



**VALIKA ART FABRICS
LIMITED**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2021**

Private & Confidential



Crowe Hussain Chaudhury & Co.
Chartered Accountants

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VALIKA ART FABRICS LIMITED

COMPANY INFORMATION

Board of Directors:

NASIRUDDIN VALIKA
KAMRUDDIN
KUTBUDDIN FAKHRUDDIN
ALI ASGHAR
SHIRIN
ABID VALIKA
JUMANA

Chief Executive
Director
Director
Director
Director
Director
Director

Company Secretary:

JAFFER ALI KAUKAWALA

Bankers:

M.C.B BANK LIMITED

Auditor:

Crowe Hussain Chaudhury & Co ... Chartered Accountants
F-4/2, Mustafa Avenue, Block 9,
Behind "The Forum", Clifton,
Karachi.

Shares Department & Registered Office:

4th Floor, Valika Chambers,
Altaf Hussain Road,
Karachi.
Telephone # 021-32217820 / 021-32218193
Email : Pakvalika@gmail.com
Website : valikaartfabrics.com

Bonded Warehouse

A/1-B2, S. I. T. E.,
Manghopir Road,
Karachi.
Telephone # 021-32575722 / 021-32593172



VALIKA ART FABRICS LIMITED

DIRECTOR'S REPORT TO THE MEMBERS

The Directors of your company are pleased to present the 66th Annual Report and Audited Accounts of the Company along with the Audited Report for the year ended June 30, 2020.

Operational & Financial Result

The overall performance of the Company remained satisfactory both in the terms of revenue and profitability. The company recorded a revenue of Rs.17,486,100 (2019: 17,613,150), a decline of 0.72% primarily due to the nationwide COVID-19 lockdown which adversely affected economic activity. Despite COVID-19 impact on business performance, the company has delivered profit before tax of Rs.2,913,420 (2019: 2,700,635) and showed improved performance as compared to last year, mainly due to controlled expenses. Profit after taxation has been reported at Rs.2,211,673 as compared to Rs.1,989,814 of last year.

Summary of the financial results for the current year with the reported results of the previous year is as follows:

	2020 RUPEES	2019 RUPEES
Storage Income	17,486,100	17,613,150
Direct & Administrative Expenditure	(14,703,552)	(15,034,927)
Operating Profit	2,782,548	2,578,223
Other Income	130,872	122,412
Profit before tax	2,913,420	2,700,635
Taxation Current	(842,988)	(776,623)
Prior	127,656	74,374
Deferred	13,586	(8,571)
Net Profit for the year after tax	2,211,674	1,989,815
Earning per Share	7.31	6.58

Earning Per Share

Earning per share of Rs. 7.31 as compared to of Rs. 6.58 of previous year.



VALIKA ART FABRICS LIMITED

Rs. @ '000'

Financial Highlights

	2020	2019	2018	2017	2016	2015
Revenue	17,617	17,736	13,921	9,957	7,504	6,234
Operating Expenses	14,704	15,035	13,834	8,683	6,425	5,532
Profit before Tax	2,913	2,701	87	1,274	1,079	702
Profit after Tax	2,212	1,989	(448)	944	745	525

Financial Position

Rs. @ '000'

	2020	2019	2018	2017	2016	2015
Paid up Share Capital	1,210	1,210	1,210	1,210	1,210	1,210
Reserve & Un-appropriate Profit	9,807	7,595	5,605	6,054	5,109	4,364
Gain on re-measure of investment	(30)	(182)	(11)	3	4	6
Share Holder Equity	10,987	8,623	6,804	7,267	6,323	5,580

Ratio & Statistics

Rs. @ '000'

	2020	2019	2018	2017	2016	2015
Current Ratio	8.39	7.61	6.56	8.90	8.49	6.45
Breakup value per Share	36.32	28.50	22.49	24.02	20.90	18.45
Earning per Share	7.31	6.58	(1.48)	3.12	3.57	2.32

Number of Board Meeting Held

During the year four (4) meetings of the Board Directors were held. Attendance of each Director was as follows:

