

14/15

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the annexed balance sheet of **ITTEFAQ SONS (PVT.) LIMITED.** as at June 30, 2015 and the related profit and loss account, cash flow statement and statement of changes in equity together with notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.


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

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

- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Muhammad Kaleem Rathor
Lahore
Date: October 02, 2015




KALEEM AND COMPANY
CHARTERED ACCOUNTANTS

ITTEFAQ SONS (PVT.) LIMITED
BALANCE SHEET AS AT JUNE 30, 2015

<u>EQUITY & LIABILITIES</u>	<u>Notes</u>	<u>2015 RUPEES</u>	<u>2014 RUPEES</u>	<u>ASSETS</u>	<u>Notes</u>	<u>2015 RUPEES</u>	<u>2014 RUPEES</u>
<u>SHARE CAPITAL & RESERVES</u>				<u>NON-CURRENT ASSETS</u>			
Share Capital							
Authorized Capital							
10,000,000 Ordinary Shares of Rs. 100/- each (2014: 10,000,000 Shares)		1,000,000,000	1,000,000,000	Property Plant & Equipments	12	1,560,502,630	1,678,643,206
Issued Subscribed & Paid-up Capital				Capital W.I.P		16,365,331	12,631,572
8,947,124 Ordinary Shares of Rs. 100/- each (2014: 8,947,124 shares)		894,712,400	894,712,400				
Unappropriated Profit		522,796,088	408,044,330				
		1,417,508,488	1,302,756,730				
Surplus on Revaluation of Fixed Assets	4	399,284,740	437,766,554	Long-Term Security Deposits		19,489,626	18,439,804
<u>NON-CURRENT LIABILITIES</u>							
Sponsors Loans -subordinated		316,329,215	316,329,215				
Long Term Loans	5	9,967,048	49,967,048				
Liabilities Against Assets Subject to Finance Lease	6	2,100,000	10,500,000				
		328,396,263	376,796,263				
Deferred Liabilities	7	18,454,543	19,989,100				
<u>CURRENT LIABILITIES</u>				<u>CURRENT ASSETS</u>			
Trade and Other Payables	8	650,065,389	734,919,745	Stores, Spares & Loose Tools		211,867,078	184,672,185
Finance Cost Payable		52,726,335	50,774,795	Stock in Trade	13	1,431,920,516	1,400,507,901
Short Term Borrowings	9	1,581,492,159	1,046,406,202	Trade Debts		449,124,690	301,738,564
Current Portion of Long Term Liabilities	10	68,409,659	111,900,000	Advances, Deposits, Prepayments & Other Receivables	14	709,383,919	318,195,312
Provision for Taxation		221,803,579	178,414,540	Taxes Refundable	15	323,451,846	332,519,735
		2,574,497,121	2,122,415,282	Cash & Bank Balances	16	16,035,519	12,325,650
Contingencies & Commitments	11	-	-			3,141,783,568	2,550,009,347
		4,738,141,155	4,259,723,929			4,738,141,155	4,259,723,929

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

CHIEF EXECUTIVE

DIRECTOR



ITTEFAQ SONS (PVT.) LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2015

	NOTE	2015 RUPEES	2014 RUPEES
Sales-Net	17	3,842,093,617	4,110,125,936
Less: Cost of Sales	18	3,490,450,175	3,749,261,333
Gross Profit		351,643,442	360,864,603
Distribution Cost	19	11,405,119	12,177,681
Administrative Expenses	20	36,855,109	37,867,674
		48,260,228	50,045,355
Operating Profit		303,383,214	310,819,248
Other Income	21	3,351,408	6,921,886
		306,734,622	317,741,134
Finance Cost	22	183,463,076	176,034,153
Workers Profit Participation Fund		6,163,577	7,085,349
Workers Welfare Fund		2,417,089	2,639,640
Profit Before taxation		114,690,880	131,981,992
Provision For taxation		38,420,936	44,873,877
Profit After taxation		76,269,944	87,108,115
Earning Per Share		8.52	9.74

