.1.</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"> - We obtained confirmations from legal advisors for current status and any new development during the year and assessing the advice given; - Reading correspondence of the Company with regulatory departments and the Company's external counsel, where available; - Discussing open matters and developments with the management of the Company; <p>We evaluated that appropriate disclosures and presentation have been made in these financial statements.</p>
<p>b) Revenue recognition</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, 2023, the Company recognized an amount of R s. 8.585 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"> - Obtained understanding of the internal processes used to record rental income; - Performed test of detail procedures over actual income earned during the year; and - Assessed the adequacy of related disclosures in the financial statements

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 (b) 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 (b) 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 2023
UDIN: AR202310101s5HRcBtbe



RIZWAN & COMPANY
CHARTERED ACCOUNTANT


STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	NOTE	2023 Rupees	2022 Rupees
NON CURRENT ASSETS			
Property and Equipments	5	134,426,067	132,331,234
Investment Property	6	133,441,500	132,773,000
Long Term Deposits	7	2,508,408	2,089,408
		270,375,975	267,193,642
CURRENT ASSETS			
Loans and advances to employees		34,000	36,500
Tax refunds due from the Government		2,096,681	2,016,278
Cash & bank balances	8	1,360,435	60,607
		3,491,116	2,113,385
		273,867,091	269,307,027
EQUITY & LIABILITIES			
CAPITAL & RESERVES			
Share capital	9	54,000,000	54,000,000
Unappropriated (loss)		(85,370,640)	(84,925,127)
Surplus on Revaluation of Property and Equipments	10	252,345,287	249,923,180
Shareholders equity		220,974,647	218,998,053
NON CURRENT LIABILITIES			
Long term loan	11	42,986,988	41,486,988
Employee benefit obligation	12	1,985,934	1,505,307
		44,972,922	42,992,295
CURRENT LIABILITIES			
Trade creditors & other payable	13	5,923,426	5,400,260
Provision for taxation	14	1,892,134	1,812,457
		7,815,560	7,212,717
Unclaimed Dividend	15	103,962	103,962
		273,867,091	269,307,027
CONTINGENCIES AND COMMITMENTS			
	16	-	-

The annexed notes from 1 to 27 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, 2023

	NOTE	2023 Rupees	2022 Rupees
Sales / Processing receipts		-	-
Cost of Goods sold		-	-
Gross Profit		-	-
OPERATING EXPENSES			
General and Administrative expenses	17	8,861,763	8,210,507
Operating (Loss)		(8,861,763)	(8,210,507)
Other operating income	18	8,585,000	9,269,706
Net operating (loss)/profit		(276,763)	1,059,199
Finance cost		(983)	(1,965)
Unrealized gain on remeasurement of fair value of investment property	6	668,500	-
Profit before taxation		390,754	1,057,234
Taxation	19	(1,904,837)	(1,861,931)
Net (loss) for the year after taxation		(1,514,083)	(804,697)
Basic (loss) per share	20	(0.28)	(0.15)

The annexed notes from 1 to 27 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, 2023**

	NOTE	2023 Rupees	2022 Rupees
Net (loss) for the year		(1,514,083)	(804,697)
Other Comprehensive Income:			
Gratuity - remeasurement (loss)/Gain		(124,977)	95,916
Item that will not be reclassified to profit and loss:			
Revaluation surplus on property and equipments	10	3,615,654	-
Incremental depreciation transferred from revaluation surplus	10	1,193,547	1,258,157
Total Comprehensive Income for the year		<u><u>3,170,141</u></u>	<u><u>549,376</u></u>

The annexed notes from 1 to 27 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, 2023

	NOTE	2023 RUPEES	2022 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operation	21	2,184,971	2,064,295
Gratuity paid		(140,000)	(671,010)
Income tax paid		(1,825,160)	(1,911,781)
Finance cost paid		(983)	(1,965)
Net cash inflow/(outflow) from operating activities		218,828	(520,461)
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in long term deposit		(419,000)	(319,000)
Net cash (outflow) from investing activities		(419,000)	(319,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan		1,500,000	150,000
Net cash inflows from financing activities		1,500,000	150,000
Net increase/(decrease) in cash & cash equivalents		1,299,828	(689,461)
Cash & cash equivalents as at beginning of the year		60,607	750,068
Cash & cash equivalents as at the end of the year	8	1,360,435	60,607