		No of meeting Attended
Mr. Nasiruddin Fakhruddin	Chief Executive / Director	4
Mr. Kamruddin Fakhruddin	Director	2
Mr. Kutbuddin Fakhruddin	Director	4
Mrs. Shirin Kamruddin	Director	3
Mrs. Jumana Nasiruddin	Director	3
Mr. Ali Asghar	Director	4
Mr. Abid Kamruddin	Director	4

Leave of absence was granted to directors who could not attend some of the Board meetings



VALIKA ART FABRICS LIMITED

Future Outlook

While the Company remains well-positioned, the overall growth and economic condition of Pakistan remains a key driver to our success. The COVID-19 situation is improving and cases have been steadily declining in Pakistan since the beginning of July. While the lockdown has been eased off, the threat of pandemic remains high and the government continues to emphasize the importance of strictly adhering to prescribed safety measures to avoid a second wave. Recovery has started as businesses and communities have adapted to the new ways of living and conducting business, but the challenge are far from over. The Company remains committed to drive the business forward and achieve positive results in upcoming financial periods. The Directors are confident that with renewed focus on streamlining operations and improving profitability, your Company will maintain a positive outlook in upcoming financial periods.

Corporate Social Responsibility

Over the years Valika Group/ our Directors has contributed significantly towards the welfare of the society in the shape of various socially responsible activities. The Company understands its corporate responsibility towards society and fulfill its obligations by providing financial support to under privileged members of society and its deserving employees., as well as doing philanthropy work the company is also contributing considerable amount to the national Exchequer.

Health, Safety and Environment

We Strongly believe in maintaining the highest standards in health, safety and environment (HSE) to ensure the well-being of the people who works with as well as of the communities where we operate.

The Company provides a safe and congenial environment to its employees. Strict and stringent safety policies have been put in place to avoid risk of accident. Health and safety trainings are were carried out regularly during the year. In order to remain environment friendly, the Company encourages its employees to identify potentially hazardous conditions, while also providing training on work safety and sound environmental practices.

Strict social distancing protocols, including work from home for Head Office staff were implemented. Clear guidelines were issued, and frequent communication was made with all employees to ensure that they understand their role in curbing the spread of this virus while ensuring that Company's operations are carried out smoothly.

Auditors

The present auditors M/s Horwath Hussain Chaudhury & Co Chartered Accountants, retire and now changing their firm name as M/s Crowe Hussain Chaudhury & Co being eligible, offer themselves for re-appointment. The Board of Director's has recommended their re-appointment as auditors of the company for the year ending June 30, 2021.at a fee to be mutually agreed.



VALIKA ART FABRICS LIMITED

Pattern of Shareholding

A statement showing pattern of shareholding as on June 30, 2020 is annexed herewith.

Acknowledgement

The Directors are pleased to report that the management and the staff members had cordial relations. The Company is very proud of, and thankful to its employees for their committed and passionate efforts, loyalty and dedication. We also greatly value the support and cooperation of all stakeholders who are helping and contributing towards the growth of our Company.

We would also like to extend our sincerest gratitude to our shareholders for the confidence and trust they have placed in us.

For and on behalf of Directors of
VALIKA ART FABRICS LTD.

KUTBUDDIN FAKHRUDDIN
DIRECTOR

NASIRUDDIN VALIKA
CHIEF EXECUTIVE

Karachi Dated: October 03, 2020

**Independent Auditor's Report
To the members of Valika Art Fabrics Limited
Report on the Audit of the Financial Statements**

Qualified Opinion

We have audited the annexed financial statements of the **Valika Art Fabrics Limited** (the Company) which comprise the statement of financial position as at 30 June 2021 and the statement of profit or loss and other comprehensive income, the statement of cash flows for the year then ended, the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

Except for the possible effects of the matter described in Basis for Qualified Opinion section of our report, in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

The Company has not accounted for any provision against staff retirement benefits in terms of gratuity or provident fund or both as per the requirement of sub clause (6) of clause (12) of Schedule to The Industrial & Commercial Employment (Standing Orders) Ordinance, 1968. We are unable to determine the impacts in the financial statements had the Company been complied with the above law.

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

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

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

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

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. For the matters described in the Basis for Qualified Opinion section above, we conclude that the other information is also materially misstated with respect to this matter.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists,

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we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the matters described in the Basis for Qualified Opinion, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh.



