



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Aziz L. Jamal	Chairman/Chief Executive
Mr. Rashid L. Jamal	Director
Mr. Husein Jamal	Director
Mrs. Aisha Bai Suleman	Director
Mr. Akhtar Wasim Dar	Director
Miss. Saman Aziz Jamal	Director
Miss. Hina Abdul Rashid	Director

BOARD OF AUDIT COMMITTEE

Mr. Akhtar Wasim Dar	Chairman
Mr. Rashid L. Jamal	Member
Mr. Husein Jamal	Member
Mr. Mirza Akhter Shikoh	Secretary

H.R. & REMUNERATION COMMITTEE

Mr. Akhtar Wasim Dar	Chairman
Mr. Husein Jamal	Member
Mr. Abdul Razzak Awan	Member

COMPANY SECRETARY

Mr. M. Anwar Kaludi

REGISTERED & HEAD OFFICE

HT-8, Landhi Industrial & Trading Estate,
Landhi, Karachi-75120.
Tel: (9221) 35018536-8
Fax: (9221) 35018545
E-mail: sales@husein.com

BANKERS

Habib Metropolitan Bank Limited
Habib Bank Limited
MCB Bank Limited
Soneri Bank Limited

AUDITORS

Haroon Zakaria & Co.
Chartered Accountants

SHARE REGISTRAR

C & K Management Associates (Pvt) Limited
404, Trade Towers, Near Hotel Metropole,
Abdullah Haroon Road
Karachi.

MILLS

HT-8, Landhi Industrial & Trading Estate,
Landhi, Karachi-75120

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 62nd Annual General Meeting of the shareholders of Husein Industries Limited will be held at the Registered Office of the Company at Plot No. HT-8, Landhi Industrial & Trading Estate, Landhi, Karachi, on Monday 30 January 2017 at 12:00 noon to transact the following business:

Ordinary Business:

1. To confirm the minutes of the 61st Annual General Meeting held on 7th September, 2016.
2. To receive consider and adopt the Financial Statement of the Company for the year ended 30th June, 2015 together with the Directors and auditor's Report thereon.
3. To appoint auditors and fix their remuneration for the year ended 30th June, 2016. M/s. Haroon Zakaria & Co., Chartered Accountants, retire and offer themselves for reappointment.

Special Business:

To add the following objects to the Memorandum of Association of the Company:

1. To purchase any land, plot(s) of land or immovable property or any right or interest therein either singly or jointly or in Partnership with any person(s) or Body corporate or partnership Firm and to develop and construct thereon residential, commercial complex or complex(es) either singly or jointly or in partnership as aforesaid, comprising offices for sale or self use or for earning rental income thereon by letting out individual units comprised in such building(s) subject to applicable regulatory approval and Legal framework.
2. To purchase any movable or immovable property including industrial, commercial, residential, or farm lands, plots, buildings, houses, apartments, flats or areas within or outside the limits of Municipal Corporation or other local bodies, anywhere within the geographical territories of Islamic Republic of Pakistan, to divide the same into suitable plots subject to applicable regulatory approach and Legal framework, and to rent or sell the plots for building/constructing residential houses, bungalows, business premises, and colonies and rent or sell the same and realize cost in lump sum or easy installments or by hire purchase system and otherwise subject to applicable regulatory approval and Legal framework.
3. To purchase, sell and otherwise to carry on the business such as builders, contractors, architects, engineers, estate agents, decorators and surveyors subject to applicable regulatory approval and Legal framework.
4. To Set-up cement, ready mix concrete, construction materials and allied industries.
5. To develop, install and set up power plants for generation, transmission and distribution of electricity in Pakistan.
6. To apply for license as a Non-Banking Finance Company (NBFC) to form a real estate investment trust (REIT) and undertake various real estate related activities.

This is to clarify that Directors of the Company hold no direct or indirect interest in the aforesaid special business except to the extent of their shareholding in the Company under the applicable law.

Other Business:

To transact any other business as may be placed before the Meeting with the permission of the Chair.

Karachi, 30th December, 2016

By Order of the Board
Muhammad Anwar Kaludi
Company Secretary

NOTES:

1. The Register of Members of the Company will remain closed from 24/01/2017 to 30/01/2017 (both days inclusive) Transfer received in order at the office of our Share Registrar M/s. C & K Management Associates (Pvt.) Limited, 404, Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi-75330 at the close of business on 23rd January, 2017 will be treated in time.
2. A Member entitled to attend, speak and vote at this Annual General Meeting is entitled to appoint another member as a proxy to attend, speak and vote instead of him/her. Proxies in order to be valid, must be signed across a Rupees Five revenue stamp and should be deposited at the office of the share registrar not less than 48 hours before the meeting. Form of proxy is enclosed.
3. Shareholders are requested to notify the office of the share registrar of any change in their addresses immediately. The Shareholders claiming exemption from Zakat are required to file their Declaration with our Share Registrar.
4. SECP through its Notification SRO 787(I)/2014 dated September 8, 2014, has allowed the circulation of Audited Financial Statements along with the Notice of Annual General Meeting to the members of the Company through email. Therefore, all members who wish to receive the soft copy of Annual Report are requested to send their email addresses.
The Company shall, however, provide hard copy of the Audited Financial Statements to its shareholders, on request, free of cost, within seven days of receipt of such request.
The Company shall place the financial statements and reports on the Company's website: www.husein.com at least twenty one (21) days prior to the date of the Annual General Meeting in terms of SRO 634(I)/2014 dated July 10, 2014 issued by the SECP.
5. Central Depository Company account holders will further have to follow the under mentioned guidelines as laid down in circular 1 dated 26th January, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

1. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his / her Original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
2. In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For appointing proxies:

1. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirements.
2. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
4. The proxy shall produce his / her original CNIC or original passport at the time of the Meeting.
5. In case of corporate entity, the board of directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

VISION

To earn the reputation of reliable manufacture of top quality textile made-ups to the target market.

MISSION

To achieve market leadership through technological innovation, Distinguished by quality, services, customer satisfaction and an Adequate return to share holders.

DIRECTORS' REPORT

In the name of Allah the Most Merciful and the Most Benevolent

The directors of your company are pleased to present the Annual report and the audited financial statements for the year ended June 30, 2015 together with the auditor's report thereon.

OPERATING AND FINANCIAL RESULTS

The Comparative financial results of the company are summarized below:-

	June 30, 2015	June 30 2014
	--- (Rupees in '000) ---	
Sales-Net	3,234	328,670
Cost of sales	<u>(87,810)</u>	<u>(511,834)</u>
Gross (loss)	(84,576)	(183,164)
Selling & Distribution Cost	(268)	(8,642)
Administrative Expenses	<u>(5,299)</u>	<u>(8,663)</u>
	(90,143)	(200,469)
Other Operating expenses	(458,713)	-
Finance Cost	(75)	(8,925)
Restructuring adjustment	427,486	-
Other Income	<u>12,884</u>	<u>12,726</u>
Loss before Taxation	(108,561)	(196,668)
Taxation	<u>(1,085)</u>	<u>(1,991)</u>
Loss after taxation	<u><u>(109,646)</u></u>	<u><u>(197,859)</u></u>
Loss per share (Basic and diluted)	(10.32)	(18.62)

The Company has incurred loss due to high costs of overheads, energy crisis, decrease in demand, low prices of the products and closure of various production departments.

Subsequent to the year end, we have entered into a Settlement Agreement with Habib Metropolitan Bank Ltd. According to which the liability has been restructured to Rs. 870 million.

It has been decided to cease textile business and enter into real estate development construction

and allied business. The company will utilize its own land as well as purchase further land for this purpose. Approval of proposed business will be taken from members in annual general meeting and object clause will be changed. Net sales and net loss before taxation have been reduced due to closure of manufacturing activities. Other operating expenses have been incurred during the year which includes impairment of Stores and Spares and Stock in trade and Bed Debts expenses as per details given in Note # 31 to the accounts.

Observation of the Auditors

In respect of Auditors qualification with respect to recording of contingent income amounting to Rs.427.486 millions, it is stated that, to show the true picture of the affairs of the Company to the user of these financial statements, the Company has recorded the said income on the basis of strong financial support from the directors of the Company and the success of new business as discussed already in this report.

As regards the auditors' emphasis of the material uncertainty to continue as going concern, the Company is trying to recover from the current turmoil and adverse conditions and course of actions taken up by the management were already discussed in this report and the management do not see that there are any significant doubts to continue as going concern.

In respect of Auditors reservation with respect to convening meeting of directors and subsequent corporate actions it is stated that the company has given a time frame to bring the Accounts up to date and has, therefore, sought approval under Section 170 from the SECP.

AUDITORS

The present Auditors M/s. Haroon Zakaria & Company, Chartered Accountants, retired and being eligible have offered themselves for reappointment. Audit committee has recommended the reappointment.

RELATED PARTY TRANSACTIONS

There were no transactions with related parties and with the key management personnel except as disclosed in note 38. All the remunerations were approved by the audit committee as well as the board of directors.

HR AND REMUNERATION COMMITTEE

The Board of Directors has established HR and Remuneration Committee in compliance with the Code of Corporate Governance, which comprises of the following members:

Name	Designation	Type	No of Meetings Attended
Mr. Akhtar Wasim Dar	Chairman	Independent Director	4
Mr. Husein Jamal	Member	Non-Executive Director	4
Mr. Abdul Razzak Awan	Member	HR Manager	4

The HR and Remuneration Committee work to encourage highly qualified specialists to take employment at Husein Industries Limited and to ensure that conditions are in place for them to work successfully in the Company.

EARNING PER SHARE

The Loss per share of the company stood at Rs. (10.32) [Rs. (18.62.): 2014].

STATEMENT ON CORPORATE AND FINANCIAL FRAME WORK

The Directors of the Company are well aware of their responsibilities under the Code of Corporate Governance incorporated in the Listing Regulations of the stock exchange where the Company is listed. All necessary steps are being taken to ensure Good Corporate Governance in the Company as required by the Code.

