

# QUARTERLY ACCOUNTS

**UN-AUDITED**

**SEPTEMBER 30, 2015**



**PIDC**



**MORAFCO**  
**INDUSTRIES LIMITED**

**MORAFCO INDUSTRIES LIMITED**  
**COMPANY INFORMATION**

**Chairman &  
Chief Executive :** Mr. Khalid Mahmood Chadda

**Directors :** Mr. Naseem ul Haq Satti  
Mr. Javed Iqbal  
Mr. Syed Shahnwaz Burney  
Mr. Zahid ur Rehman Mughal  
Mr. Ashfaq Ahmad  
Mr. Muhammad Azam Zaman

**Chief Accountant &  
Company Secretary :** Mr. Muhammad Nadeem Athar

**Auditors :** M/s. Hameed Khan & Co.  
Chartered Accountants,  
16-A, Farid Kot Road, Lahore.

**Bankers :** MCB Bank Limited. Faisalabad  
Soneri Bank Limited. Lahore.

**Registered. Office :** C/o Republic Motors (Pvt) Ltd,  
87-Shahrah-e-Quaid-e-Azam,  
Lahore.

**Factory :** At Rakh Canal East Road,  
Behind Government College  
of Commerce, Faisalabad.

**Tel : (Office) :** 042 - 36363805, 36360530

**Fax :** 042 - 36306179

**Tel : (Factory) :** 041-8540179

# **MORAFCO INDUSTRIES LIMITED**

## **DIRECTOR'S REPORT TO THE MEMBERS**

*Dear Shareholders,*

The Directors of the company hereby present the unaudited quarterly accounts for the period ended as on September 30, 2015 as required by sub section (1) of section 246 of the Companies Ordinance 1984 vide SRO 764 (1) / 2001 dated November 2001 issued by Securities and Exchange Commission of Pakistan. The company sustained a Net Loss of Rs. 0.733 million during the period under review as compared to a Net Loss of Rs. 0.477 million during the same period of the preceding year. The loss was mainly on account of unavoidable fixed expenditure of Security and up keeping of the company's properties, Property Tax, Insurance, Utility bills, Depreciation etc.

The operations of the company were closed in the year 1997 due to suffering of huge continuous losses and all the employees were relieved under VSS / GHS. Presently, few temporary employees have been engaged on adhoc basis to ensure the security, maintenance and up-keeping properties of the company and disposal of residual work. PIDC holding corporation being major shareholder and creditor is looking after the residual work of the unit and also financing the unit to meet its essential expenses, however PIDC is not charging any mark up on its outstanding balance.

### **FUTURE OUTLOOK**

The unit was placed for privatization through Privatization Commission (PC). The company continues to be under privatization with the PC since 1990 but could not be privatized / disinvested due to various reasons. The PC made several attempts for its privatization but could not succeed due to low offers received as compared to the reserve price fixed by the PC / management, besides some issues related to the transfer of the title of land of the unit from the Government of Punjab. The government has decided to dispose off only plant and machinery of the unit, this decision was subsequently approved by ECC in its meeting held in July 2013. The list includes plant and machinery of Morafco Industries Limited. The plant and machinery of Morafco which is approximately more than 50 years old. The unit was closed in the year 1997 by observing proper shut down procedure. However, we are not in a position to identify that as to what extent weather and time factor had deteriorated the plant / machinery as well as the factory building of the unit and weather it could be put into operation again or not.

The Board of Revenue, Punjab earlier agreed to the disposal of the land by the (PC) under a sharing formula of the sale proceeds i.e. 20% payable to the Punjab Government and remaining 80% of the proceeds to be retained by the Federal Government through PC. The management of PIDC continues to follow up with the PC to expedite the early privatization / sale of the unit.

**ON BEHALF OF THE BOARD OF DIRECTORS**

**October 08, 2015**

**CHIF EXECUTIVE**

**MORAFCO INDUSTRIES LIMITED**  
**BALANCE SHEET FOR THE PERIOD ENDED AS ON**  
**SEPTEMBER 30, 2015**

Un-Audited		Audited
Sep 30,2015	Sep 30,2014	Jun 30,2015
(Rs. In Thousands)		

**EQUITY AND LIABILITIES:**

**Share Capital and Reserves**

**Authorized Capital**

1,000,000 [2012 : 1,000,000]  
ordinary shares of Rs. 10 each

10,000      10,000      10,000

Share Capital

5,683      5,683      5,683

Reserves

5,646      5,646      5,646

Accumulated Loss

(856,568)      (854,350)      (855,835)

(845,239)      (843,021)      (844,506)

**CURRENT LIABILITIES:**

Creditors, Accrual and Other Liabilities

1,310      1,300      1,315

Income Tax payable

155      155      155

Due to PIDC / Federal Government

705,350      705,350      705,350

Due to PIDC

140,198      138,132      139,482

847,013      844,937      846,302

Contingencies & Commitments

-      -      -

**1,774      1,916      1,796**

**PROPERTIES AND ASSETS:**

Fixed Assets

877      975      900

**CURRENT ASSETS:**

Stores, Spares & Loose Tools

573      573      573

Advances Deposits, Prepayments &

Other Receivables

-      63      9

Trade debts & short term payments

-      26      -

Balance due from tax department

117      108      107

Cash and Bank Balances

207      171      207

897      941      896

**1,774      1,916      1,796**

**CHIEF EXECUTIVE**

**DIRECTOR**

**MORAFCO INDUSTRIES LIMITED**  
**PROFIT & LOSS ACCOUNTS FOR THE PERIOD ENDED AS ON**  
**SEPTEMBER 30, 2015**

Un-Audited		Audited
3 Month Ending	3 Month Ending	12 Month Ending
Sep 30,2015	Sep 30,2014	Jun 30,2015
(Rs. In Thousands)		