Crowe Hussain Chaudhury & Co.
Chartered Accountants

Karachi

Date: **05 OCT 2021**


VALIKA ART FABRICS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	NOTE	2021 -----Rupees-----	2020
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	783,096	833,174
Long term deposits		30,800	30,800
		<u>813,896</u>	<u>863,974</u>
CURRENT ASSETS			
Trade debtors - unsecured but considered good		7,062,087	6,672,662
Short term investments	6	1,831,240	1,040,058
Taxation	7	932,497	1,185,581
Advances and other receivables	8	165,153	29,000
Cash and bank balances	9	3,023,526	2,673,377
		<u>13,014,502</u>	<u>11,600,678</u>
TOTAL ASSETS		<u>13,828,399</u>	<u>12,464,652</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised capital: 302,500 (2020: 302,500) Ordinary shares of Rs. 4 each		<u>1,210,000</u>	<u>1,210,000</u>
Issued, subscribed and paid up capital		1,210,000	1,210,000
Capital reserves		1,571,167	1,571,167
Unappropriated profit		10,020,610	8,235,644
Unrealised loss on available for sale investment		(65,650)	(29,753)
		<u>12,736,127</u>	<u>10,987,058</u>
NON-CURRENT LIABILITIES			
Deferred taxation	10	86,533	95,564
CURRENT LIABILITIES			
Accrued and other payables	11	435,673	539,041
Provision for taxation		570,066	842,989
		<u>1,005,739</u>	<u>1,382,029</u>
Contingencies and commitments	12		
TOTAL EQUITY AND LIABILITIES		<u>13,828,399</u>	<u>12,464,652</u>

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

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Chief Executive


Director

VALIKA ART FABRICS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2021

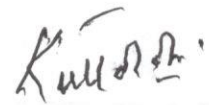
	NOTE	2021 -----Rupees-----	2020
Storage income		17,646,944	17,486,100
Direct and administrative expenditure	13	(16,282,990)	(14,703,552)
Operating profit		1,363,954	2,782,548
Other income	14	623,907	130,872
Profit before tax		1,987,861	2,913,420
Taxation	15	(202,896)	(701,747)
Profit after tax		1,784,965	2,211,673

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

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Chief Executive



Director

VALIKA ART FABRICS LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2021

2021 **2020**
-----Rupees-----

CASH FLOW FROM OPERATING ACTIVITIES

Profit before tax	1,987,861	2,913,420
Adjustment for: Depreciation	85,678	90,564
Operating profit before working capital changes	<u>2,073,539</u>	<u>3,003,984</u>
(Increase) / decrease in current assets		
Trade debtors	(389,425)	(2,254,901)
Advances and other receivables	(136,153)	21,000
	(525,578)	(2,233,901)
Increase / (decrease) in current liabilities		
Accrued and other payables	(103,368)	132,347
Cash generated from operations	<u>1,444,593</u>	<u>902,430</u>
Income tax paid	(231,766)	(577,152)
Net cash inflow from operating activities	<u>1,212,828</u>	<u>325,278</u>

CASH FLOW FROM INVESTING ACTIVITIES

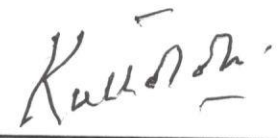
Addition to fixed assets	(35,600)	(46,000)
Purchase of investment	(827,078)	(203,137)
Net cash outflow from investing activities	(862,678)	(249,137)
Net increase in cash and cash equivalents	<u>350,149</u>	<u>76,141</u>
Cash and cash equivalents at the beginning of the year	<u>2,673,377</u>	<u>2,597,236</u>
Cash and cash equivalents at the end of the year	<u><u>3,023,526</u></u>	<u><u>2,673,377</u></u>

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

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Chief Executive



Director

**VALIKA ART FABRICS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021**

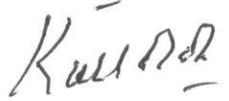
	2021	2020
	-----Rupees-----	
Profit after taxation	1,784,965	2,211,673
Other comprehensive income		
Surplus/(deficit) on re-measurement of "available for sale investments"	(35,897)	152,563
Total comprehensive income for the year	<u>1,749,068</u>	<u>2,364,236</u>