- a) The Financial Statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained in the manner required under the Companies Ordinance 1984.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting and Financial reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) We have an Audit Committee, majority of the members of which are amongst non-executive directors.
- g) As already stated above there are no significant doubts upon the Company's ability to continue as a going concern.
- h) There has been no material departure from the best practices of corporate governance as detailed in listing regulations.
- i) The Company operates an unfunded gratuity scheme for its employees and an adequate liability for that has been provided in the accounts and since it is not funded so there are no investments etc.
- j) Key operating and financial data for last six years. Pattern of shareholding and additional related information is annexed.
- k) The Company has neither declared dividend nor issued bonus shares for the current financial year because of operating and accumulated losses incurred.
- l) During the year 1 meeting of the Board of Directors and 4 audit committee meetings were held separately. Attendance by each Director and member of audit committee is annexed.
- m) The statutory payments on account of taxes, duties, levies and charges have been paid as per respective laws.
- n) In accordance with the criteria specified in clause (ii) of the code, four director of the Company are exempt from the requirement of Directors' training program and the rest of the directors will be trained. All the directors on the Board are fully conversant with their duties and responsibilities as directors of their corporate duties. The Board had arranged an orientation course of the Code of Corporate Governance for its directors to apprise them of their roles and responsibilities.

- o) There was no trading in shares of the Company by its directors, CEO, CFO, Company Secretary and their spouses and minor children.
- p) The Board of directors and its management team are fully determined to move the Company from present situation of uncertainties and for this a strategic plan has been developed and you will see positive improvements in the foreseeable future.

ACKNOWLEDGEMENT

Your Directors are pleased to record their appreciation for the continued dedications, commitment and loyalty of the employees of your company.

Your Directors are also thankful to all stakeholders for the loyalty they have shown during our difficult period.

Your directors also appreciate the assistance and continued support of the various Government Departments, Bankers, Customers and Shareholders.

For and On behalf of the Board

For and On behalf of the Board



Akhtar Wasim Dar

Director

Karachi: December 30, 2016



Husein Jamal

Director

**REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE
WITH THE CODE OF CORPORATE GOVERNANCE**

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Husein Industries Limited (the Company), for the year ended June 30, 2015 to comply with the requirements of the Listing Regulation No. 35 (Chapter XI) of the Karachi Stock Exchange Limited (presently known as Pakistan Stock Exchange Limited) where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company (the Board). Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirement of the Code. A review is limited primarily to inquiries of the management personnel and review of various documents prepared by the management to comply with the Code.

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Member of

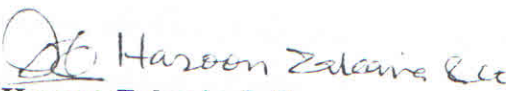


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Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

Further, we highlight below instances of non-compliances with requirements of the Code as reflected in the paragraph references where these are stated in the Statement of Compliance:

- i) Paragraph 8 The Board has met only once in the financial year, written notice of the only meeting held during the year along with agenda and working papers were circulated at least seven days before the meeting.
- ii) Paragraph 14 Position of the Chairman of the Board and CEO of the Company has been assigned to the same person.
- iii) Paragraph 16 The terms of reference of audit committee could not be discussed in quarterly meetings as required in sub clause b of clause xxix, because quarterly and half yearly financial statements relating to the financial year ended June 30, 2015 were not issued in the stipulated time.


Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 30 DEC 2015

Engagement Partner
Mohammad Iqbal

**STATEMENT OF COMPLIANCE WITH THE CODE
OF CORPORATE GOVERNANCE**

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulation No 35 of the listing Regulation of Karachi Stock Exchange Limited (presently known as Pakistan Stock Exchange Limited) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. The Company has applied the principles contained in the **CODE OF CORPORATE GOVERNANCE (CCG)** in the following manner:

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

Category	Names
Independent Director	Mr. Akhtar Waseem Dar
Non-Executive Directors	Mr. Rashid L. Jamal Mr. Husein Jamal Miss. Hina Abdul Rashid Mrs. Aisha Bae Suleman Mr. Saman Aziz Jamal
Chief Executive Officer	Mr. Aziz L. Jamal

The independent director meets the criteria of independence under clause i (b) of CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFIs. None of directors is a member of any of the stock exchange.
4. A casual vacancy occurring on the board on July 02, 2014 was filled up by the director within seven (7) days.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The board has developed a vision and mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive, have been taken by the board.
8. The only meeting of the Board was presided over by the Chairman. The Chief Financial Officer and the Company secretary also attended the meeting. The Board met only once in the third quarter, written notice of the Board meeting along with agenda and working papers were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded and circulated and signed by the chairman of the meeting of the board of directors.
9. The Directors are well conversant with listing regulations, legal requirement and operational imperatives of the company, and as such are fully aware of their duties and responsibilities. The Company arranges orientation courses for its Directors as and when needed to apprise them of their duties and responsibilities. Four Directors of the Board are exempt from the requirement of the Directors Training Program and rest of the Directors will obtain certification within the stipulated time.
10. The Board has approved appointment of Company Secretary, Chief Financial Officer and Head of Internal Audit including their remuneration and terms and conditions of employment, as determined by the CEO. However, no new appointment was made during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG except as disclosed in this statement. Further, Chairman and CEO positions have been assigned to the same person which is a non compliance of the requirement of clause (vi) of CCG.
15. The board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and chairman is an independent director.
16. The meetings of the audit committee were held at least once every quarter and discussed/reviewed the performance of the Company and other matters in accordance

with terms of reference defined in clause (xxix) of the Code except clause (b) and its related matters, because quarterly and half yearly financial statements were not issued in the stipulated time. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises four members, of whom two are non-executive directors including chairman who is an independent director.
18. The board has set up an effective internal audit function managed by qualified and experienced professional who are conversant with the policies and procedures of the Company and industry best practices. They are involved in the internal audit function on a full time basis. The Head of Internal Audit department functionally reports to the Board's Audit Committee.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountant of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountant of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The Closed period, prior to the announcement of interim results and business decision which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied with.
24. As the Chief Executive Officer / Chairman is out of country, the statement of compliance is signed by one of the director of the Company.

Dated: December 31, 2016
Karachi



Husein Jamal
Director

AUDITORS' REPORT TO THE MEMBERS

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

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

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

- a) During the current year, the Company has derecognized bank liabilities amounting to Rs. 427.486 million as disclosed in note 19.2 to the annexed financial statements and credited it to profit and loss account, the Company has also reclassified its overdue portion of long term loan based on underlying settlement arrangement. The waiver of loan of Rs. 427.486 as well as transfer of current and overdue portion of Rs.713.677 million to long term loan is dependent on compliance with terms of settlement as per restructuring agreement with the bank. This has resulted in understatement of liabilities and loss and overstatement of shareholder's equity by the aforesaid amount. Further, this has also result in understatement of current liabilities and overstatement of long term liabilities due to reclassification of current and overdue portion to long term loan.

A member of



Independent legal & accounting firms

- b) in our opinion, except as stated in paragraph (a) above, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- c) in our opinion:
 - i) except for paragraphs (a) above, 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 the 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.
- d) Except for the effects of the matter as disclosed in paragraph (a) above and possible adjustments that may be required but are not determined, 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, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and
- e) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Emphasis of matter

We draw attention to note 1.1 of the financial statements which indicates that the Company has incurred after tax loss amounting to Rs. 109.646 (2014: Rs. 197.859) million and its accumulated losses stood at Rs. 1,062.984 (2014: Rs. 951.477) million resulting in negative shareholders' equity of Rs. 630.725 (2014: Rs. 519.218) million. Further the Company has incurred gross loss of Rs. 84.576 for the current year (2014: Rs. 183.164) million. These conditions along with other matters set forth in note 1.1 indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and also discusses the reasons for preparing the financial statements on going concern basis including the expectation of future profitability on account of change in business of the Company, restructuring of banking loans, financial support from directors and other matters. These plans including the viability of the new business are subject to inherent uncertainty as future events are always subject to change.

Our opinion is not qualified in respect of above matter.

Other matter

The Company was required to convene its annual general meeting of the shareholders and lay therein audited financial statements within four months from the close of the year-end. Presently, the Company's financial year ended June 30, 2015 and its due shareholders' meeting including subsequent corporate actions has inordinately been delayed which entails severe regularity penalties, the disclosure and attributable reasons whereof has not been stated in these financial statements.


Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 30 DEC 2016

Engagement Partner:
Mohammad Iqbal

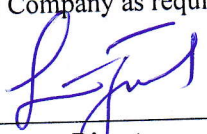
HUSEIN INDUSTRIES LIMITED
BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015 ---- (Rupees in '000) ----	2014
<u>ASSETS</u>			
Non-Current Assets			
Property, plant and equipment	4	320,664	348,169
Long term investments	5	4,956	6,817
Long term deposits	6	7,981	7,981
Deferred taxation	7	-	-
		333,601	362,967
Current Assets			
Stores, spares and loose tools	8	22,675	38,600
Stock-in-trade	9	203,947	214,943
Trade debts	10	83,087	676,414
Loans and advances	11	1,693	16,352
Deposits and short term prepayments	12	750	746
Other receivable	13	-	548
Tax refunds due from the Government	14	12,164	13,036
Cash and bank balances	15	468	586
		324,784	961,225
		658,385	1,324,192
Total Assets			
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized Share Capital			
15,000,000 Ordinary shares of Rs. 10 each		150,000	150,000
Issued, subscribed and paid up capital	16	106,259	106,259
Reserves	17	(736,984)	(625,477)
Shareholders' equity		(630,725)	(519,218)
Surplus on revaluation of fixed assets	18	152,133	152,133
Non-Current Liabilities			
Long term financing	19	870,000	346,552
Accrued markup on long term finance	20	-	124,473
Deferred liability	21	7,669	13,949
		877,669	484,974
Current Liabilities			
Trade and other payables	22	259,308	379,842
Accrued markup on short term borrowings	23	-	28,909
Short term borrowings	24	-	83,875
Current and overdue portion of long term finance	25	-	713,677
		259,308	1,206,303
Contingencies and Commitments			
	26	-	-
Total Equity and Liabilities		658,385	1,324,192

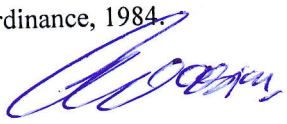
The annexed notes from 1 to 43 form an integral part of these financial statements.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

As the Chief Executive is for the time being not in Pakistan, therefore, these financial statements have been signed by two Directors of the Company as required under section 241(2) of the Companies Ordinance, 1984.