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


 CHIEF EXECUTIVE


 DIRECTOR



ITTEFAQ SONS (PVT.) LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

	Share Capital <u>RUPEES</u>	Accumulated Profit <u>RUPEES</u>	Total <u>RUPEES</u>
Balance as on June 30, 2013	894,712,400	278,315,459	1,173,027,859
Net Profit for the year 2014	-	87,108,115	87,108,115
Incremental Depreciation transferred from Surplus on Rev. of fixed assets	-	42,620,756	42,620,756
Balance as on June 30, 2014	894,712,400	408,044,330	1,302,756,730
Net Profit for the year 2015	-	76,269,944	76,269,944
Incremental Depreciation transferred from Surplus on Rev. of fixed assets	-	38,481,814	38,481,814
Balance as on June 30, 2015	894,712,400	522,796,088	1,417,508,488

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


 CHIEF EXECUTIVE


 DIRECTOR



ITTEFAQ SONS (PVT.) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	2015 <u>RUPEES</u>	2014 <u>RUPEES</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit Before Taxation	114,690,880	131,981,992
Adjustments for:		
Depreciation	141,466,496	154,776,885
Provision of Gratuity	6,487,748	11,122,979
Gain on Sale of Fixed Asset	(313,829)	(3,278,042)
Finance Cost	183,463,076	176,034,153
	<u>331,103,491</u>	<u>338,655,975</u>
Profit Before Working Capital Changes	<u>445,794,371</u>	<u>470,637,967</u>
Working Capital Changes		
(INCREASE)/ DECREASE IN		
Stores, Spares & Loose Tools	(27,194,893)	(81,465,927)
Stock in Trade	(31,412,615)	38,206,558
Trade Debts	(147,336,126)	(6,112,285)
Advances, Deposits, Prepayments & Other Receivables	(391,188,607)	(232,931,086)
	<u>(597,132,241)</u>	<u>(282,302,740)</u>
INCREASE/ (DECREASE) IN		
Trade and Other Payables	(84,854,356)	(66,533,852)
Cash Generated from Operations	<u>(236,192,226)</u>	<u>121,801,375</u>
Taxes Paid	14,035,991	(47,785,585)
Finance Cost Paid	(181,511,536)	(180,069,445)
Gratuity Paid	(8,022,305)	(8,528,731)
	<u>(175,497,850)</u>	<u>(236,383,761)</u>
Net Cash (used in) Operating Activities	<u>(411,690,076)</u>	<u>(114,582,386)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Fixed Assets Acquired	(23,502,090)	(69,640,686)
Capital Work in Progress	(3,733,759)	(12,631,572)
Disposal of Fixed Asset	490,000	7,811,718
Security Deposits	(1,049,822)	(3,449,304)
Net Cash (used in) Investing Activities	<u>(27,795,671)</u>	<u>(77,909,844)</u>



2015
RUPEES

2014
RUPEES

CASH FLOWS FROM FINANCING ACTIVITIES

Long Term Loans	(83,490,341)	(83,500,000)
Short Term Borrowings	535,085,957	145,421,090
Liabilities Against Assets Subject to Finance Lease	(8,400,000)	(10,389,710)
<i>Net Cash From Financing Activities</i>	<u>443,195,616</u>	<u>51,531,380</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	3,709,869	(140,960,850)
Cash & Cash Equivalents at the Beginning of the Year	12,325,650	153,286,500
Cash & Cash Equivalents at the End of the Year	<u>16,035,519</u>	<u>12,325,650</u>

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

[Signature]

CHIEF EXECUTIVE

Mian. Zahid

DIRECTOR



ITTEFAQ SONS (PVT.) LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2015

1 NATURE AND STATUS OF COMPANY

Ittefaq Sons (Pvt.) Limited ("the Company") was incorporated on February 20, 2004 as a Private Limited Company under the Companies Ordinance 1984. The principal activity of the company is manufacturing of Steel, Copper and other allied products. The registered office of the company is situated at 40, B-II Gulberg III M. M. Alam Road, Lahore.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the companies ordinance 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Measurement

These accounts have been prepared under historical cost convention without any adjustments for the effects of inflation or current values.

3.2 Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits available of Income Tax Ordinance 2001. As the company foresees no major timing differences likely to reverse in the foreseeable future, hence no provision for deferred tax is made.

3.3 Foreign Currency Transactions

Foreign Currency transactions are converted into Pak Rupees using the rates prevailing at the date of transaction while assets & liabilities are converted into Pak Rupees using the rates of exchange prevailing at the balance sheet date. Exchange gains and losses on conversion are charged to income currently.