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

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Chief Executive



Director

**VALIKA ART FABRICS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021**

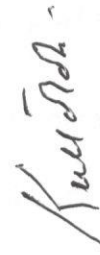
	Issued, subscribed and paid up capital shares	Capital Reserve	Unappropriated Profit	Unrealised Gain on Available for Sale Investments	Total
	-----Rupees-----				
Balance as at June 30, 2019	1,210,000	1,571,167	6,023,971	(182,316)	8,622,822
Profit for the year	-	-	2,211,673	-	2,211,673
Other comprehensive income for the year	-	-	-	152,563	152,563
Balance as at June 30, 2020	1,210,000	1,571,167	8,235,644	(29,753)	10,987,058
Balance as at July 1, 2020	1,210,000	1,571,167	8,235,644	(29,753)	10,987,058
Profit for the year	-	-	1,784,965	-	1,784,965
Other comprehensive income for the year	-	-	-	(35,897)	(35,897)
Balance as at June 30, 2021	1,210,000	1,571,167	10,020,610	(65,650)	12,736,127

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

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Chief Executive



Director

VALIKA ART FABRICS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND OPERATIONS

- 1.1** Valika Art Fabrics Limited (the Company) is a public limited company incorporated in Pakistan on November 25th, 1953 under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017.

The principal activity of the company is to act as a Public Bonded Warehouse.

The geographical location and address of the Company's business units, including mills/plant is as under:

- The registered office of the Company is situated on 4th Floor, Valika Chambers, Altaf Hussain Road, Karachi.
 - The company warehouse is situated in Site area, Mangopir.
- 1.2** Previously, the Company was quoted on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited), but was delisted under Listing Regulations of Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) and its shares were removed from Ready Board with effect from September 12th, 2005.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

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2.4 Key judgement and estimates

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

- Useful lives, residual values and depreciation method of property, plant and equipment – Note 4.1 & 5
- Investment available for sale - Note 4.2 & 6.
- Current income tax expense, provision for current tax and recognition of deferred tax (for carried forward tax losses) - Note 4.5, 10 & 15

The revisions to accounting estimates (if any) are recognised 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.

3 IMPACT OF COVID

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. The Company is conducting business with some modifications to employee working and cancellation of certain events, among other modifications while following all necessary Standard Operating Procedures (SOPs). The Company will continue to actively monitor the situation and may take further actions that alter its business operations as may be required by federal, provincial or local authorities or that are in the best interests of our employees, customers, partners, suppliers and stockholders. However, the management based on its assessment considered that there would be no significant impact that will adversely affect its businesses, results of operations and financial condition in future period.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

4.1 Property and Equipment

4.1.1 Owned

Operating fixed assets are stated at cost less accumulated depreciation and impairment loss. Depreciation is provided on a reducing balance method at the rate mentioned in the relevant note. Depreciation is charged from the month the asset is put into operation and discontinued from the preceding month the asset is retired.

Gain and loss on disposal of assets are included in profit or loss currently.

4.1.2 Subsequent costs

The costs of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day to day servicing of property and equipment are recognized in profit or loss as they are incurred.

4.1.3 Impairment of Assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to identify circumstances indicating concurrence of impairment loss or reversal of previous impairment losses. If any such indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversal of impairment losses are recognized in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

4.2 Investments**4.2.1 Investments available for sale**

These are initially recognized at cost and at subsequent reporting dates remeasured at fair values. Gains or losses from changes in fair values are taken to equity until disposal and on disposal these are transferred to profit and loss account.

4.3 Sundry Debtors

Trade debts are carried at original invoice amount less provision for impairment. Known bad debts are written off, while provisions are made against debts considered doubtful based on review of outstanding amount at the end of the year.

4.4 Trade and other payable

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

4.5 Taxation**4.5.1 Current**

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and rebates available, if any, or one percent of turnover, whichever is higher.

4.5.2 Deferred

Deferred tax is recognized using the balance sheet liability method, providing for all the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that are enacted or substantively enacted by the reporting date. Deferred tax liabilities are recognized for all temporary differences. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax asset are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefits will be realized.

4.6 Provisions

Provision 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 can be made. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

4.7 Revenue Recognition

- Storage income and gain of financial instruments are recognised on accrual basis.
- Dividend income is recognised on receipt basis.
- Interest income on Term Deposit Receipts is recognised on accrual basis.