Director



Director

HUSEIN INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 ----- (Rupees in '000) -----	2014
Sales - net	27	3,234	328,670
Cost of sales	28	(87,810)	(511,834)
Gross loss		(84,576)	(183,164)
Administrative expenses	29	(5,299)	(8,642)
Distribution expenses	30	(268)	(8,663)
Operating loss		(90,143)	(200,469)
Other operating expenses	31	(458,713)	-
Finance cost	32	(75)	(8,925)
Restructuring adjustment	19.2	427,486	-
Other income	33	12,884	12,726
Loss before taxation		(108,561)	(196,668)
Taxation	34	(1,085)	(1,191)
Loss after taxation		(109,646)	(197,859)
Loss per share - basic and diluted		(10.32)	(18.62)

The annexed notes from 1 to 43 form an integral part of these financial statements.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

As the Chief Executive is for the time being not in Pakistan, therefore, these financial statements have been signed by two Directors of the Company as required under section 241(2) of the Companies Ordinance, 1984.

Director

Director

HUSEIN INDUSTRIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	----- (Rupees in '000) -----	
Loss for the year after taxation	(109,646)	(197,859)
Other comprehensive (loss) / income for the year		
Item to be classified to profit and loss account in subsequent periods		
(Loss) / gain on remeasurement of available for sales investments	(1,861)	5,848
Total comprehensive loss for the year	(111,507)	(192,011)

The annexed notes from 1 to 43 form an integral part of these financial statements.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

As the Chief Executive is for the time being not in Pakistan, therefore, these financial statements have been signed by two Directors of the Company as required under section 241(2) of the Companies Ordinance, 1984.

 Director

 Director

HUSEIN INDUSTRIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

2015 2014
 ---- (Rupees in '000) ----

A. CASH FLOW FROM OPERATING ACTIVITIES

Loss before taxation

(108,561) (196,668)

Adjustments for:

Depreciation
 Provision for staff gratuity
 Restructuring adjustment
 Bad debts expense
 Dividend income
 Financial charges
 Gain on disposal of fixed assets - net

26,786	33,286
1,848	2,258
(427,486)	-
434,079	-
(10)	(13)
75	8,925
(136)	(4,068)
35,156	40,388
(73,405)	(156,280)

Cash used in operating activities before working capital changes

Working capital changes

(Increase) / decrease in current assets

Stores, spares and loose tools
 Stock-in-trade
 Trade debts
 Loans and advances
 Deposits and short term prepayments
 Other receivables

15,925	20,602
10,996	47,128
159,248	71,280
14,659	2,001
(4)	-
548	71,297
201,372	212,308
(120,534)	(13,370)

Decrease in current liabilities

Net cash generated from operations

Staff gratuity paid
 Taxes (paid) / refunded - net
 Financial charges paid

7,433	42,658
(8,128)	(2,204)
(213)	1,709
(75)	(188)
(983)	41,975

Net cash (used in) / generated from operating activities

B. CASH FLOW FROM INVESTING ACTIVITIES

Fixed capital expenditure incurred
 Proceeds from disposal of fixed assets
 Long term deposit refund
 Dividend received
Net cash generated from investing activities

-	(4,532)
855	27,417
-	79
10	13
865	22,977

C. CASH FLOW FROM FINANCING ACTIVITIES

Repayment of long term loans - net
 Repayment of short term borrowings - net
Net cash used in financing activities

-	(35,046)
-	(29,585)
-	(64,631)

Net (decrease) / increase in cash and cash equivalents (A+B+C)

Cash and cash equivalent at beginning of the year

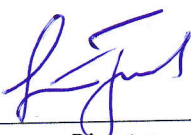
Cash and cash equivalent at end of the year

(118)	321
586	265
468	586

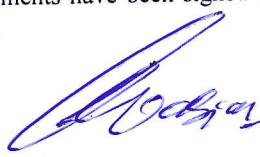
The annexed notes from 1 to 43 form an integral part of these financial statements.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

As the Chief Executive is for the time being not in Pakistan, therefore, these financial statements have been signed by two Directors of the Company as required under section 241(2) of the Companies Ordinance, 1984.



 Director



 Director

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

	Reserves					Total
	Ordinary Share capital	Capital Share Premium	General	Revenue Accumulated losses	Sub Total	
	----- Rupees in '000' -----					
Balance at June 30, 2013	106,259	33,858	292,142	(759,466)	(467,324)	(433,466)
Total Comprehensive loss for the year ended June 30, 2014						
Loss for the year	-	-	-	(197,859)	(197,859)	(197,859)
Other comprehensive income for the year	-	-	-	5,848	5,848	5,848
Balance at June 30, 2014	106,259	33,858	292,142	(951,477)	(659,335)	(625,477)
Total Comprehensive loss for the year ended June 30, 2015						
Loss for the year	-	-	-	(109,646)	(109,646)	(109,646)
Other comprehensive loss for the year	-	-	-	(1,861)	(1,861)	(1,861)
Balance at June 30, 2015	106,259	33,858	292,142	(1,062,984)	(770,842)	(736,984)

The annexed notes from 1 to 43 form an integral part of these financial statements.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

As the Chief Executive is for the time being not in Pakistan, therefore, these financial statements have been signed by two Directors of the Company as required under section 241(2) of the Companies Ordinance, 1984.

 Director

 Director

HUSEIN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1 NATURE AND STATUS OF BUSINESS

The Company was incorporated in Pakistan on May 25, 1953 as a Public Limited Company under the repealed Companies Act, 1913 (now the Company Ordinance, 1984) in the name of Husein Textile Mills Limited, which was subsequently changed to Husein Industries Limited in 1964. Its shares are listed on Pakistan Stock Exchange Limited (formerly known as Karachi Stock Exchange Limited). The major activities of the Company are textile manufacturing, producing cotton and polyester yarn, cloth and garments which are marketed within, and outside Pakistan. The registered office of the Company is situated at HT-8, Landhi Industrial Area, Karachi.

The trading of Company's shares has been suspended by Pakistan Stock Exchange Limited (formerly known as Karachi Stock Exchange Limited) on December 09, 2013 on account of non-holding of Annual General Meeting and other secretarial non-compliances.

1.1 Going Concern Assumption and mitigating factors

The Company has incurred after tax loss amounting to Rs. 109.646 (2014: Rs. 197.859) million and its accumulated losses stood at Rs. 1,062.984 (2014: Rs. 951.477) million resulting in negative shareholders equity of Rs. 630.725 (2014: Rs. 519.218) million. Further the Company has incurred gross loss of Rs. 84.576 (2014: Rs. 183.164) million for the current year, further, the operational activities have been closed down in financial year 2014 resulting in meager amount of sales. Accordingly, the Company is unable to pay its creditors on due dates and has also not been able to meet its obligations under various agreements of long term financing and short term borrowings.

The above conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Subsequent to the year end, the management of the Company has taken the following steps / measures including future plans to revive and improve the operational and financial conditions of the Company.

The Board of Directors having major shareholdings has decided in their meeting on December 30, 2016 to cease its textile business and has developed business diversification strategy to enter into real estate development, construction and allied businesses. The Company will not only utilize its own land but also has plans to buy land for this purpose. The Board will also take approval of the proposed business along with change in object clause from members in the immediate forthcoming annual general meeting.

In July 2016, the Bank, at the request of the Company, has restructured the long term and short term financing agreements at Rs. 870 million resulting into waiver of loan and accrued markup amounting to Rs. 274.104 and Rs. 153.382 million respectively on terms and conditions as disclosed in note 19.2.2 to these financial statements.

In the First phase of real estate business, the Company's owned land situated at LT-21, scheme-3 Measuring 38,010 Square Yards Landhi Industrial Area, Karachi will be sold in the form of residential and commercial plots and sites, for which legal formalities including approval of layout plan from Karachi Development Authority are in process. Further, the Banking Company has issued No Objection Certificate (NOC) in respect of sub-division / bifurcation of the mortgaged property bearing plot number LT-21 in order to settle its liabilities towards the banking Company.

The Company has strong financial support from its directors and is confident about the viability of the proposed business

Subsequent to completion of legal formalities required for commercialization of plot LT-21, the Company has started receiving positive response from the Customers for sale of residential and commercial plots, and have started placing deposits with the Company. Till the issuance of these financial statements, significant amount of revised bank loan installments have been repaid with the help of these funds.

The Board has also approved sale of textile plant and machinery, stock in trade and stores and spares which will facilitate the repayment of revised bank loan.

Further, the Company has given two of its buildings along with plant and machinery installed therein on lease, the inflows of which will be utilized to pay off the revised bank loan.

The Board has approved five year financial projections prepared by the management of the Company covering all factors mentioned above according to which, the Company will have adequate cash inflows which will not only pay off its revised bank loan, trade creditors, other payables and project development expenditures but also generate additional cash inflows in the form of profits.

Accordingly these financial statements have been prepared on the going concern basis.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan. 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, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for otherwise disclosed in relevant notes to these financial statements. Further, accrual basis of accounting is followed except for cash flow information.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment is exercised in application of accounting policies are as follows:

- (i) Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment - note 3.1 and 4;
- (ii) Assumptions and estimates used in determining the provision for slow moving stores and spares - note 3.3 and 8;
- (iii) Assumptions and estimates used in writing down items of stock in trade to their net realizable value - note 3.4 and 9;
- (iv) Assumptions and estimates used in calculating the provision for doubtful trade debts - note 3.5 and 10;
- (v) Assumptions and estimates used in the recognition of current and deferred taxation - note 3.11 , 5 and 34;
- (vi) Assumptions and estimates used in accounting for staff retirement benefits - note 3.8 and 21;
- (vii) Assumptions and estimates used in calculating the provision for doubtful loans and advances - note 3.6 and 11; and
- (viii) Revenue recognition - note 3.13 and 27.

2.5. *New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2015*

The following standards, amendments and interpretations are effective for the year ended June 30, 2015. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 19 Employee Benefits: Employee contributions

Effective from accounting period beginning on or after July 01, 2014

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties that are linked to services to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognize the contribution as a reduction of the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service either using the plan's contribution formula or on a straight line basis; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service. Retrospective application is required.

Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities

Effective from accounting period beginning on or after January 01, 2014

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". It will be necessary to assess the impact to the entity by reviewing settlement procedures and legal documentation to ensure that offsetting is still possible in cases where it has been achieved in the past. In certain cases, offsetting may no longer be achieved. In other cases, contracts may have to be renegotiated. The requirement that the right of set-off be available for all counterparties to the netting agreement may prove to be a challenge for contracts where only one party has the right to offset in the event of default.

IAS 36 Impairment of Assets - Recoverable amount disclosures for non-financial assets

Effective from accounting period beginning on or after January 01, 2014

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. The new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 *Fair value Measurements*. The amendments require retrospective application.

Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets

Effective from accounting period beginning on or after January 01, 2014

The amendment allows the continuation of hedge accounting (under IAS 30 and IFRS 9 chapter on hedge accounting) when a derivative is novated to a clearing counterparty and certain conditions are met.

IFRIC 21 - Levies

Effective from accounting period beginning on or after January 01, 2014

IFRIC 21 defines a levy as a payment to a government for which an entity receives no specific goods or services. A liability is recognized when the obligating event occurs. The obligating event is the activity that triggers payment of the levy. This is typically specified in the legislation that imposes the levy.

2.6 New accounting standards and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization

Effective from accounting period beginning on or after January 01, 2016

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendment to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- a) When the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to explore and extract gold from a gold mine. The expiry of the contract might be based on a fixed amount of total revenue to be generated from the extraction (for example, a contract may allow the extraction of gold mine until the total cumulative revenue from the sale of goods reaches CU 2 billion) and not be based on time or on the amount of gold extracted. Provided that the contract specifies a fixed total amount of revenue to be generated on which amortization is to be determined, the revenue that is to be generated might be an appropriate basis for amortizing the intangible asset; or
- b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible assets are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

***Amendments to IAS 16 and IAS 41
Agriculture: Bearer plants***

***Effective from accounting period beginning
on or after January 01, 2016***

The amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. In terms of the amendments, bearer plants can be measured using either the cost model or the revaluation model set out in IAS 16.

On the initial application of the amendments, entities are permitted to use the fair value of the items of bearer plants as their deemed cost as at the beginning of the earliest period presented. Any difference between the previous carrying amount and fair value should be recognized in opening retained earnings at the beginning of the earliest period presented.

***IAS 27 (Revised 2011) – Separate
Financial Statements***

***Effective from accounting period beginning
on or after January 01, 2015. IAS 27
(Revised 2011) will concurrently apply with
IFRS 10.***

The revised Standard sets out the requirements regarding separate financial statements only. Most of the requirements in the revised Standard are carried forward unchanged from the previous Standard. Subsequently, IASB issued amendment to IAS 27 wherein it has allowed to follow the equity method in the separate financial statements also. These amendments will be effective from January 01, 2016 with earlier application allowed.

***IAS 28 (Revised 2011) – Investments in
Associates and Joint Ventures***

***Effective from accounting period beginning
on or after January 01, 2015***

Similar to the previous Standard, the new Standard deals with how to apply the equity method of accounting. However, the scope of the revised Standard has been changed so that it covers investments in joint ventures as well because IFRS 11 requires investments in joint ventures to be accounted for using the equity method of accounting.

***IFRS 10 – Consolidated Financial
Statements***

***Effective from accounting period beginning
on or after January 01, 2015. Earlier
adoption is encouraged.***

IFRS 10 replaces the part of IAS 27 Consolidated and Separate Financial Statements that deals with consolidated financial statements and SIC 12 Consolidation - Special Purpose Entities. Under IFRS 10, there is only one basis for consolidation for all entities, and that basis is control. This change is to remove the perceived inconsistency between the previous version of IAS 27 and SIC 12; the former used a control concept while the latter placed greater emphasis on risks and rewards. IFRS 10 includes a more robust definition of control in order to address unintentional weaknesses of the definition of control set out in the previous version of IAS 27. Specific transitional provisions are given for entities that apply IFRS 10 for the first time. Specifically, entities are required to make the 'control' assessment in accordance with IFRS 10 at the date of initial application, which is the beginning of the annual reporting period for which IFRS 10 is applied for the first time. No adjustments are required when the 'control' conclusion made at the date of initial application of IFRS 10 is the same before and after the application of IFRS 10. However, adjustments are required when the 'control' conclusion made at the date of initial application of IFRS 10 is different from that before the application of IFRS 10.

IFRS 11 – Joint Arrangements

Effective from accounting period beginning on or after January 01, 2015

IFRS 11 replaces IAS 31 Interest in Joint Ventures and SIC 13 Jointly Controlled Entities – Non monetary Contributions by Venturers. IFRS 11 deals with how a joint arrangement should be classified where two or more parties have joint control. There are two types of joint arrangements under IFRS 11: joint operations and joint ventures. These two types of joint arrangements are distinguished by parties' rights and obligations under the arrangements. Under IFRS 11, the existence of a separate vehicle is no longer a sufficient condition for a joint arrangement to be classified as a joint venture whereas, under IAS 31, the establishment of a separate legal vehicle was the key factor in determining whether a joint arrangement should be classified as a jointly controlled entity.

IFRS 10 – Consolidated Financial Statements

Effective from accounting period beginning on or after January 01, 2015

IFRS 12 is a new disclosure Standard that sets out what entities need to disclose in their annual consolidated financial statements when they have interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities (broadly the same as special purpose entities under SIC 12). IFRS 12 aims to provide users of financial statements with information that helps evaluate the nature of and risks associated with the reporting entity's interest in other entities and the effects of those interests on its financial statements.

IFRS 13 – Fair Value Measurement

Effective from accounting period beginning on or after January 01, 2015

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. IFRS 13 gives a new definition of fair value for financial reporting purposes. Fair value under IFRS 13 is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. IFRS 13 should be applied prospectively as of the beginning of the annual period in which it is initially applied.

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 9 - Financial Instruments
- IFRS 14 - Regulatory Deferral Accounts
- IFRS 15 - Revenue from Contracts with Customers

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2014:

3.1 *Property, plant and equipment*

These are stated at cost less accumulated depreciation except for freehold land which is stated at revalued amount. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss account during the financial year in which they are incurred.

The depreciation is charged to income applying reducing balance method. The depreciation on additions during the year is charged at half of the applicable rate while no depreciation is charged on deletion during the period. Gain or loss on disposal of operating fixed assets, if any, are recognized in profit and loss account, as and when incurred. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvement are capitalized and the assets so replaced, if any, are retired.

Assets' residual values and their useful lives are reviewed and adjusted at each balance sheet date, if significant and appropriate. Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal.

3.2 *Long term investments*

- *Available for sale*

Long term investment are classified as "Available for Sale" which represent investments which are not held for trading. All investments are initially recognized at cost, being the fair value of the consideration given. Subsequent to initial recognition, there are remeasured at fair value.

Any gain or loss arising from a change in the fair value of investments available for sale is recognized directly in other comprehensive income until the investment is disposed of or determined to be impaired. At the time of disposal, the cumulative gain or loss previously recorded in equity is recognized in profit and loss account.

3.3 *Stores, spares and loose tools*

These are valued at lower of average cost or net realizable value except items in transit which are stated at invoice value plus other charges paid thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale. Obsolete items are recorded at nil value. Provision is made for slow moving stocks based on parameters set by the management.

3.4 *Stock-in-trade*

Stock in trade has been valued on the following basis;

Raw Material

These are valued at lower of cost determined using annual average method or net realizable value except items in transit which are stated at invoice values plus other charges paid thereon.

Work in process and finished goods

These are valued at lower of average manufacturing cost or net realizable value. Average manufacturing cost in relation to work in process and finished goods represents direct cost of material, direct wages and appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale. Obsolete items are recorded at nil value. Provision is made for slow moving stocks based on parameters set by the management.

3.5 Trade debts

Trade debts are recognized initially at original invoice amount. Provision for bad debts is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts considered irrecoverable are written off.

3.6 Loans, advances and other receivables

Loan, advances and other receivables are carried at cost which is the fair value of the consideration to be received.

3.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, cash and cash equivalents comprise of cash in hand and balances with banks in current and deposit accounts.

3.8 Retirement benefits:

- Gratuity

The Company operates an unfunded defined gratuity scheme covering all its employees who have completed one year of service with the Company. Gratuity is based on employees' last drawn salary.

Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation and are charged to profit and loss account. The most recent valuation was carried out as of June 30, 2011 using the "Projected Unit Credit Method".

Actuarial gains and losses arising from the experience adjustment and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to profit or loss account over the employees' expected average remaining working lives.

3.9 Employee compensated absences

The Company provides for compensated absences for all eligible employees in the year in which these are earned in accordance with the rules of the Company.

3.10 Trade and other payables

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

3.11 Taxation

Current

Provision for current taxation is made in accordance with provision 's of Income tax ordinance 2001. The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any, or applicable minimum tax on turnover or Alternate Corporate Tax, whichever is higher.

Deferred

Deferred income tax is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or the settlement of the carrying amounts of assets and liabilities, using the tax rates enacted or substantively enacted at the balance sheet date.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such temporary differences and tax losses can be utilized.

3.12 Provisions

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.13 Revenue Recognition

Revenue from sale is recognized on dispatch of goods to customers, when significant risk and rewards are transferred to the customer.

Rental income is recognized on accrual basis in accordance with terms of agreement.

Dividend from investment available for sale are recorded when right to receive the same is established.

Gain on sale of fixed assets is recognized on occurrence of transactions.

Other income is recognized on the occurrence of related transactions.

3.14 Financial instruments

All financial assets and liabilities are initially measured at fair value, and subsequently measured at fair value or amortized cost as the case may be. The Company derecognizes the financial assets and financial liabilities when it ceases to be a party to such contractual provisions of the instruments.

3.15 Offsetting of financial assets and financial liabilities

Financial asset and financial liability is set off and the net amount is reported in the balance sheet if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on assets and charge on liability is also offset.

3.16 Borrowing cost

Borrowing cost are recognized as expense in the period in which these are incurred except for those that are directly attributable to the assets acquired from the proceeds of such respective fixed asset acquired are capitalized.