3.4 Fixed Assets and Depreciation

- a) The company has changed its policy for the valuation of certain tangible fixed assets from cost to revaluation model.
- b) Maintenance and normal repairs are charged to current year's income. Major renewals and improvements are capitalized.
- c) Gains and losses on disposal of fixed assets are included in income currently.
- d) The company assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount.
- e) Depreciation on fixed assets is provided on the reducing balance method at the rates specified in the fixed asset schedule. Acquisitions during the year are depreciated proportionately, from date of purchase to accounting year end. Depreciation is also charged on assets sold during the year proportionately.

3.5 Stores, Spares and Loose Tools

Stores, spares and loose tools are valued at cost on moving average basis, except store in transit which is stated at cost accumulated up to the balance sheet date.



3.6 Stock in Trade

Stock in trade is valued at lower of cost or Net realizable value.

3.7 Borrowing Cost

Interest, mark-up and other charges on long term liabilities are capitalized up to the date of commissioning of respective fixed assets acquired and produced out of the proceeds of such long term liabilities. All other interest, mark-up and other charges are charged to income.

3.8 Receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

3.9 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 future for goods and services.

3.10 Provisions

Provisions are recognized when the company has a present obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

3.11 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to set-off the recognized amounts and the company intends to either settle on a net basis, or to realize the asset and settle the liability.

3.12 Financial Instruments

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the income currently.

4 SURPLUS ON REVALUATION OF FIXED ASSETS

This represents surplus over book value resulting from revaluation of fixed assets as referred to in fixed assets schedule.

Opening Balance

Amount equal to Incremental Depreciation transferred to Equity

	2015 <u>RUPEES</u>	2014 <u>RUPEES</u>
Opening Balance	437,766,554	480,387,310
Amount equal to Incremental Depreciation transferred to Equity	38,481,814	42,620,756
	<u>399,284,740</u>	<u>437,766,554</u>

The company has complied with the requirements of SRO 45(I)2003 for the effect of incremental depreciation. The incremental depreciation charged on revalued assets, except land, during the years has been transferred to retained earnings / accumulated profit/(Loss) to record realization of surplus to the extent of incremental depreciation to comply with the amendment in section 235 of Companies Ordinance, 1984 further notification of Securities and Exchange Commission of Pakistan to clarify the treatment of surplus arising on revaluation of fixed assets.



	2015 RUPEES	2014 RUPEES
5 LONG TERM LOANS		
Soneri Bank Limited	49,967,048	109,976,000
Bank of Punjab Limited	-	43,491,048
	49,967,048	153,467,048
Less: Current Portion	40,000,000	103,500,000
	9,967,048	49,967,048

- 5.1 Long term loans were obtained from various commercial banks. The loans are secured against mortgage of Land, Building, Plant & Machinery and the personal guarantees of all the directors of the company. Mark-up is charged at the rate ranging from 3-months to 6-months KIBOR plus 2.25% to 2.5% per annum. The loans will be expired on the dates ranging from 31 March, 2015 to 30 June, 2017.

6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2015		2014	
	Payable within one year	Payable after one year but less than five years	Payable within one year	Payable after one year but less than five years
Total of Minimum lease payments	11,506,855	2,203,562	11,506,855	12,053,425
Less: Finance cost	(3,106,855)	(103,562)	(3,106,855)	(1,553,425)
Present value of Minimum lease payments.	8,400,000	2,100,000	8,400,000	10,500,000

- 6.1 The rate of interest used as discounting factor ranging from 3 to 6 months KIBOR + 3 to 4 % per annum with floor of 12.5%. The taxes, repairs and insurance cost are borne by lessee. Lessee shall have no right to terminate the lease agreement and if lease agreement is terminated, the lessee shall pay entire amount of rentals for unexpired period of lease agreements. In all the above leases, the purchase option is available to the company which it intends to avail. This lease is secured against the ownership of leased asset in the name of bank and the Personal Guarantees of the Directors.

