

COMPANY INFORMATION

Chairman / MD & Chief Executive

Mr. Muhammad Iqbal Tabish

Directors:

Mr. Javed Iqbal
Mr. Ashfaq Ahmad
Mr. Zahid ur Rehman Mughal
Mrs. Surriya Jabeen Abid
Mr. Muhammad Azam Zaman
Mr. Waheed Shahzad Butt

Chief Accountant & Company Secretary

Mr. Muhammad Nadeem Athar

Auditors

M/s.Kamran & Co.
Chartered Accountants,
Ingola Appartments, Jail Road, Lahore

Bankers

MCB Bank Ltd, Faisalabad
Soneri Bank Limited, Lahore.

Registered Office

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

Factory

At Rakh Canal East Road,
Behind; Government College of Commerce,
Faisalabad.

Phone No. (Office)

042-36363805, 36360530

Phone No. (Factory)

041-8540179

Fax (Office)

042-36306179

MORAFCO INDUSTRIES LIMITED FAISALABAD
Balance Sheet For The Period Ended As on 30-Sep-17

	UNAUDITED		Audited
	Sep-17	Sep-16	Jun-17
(Rs. In Thousands)			
<u>EQUITY AND LIABILITIES</u>			
Share Capital	5,683	5,683	5,683
Reserves	5,646	5,646	5,646
Accumulated Loss	(862,596)	(859,600)	(862,196)
	(851,267)	(848,271)	(850,867)
CURRENT LIABILITIES:			
Creditors, Accrual and Other Liabilities	1,365	1,319	1,365
Income Tax payable	155	155	155
Due to PIDC / Federal Government	705,350	705,350	705,350
Due to PIDC	145,531	142,912	145,144
	852,401	849,736	852,014
Contingencies & Commitments	-	-	-
	1,134	1,465	1,147
<u>PROPERTIES AND ASSETS</u>			
Fixed Assets	503	553	516
CURRENT ASSETS:			
Stores, Spares & Loose Tools	286	573	286
Advances Deposits, Prepayments & Other Receivables	133	126	133
Trade debts & short term payments	-	-	-
Balance due from tax department	-	-	-
Cash and Bank Balances	212	213	212
	631	912	631
	1,134	1,465	1,147
Chief Executive			Director

MORAFCO INDUSTRIES LIMITED FAISALABAD
UN-AUDITED PROFIT & LOSS ACCOUNT FOR THE
Period Ended September 30, 2017

	3 Months Ending	3 Months Ending	12 Months Ending
	Sep-17	Sep-16	30-Jun-17
	Un-Audited		Audited
	(Rs. In Thousands)		
Sales	-	-	-
Cost of Goods Sold	-	-	-
Gross Profit / (Loss)	-	-	-
Operating Expenses: -			
Fixed Revenue Expenses	(13)	(112)	(185)
Administrative & General Financial Charges	(386) -	(405) -	(2,654) -
Misc. / Mark up Income	(399) -	(517) -	(2,839) 7
Loss for the year before taxation	(399)	(517)	(2,832)
Provision for Taxation	-	-	-
Loss after taxation	(399)	(517)	(2,8322)
Accumulated Profit / (Loss) Brought Forward	(862,197)	(859,083)	(853,873)
Balance Carried to Balance Sheet	(862,596)	(859,600)	(856,705)
Earning per Share	(0.70)	(0.91)	(4.98)
Chief Executive			Director