3.17 Foreign currency translation

Transactions in foreign currency are translated into rupees at the rate of exchange prevailing at the date of transaction. Exchange gains and losses are included in income currently. All monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date.

3.18 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Any impairment loss arising on financial assets is recognized in profit and loss account.

Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

Particulars	Free hold	lease hold	Building on	Plant and	Furniture and	Vehicles	Total
	land*	land	lease hold land	machinery	fixtures / Office equipment		
----- (Rupees in '000) -----							
Net book value as at July 01, 2014	157,925	593	66,113	171,578	2,104	1,959	400,272
Year ended June 30, 2014							
Additions during the year	-	-	750	1,913	-	1,869	4,532
Disposal during the year	-	-	-	-	-	-	-
Cost	-	-	-	(206,501)	-	-	(206,501)
Depreciation	-	-	-	183,152	-	-	183,152
Depreciation for the year	-	-	(3,345)	(23,349)	-	-	(23,349)
Net book value as at June 30, 2014	157,925	593	63,518	121,021	1,865	3,247	348,169
Year ended June 30, 2015							
Additions during the year	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-
Cost	-	-	-	(13,234)	-	-	(13,234)
Depreciation	-	-	-	12,515	-	-	12,515
Depreciation for the year	-	-	(719)	-	-	-	(719)
Net book value as at June 30, 2015	157,925	593	60,342	97,551	1,657	2,596	320,664
At June 30, 2014							
Cost / revalued amount *	157,925	593	130,093	747,629	13,303	20,952	1,070,495
Accumulated depreciation	-	-	(66,575)	(626,608)	(11,438)	(17,705)	(722,326)
Net book value	157,925	593	63,518	121,021	1,865	3,247	348,169
At June 30, 2015							
Cost / revalued amount *	157,925	593	130,093	734,395	13,303	20,952	1,057,261
Accumulated depreciation	-	-	(69,751)	(636,844)	(11,646)	(18,356)	(736,597)
Net book value	157,925	593	60,342	97,551	1,657	2,596	320,664
Depreciation rate	-	-	5%	10-15%	6-15%	20-25%	-

2015 2014
----- (Rupees in '000) -----

4.2 The allocation of depreciation is as follows:

	Note		
Cost of sales	28	25,927	32,466
Administrative expenses	29	859	820
		26,786	33,286

4.3 Had there been no revaluation the status of revalued free hold land would have been at cost amounting to Rs. 5.792 million.

4.4 The following assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Witten down value	Sales Proceeds	Gain / (Loss)	Mode of Disposal	Particular of Buyers
----- (Rupees in thousand) -----							
Spinning Plant	13,234,150	(12,515,352)	718,798	854,701	135,903	Negotiation	M/s. Abu Baker Anees Textiles

5 LONG TERM INVESTMENTS

Available for sale

- in quoted companies

	2015	2014					2015 2014 ----- (Rupees in '000) -----
----- Number of Shares -----							
	5,138	5,138	Pakistan Tobacco Company Limited	6,500			807
	2,711	2,711	Dawood Lawrencepur Limited	317			162
	7,849	7,849		6,817			969
			Add: (Loss) / gain on remeasurement of investments	(1,861)			5,848
				4,956			6,817
----- (Rupees) -----							

The market value of each quoted security is as follows:

Pakistan Tobacco Company Limited	904	1,265
Dawood Lawrencepur Limited	115	117
	904	1,265
		117
	904	1,265
		117
		117

2015 2014
----- (Rupees in '000) -----

6 LONG TERM DEPOSITS

against:

Utilities	3,465	3,465
CDC account	25	25
Services	20	20
Bank guarantee	4,471	4,471
	7,981	7,981
	7,981	7,981

2015 2014
 Note ----- (Rupees in '000) -----

7 DEFERRED TAXATION

This comprises of the following: -

Taxable temporary difference

Accelerated tax depreciation

(1,525) (1,862)

Deductible temporary differences

Provision for gratuity

Provision for doubtful debts

Minimum tax impact

Effect of tax losses

	248	450
	472	472
	-	4,790
	155,158	137,490
	155,878	143,202
	154,353	141,340
	(154,353)	(141,340)
	-	-

Deferred tax asset not recognized

7.1

7.1 Deferred tax asset as at June 30, 2015 to the extent of Rs. 154,353 (2014: Rs. 141,340) million has not been recognized because of the inherent uncertainties in forecasts of sufficient taxable profits in foreseeable future against which such benefits can be utilized.

2015 2014
 Note ----- (Rupees in '000) -----

8 STORES, SPARES AND LOOSE TOOLS

Stores

Spare parts and loose tools

Less: Provision for write-down to net realizable value

8.1 & 8.2

	41,586	41,813
	7,818	7,818
	49,404	49,631
	(26,729)	(11,031)
	22,675	38,600

8.1 The Company has carried out valuation of stores, spares and loose tools from RBS Associates, who has determined the net realizable value of Rs. 22,675 million in their report dated December 14, 2016. Hence, the carrying value of the stores, spares and loose tools has been reduced accordingly.

2015 2014
 Note ----- (Rupees in '000) -----

8.2 Movement in provision for write-down to net realizable value

Opening balance

Provision for write-down to net realizable value

Closing balance

31

	11,031	11,031
	15,698	-
	26,729	11,031

9 STOCK-IN-TRADE

Raw material

Work in process

Finished goods

9.1

	2,423	2,423
	182,019	193,015
	19,505	19,505
	201,524	212,520
	203,947	214,943

		2015	2014
	Note	---- (Rupees in '000) ----	
9.1 Work in process and finished goods			
Gross value		254,460	256,520
Less: Provision for write-down to net realizable value	9.1.1	<u>(52,936)</u>	<u>(44,000)</u>
		<u><u>201,524</u></u>	<u><u>212,520</u></u>

The Company has carried out valuation of its stock from RBS Associates, who has determined the net realizable value of Rs. 203.947 million in their report dated December 14, 2016. Hence, the carrying value of the stock in trade has been reduced accordingly.

		2015	2014
	Note	---- (Rupees in '000) ----	
9.1.1 Movement in provision for write-down to net realizable value			
Opening balance		44,000	44,000
Provision for write-down to net realizable value	31	8,936	-
Closing balance		<u><u>52,936</u></u>	<u><u>44,000</u></u>

10 TRADE DEBTS

Exports

Considered good	52,265	484,829
Considered doubtful	3,265	3,265
	<u>55,530</u>	<u>488,094</u>

Local

Considered good	30,822	191,585
Considered doubtful	11,362	11,362
	<u>42,184</u>	<u>202,947</u>
	97,714	691,041
Provision against debts considered doubtful	<u>(14,627)</u>	<u>(14,627)</u>
	<u><u>83,087</u></u>	<u><u>676,414</u></u>

10.1 During the current year, the Company has fully written off one of its foreign debtors amounting to Rs. 434.079 million on account of adjudication of declaration of insolvency filed in court of law abroad.

2015 2014
---- (Rupees in '000) ----

11 LOANS AND ADVANCES

- Considered good

Loans

to employees	-	1,228
to contractors	-	167
	-	<u>1,395</u>

Advances

against expenses	-	865
to employees	111	79
to suppliers	1,582	14,013
	<u>1,693</u>	<u>14,957</u>
	<u><u>1,693</u></u>	<u><u>16,352</u></u>

2015 2014
 Note ----- (Rupees in '000) -----

12 DEPOSITS AND SHORT TERM PREPAYMENTS

Deposit against court case
 Short term prepayments

	725	725
	25	21
	750	746
	750	746

13 OTHER RECEIVABLE

- Considered good

Fair price shop

13.1

	-	548
	-	548

13.1 These have been fully received during the year.

14 TAX REFUNDS DUE FROM THE GOVERNMENT

Income tax
 Duty drawback
 Sales tax

	-	605
	3,676	3,722
	8,488	8,709
	12,164	13,036
	12,164	13,036

15 CASH AND BANK BALANCES

Cash in hand

Cash at bank

- in current account

[including foreign currency account Rs. 90,399 (2014: Rs.86,979)]

- in saving accounts

346

36

	122	528
	-	22
	122	550
	468	586

16 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2015 2014
 Number of Shares

4,119,366	4,119,366	Ordinary shares of Rs.10 each	41,194	41,194
6,506,486	6,506,486	fully paid in cash	65,065	65,065
10,625,852	10,625,852	issued as bonus shares	106,259	106,259
10,625,852	10,625,852		106,259	106,259

16.1 It includes 2,185,964 (2014: 2,185,964) ordinary shares of Rs. 10 each held by the associated undertaking of the Company.

16.2 The ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry one vote per share without restriction. The Company may not pay dividend until certain financial requirements under its long term finance facilities are satisfied.

17 RESERVES

	Note	2015 ---- (Rupees in '000) ----	2014
Capital reserves	17.1	33,858	33,858
General reserves	17.2	292,142	292,142
Accumulated losses		(1,062,984)	(951,477)
		<u>(770,842)</u>	<u>(659,335)</u>
		<u>(736,984)</u>	<u>(625,477)</u>

17.1 This represents share premium received in the preceding years against issuance of shares and is held for utilization for purposes as stated in Section 83 of the Companies Ordinance, 1984.

17.2 This represents appropriation of profit in preceding years.

	Note	2015 ---- (Rupees in '000) ----	2014
18 SURPLUS ON REVALUATION OF FIXED ASSETS	18.1	<u>152,133</u>	<u>152,133</u>

18.1 The Company carried out revaluation of free hold land by an independent valuer, M/s. Akbani & Javed Associates who determined the fair value of freehold land on the basis of market value as of March 04, 2011 amounting to Rs. 157.925 million resulting in surplus on revaluation amounting to Rs.152.133 million. Revaluation surplus was credited to surplus on revaluation of fixed assets account as required by Section 235 of the Companies Ordinance, 1984.

19 LONG TERM FINANCING

*From a banking company - secured
- against*

	Note	2015 ---- (Rupees in '000) ----	2014
Term finance	19.1	1,060,229	1,060,229
Restructuring adjustment	19.2.1	<u>(190,229)</u>	-
	19.2	<u>870,000</u>	<u>1,060,229</u>
Less: Current and overdue portion	25	-	<u>(713,677)</u>
		<u>870,000</u>	<u>346,552</u>

19.1 At year end, the banking company has confirmed the outstanding amount of Term Finance as per the previous agreement dated May 23, 2011 amounting to Rs. 1,060.229 million. However the management has recorded the loan at restructured amount as fully explained in note 19.2 to these financial statements on the basis of steps and measures taken as disclosed in note 1.1 to these financial statements and the resulting difference is credited to profit and loss account for the current year.