7 DEFERRED LIABILITIES

Staff Gratuity:		
Opening Balance	19,989,100	17,394,852
Add: Provision for the Year	6,487,748	11,122,979
	26,476,848	28,517,831
Less: Payments During the Year	8,022,305	8,528,731
	18,454,543	19,989,100

8 TRADE AND OTHER PAYABLES

Sundry Creditors	320,517,521	528,003,896
Advances from Customers	246,787,486	129,772,323
Accrued Expenses	63,131,512	51,401,913
Security Deposits Payable	775,669	5,450,900
Others Payables	5,172,374	4,190,552
Workers' Profit Participation Fund	6,893,694	11,730,117
Workers' Welfare Fund	6,787,133	4,370,044
	650,065,389	734,919,745



	<u>2015</u> <u>RUPEES</u>	<u>2014</u> <u>RUPEES</u>
9 <u>SHORT TERM BORROWINGS-SECURED</u>		
Bank of Punjab Ltd.	347,165,812	309,249,562
KASB Bank Limited	203,312,017	166,446,158
National Bank of Pakistan Ltd.	275,003,914	357,726,442
MCB Bank Limited	570,854,040	212,984,040
J-S Bank Ltd	185,156,376	-
	<u>1,581,492,159</u>	<u>1,046,406,202</u>

- 9.1** Short term borrowings were obtained from various commercial banks. The borrowings are secured against charge over Raw Material, Finished Goods, Imported Chemicals and the personal guarantees of all the directors of the company. Mark-up rate charged at the rate ranging from 3-months to 6-months KIBOR plus 2.25% to 3.0% per annum. These loan will expire within the period ranging from January 2015 to June 2016.

10 CURRENT PORTION OF LONG TERM LIABILITIES

Current Portion of Long Term Loans	60,009,659	103,500,000
Current Portion of Liabilities Against Assets Subject to Finance Lease	8,400,000	8,400,000
	<u>68,409,659</u>	<u>111,900,000</u>

11 CONTINGENCIES AND COMMITMENTS

There were no known contingencies as at June 30, 2015 (2014: Nil). The commitments against Letter of Credit are of Rs. 124,495,000 as at June 30, 2015 (2014: Rs. 85,000,000).



12 PROPERTY, PLANT & EQUIPMENTS

PARTICULARS

	C O S T/Revalued Amount				Rate %	Depreciation				WDV As At 30-06-2015
	As At 01-07-2014	Addition/ (Deletion)	Adjustments	As At 30-06-2015		As At 01-07-2014	Adjustments	For The Year	As At 30-06-2015	
Land	62,875,000	-	-	62,875,000	-	-	-	-	-	62,875,000
Building	495,651,267	2,278,062	-	497,929,329	5	53,202,880	-	22,131,358	75,334,238	422,595,091
Plant & Machinery	1,285,796,125	18,765,796	-	1,304,561,921	10	312,684,595	-	97,686,295	410,370,890	894,191,031
Grid Station	57,279,039	-	-	57,279,039	10	31,252,472	-	2,602,657	33,855,129	23,423,910
Electric Installation	191,506,688	96,000	-	191,602,688	10	65,681,791	-	12,584,121	78,265,912	113,336,776
Vehicles	24,924,447	1,521,540 (760,000)	-	25,685,987	20	11,683,065	-	2,789,945	13,889,181	11,796,806
Furniture & Fixture	4,902,066	307,640	-	5,209,706	10	2,445,816	-	262,851	2,708,666	2,501,040
Office Equipment	2,548,446	533,052	-	3,081,498	20	1,558,570	-	242,337	1,800,907	1,280,591
Laboratory Equipment	11,232,088	-	-	11,232,088	10	6,128,428	-	510,366	6,638,794	4,593,294
Arms & Ammunition	146,013	-	-	146,013	10	78,550	-	6,746	85,296	60,717
Tools	302,509	-	-	302,509	10	165,054	-	13,746	178,800	123,709
Year 2015	2,137,163,688	23,502,090 (760,000)	-	2,159,905,778		484,881,221	(583,829)	138,830,422	623,127,813	1,536,777,965

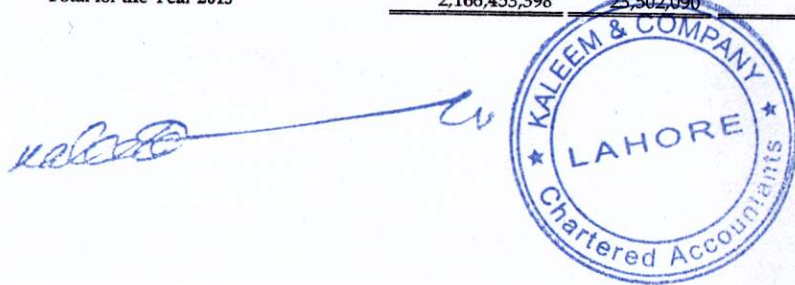
12.1 The surplus on revaluation of land, building and plant & machinery was determined as on June 11, 2011 by M/S Riyadh Co. (Approved Valuer of Pakistan Bank's Association) on current replacement cost basis as follows:

	Original Cost Rupees	Book Value Rupees	Revalued amount Rupees	Revaluation Surplus Rupees
Land	33,322,002	33,322,002	62,875,000	29,552,998
Building	301,589,141	241,645,900	296,220,420	54,574,520
Plant & Machinery	428,928,610	269,274,614	765,053,388	495,778,774
Total	763,839,753	544,242,516	1,124,148,808	579,906,292

LEASED ASSETS

PARTICULARS

	C O S T				Rate %	Depreciation				WDV As At 30-06-2015
	As At 01-07-2014	Addition	Adjustments	As At 30-06-2015		As At 01-07-2014	Adjustments	For The Year	As At 30-06-2015	
Plant & Machinery	29,289,710	-	-	29,289,710	10	2,928,971	-	2,636,074	5,565,045	23,724,665
Year 2015	29,289,710	-	-	29,289,710		2,928,971	-	2,636,074	5,565,045	23,724,665
Total for the Year 2015	2,166,453,398	23,502,090	-	2,189,195,488		487,810,192	(583,829)	141,466,496	628,692,858	1,560,502,630



Depreciation for the year has been allocated as under :-

	2015 RUPEES	2014 RUPEES
Cost of Sales	95% 134,393,171	147,038,041
Administrative Expenses	5% 7,073,325	7,738,844
	<u>141,466,496</u>	<u>154,776,885</u>

12.2 The Following Assets were sold during the year.

Particulars of Buyers	Description of Asset	Original Cost	Accumulated Depreciation	Written Down Value	Sales Proceeds	Gain/(Loss)	Mode of Disposal
Mr. Shahid Mehtab S/O M. Shareef	LEF-6088	760,000	583,829	176,171	490,000	313,829	Negotiation
		<u>760,000</u>	<u>583,829</u>	<u>176,171</u>	<u>490,000</u>	<u>313,829</u>	

Handwritten signature



12.3 PROPERTY, PLANT & EQUIPMENTS

PARTICULARS	C O S T/Revalued Amount				Rate %	Depreciation				WDV As At 30-06-2014
	As At 01-07-2013	Addition/ (Deletion)	Adjustments	As At 30-06-2014		As At 01-07-2013	Adjustments	For The Year	As At 30-06-2014	
Land	62,875,000	-	-	62,875,000	-	-	-	-	-	62,875,000
Building	467,648,431	28,002,836	-	495,651,267	5	31,018,470	-	22,184,410	53,202,880	442,448,387
Plant & Machinery	1,259,267,223	34,928,902 (8,400,000)	-	1,285,796,125	10	208,698,801	- (4,384,752)	108,370,546	312,684,595	973,111,530
Grid Station	57,279,039	-	-	57,279,039	10	28,360,631	-	2,891,841	31,252,472	26,026,567
Electric Installation	191,506,688	-	-	191,506,688	10	51,701,247	-	13,980,544	65,681,791	125,824,897
Vehicles	20,429,647	6,233,200 (1,738,400)	-	24,924,447	20	9,592,692	- (1,219,972)	3,310,345	11,683,065	13,241,382
Furniture & Fixture	4,806,066	96,000	-	4,902,066	10	2,172,899	-	272,917	2,445,816	2,456,250
Office Equipment	2,168,698	379,748	-	2,548,446	20	1,311,101	-	247,469	1,558,570	989,876
Laboratory Equipment	11,232,088	-	-	11,232,088	10	5,561,355	-	567,073	6,128,428	5,103,660
Arms & Ammunition	146,013	-	-	146,013	10	71,054	-	7,496	78,550	67,463
Tools	302,509	-	-	302,509	10	149,781	-	15,273	165,054	137,455
Year 2014	2,077,661,402	69,640,686 (10,138,400)	-	2,137,163,688		338,638,031	(5,604,724)	151,847,914	484,881,221	1,652,282,467

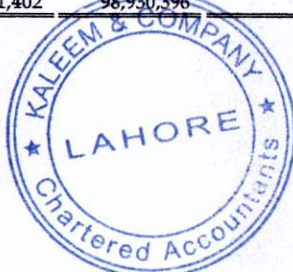
12.4 The surplus on revaluation of land, building and plant & machinery was determined as on June 11, 2011 by M/S Riyadh Co. (Approved Valuer of Pakistan Bank's Association) on current replacement cost basis as follows:

	Original Cost Rupees	Book Value Rupees	Revalued amount Rupees	Revaluation Surplus Rupees
Land	33,322,002	33,322,002	62,875,000	29,552,998
Building	301,589,141	241,645,900	296,220,420	54,574,520
Plant & Machinery	428,928,610	269,274,614	765,053,388	495,778,774
Total	763,839,753	544,242,516	1,124,148,808	579,906,292

LEASED ASSETS

PARTICULARS	C O S T				Rate %	Depreciation				WDV As At 30-06-2014
	As At 01-07-2013	Addition	Adjustments	As At 30-06-2014		As At 01-07-2013	Adjustments	For The Year	As At 30-06-2014	
Plant & Machinery	-	29,289,710	-	29,289,710	10	-	-	2,928,971	2,928,971	26,360,739
Vehicles	-	-	-	-	20	-	-	-	-	-
Year 2014	-	29,289,710	-	29,289,710		-	-	2,928,971	2,928,971	26,360,739
Total for the Year 2014	2,077,661,402	98,930,396	-	2,166,453,398		338,638,031	(5,604,724)	154,776,885	487,810,192	1,678,643,206

Kaleem & Company

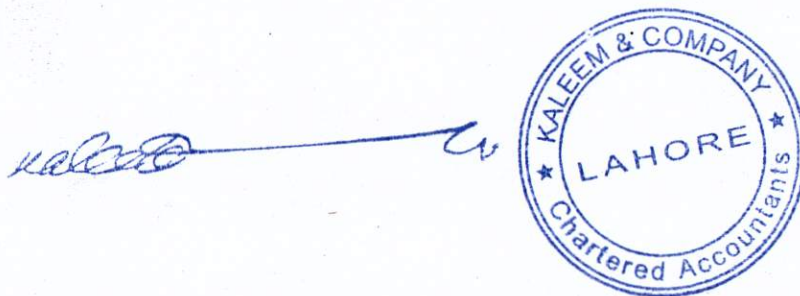


Depreciation for the year has been allocated as under :-

		2014 RUPEES	2013 RUPEES
Cost of Sales	95%	147,038,041	110,389,284
Administrative Expenses	5%	7,738,844	5,809,962
		<u>154,776,885</u>	<u>116,199,246</u>

12.5 The Following Assets were sold during the year.

Particulars of Buyers	Description of Asset	Original Cost	Accumulated Depreciation	Written Down Value	Sales Proceeds	Gain/(Loss)	Mode of Disposal
Insurance Claim	LEN-8017	88,700	48,307	40,393	65,000	24,607	Negotiation
Mr. Gulraiz Nazeer S/O Nazeer Baig	LEM-08-9412	74,700	55,615	19,085	31,718	12,633	Negotiation
Mr. Shahbaz Ali S/O M. Ilyas	LEC-07-7565	1,575,000	1,116,068	458,932	1,215,000	756,068	Negotiation
Sold as scrap	Cold rolling mill	8,400,000	4,384,734	4,015,266	6,500,000	2,484,734	Negotiation
		<u>10,138,400</u>	<u>5,604,724</u>	<u>4,533,676</u>	<u>7,811,718</u>	<u>3,278,042</u>	