The annexed notes from 1 to 27 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, 2023

	PAID UP CAPITAL	ACCUMULATED (LOSS)	SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENTS	TOTAL
	(-----RUPEES-----)			
Balances as at June 30, 2021	54,000,000	(85,474,503)	251,181,337	219,706,834
Total comprehensive income for the year				
Net (Loss) for the year	-	(804,697)	-	(804,697)
Gratuity - remeasurement gain	-	95,916	-	95,916
Revaluation surplus during the year	-	-	-	-
Incremental depreciation during the year	-	1,258,157	-	1,258,157
Total Comprehensive Income	-	549,376	-	549,376
Incremental depreciation transferred	-	-	(1,258,157)	(1,258,157)
Balances as at June 30, 2022	54,000,000	(84,925,127)	249,923,180	218,998,053
Total comprehensive income for the year				
Net (loss) for the year	-	(1,514,083)	-	(1,514,083)
Gratuity - remeasurement (loss)	-	(124,977)	-	(124,977)
Revaluation surplus during the year	-	-	3,615,654	3,615,654
Incremental depreciation during the year	-	1,193,547	-	1,193,547
Total Comprehensive Income	-	(445,513)	3,615,654	3,170,141
Incremental depreciation transferred	-	-	(1,193,547)	(1,193,547)
Balance as at June 30, 2023	54,000,000	(85,370,640)	252,345,287	220,974,647

The annexed notes from 1 to 27 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, 2023

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 KM off Ferozepur Road Lahore. The Project was a composite Knitwear unit comprising of Knitting, Dying, Finishing, Embroidery & stitching. The Mill is located at 20 KM 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. 1,514,083 (2022: Rs. 804,697 net profit) during the year ended June 30, 2023 and as on that date its accumulated losses stood at Rs. 85,370,640 (2022: Rs. 84,925,127). As on this date, the company's current liabilities exceeded its current assets by Rs. 4,428,406 (2022: Rs. 5,203,294). 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 into 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 therefore do not include adjustments relating to recover ability and classification of recorded assets and classification of liabilities that may be necessary in a non-going concern basis of accounting.

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:

'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 and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 January, 2022

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

The above mentioned amendments to published approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current and future periods.

b) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are other amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not stated in these financial statements.

c) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations there to will be effective for accounting periods beginning on or after January 01, 2023:

Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after January 01, 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a Liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of Liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of Liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a Long-term basis are no longer relevant for the classification of a Liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a Liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a Liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a Liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a Liability's classification at that date. However, when non-current Liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those Liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the Initial Recognition Exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax Liability for temporary differences arising on initial recognition of a Lease and a decommissioning provision. For Leases and decommissioning Liabilities, the associated deferred tax asset and Liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an

adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include: 1) requiring companies to disclose their material accounting policies rather than their significant accounting policies; 2) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and 3) clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

The above amendments and improvements are likely to have no significant impact on the financial statements.

d) Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company+B144

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not stated in these financial statements.

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 5.

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 borrowing.

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 recovered, where or not billed to the company.

5 PROPERTY AND EQUIPMENT

The following is the statement of operating fixed assets:

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, 2023								
Net carrying value basis								
Opening book value	103,062,500	28,224,975	484,200	36,000	45,000	426,600	51,959	132,331,234
Revaluation surplus	2,425,000	1,140,274	(85,780)	(7,400)	(500)	144,060	-	3,615,654
Depreciation charge	-	(1,411,249)	(48,420)	(3,600)	(4,500)	(42,660)	(10,392)	(1,520,821)
Closing net book value	105,487,500	27,954,000	350,000	25,000	40,000	528,000	41,567	134,426,067
Gross carrying value basis								
Cost/revalued amount	105,487,500	30,850,774	452,220	32,600	49,500	618,060	698,360	138,189,014
Revaluation adjustments	-	(2,896,774)	(102,220)	(7,600)	(9,500)	(90,060)	-	(3,106,154)
	105,487,500	27,954,000	350,000	25,000	40,000	528,000	698,360	135,082,860
Accumulated depreciation	-	(2,896,774)	(102,220)	(7,600)	(9,500)	(90,060)	(656,793)	(3,762,947)
Revaluation adjustments	-	2,896,774	102,220	7,600	9,500	90,060	-	3,106,154
	-	-	-	-	-	-	(656,793)	(656,793)
	105,487,500	27,954,000	350,000	25,000	40,000	528,000	41,567	134,426,067
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)
Net book value	103,062,500	28,224,975	484,200	36,000	45,000	426,600	51,959	132,331,234
Depreciation rate % per Annum	-	5	10	10	10	10	20	