19.2 Settlement (restructuring) Agreement dated July 11, 2016

19.2.1 On July 11, 2016, Company has entered into a Settlement (restructuring) Agreement with the lender (bank) according to which the total loan liability of Rs. 1,144.104 million, comprising of long term finance and short term finance amounting to Rs. 1,060.229 million and Rs. 83.875 million respectively, as on the date of Settlement Agreement will be restructured and reduced to Rs. 870 million and outstanding markup amounting to Rs. 153.382 million as on the date of Settlement Agreement will be completely waived while the personal guarantees of the Directors will be cancelled subject to the following conditions:

i) Revised schedule for repayment:

Date	Amount (Rs. in million)	Payment Mode
July 26, 2016	50.00	
September 25, 2016	125.00	
December 25, 2016	125.00	Post dated cheques have
March 25, 2017	100.00	been deposited against the
June 25, 2017	100.00	mentioned instalments on
September 25, 2017	100.00	the date of this Settlement
December 25, 2017	100.00	Agreement (which have
March 25, 2018	42.50	been duly deposited with
June 25, 2018	42.50	the bank).
September 25, 2018	42.50	
December 25, 2018	42.50	
Total	870.00	

ii) In case of delay of more than 60 days in payment of any installment, markup at the rate of 3 Months KIBOR + 1% p.a. (calculated on daily basis) will be charged on the delayed installment.

iii) The Company will repatriate the proceeds of outstanding export overdue bills or will settle the pending claim with Foreign Exchange Adjudication Court of SBP in a timely manner.

iv) In case of default of any two quarterly installments, this Settlement Agreement shall stand withdrawn and all the outstanding liability as per the Bank's book along with the outstanding plus future markup payable at the rate of 3 Months KIBOR + 1% p.a. applicable from the date of default shall become payable.

Upon receipt of Rs. 350 million and next receipt of Rs. 150 million as per the payment schedule mentioned above, bank will release the mortgaged property bearing no. LT-21, Landhi Industrial Area, Karachi and open plots and land situated at Lahore-Faisalabad Road, Sheikhupura respectively.

The mortgaged property bearing no. HT-8 located at Landhi Industrial Area, Karachi will continue to remain mortgaged to cover the Letter of Guarantees exposure amounting to Rs. 40.636 million along with the cash margin of Rs. 4.237 million.

The Company is in the process of complying with all the requirements of the Settlement Agreement which were due till the date of issue of these financial statements.

19.2.1 Considering the facts mentioned in note 19.2.1 above, the management has reduced the total bank liabilities to Rs. 870 million and the resulting waiver amounting to Rs. 427.486 million has been credited to profit and loss account. The breakup of waived amount is as follows;

	Note	2015 ---- (Rupees in '000) ----	2014 ---- (Rupees in '000) ----
Long term financing	19	190,229	-
Accrued markup on long term finance	20	124,473	-
Accrued markup on short term borrowings	23	28,909	-
Short term borrowings	24	83,875	-
		<u>427,486</u>	<u>-</u>
20 ACCRUED MARKUP ON LONG TERM FINANCE	20.1	<u>-</u>	<u>124,473</u>

20.1 During the current financial year, considering the facts mentioned in note 19.2 to these financials statements the management has written back accrued markup on long term financing amounting to Rs. 124.473 million.

	Note	2015 ---- (Rupees in '000) ----	2014 ---- (Rupees in '000) ----
21 DEFERRED LIABILITY			
<i>- Staff retirement benefits</i>			
Staff gratuity	21.1	<u>7,669</u>	<u>13,949</u>

21.1 Movement in net liability recognized

Net liability at the beginning of the year		13,949	13,895
Charge for the year	21.3	<u>1,848</u>	<u>2,258</u>
		15,797	16,153
Benefits paid during the year		<u>(8,128)</u>	<u>(2,204)</u>
Net liability at the end of the year		<u>7,669</u>	<u>13,949</u>

21.2 Reconciliation of Payable to Defined Benefit Plan

Present value of defined benefit obligation		7,669	10,451
Unrecognized actuarial gains		-	3,498
Net liability at the end of the year		<u>7,669</u>	<u>13,949</u>

21.3 Charge for the Defined benefit Plan

Current service cost		-	417
Interest cost		<u>1,848</u>	<u>1,841</u>
		<u>1,848</u>	<u>2,258</u>

21.4 Following significant assumptions have been made for the purpose of actuarial valuation:

	2015	2014
Expected rate of increase in salary	12.50% p.a.	12.50% p.a.
Discount rate	12.50% p.a.	12.50% p.a.
Mortality rate	EFU 61-66 mortality table	
Withdrawal rate	Age dependent	Age dependent

21.5 Since substantial number of permanent employees of the Company have resigned during the year, therefore no provision for current service cost has been made in these financial statements.

Note	2015	2014
	---- (Rupees in '000) ----	

22 TRADE AND OTHER PAYABLES

Trade creditors		38,452	189,478
Accrued liabilities	22.1	166,506	138,034
Advance rental income		5,205	3,554
Workers Profit Participation Fund	22.2	-	1,281
Security deposit against rent		5,016	3,366
Unclaimed dividend	22.3	44,129	44,129
		<u>259,308</u>	<u>379,842</u>

22.1 In year 2012, the company filed a case in the Hounorable District and Session Court Malir Karachi against Sui Southern Gas Company Limited (SSGC) praying that no amount of the liability is payable against the claim of 17.6 million. The case is pending for adjudication in the Hounorable Court till the date of these financial statements. In the mean time, SSGC continued to charge minimum gas levy and markup on outstanding amount including markup which aggregated to Rs. 165.896 million as at balance sheet date. The management is confident based on legal advisor's opinion and the fact that markup on markup is illegal, that the Company is likely to succeed in waiving of the aforesaid additional charges. However as a matter of prudence, the Company has recorded Rs. 162.881 million in these financial statements.

Note	2015	2014
	---- (Rupees in '000) ----	

22.2 Workers' Profit Participation Fund

Balance at the beginning of the year		1,281	1,163
Add: Mark-up on fund utilized by the Company		-	118
Less: Paid during the year		<u>(1,281)</u>	-
Balance at the end of the year		<u>-</u>	<u>1,281</u>

22.3 Since the directors of the Company are the major shareholders, therefore the unclaimed dividend mainly pertains to the directors. The Company will pay these in future when positive cash flows will arise in the form of profits.

	Note	2015 ---- (Rupees in '000) ----	2014
23 ACCRUED MARKUP ON SHORT TERM BORROWINGS	23.1	-	28,909

23.1 During the current financial year, considering the facts mentioned in note 19.2 to these financial statements the management has written back accrued markup on short term borrowings amounting to Rs. 28.909 million.

	Note	2015 ---- (Rupees in '000) ----	2014
24 SHORT TERM BORROWINGS			
- Secured			
<i>Running finance under markup arrangements</i>			
- restructured		-	24,448
- overdue		-	10,627
		-	35,075
Packing credit facility		-	48,800
	24.1	-	83,875

24.1 During the current financial year, considering the facts mentioned in note 19.2 to these financial statements, the management has written back short term borrowings amounting to Rs. 83.875 million.

	Note	2015 ---- (Rupees in '000) ----	2014
25 CURRENT AND OVERDUE PORTION OF LONG TERM FINANCE	25.1	-	713,677

25.1 Considering the facts specifically the restructured payment schedule as mentioned in note 19 to these financial statements, the management has reclassified current and overdue portion of long term financing to long term financing.

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

The Company has no contingent liabilities in respect of any legal claim in the ordinary course of business other than disclosed elsewhere in these financial statements.

Commitments

The banking companies have issued bank guarantees amounting to Rs. 47.190 (2014 : Rs. 47.190) million in favor of Karachi Electric Supply Company Limited and Sui Southern Gas Company Limited on behalf of the Company. The available and unavailed balance as on June 30, 2015 amounting to Rs. 47.554 (2014 : Rs. 47.554) million and Rs. 0.364 (2014 : Rs. 0.364) million respectively.

2015 2014
 Note ----- (Rupees in '000) -----

27 SALES - NET

Local		3,270	32,153
Indirect export		-	303,090
		3,270	335,243
Add: duty draw back			-
Less: sales tax		(36)	(6,573)
		3,234	328,670

28 COST OF SALES

Raw materials consumed	28.1	-	223,541
Store and spares consumed		319	26,083
Salaries, wages and allowances	28.2	36,075	83,633
Fuel and power		21,541	94,788
Repairs and maintenance		1,888	6,659
Depreciation	4.2	25,927	32,466
		85,750	467,170
Work in process			
Opening		193,015	206,654
Impairment	31	(8,936)	-
Closing	9	(182,019)	(193,015)
	9.1.1	2,060	13,639
Cost of goods manufactured			
		87,810	480,809
Finished goods			
Opening		19,505	50,530
Purchases during the year		-	-
Closing	9	(19,505)	(19,505)
		-	31,025
		87,810	511,834

28.1 Raw materials consumed

Opening stock		2,423	4,887
Purchases during the year		-	221,077
		2,423	225,964
Closing stock	9	(2,423)	(2,423)
		-	223,541

28.2 This includes an amount of Rs. 1,201,000 (2014 : Rs. 1,467,775) in respect of provision for staff retirement benefit.