wMORAFCO INDUSTRIES LIMITED FAISALABAD
CASH FLOW STATEMENT FOR THE PERIOD ENDED AS ON
September 30, 2017

	(Un-Audited)		(Audited)
	Sept. 30 2017	Sept. 30 2016	June 30, 2017
Rs. In "Thousands"			
Cash Flow From Operating Activities			
Profit / (Loss) before taxation	(399)	(518)	(2,832)
Profit on bank deposits	-	-	-
Insurance claim	-	-	-
Gain on sale of stores	-	-	-
Adjustment for items not involving Movement of Cash:-			
Depreciation	13	14	57
Stocks Written off to NRV	-	-	-
Profit on bank deposit	-	-	(7)
Working Capital Adjustment	(386)	(504)	(2,782)
(Increase) / Decrease in current Assets:			
(Purchase) / sale of fixed assets	-	-	-
Advances, Deposits, prepayments & Other Receivables	(0)	1	(8)
Trade debts & short term payments	-	-	-
Trade deposits & short term investments	-	-	-
Increase / (Decrease) in current Liabilities			
Trade & other payables	386	503	2,782
Net cash generated from operations	386	504	2,774
Cash Flows before interest and tax	(0)	-	-
Taxes paid	-	-	-
Insurance claim received	-	-	-
Profit on bank deposit	-	-	7
Net Cash Flow From Operating Activities	(0)	-	(2,781)
Cash Flow From Investing Activities	-	-	-
Net Cash Flow From Investing Activities.	-	-	-
Cash Flow From Financing Activities.	-	-	-
	(0)	-	(1)
Net Increase / (Decrease) In Cash & Cash Equivalents			
Cash & Cash Equivalents at the Beginning of the Period	212	213	213
Cash & Cash Equivalents at the end of the Period	212	213	212

These accounts should be read in conjunction with the annexed notes.

CHIEF EXECUTIVE

DIRECTOR

MORAFCO INDUSTRIES LIMITED FAISALABAD
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED AS ON
September 30, 2017

Rs In "Thousands"

	Reserves				Accumulated Profit / (Loss)	Net Equity	
	Issued Subscribed and Paid up Capital	General Reserve	Dividend Equalization	Capital Reserve			Total Reserves
Balance as at July 01, 2016	5,683	3,479	1,863	304	5,646	(859,364)	(848,035)
Loss for the 1st Quarter	-	-	-	-	-	(518)	(518)
Balance as at Sept. 30, 2016	5,683	3,479	1,863	304	5,646	(859,882)	(848,553)
Balance as at July 01, 2017	5,683	3,479	1,863	304	5,646	(862,196)	(850,868)
Loss for the period	-	-	-	-	-	(399)	(399)
Balance as at Sept. 30, 2017	5,683	3,479	1,863	304	5,646	(862,595)	(851,267)

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, 2017.**
- 5 Previous year's figures have been re-arranged wherever necessary for the purpose of comparison.

Chief Executive

Director

MORAFCO INDUSTRIES LIMITED FAISALABAD DIRECTORS' REPORT

Dear Shareholders,

The Directors of the company hereby present the unaudited quarterly accounts for the period ended as on September 30, 2017 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. 0.399 million during the period under review as compared to a Net Loss of Rs. 0.517 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 ad-hoc 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. It has become difficult for the company to meet its burdensome compliance costs to comply with different rules and regulations as required by a listed company. Compliance cost constitutes the major element of administrative expenses, especially when the operations of the company have closed down since 1997 and for past several years it has been making losses, it is not in a position to come up with such compliance costs in future.

So, it was unanimously decided in BOD meeting that, it is possibly the best course of action in current scenario to go for voluntary de-listing of the company from Pakistan Stock Exchange. After hectic efforts of management of Morafco and PIDC, succeeded in getting NOC from PC as well as MOI&P Islamabad for delisting from the Stock Exchanges and conversion of the status of the company from Public Limited to Private Limited. In order to execute the assignment the Board appointed M/s. Kamran & Co Chartered Accountants Lahore, to expedite the assignments. Recently they informed that the process of valuation of assets of the company by PBA approved company has already been completed and Certification from a Chartered Accountant on panel A of State Bank of Pakistan and the intrinsic value of the shares has already determined by a firm. The appointment of M/s. Abbasi & Co. as Purchase agent has also been finalized. The Purchase agent will now take up the issue of buy back of shares from minority shareholders in the light of procedure as required under The Listing Regulations of Pakistan Stock Exchange.

On Behalf of The Board of Directors

Chief Executive

Dated: October 09, 2017

