

**SHAHID AHMAD & CO**  
(CHARTERED ACCOUNTANTS)  
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**Annual Report**  
**(2016-2017)**

**FASHION TEXTILE MILLS (PRIVATE) LIMITED**  
**FOR THE YEAR ENDED JUNE 30<sup>TH</sup>, 2017**

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### AUDITORS' REPORT TO THE MEMBERS

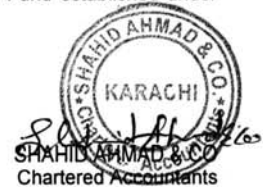
We have audited the annexed balance sheet of **FASHION TEXTILE MILLS (PRIVATE) LIMITED** ("the Company") as at **June 30, 2017** and the related profit & loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state 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 a 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 the 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) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion —
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit & loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at **June 30, 2017**, and of the **Loss**, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat as deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Karachi :  
Date : 04 OCT 2017



**FASHION TEXTILE MILLS (PRIVATE) LIMITED  
BALANCE SHEET  
AS AT JUNE 30, 2017**

	2017	2016
Note	Rupees	
<b>CAPITAL &amp; LIABILITIES</b>		
<b>CAPITAL</b>		
Authorised share capital 1,000,000 ordinary shares of Rs 10/- each (2016: 1,000,000 shares)	<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and paid up shares capital 200,300 ordinary share of Rs 10/-each (2016: 200,300)	3      2,003,000	2,003,000
Unappropriated profit	<u>12,525,131</u> <u>14,528,131</u>	<u>12,883,409</u> <u>14,886,409</u>
<b>CURRENT LIABILITIES</b>		
Creditors, accrued and other liabilities	4 <span style="border: 1px solid black; padding: 2px;">30,000</span>	<span style="border: 1px solid black; padding: 2px;">25,000</span>
Provision for taxation	<span style="border: 1px solid black; padding: 2px;">249,169</span>	<span style="border: 1px solid black; padding: 2px;">257,207</span>
	279,169	282,207
	<u>14,807,300</u>	<u>15,168,616</u>
<b>NON-CURRENT ASSETS</b>		
Investment property	5      11,252,542	11,793,128
<b>CURRENT ASSETS</b>		
Advances, Deposits and Prepayments	6 <span style="border: 1px solid black; padding: 2px;">12,500</span>	<span style="border: 1px solid black; padding: 2px;">257,452</span>
Other Receivables	7      3,542,258	3,098,246
Cash and Bank balances	8      -	19,790
	3,554,758	3,375,488
	<u>14,807,300</u>	<u>15,168,616</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.

  
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CHIEF EXECUTIVE

  
\_\_\_\_\_  
DIRECTOR

**FASHION TEXTILE MILLS (PRIVATE) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	2017	2016
Note	Rupees	
Operating Income	-	-
<i>Less: Administrative expenses</i>		
Legal / Professional Fees	12,960	14,400
Fees and Subscription	75,389	71,925
Depreciation	540,586	569,038
Rates & Taxes	369,832	156,229
Audit Fees	30,000	25,000
Miscellaneous Expenses	280,342	10,600
	<u>1,309,109</u>	<u>847,192</u>
Operating Loss	(1,309,109)	(847,192)
Other Income	<u>1,200,000</u>	<u>1,200,000</u>
	(109,109)	352,808
Taxation	9 (249,169)	(257,207)
(Loss) / profit after tax	<u>(358,278)</u>	<u>95,601</u>
Earning Per Share	(0.18)	0.05

The annexed notes from 1 to 14 form an integral part of these financial statements.

  
 CHIEF EXECUTIVE

  
 DIRECTOR

**FASHION TEXTILE MILLS (PRIVATE) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	2017	2016
	————— Rupees —————	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before tax	(109,109)	352,808
<b>Adjustment:</b>		
Depreciation	540,586	569,038
Cash generated from operations before working capital changes	431,477	921,846
<b>Changes in working capital</b>		
<i>(Increase)/decrease in current assets:</i>		
Decrease in Advances, Deposits and Prepayments	244,952	-
(Increase) in Other Receivables	(444,012)	(654,160)
	232,417	267,686
<i>Increase/(decrease) in current liabilities:</i>		
Increase / (decrease) in Creditors, Accrued & Other Liabilities	5,000	(14,400)
Cash generated from operation	237,417	253,286
Taxes paid	(257,207)	(253,286)
<i>Net cash used in operating activities</i>	(19,790)	-
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	-	-
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	-	-
Net (decrease) / increase in cash and cash equivalents	(19,790)	-
Cash and cash equivalent at the beginning	19,790	19,790
Cash and Cash equivalent at the end of the year	-	19,790

The annexed notes from 1 to 14 form an intergral part of these financial statements.

  
 CHIEF EXECUTIVE

  
 DIRECTOR

**FASHION TEXTILE MILLS (PRIVATE) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2017**

	Note	2017 Rupees	2016
(Loss) / profit after tax		(358,278)	95,601
Other comprehensive income		-	-
<b>Total comprehensive (loss) / income</b>		<u><u>(358,278)</u></u>	<u><u>95,601</u></u>

The annexed notes from 1 to 14 form an intergral part of these financial statements.