29 ADMINISTRATIVE EXPENSES

	Note	2015 ---- (Rupees in '000) ----	2014
Staff salaries, wages and allowances	29.1	2,575	3,377
Rent, rates and taxes		25	83
Travelling and conveyance		871	2,021
Stationery, postage and telephone		335	1,700
Depreciation	4.2	859	820
Directors' meeting fee		3	10
Auditors' remuneration	29.2	631	631
		<u>5,299</u>	<u>8,642</u>

29.1 This includes an amount of Rs. 647,000 (2014 : Rs. 790,340) in respect of provision for staff retirement benefit.

29.2 Auditors' remuneration

	Note	2015 ---- (Rupees in '000) ----	2014
Audit fee		500	500
Half yearly review		75	75
Corporate governance review		20	20
Out of pocket expenses		36	36
		<u>631</u>	<u>631</u>

30 DISTRIBUTION EXPENSES

Carriage and transport	81	7,249
Export expenses including shipping and other charges	-	28
Commission	26	896
Advertisement and subscriptions	139	229
Other expenses	22	261
	<u>268</u>	<u>8,663</u>

31 OTHER OPERATING EXPENSES

Impairment - stores and spares	8.2	15,698	-
- stock in trade	9.1.1	8,936	-
Bad debts expense	10.1	434,079	-
		<u>458,713</u>	<u>-</u>

32 FINANCE COST

Mark-up on short term borrowings	-	8,737
Interest on Workers' Profit Participation Fund	-	118
Bank charges	75	70
	<u>75</u>	<u>8,925</u>

		2015	2014
	<i>Note</i>	----- (Rupees in '000) -----	
33 OTHER INCOME			
<i>Income from financial assets</i>			
Dividend		10	13
Exchange gain / (loss) on foreign debtors and bank accounts	33.1	1,538	(4,103)
		<u>1,548</u>	<u>(4,090)</u>
<i>Income from other than financial assets</i>			
Rent income		11,195	12,252
Gain on disposal of fixed assets - net		136	4,068
Miscellaneous		5	496
		<u>11,336</u>	<u>16,816</u>
		<u>12,884</u>	<u>12,726</u>

33.1 This include exchange gain / (loss) on translation of foreign currency balances of export debtors into reporting currency amounting to Rs. 1.525 (2014: Rs. 4.223) million.

		2015	2014
	<i>Note</i>	----- (Rupees in '000) -----	
34 TAXATION			
Current	34.1	<u>1,085</u>	<u>1,191</u>

34.1 This represents the taxability of income under separate tax regime, therefore, no numerical tax reconciliation is given.

34.2 Income tax assessments of the Company have been finalized up to and including tax year 2014. However, the Commissioner of Income tax may, at any time during the period of five years from the date of filing of return, select the deemed assessment for audit.

		2015	2014
		----- (Rupees in '000) -----	
35 LOSS PER SHARE			
<i>- Basic and Diluted</i>			
<i>Loss after taxation</i>		<u>(109,646)</u>	<u>(197,859)</u>
Weighted average number of ordinary shares		<u>10,625,852</u>	<u>10,625,852</u>
<i>Loss per share - Basic and diluted</i>	<i>Rupees</i>	<u>(10.32)</u>	<u>(18.62)</u>

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

36.1 Financial Instrument by Category

Financial assets

Available for sale investments

Long term investments	5	4,956	6,817
-----------------------	---	-------	-------

Loans and receivables

Long term deposits	6	7,981	7,981
Trade debts	10	83,087	676,414
Loans	11	-	1,228
Deposits	12	725	725
Other receivable	13	-	548
Cash and bank balances	15	468	586
		92,261	687,482
		97,217	694,299

Financial Liabilities

- at amortized cost

Long term financing	19	870,000	1,060,229
Accrued markup on long term finance		-	124,473
Trade and other payables	22	254,103	375,007
Accrued markup on short term borrowings	23	-	28,909
Short term borrowings	24	-	83,875
		1,124,103	1,672,493

36.2 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest / mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous year in the manner described in notes below.

The Company has exposures to the following risks from its use of financial instruments: -

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

36.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfill their obligations. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

Exposure to credit risk

Credit risk of the Company arises principally out of receivables from customers, advances, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their worth and proper margin are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The carrying amounts of financial assets represent the maximum credit exposure, as specified below: -

	2015	2014
	---- (Rupees in '000) ----	
Long term deposits	7,981	7,981
Trade debts	83,087	676,414
Loans	-	1,228
Deposits	725	725
Other receivable	-	548
Bank balances	122	550
	<u>91,915</u>	<u>687,446</u>

Trade debts

Ageing of debtors and impairment losses

The aging of trade debtors at the balance sheet date was:-

Past due 1-180 days	-	93,625
Past due 181-365 days	1,634	74,705
More than one year	96,080	522,711
	<u>97,714</u>	<u>691,041</u>
Less: Provision against doubtful debts	(14,627)	(14,627)
	<u>83,087</u>	<u>676,414</u>

Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debts past due over one year do not require any provision.

Total debtors include Rs. 55.530 (2014: Rs. 488.094) million receivable from customers on account of export sales, and the balance represents various domestic customers.

The credit quality of Company's bank balances can be assessed with reference to external credit rating as follows:

<i>Name of the Bank</i>	<i>Rating agency</i>	<i>Short term ratings</i>
MCB Bank Limited	PACRA	A1+
Habib Metropolitan Bank Limited	PACRA	A1+
First Women Bank Limited	PACRA	BBB+
Soneri Bank Limited	PACRA	AA-
Habib Bank Limited	JCR-VIS	AAA

36.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, timely collection from trade debtors, the availability of adequate funds through committed credit facilities and the ability to close out meet business needs due to dynamic nature of the business. Company finances its operations through equity, working capital, term finance and running finance facilities from banks with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The following are the contractual maturities of financial liabilities: -

	2015			
	<i>Carrying Amount</i>	<i>Contractual cash flows</i>	<i>Upton one year</i>	<i>More than one year</i>
	----- Rupees in 000 -----			
Financial liabilities				
Long term financing	870,000	870,000	-	870,000
Trade and other payables	254,103	254,103	14,368	239,735
	1,124,103	1,124,103	14,368	1,109,735
	2014			
	<i>Carrying Amount</i>	<i>Contractual cash flows</i>	<i>Up to one year</i>	<i>More than one year</i>
	----- Rupees in 000 -----			
Financial liabilities				
Long term financing	1,060,229	1,060,229	713,677	346,552
Accrued markup on long term finance	124,473	124,473	-	124,473
Trade and other payables	375,007	375,007	375,007	-
Short term borrowing	83,875	83,875	83,875	-
Accrued markup on short term borrowings	28,909	28,909	28,909	-
	1,672,493	1,672,493	1,201,468	471,025

Contractual cash flows for long term finance do not include mark up as the charging rate has not been decided by the banking company at reporting date.

36.5 Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest / mark up rate risk and price risk. The market risks associated with the Company's business activities are discussed as under:

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Currently the Company is exposed to currency risk on account of trade debtors-exports and foreign currency bank account.

	2015	2014
	---- (Rupees in '000) ----	
Trade debtors-exports	55,530	488,094
Foreign currency bank account.	90	87
	<u>55,620</u>	<u>488,181</u>

The following significant exchange rate has been applied:

	<u>Average Rate</u>		<u>Spot Rate at Reporting Date</u>	
	2015	2014	2015	2014
Canadian dollar	<u>86.63</u>	95.62	<u>82.07</u>	92.50
Pound Sterling to Rupees	<u>159.58</u>	152.64	<u>159.99</u>	151.80
USD to Rupees	<u>101.45</u>	98.58	<u>101.77</u>	98.80

Currency risk sensitivity analysis

At reporting date, if the Rupees is strengthened by 10% against the US dollar, Pound Sterling, Canadian dollar and Euro with all other variables held constant, loss for the year would have been higher by the amount shown below:

	2015	2014
	---- (Rupees in '000) ----	
Effect on profit and loss	<u>(5,562)</u>	<u>(48,818)</u>

The weakening of the Rupees against US dollar, Pound Sterling, Canadian dollar and Euro would have had an equal but opposite impact on the loss/profit.

The sensitivity analysis prepared is not necessarily indicative of the effects on loss/profit for the year and assets of the Company.

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company does not have significant interest bearing assets. Majority of the interest rate risk arises from Company's long-term financing. At the balance sheet date, the interest rate profile of the Company's interest bearing financial liabilities is:

	<i>2015</i>	<i>2014</i>
	<i>---- (Rupees in '000) ----</i>	
Variable rate instruments		
Financial liabilities		
- Long term and short term loans	<u>870,000</u>	<u>1,144,104</u>

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased the loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, etc., remain constant. The analysis has been performed on the same basis for 2014.

	<u><u>Profit and Loss 100 bp</u></u>	
	<u>Increase</u>	<u>(Decrease)</u>
	<u>---- (Rupees in '000) ----</u>	
As at June 30, 2015		
Cash flow Sensitivity	<u>8,700</u>	<u>(8,700)</u>
As at June 30, 2014		
Cash flow Sensitivity	<u>11,441</u>	<u>(11,441)</u>

Price risk

Price risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

- Sensitivity analysis

At reporting date, if the market prices of each security held by the Company as long term investment had increased / decreased by Rupee 1 with all other variables remain constant, other comprehensive income would have been higher / lower by the amount shown below. The analysis is performed on same basis for year 2014.

	<u>---- (Rupees) ----</u>	
	<u>Increase</u>	<u>(Decrease)</u>
As at June 30, 2015		
Available for sale investment through OCI	<u>7,849</u>	<u>(7,849)</u>
As at June 30, 2014		
Available for sale investment through OCI	<u>7,849</u>	<u>(7,849)</u>

Risk management policies

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like market price risk, interest rate risk and investing excessive liquidity.

Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. The Company closely monitors the return on capital along with the level of distributions to ordinary shareholders. No changes were made in the objectives, policies or processes during the year ended June 30, 2015.

Consistent with others in the industry, the company monitors capital on the basis of its gearing ratio. This is calculated as net debt divided by total shareholders' equity plus net debt. Net debt is calculated as total debts from financial institutions less cash and bank balances.

	2015	2014
	---- (Rupees in '000) ----	
Total debt	870,000	1,297,486
Less: Cash and bank balances	<u>(468)</u>	<u>(586)</u>
Net debt	A <u>869,532</u>	<u>1,296,900</u>
Total shareholders' equity	B <u>(630,725)</u>	<u>(519,218)</u>
Net debt and equity	C = A+B <u><u>238,807</u></u>	<u><u>777,682</u></u>
Gearing ratio	D = A / C <u><u>364%</u></u>	<u><u>167%</u></u>

36.6 Fair Value of Financial Instruments

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

Financial assets which are tradable in an open market are remeasured at the market prices prevailing on the balance sheet date. The carrying values of all other financial assets and liabilities reported in the financial statements approximate their fair value.