Sales	-	-	-
Cost of Goods Sold	-	-	-
Gross Profit / (Loss)	-	-	-

**Operating Expenses:**

Fixed Revenue Expenses	(114)	(76)	(215)
Administrative & General	(619)	(401)	(1,757)
Financial Charges	-	-	-
	(733)	(477)	(1,972)
Misc. / Mark up Income	-	-	10
Loss for the year before taxation	(733)	(477)	(1,962)
Provision for Taxation	-	-	-
Loss after taxation	(733)	(477)	(1,962)
Accumulated Profit / (Loss) Brought Forward	(855,835)	(853,873)	(853,573)
Balance Carried to Balance Sheet	<b>(856,568)</b>	<b>(854,350)</b>	<b>(855,835)</b>
Earning per Share	<b>(1.29)</b>	<b>(0.84)</b>	<b>(3.45)</b>

**CHIEF EXECUTIVE**

**DIRECTOR**

**MORAFCO INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED AS ON**  
**SEPTEMBER 30, 2015**

Un-Audited		Audited
3 Month Ending	3 Month Ending	12 Month Ending
Sep 30,2015	Sep 30,2014	Jun 30,2015
<b>(Rs. In Thousands)</b>		

**Cash Flow From Operating Activities**

Profit / (Loss) before taxation	(733)	(477)	(,962)
Profit on bank deposits	-	-	(10)
Insurance claim received	-	-	-
Gain on sale of stores	-	-	-

**Adjustment for items not involving**

**Movement of Cash:-**

Depreciation	23	27	102
Stocks Written off to NRV	-	-	-

<b>Working Capital Adjustment</b>	<b>(710)</b>	<b>(450)</b>	<b>(1,870)</b>
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**(Increase) / Decrease in current Assets:**

(Purchase) / sale of fixed assets	-	-	-
Advances, Deposits, prepayments & Other Receivables	-	-	80
Trade debts & short term payments	-	-	-
Trade deposits & short term investments	-	-	-

**Increase / ( Decrease) in current Liabilities**

Trade & other payables	710	450	1,816
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<b>Net cash generated from operations</b>	<b>710</b>	<b>450</b>	<b>1,896</b>
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Cash Flows before interest and tax	-	-	<b>26</b>
Taxes paid	-	-	-
Insurance claim received	-	-	-
Profit on bank deposit	-	-	10

<b>Net Cash Flow From Operating Activities</b>	<b>-</b>	<b>-</b>	<b>36</b>
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Cash Flow From Investing Activities	-	-	-
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Net Cash Flow From Investing Activities.	-	-	-
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Cash Flow From Financing Activities.	-	-	-
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	<b>-</b>	<b>-</b>	<b>36</b>
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**Net Increase / (Decrease) In Cash & Cash Equivalents**

Cash & Cash Equivalents at the Beginning of the Period	207	171	171
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<b>Cash &amp; Cash Equivalents at the end of the Period</b>	<b>207</b>	<b>171</b>	<b>207</b>
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These accounts should be read in conjunction with the annexed notes.

**CHIEF EXECUTIVE**

**DIRECTOR**

**MORAFCO INDUSTRIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED AS ON**  
**SEPTEMBER 30, 2015**

	RESERVE					Accumulated Profit/Loss	Net Equity
	Issued Subscribed and Paid up Capital	General Reserve	Dividend Equalization	Capital Reserve	Total Reserve		
Rs. In "Thousands"							
<b>Balance as at July 01, 2014</b>	5,683	3,479	1,863	304	5,646	(853,873)	(842,544)
Loss for the 1st Quarter	-	-	-	-	-	(477)	(477)
<b>Balance as at Sept. 30, 2014</b>	<b>5,683</b>	<b>3,479</b>	<b>1,863</b>	<b>304</b>	<b>5,646</b>	<b>(854,350)</b>	<b>(843,021)</b>
<b>Balance as at July 01, 2015</b>	5,683	3,479	1,863	304	5,646	(855,835)	(844,506)
Loss for the period	-	-	-	-	-	(733)	(733)
<b>Balance as at Sept. 30, 2015</b>	<b>5,683</b>	<b>3,479</b>	<b>1,863</b>	<b>304</b>	<b>5,646</b>	<b>(856,568)</b>	<b>(845,239)</b>

**NOTES TO THE ACCOUNTS:**

1. These accounts are un-audited and are being submitted to the shareholders in accordance with SRO No. 764 (I) / 2001 dated 05-11-2001, issued by the Securities & Exchange Commission of Pakistan.
2. These accounts have been prepared as per IAS 34 notified vide SRO No. 33 (I) 2000 dated 27-01-2000.
3. The accounting policies adopted for preparation of these accounts are the same as applied in preparation of the preceding annual published accounts of the company.
4. The status and extent of contingencies and commitments are almost the same as that of June 30, 2015.
5. Previous year's figures have been re-arranged wherever necessary for the purpose of comparison.

**CHIEF EXECUTIVE**

**DIRECTOR**

*Under Postal Certificate*  
**Printed Matter**

**BOOK POST**



*If undelivered please return to*

**MORAFCO INDUSTRIES LTD.**

C/o Republic Motors (Pvt) Ltd., 87-Shahrah-e-Quaid-e-Azam, Lahore.

Tel : 042 - 36363805, 36360530

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