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CHIEF EXECUTIVE

  
\_\_\_\_\_  
DIRECTOR

**FASHION TEXTILE MILLS (PRIVATE) LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2017**

	Share Capital	Unappropriated Profit/(Loss)	Total
	Rupees		
Balance as at July 01, 2015	2,003,000	12,787,808	14,790,808
Profit for the year	-	95,601	95,601
Balance as at June 30, 2016	<u>2,003,000</u>	<u>12,883,409</u>	<u>14,886,409</u>
Loss for the year	-	(358,278)	(358,278)
Balance as at June 30, 2017	<u><u>2,003,000</u></u>	<u><u>12,525,131</u></u>	<u><u>14,528,131</u></u>

The annexed notes from 1 to 14 form an intergral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

**FASHION TEXTILE MILLS (PRIVATE) LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**1 STATUS AND NATURE OF BUSINESS**

The company was incorporated on November 20, 1986 as a private limited company, under the Companies Ordinance, 1984, and presently having its registered office situated at A-8/C, S.I.T.E., Karachi with the main objectives of manufacturing and dealing in textiles and allied products. Like previous year the company did not carry out any manufacturing / trading activities during the year, instead it only rented out its premises and enjoyed rental income.

The Company is a part of Y.B. Group (The Group) registered under Section 59AA of the Income Tax Ordinance, 2001 as Group. Y.B. Holdings (Private) Limited is the parent company of the Group.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Medium Size Entities issued by the Institute of Chartered Accountants of Pakistan and provisions of directives issued under the Companies Ordinance, 1984. In case of 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.

**Use of 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 from the basis of making 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 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.

Judgments made by the management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed in respective policy notes.





## 2.4 Taxation

### Current

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

## 2.5 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payable are classified as current if payment is due within one year or less (or in normal operating cycle of business, if longer), if not, they are classified as non current liabilities. Liabilities for trade and other amounts payable are carried at amortised cost.

## 2.6 Provisions

Provisions are recognized when the company has a present obligation (Legal or Constructive) as a result of a past event and 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 of the amount of the obligation.

## 2.7 Investment property and depreciation

Investment property is valued at cost. Depreciation is charged on the building using WDV method.

## 2.8 Other receivables

Other receivables are recognised and carried at original invoice amount less a provision for impairment, if any. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Other receivables considered irrecoverable are written-off.

## 2.9 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 in transit, balances with banks on current and deposit accounts and finance under mark-up arrangements.

## 2.10 Transaction with related parties

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

## 2.11 Revenue recognition

Income is recorded upon services being rendered.

## 3 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2017	2016		2017	2016
Number of shares			Rupees	
200,300	200,300	Ordinary Shares of Rs. 10 each fully paid issued against cash	2,003,000	2,003,000
<u>200,300</u>	<u>200,300</u>		<u>2,003,000</u>	<u>2,003,000</u>

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	2017	2016
	Rupees	
<b>4 CREDITORS, ACCRUED AND OTHER LIABILITIES</b>	<b>Note</b>	
Audit Fees	30,000	25,000
Legal & Professional Charges	-	-
	<u>30,000</u>	<u>25,000</u>
<b>5 INVESTMENT PROPERTY</b>	<u>11,252,542</u>	<u>11,793,128</u>

As at June 2017

Description	Cost				Accumulated Depreciation				Written Down Value	Depreciation Rate
	Opening Balance	Addition	Deletion	Closing Balance	Opening Balance	Charge During the Year	Deletion	Closing Balance		
Land	981,400	-	-	981,400	-	-	-	-	981,400	-
Factory Building	13,972,595	-	-	13,972,595	3,160,867	540,586	-	3,701,453	10,271,142	5%
	14,953,995	-	-	14,953,995	3,160,867	540,586	-	3,701,453	11,252,542	

As at June 2016

Description	Cost				Accumulated Depreciation				Written Down Value	Depreciation Rate
	Opening Balance	Addition	Deletion	Closing Balance	Opening Balance	Charge During the Year	Deletion	Closing Balance		
Land	981,400	-	-	981,400	-	-	-	-	981,400	-
Factory Building	13,972,595	-	-	13,972,595	2,591,829	569,038	-	3,160,867	10,811,728	5%
	14,953,995	-	-	14,953,995	2,591,829	569,038	-	3,160,867	11,793,128	

	2017	2016
	Rupees	
<b>6 ADVANCES, DEPOSITS AND PREPAYMENTS</b>	<b>Note</b>	
Deposits	12,500	55,600
Advance Income Tax	-	201,852
	<u>12,500</u>	<u>257,452</u>
<b>7 OTHER RECEIVABLES</b>		
Lucky Textile Mills Limited - Related Party	<u>3,542,258</u>	<u>3,098,246</u>
<b>8 CASH AND BANK BALANCES</b>		
Cash in hand	-	199
Metropolitan Bank - Site Branch	-	19,591
	<u>-</u>	<u>19,790</u>
<b>9 TAXATION</b>		
Curent year	249,169	257,207
Prior year	-	-
	<u>249,169</u>	<u>257,207</u>

**10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties include associated companies, directors of the Company, companies where directors also hold directorship, related group companies, key management personnel and staff retirement funds. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions, and at prices agreed based on inter company prices using admissible valuation modes, i.e. comparable uncontrolled price method except service charges received/ paid on cost plus method. There are no transactions with the key management personnel other than their terms of employment/ entitlements.

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	2017	2016
<b>Balance outstanding</b>	<u>          </u>	<u>          </u>
Receivable from Lucky Textile Mills Limited	<u>3,542,258</u>	<u>3,098,246</u>

**11 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE**

No remuneration has been paid to chief executive, directors and other key executives.

**12 NUMBER OF EMPLOYEES**

The total and average number of employees at year end is NIL (2016: NIL)

**13 DATE OF AUTHORIZATION FOR ISSUE**

The Board of Directors of the Company has authorized the financial statements for issue in their meeting held on

**04 OCT 2017**

**14 GENERAL**

14.1 Figures have been rounded off to the nearest rupee

14.2 Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation.

  
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 CHIEF EXECUTIVE

  
 \_\_\_\_\_  
 DIRECTOR