5.1 The management carried out revaluation of land, building and equipment for the year ended June 30, 2023. 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 2023, which reported revaluation surplus of Rs. 3,615,654. The entire land, building, equipment and investment property has been valued at Rs.267,826,000 at its forced value has been valued at Rs.224,762,000. The revaluation of land, building and equipment, and fair value adjustment of investment property has been incorporated in these financial statements.

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	2023	2022
		Rupees	
6 INVESTMENT PROPERTY			
Land	6.1	105,487,500	103,062,500
Building	6.2	27,954,000	29,710,500
		<u>133,441,500</u>	<u>132,773,000</u>
6.1 Land			
Opening balance		103,062,500	103,062,500
Add: Unrealized gain on remeasurement of fair value of investment property		2,425,000	-
		<u>105,487,500</u>	<u>103,062,500</u>
6.2 Building:			
Opening balance		29,710,500	29,710,500
Less: Unrealized loss on remeasurement of fair value of investment property		(1,756,500)	-
		<u>27,954,000</u>	<u>29,710,500</u>
6.3	The part of land and building was reclassified from owner's occupied property to investment property as a result of change in use at the end of 30 June 2021.		
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, 2023. 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, 2023, there is net gain of Rs. 668,500 in fair value of land, building and equipment carried out by Hamid Mukhtar & Co. (Pvt) Limited on June 30, 2023 and has decided to incorporate the values in the financial statements. (also see note 5.1)		

	NOTE	2023	2022
		Rupees	
7 LONG TERM DEPOSITS			
Comprise of securities/deposits in respect of:			
Telephone		31,000	31,000
Electricity		167,880	167,880
Gas cylinder		2,275,700	1,856,700
Other		33,828	33,828
		<u>2,508,408</u>	<u>2,089,408</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	2023	2022
		Rupees	
8 CASH AND BANK BALANCES			
Cash in hand		133,047	47,603
Cash with banks			
- current accounts		1,227,388	13,004
		<u>1,360,435</u>	<u>60,607</u>

9 SHARE CAPITAL**Authorized**

8,000,000 (2022: 8,000,000) Ordinary shares of Rs. 10 each **80,000,000** 80,000,000

Issued subscribed and paid up

5,400,000 (2022: 5,400,000) Ordinary shares of Rs. 10 each
Issue for cash **54,000,000** 54,000,000

10 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 M/s Hamid Mukhtar & Co. on June 30 2023, which reported revaluation surplus of Rs. 3,615,654. The revaluation of land, building and equipment has been incorporated in these financial statements.

	NOTE	2023	2022
		Rupees	
<u>Surplus on revaluation of Property and Equipment:</u>			
Opening balance		249,923,180	251,181,337
Surplus during the year transferred to SOCI		3,615,654	-
Incremental depreciation for the year transferred to statement of comprehensive income	10.1	(1,193,547)	(1,258,157)
		252,345,287	249,923,180

- 10.1 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	2023	2022
		Rupees	
LONG TERM LOANS			
Un secured			
Opening		41,486,988	41,336,988
Received during the year		1,500,000	150,000
		42,986,988	41,486,988

- 11.1 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.

12 EMPLOYEE BENEFIT OBLIGATION

- 12.1 The amounts recognised in the statement of financial position are determined as

	NOTE	2023	2022
		<u>Rupees</u>	
Present value of the defined benefit obligation		<u>1,985,934</u>	<u>1,505,307</u>

12.2 The amounts recognised in the statement of profit or loss:

Current service costs	312,097	313,517
Interest cost	183,553	113,360
	495,650	426,877

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

Opening defined benefit obligation	1,505,307	1,845,356
Service cost	312,097	313,517
Interest cost	183,553	113,360
Benefits paid	(140,000)	(671,010)
Actuarial losses	11,931	10,118
Experience adjustments	113,046	(106,034)
	1,985,934	1,505,307