36.6.1 In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its long term investments in terms of following fair value hierarchy:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2:** Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3:** Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

Details of the Company's free hold land and long term investments in terms of fair value hierarchy, explained above, at June 30, 2015 is as follows:

	2015		
	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----		
<i>Assets measured at fair value</i>			
Long term investments	4,956	157,925	-

	2014		
	Level 1	Level 2	Level 3
	----- (Rupees in thousand) -----		
<i>Assets measured at fair value</i>			
Long term investments	6,817	157,925	-

37 RELATED PARTY TRANSACTIONS

Related parties comprise directors and key management personnel. Details of remuneration and perquisites paid to chief executive and Directors during the year are disclosed in note 35. There are no transaction with any other related parties.

38 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including certain benefits, to the Chief Executive, Director and Executives of the Company are as follows: -

	Chief Executive		Directors		Executives	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	----- Rupees -----					
Managerial remuneration	264,000	264,000	-	-	985,900	1,274,124
House Rent	96,000	96,000	-	-	730,440	1,022,141
Utilities	385,310	980,415	-	-	955,000	1,205,000
Fee	-	-	3,000	10,000	-	-
	745,310	1,340,415	3,000	10,000	2,671,340	3,501,265
Number of persons	1	1	6	6	5	5

In addition, the Chief Executive, Directors and executives are provided with free use of the Company's maintained cars.

40.1 Segment Profitability

	Spinning		Weaving		Processing		CMT		Trading		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Sales - net	2,890	293,671	344	34,999	-	-	-	-	-	-	3,234	328,670
Rebate	-	-	-	-	-	-	-	-	-	-	-	-
Cost of sales	(79,183)	(461,549)	(8,627)	(50,285)	-	-	-	-	-	-	(87,810)	(511,834)
Gross (loss) / profit	(76,293)	(167,878)	(8,283)	(15,286)	-	-	-	-	-	-	(84,576)	(183,164)
Administrative expenses	(3,649)	(5,951)	(1,650)	(2,691)	-	-	-	-	-	-	(5,299)	(8,642)
Distribution expenses	(209)	(6,751)	(59)	(1,912)	-	-	-	-	-	-	(268)	(8,663)
(Loss) / Profit before tax and before charging following	(80,151)	(180,580)	(9,992)	(19,889)	-	-	-	-	-	-	(90,143)	(200,469)
Finance cost											(75)	(8,925)
Other operating income											12,884	12,726
Restructuring adjustment											427,486	-
Other operating expenses											(458,713)	-
Taxation											(1,085)	(1,191)
Loss after taxation											(19,503)	2,610
											(109,646)	(197,859)

40.2 Segment assets and liabilities

	Spinning		Weaving		Processing		CMT		Unallocated Items		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Assets	167,427	336,742	186,982	376,071	139,117	279,802	12,114	24,365	152,745	307,212	658,385	1,324,192
Liabilities	116,798	234,912	185,664	373,422	315,301	634,156	23,899	48,068	16,723	33,634	658,385	1,324,192

40.3 Unallocated items represent those assets and liabilities which are common to all segments.

41 CORRESPONDING FIGURES

Corresponding figures have been re-arranged / reclassified, whenever necessary, for the purpose of compliance, comparison and better presentation.

42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on 30 DEC 2016.

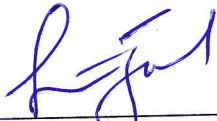
43 GENERAL

43.1 Number of employees as at June 30, 2015 and average number of employees during the year were 4 (2015: 255) and 134 (2014: 630) respectively.

43.2 Figures have been rounded off to the nearest of thousand Rupees.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

As the Chief Executive is for the time being not in Pakistan, therefore, these financial statements have been signed by two Directors of the Company as required under section 241(2) of the Companies Ordinance, 1984.



Director



Director

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS
AS AT JUNE 30, 2015

NO OF SHAREHOLDERS	SHAREHOLDING	TOTAL SHARES HELD
500	1 TO 100	13,123
267	101 TO 500	69,861
76	501 TO 1000	56,064
102	1001 TO 5000	230,608
26	5001 TO 10000	183,239
7	10001 TO 15000	82,465
7	15001 TO 20000	127,176
2	20001 TO 25000	44,690
2	40001 TO 45000	87,173
2	45001 TO 50000	98,500
2	50001 TO 55000	100,779
4	55001 TO 60000	231,424
7	60001 TO 65000	436,930
1	70001 TO 75000	71,332
1	75001 TO 80000	75,824
2	85001 TO 90000	171,776
1	100001 TO 105000	102,831
1	130001 TO 135000	134,773
1	160001 TO 165000	161,638
1	240001 TO 245000	243,424
1	380001 TO 3850000	381,331
1	850001 TO 855000	851,197
1	970001 TO 975000	975,000
1	1000001 TO 1005000	1,004,205
1	1220001 TO 1225000	1,223,693
1	1280001 TO 12850000	1,280,832
1	2185001 TO 2190000	2,185,964
<u>1019</u>		<u>10,625,852</u>

CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2015

CATEGORIES OF SHAREHOLDERS	NOS	2015	Total Share Held	Percentage
ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES	-	-	-	-
NIT AND ICP	2		211	0.001986
National Bank of Pakistan Trustee Deptt Investment Corporation of Pakistan		37 174		
CEO				
Mr. Aziz L. Jamal	1	1269693	1272193	11.97262
DIRECTORS	6			15.70398
Mr. Rashid L. Jamal		1343886		12.65
Mr. Husein Jamal		154489		1.45
Miss. Saman Aziz Jamal		2500		0.02
Mr. Akhter Wasim Dar		4791		0.05
Mrs. Aisha Bai Suleman		75824		0.71
Miss. Hina Abdul Rashid		18338		0.17
EXECUTIVES				
BANK, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARBAS AND MUTUL FUNDS:				
Banks	6	979444		9.22
Insurance Companies	2	867017		8.16
Modarabas	2	1821		0.02
Investment Companies	2	1006892		9.48
Business Institutions	4	1729		0.02
Joint Stock Companies	10	106370		1.00
Charitable Institutions	3	624763		5.88
Anandoned Properties	1	1560		0.01
Trade Association	1	1839		0.02
Trust	6	385562		3.63
SHAREHOLDERS HOLDING TEN PERCENT OR MORE VOTING INTEREST IN THE COMPANY				
Husein Ebrahim Foundation	1	2185964		20.57
INDIVIDUALS	972	1593159		14.99
	<u>1018</u>	<u>10,625,852</u>		<u>100.00</u>

ATTENDANCE AT THE BOARD MEETING DURING THE YEAR 2014-2015

Name of Directors	Total No. of Board Meetings	No of Meetings attended
Mr. Aziz L. Jamal	1	1
Mr. Rashid L. Jamal	1	1
Mr. Husein Jamal	1	1
Mrs. Aisha Bai Suleman	1	1
Miss. Saman Aziz Jamal	1	1
Mr. Akhtar /wasim Dar	1	1
Miss. Hina Abdul Rashid	1	1

ATTENDANCE AT THE AUDIT COMMITTEE MEETINGS DURING THE YEAR 2014-2015

Name of Members	Total No. of Audit committee Meeting	No of Meetings attended
Mr. Akhtar Wasim Dar	4	4
Mr. Rashid L. Jamal	4	3
Mr. Husein Jamal	4	3
Mr. Mirza Akhtar Shikoh	4	4

KEY OPERATING & FINANCIAL DATA
FROM 2009-2010 TO 2014-2015

Description	July-June 2014-2015	July-June 2013-2014	July-June 2012-2013	July-June 2011-2012	July-June 2010-2011	July-June 2009-2010
	----- Rupees in '000' -----					
Sale-Net	3,234	328,670	490,206	530,118	496,641	1,169,922
Cost of Sales	(87,810)	(511,834)	(749,662)	(763,345)	(690,443)	(1,114,647)
Gross (Loss) / Profit	(84,576)	(183,164)	(259,456)	(233,227)	(193,802)	55,275
Operating (Loss) / Profit	(90,143)	(200,469)	(303,707)	(278,338)	(242,345)	(5,713)
Loss/Profit before Tax	(108,561)	(196,668)	(178,809)	(189,223)	(384,256)	(161,150)
(Loss)/Profit After Tax	(109,646)	(197,859)	(180,140)	(191,554)	(383,999)	(138,388)
Paid up Capital	106,259	106,259	106,259	106,259	106,259	106,259
Current Assets	324,784	961,225	1,176,112	1,250,798	1,379,305	1,433,370
Current Liabilities	259,308	1,206,303	1,224,559	941,837	423,965	1,249,685

HUSEIN INDUSTRIES LIMITED.

HT-8, Landhi Industrial & Trading Estate, Landhi, Karachi-75120

PROXY FORM

I/We _____
of _____ being a member of Husein Industries Limited and holder
of _____ Ordinary Shares, as per:

Shares Register Folio.No. _____ and/or
CDC Participant ID No. _____ Sub A/c No. _____

hereby appoint Mr./Ms. _____ of
_____ another member of the Company* (or failing him
Mr./Ms. _____ of _____ another member
of the Company*) as my/our proxy to attend, speak and vote for me/us and on my/our behalf,
at the Annual General Meeting of the Company to be held on Monday 30th January,
2017 at the Company's Registered Office at Plot.No. HT-8, Landhi Industrial & Trading Estate,
Landhi Karachi, and at any adjournment thereof.

As witness my hand this _____ day of _____ 2017,

Witnesses:

1. Signature: _____
Name: _____
Address _____

CNIC No. or _____
Passport No _____

Signature on
Revenue Stamps
of Rupees Five

2. Signature: _____
Name: _____
Address _____

CNIC No. or _____
Passport No _____

Signature should agree with the
specimen signature with the
Company

* Proxy representing a corporation may or may not himself be a member of the Company.

IMPORTANT:

1. This Proxy Form, duly completed, must be deposited at the Company's Registered Office, not less than forty eight hours before the meeting.
2. CDC shareholders and their proxies are each requested to attach an attested photocopy of their new/computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.
3. All proxies attending the AGM are requested to bring their original CNIC/Passport for identification.