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4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand and with banks. The fair value of cash and cash equivalents approximate their carrying amount.

4.9 Financial assets and liabilities

All financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or loss on the recognition and de-recognition of the financial assets and financial liabilities is taken to the profit and loss account. Financial assets and liabilities, other than specifically mentioned in these policies, are carried at amortized cost. The fair value of these approximate their carrying value.

4.10 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and the company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously and the same is required or permitted by IAS/IFRS or interpretations thereof.

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5 PROPERTY AND EQUIPMENT

Description	Owned Assets					Total
	Leased Hold Land	Building on Lease Hold Land	Furniture and Fixtures	Computer Equipment	Office Equipment	
-----Rupees-----						
COST						
Balance as at 01 July 2019	106,621	1,902,668	250,744	266,650	255,000	2,822,683
Additions	-	-	-	-	46,000	46,000
Balance as at 30 June 2020	106,621	1,902,668	250,744	266,650	301,000	2,868,683
Balance as at 01 July 2020	106,621	1,902,668	250,744	266,650	301,000	2,868,683
Addition	-	-	-	35,600	-	35,600
Balance as at 30 June 2021	106,621	1,902,668	250,744	302,250	301,000	2,904,283
ACCUMULATED DEPRECIATION						
Balance as at 01 July 2019	27,975	1,416,323	161,415	187,846	132,801	1,944,944
Charge for the year	786	48,635	8,933	7,880	20,968	90,565
Balance as at 30 June 2020	28,762	1,464,958	170,348	195,726	153,769	2,035,509
Balance as at 01 July 2020	28,762	1,464,958	170,348	195,726	153,769	2,035,510
Charge for the year	779	43,771	8,040	8,145	22,085	85,677
Balance as at 30 June 2021	29,541	1,508,729	178,388	203,872	175,854	2,121,187
CARRYING AMOUNT - 2020	77,859	437,711	80,396	70,924	147,231	833,173
CARRYING AMOUNT - 2021	77,080	393,939	72,356	98,378	125,146	783,096
RATE OF DEPRECIATION	1%	10%	10%	10%	15%	15%

gpc

NOTE	2021	2020
	-----Rupees-----	
6.1	1,831,240	1,040,058
	<u>1,831,240</u>	<u>1,040,058</u>

6 SHORT TERM INVESTMENT

Quoted Shares - available for sale

6.1 Quoted Shares - available for sale

The par value of each shares is Rs. 10 per share unless disclosed otherwise.

Name of the investee company	As at Jun 30, Purchased/ As at Jun 30,		2021	2020	2021	2020
	2020	(sold)				
	-----Number of shares-----		-----Rupees----		-----Rupees----	
Engro Fertilizers Limited	65	-	65	3,918	4,158	3,918
Fauji Cement Company Limited	20,500	(15,500)	5,000	84,400	324,515	346,040
Fauji Fertilizer Company Limited	5,000	(2,500)	2,500	274,975	436,000	549,950
International Steels Limited	1,000	1,500	2,500	187,704	39,710	51,650
Habib Sugar Mills Limited	3,000	-	3,000	88,500	83,112	88,500
Agha Steel Industries Limited	-	2,000	2,000	80,717	-	67,460
Bank Alfalah Limited	-	4,000	4,000	146,106	-	128,720
D.G Khan Cement Company Limited	-	1,000	1,000	131,739	-	117,920
Flying Cement Company Limited	-	3,000	3,000	72,783	-	63,840
Ittehad Chemical Limited	-	1,000	1,000	42,142	-	38,050
Gul Ahmed Textile Mills Limited	-	1,500	1,500	84,934	-	76,095
Kot Addu Power Company Limited	-	2,000	2,000	90,353	-	88,700
Mari Petroleum Company Limited	-	140	140	228,585	-	213,415
Oil and Gas Development Company Limited	-	1,000	1,000	103,375	-	95,030
Pakistan Refinery Limited	-	2,000	2,000	55,494	-	49,220
Power Cement Limited	-	5,000	5,000	56,620	-	48,050
Pervez Ahmed Consultancy Services Limited	-	70,000	70,000	134,793	-	114,100
Tariq Glass Industries Limited	-	-	125	-	-	13,298
	<u>29,565</u>		<u>105,705</u>	<u>1,867,137</u>	<u>887,495</u>	<u>1,831,240</u>
						<u>1,040,058</u>