		<u>2015</u> <u>RUPEES</u>	<u>2014</u> <u>RUPEES</u>
13 STOCK IN TRADE			
Stock of Raw Material		283,365,017	480,050,859
Finished Goods		1,148,555,499	920,457,042
		<u>1,431,920,516</u>	<u>1,400,507,901</u>
14 ADVANCES, DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES			
Advance to :			
-Suppliers		58,288,382	46,374,051
-Office Staff		3,619,293	2,774,411
-Clearing Agent		7,119,520	2,186,333
-Staff for Expenses		12,574,178	7,616,566
Advances Against L/C		563,730,159	121,876,769
Security Deposits		18,238,603	62,252,331
Letter of Guarantee		5,023,086	4,907,884
Other Receivables		40,790,698	70,206,862
		<u>709,383,919</u>	<u>318,195,312</u>
15 TAXES REFUNDABLE			
Sales Tax Receivable		13,057,935	38,011,682
Advance Income Tax		310,393,911	294,508,033
		<u>323,451,846</u>	<u>332,519,735</u>
16 CASH AND BANK BALANCES			
Cash at Banks		13,517,386	10,034,783
Cash in Hand		2,518,133	2,290,854
		<u>16,035,519</u>	<u>12,325,636</u>
17 SALES			
Export Sales		43,435,611	9,861,522
Local Sales		3,927,919,647	4,173,935,242
Total Sales		<u>3,971,355,258</u>	<u>4,183,796,764</u>
Less : Sales Tax		129,261,641	75,670,828
		<u>3,842,093,617</u>	<u>4,110,125,936</u>
18 COST OF SALES			
Raw Material Consumed	18.1	2,630,650,973	2,203,703,845
Salaries, Wages & Benefits		147,363,837	132,044,974
Store Consumption		173,327,473	221,203,500
Fuel and Power		550,397,037	803,903,663
Repair & Maintenance		26,563,352	70,789,830
Freight Expenses		23,189,890	48,452,481
Vehicles Running Expenses		9,747,678	10,488,414
Insurance Charges		5,556,290	4,901,012
Traveling & Conveyance		250,379	224,370
Entertainment		625,880	716,704
Printing & Stationery		521,874	533,364
Rent, Rates & Taxes		140,400	293,913
Telephone Expense		412,588	869,546
Laboratory Expense		348,431	794,046
Misc. Expenses		15,059,329	21,970,550
Depreciation		134,393,171	147,038,013
		<u>3,718,548,632</u>	<u>3,669,952,360</u>
Opening Stock		920,457,042	999,765,515
Closing Stock		(1,148,555,499)	(920,457,042)
		<u>3,490,450,175</u>	<u>3,749,261,333</u>



	2015 RUPEES	2014 RUPEES
18.1 Raw Material consumed		
Opening Raw material stock	480,050,859	438,948,944
Add: Purchases during the year	2,433,965,131	2,244,805,260
	2,914,015,990	2,683,754,204
Less: Consumption during the year	2,630,650,973	2,203,703,345
Closing stock	283,365,017	480,050,859
19 DISTRIBUTION COST		
Salaries, Wages and Benefits	1,548,474	1,326,590
Advertising Expenses	1,596,438	1,509,265
Packing Expenses	1,369,152	3,553,472
Loading/Unloading	1,139,633	761,639
Sample Test Expenses	645,151	150,600
Others	5,106,271	4,876,115
	11,405,119	12,177,681
20 ADMINISTRATIVE EXPENSES		
Salaries, Wages and Benefits	21,938,950	18,792,239
Fee & Subscription	404,355	1,059,462
Legal & Professional Charges	1,399,817	1,166,761
Auditors' Remuneration	50,000	550,000
Vehicle Running Expenses	2,392,120	4,476,384
Traveling & Conveyance	339,365	1,479,190
Printing & Stationery	577,005	665,665
Donation	260,000	178,000
Insurance Charges	717,484	765,429
Telephone & Postage Charges	242,572	30,351
Entertainment	94,672	208,261
Advertisement	58,480	97,100
Misc. Expenses	1,306,964	659,988
Depreciation	7,073,325	7,738,844
	36,855,109	37,867,674
21 OTHER INCOME		
Interest and Other Income	3,037,579	3,643,844
Gain on Disposal of Fixed Assets	313,829	3,278,042
	3,351,408	6,921,886
22 FINANCE COST		
Finance Cost on Banks Borrowings	177,480,501	168,864,138
Finance Cost on Lease Liability	1,888,748	2,783,264
Export Financial Expenses	1,045,007	-
Bank Charges	3,048,820	4,386,751
	183,463,076	176,034,153



2015
RUPEES

2014
RUPEES

23 Earning Per Share

Profit after taxation for the year attributable to ordinary shareholders.

76,269,944

87,108,115

Weighted average number of ordinary shares outstanding during the year.

8,947,124

8,947,124

Earning Per Share (Rs./Share)

8.52

9.74

23.1 Diluted earning Per Share

There is no dilution effect on the basic earnings per share as the company has no such commitments.

24 GENERAL

i - Figures have been rounded off to the nearest rupees.

ii - Previous year's figures have been rearranged, where necessary for the purpose of comparison. No material rearrangements were made during the year.

25 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 02, 2015.


CHIEF EXECUTIVE


DIRECTOR