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

	NOTE	2023	2022
Discount rate used for Interest Cost in P&L Charge		13.25%	10.00%
Discount rate used for year end obligation		16.25%	13.25%
Salary increase used for year end obligation			
Salary Increase FY2023		N/A	12.25%
Salary Increase FY2024		15.25%	12.25%
Salary Increase FY2025		15.25%	12.25%
Salary Increase FY2026		15.25%	12.25%
Salary Increase FY2027		15.25%	12.25%
Salary Increase FY2028		15.25%	12.25%
Salary Increase FY2029 onward		15.25%	12.25%
Next salary increase on		1-Jul-23	1-Jul-22
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 Rupees	Age 60

13 TRADE CREDITORS AND OTHER PAYABLES

Trade creditors	2,727,921	2,933,598
Accrued expenses	537,855	491,212
Other Liabilities	2,657,650	1,975,450
	5,923,426	5,400,260

14 PROVISION FOR TAXATION

Opening balance	1,812,457	1,830,549
Add: Provision for the year	1,892,134	1,812,457
	3,704,591	3,643,006
Less: Paid during the year	(1,812,457)	(1,830,549)
	1,892,134	1,812,457

14.1 Income / (Loss) declared by the company for the financial year ending June 30, 2022 (tax year 2022) have been deemed to be assessed as declared as per section 120 of the Income Tax Ordinance, 2001.

15 UNCLAIMED DIVIDEND

On 13 May 2023, the company through written letter to the Registrar of Companies, law Division Securities and Exchange commission of Pakistan, Islamabad have shown their willingness to handover the unclaimed dividend and requested the SECP to advise the procedure to hand over unclaimed dividend of Rs. 103,962/- under section 244 of the Act 2017. However, no written response has been received from the SECP till date.

16 CONTINGENCIES AND COMMITMENTS**16.1 Contingencies:**

- 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 year 2018 and decision is pending.

16.2 Commitments

There are no capital commitments as at the year end (2022: Nil).

	NOTE	2023	2022
		Rupees	
17 ADMINISTRATIVE EXPENSES			
Salaries and benefits	17.1	5,050,874	4,608,284
Traveling and conveyance		15,800	14,730
Vehicle Running		28,530	-
Communication		117,827	103,069
Printing & stationery		57,787	54,358
Rent, rates and taxes		110,926	148,771
Fee and subscription		209,785	260,610
Entertainment		119,234	105,521
Repair & maintenance		747,440	509,981
Auditors' remuneration	17.2	230,000	215,000
Advertisement & Publicity		138,850	104,400
Legal & professional charges		238,770	155,398
Power and fuel		275,119	321,220
Depreciation	5	1,520,821	1,608,715
Miscellaneous		-	450
		8,861,763	8,210,507

17.1 This include meeting fees of Rs. 424,000 paid to Independent Directors during the year.

	NOTE	2023	2022
		Rupees	
17.2 Auditors' remuneration			
Statutory audit		165,000	150,000
Half yearly review		50,000	50,000
Out of pocket expenses		15,000	15,000
		230,000	215,000

18 OTHER OPERATING INCOME

Rental Income		8,585,000	8,447,840
Other liabilities written back		-	821,866
		8,585,000	9,269,706

19 TAXATION

Current year		1,892,134	1,861,931
Prior years	19.2	12,703	-
		1,904,837	1,861,931

19.1 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".

19.2 This relates to the assessment order passed by the Deputy Commissioner under Rule 44(4) of the income Tax Rules 2002 for the tax year 2017.

20 BASIC (LOSS)/EARNING PER SHARE

	NOTE	2023	2022
		Rupees	
(Loss) after Taxation attributable to ordinary shareholders		(1,514,083)	(804,697)
		Number of shares	
Weighted average number of ordinary shares		5,400,000	5,400,000
		Rupees	
(Loss) per share		(0.28)	(0.15)

20.1 There is no dilutive effect on the basic earning per share.

21 CASH GENERATED FROM OPERATIONS

	NOTE	2023	2022
		Rupees	
Profit before taxation		390,754	1,057,234
Adjustment for non cash charges and other items:			
Depreciation	5	1,520,821	1,608,715
Unrealized gain on investment property		(668,500)	
Non- cash employee benefits expenses		495,650	426,877
Finance cost		983	1,965
		1,348,954	2,037,557
Working capital changes	21.1	445,263	(1,030,496)
		2,184,971	2,064,295