Unrealized (loss)/gain as at June 30 2021

Balance as at June 30, 2021

(35,897)	152,563
<u>1,831,240</u>	<u>1,040,058</u>

NOTE	2021	2020
	-----Rupees-----	

7 TAXATION

Advance income tax

231,766 577,152

Refund due from government
- income tax700,731 608,429
932,497 1,185,581**8 ADVANCES AND OTHER RECEIVABLES**

Advance to staff

15,500 29,000

Al Habib Capital (Pvt) Ltd

139,653 -

Akhai Securities (Pvt) Ltd

10,000 -

165,153 29,000

	2021	2020
	-----Rupees-----	
9 CASH AND BANK BALANCES		
In hand	771,047	332,992
At bank		
- in current account	660,288	330,606
- in savings account	9.1 <u>1,592,191</u>	<u>2,009,779</u>
	<u>3,023,526</u>	<u>2,673,377</u>

9.1 These carry profit at rates ranging from 5% to 5.25% (2020: 8% to 10.25%) per annum.

10 DEFERRED TAXATION

Balance arising in respect of timing differences relating to:

Accelerated tax depreciation allowance

<u>86,533</u>	<u>95,564</u>
<u>86,533</u>	<u>95,564</u>

11 ACCRUED AND OTHER PAYABLE

Sales tax payable

165,815 263,911

Accrued expenses

269,858 274,032

Other liabilities

- 1,098

<u>435,673</u>	<u>539,041</u>
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12 CONTINGENCIES AND COMMITMENTS

There are no commitments and contingencies as on June 30, 2021.(2020: Nil)

13 DIRECT AND ADMINISTRATIVE EXPENDITURE

Salaries, allowances and other benefits

7,000,500 6,631,500

Bond expenditure

387,930 409,050

Brokerage and commission

1,346,912 1,129,814

Labour charges

1,474,700 1,278,100

Lifting, shifting and stacking

1,359,600 1,187,600

Computer expenses

90,000 81,400

Auditors' remuneration

107,811 89,100

Conveyance and travelling

315,000 522,750

Depreciation

5 85,677 90,564

Electricity and water charges

530,639 304,343

Entertainment

339,000 243,000

Rent, rates and taxes

603,864 564,180

Insurance expense

173,457 207,690

Legal and professional charges

56,976 40,870

News paper and periodicals

33,912 30,910

Postage, fax and telephone

106,235 86,141

Printing and stationery

191,146 171,835

Repairs and maintenance

1,262,480 886,170

Miscellaneous expenses

785,690 692,374

Professional tax

16,875 22,500

Bank charges

14,586 33,661

<u>16,282,990</u>	<u>14,703,552</u>
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	2021	2020
	-----Rupees-----	
14 OTHER INCOME		
Dividend income	129,550	33,095
Mark up income	59,123	97,777
Capital gain	435,235	-
	<u>623,907</u>	<u>130,872</u>
15 TAXATION		
- Current	570,066	842,989
- Prior	(358,138)	(127,656)
- Deferred	(9,032)	(13,586)
	<u>202,896</u>	<u>701,747</u>

16 REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE

The aggregate amount charged in the financial statements for the year for remuneration, including benefits, to the Chief Executive Officer and Directors of the Company were as follows:

	Chief Executive Officer		Directors	
	2021	2020	2021	2020
	-----Rupees-----			
Managerial remuneration	900,000	900,000	-	-
Allowances	90,000	90,000	-	-
	<u>990,000</u>	<u>990,000</u>	<u>-</u>	<u>-</u>
Number of persons	<u>1</u>	<u>1</u>	<u>7</u>	<u>7</u>
			2021	2020
			-----Numbers-----	

17 NUMBER OF EMPLOYEES

Number of employees at June 30

21 24

18 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on 05 OCT 2021 by the Board of Directors.

19 GENERAL

Figures have been rounded off to the nearest rupee.

GAC



Chief Executive



Director