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

Trade debtors		-	128,720
Tax refundable from government		(80,403)	-
Loans and advances		2,500	(16,500)
		(77,903)	112,220

(Decrease) in current liabilities

Trade and other payables		523,166	(1,142,716)
		445,263	(1,030,496)

22 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**22.1 FINANCIAL ASSETS AND LIABILITIES**

2023					
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	-	-	-	2,508,408	2,508,408
Loans and advances	-	-	34,000	-	34,000
Cash and bank balance	-	-	1,360,435	-	1,360,435
	-	-	1,394,435	2,508,408	3,902,843

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
Trade debtors	-	-	-	-	-
Loans and advances	-	-	36,500	-	36,500
Cash and bank balance	-	-	60,607	-	60,607
	-	-	97,107	2,089,408	2,186,515

2023					
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 Liabilities					
Long term loans	-	-	-	42,986,988	42,986,988
Employee benefit obligation	-	-	-	1,985,934	1,985,934
Trade and other payables	-	-	5,923,426	-	5,923,426
	-	-	5,923,426	44,972,922	50,896,348

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 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

22.2 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	2023 Rupees	2022
Long term deposits	7	2,508,408	2,089,408
Bank balances	8	1,227,388	13,004
		3,735,796	2,102,412

(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.

22.3 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, 2023 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, 2023 carried out by external independent valuer M/s Hamid Mukhtar & Co. (Pvt) Limited.

Assets

Investment Property carried at Fair Value	-	-	133,441,500	133,441,500
Freehold Land, Building & Equipment	-	-	134,384,500	134,384,500
	-	-	267,826,000	267,826,000

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

NOTE	2023	2022
	Rupees	
Reconciliation of net increase in level 3 fair values:		
Fair value at beginning of the year	265,052,275	266,648,000
Depreciation charged during the year	(1,510,429)	(1,595,725)
Remeasurement recognized in OCI	4,284,154	-
Fair value at end of the year	267,826,000	265,052,275

The Company has revalued its freehold land, buildings and equipment on June 30, 2023 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

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 the occurred. However, there is no transfers between levels during the year.

23 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	2023		2022	
	Chief Executive	Working Directors	Chief Executive	Working Directors
Basic salary	-	-	-	-
House rent allowance	-	-	-	-
Other allowances	-	-	-	-
	-	-	-	-
Number of persons	1	1	1	1

23.1 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 17.1.

24 NUMBER OF EMPLOYEES

	2023	2022
Total number of employees as at June 30	8	9
Average number of employees during the year	8	8

25 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.

26 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 03-10-2023 by the Board of Directors of the company.

27 GENERAL

27.1 Figures have been rounded of to the nearest rupee. Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. However, no significant reclassification has been made.



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, 2023

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
611			5,400,000	100.00

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

PATTERN OF SHAREHOLDING AS PER REQUIREMENT OF CODE OF CORPORATE GOVERNANCE

Sr.#	Name	Shares Held	Percentage of Capital
Directors, Chief Executive Officer, their spouse and minor children			
1	MR. 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
Running Total of: Directors, Chief Executive Office, and their spouse and minor children		5,500	0.1019
Banks Developments Financial Institutions, Non Banking Financial Institutions			
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
Running Total of: Banks Developments Financial Institutions, Non Banking Financial Institutions		83,001	1.5371
General Public (Local)		5,311,499	98.3611
GRAND TOTAL		5,400,000	100.0000
Shareholders having more than 5% Shares			
1	MR. REHAN AHMED	3,934,000	72.8519
2	MR. MUZAFFAR AHMAD	409,000	7.5741
TOTAL		4,343,000	80.4259

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 32nd Annual General Meeting of the Company to be held on Friday 27th October 2023 at 20-km Off Ferozepur Road, Lahore, at 11.00 a.m. and at any adjournment thereof.

As witness my hand this _____ Day of _____ 2023

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 27 اکتوبر 2023ء بروز
 جمعہ 11.00 بجے کمپنی کے رجسٹرڈ آفس 20، گلوئیٹر آف فیروز پور روڈ، لاہور میں ہونے والے 32 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

رسیدی 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۔