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COMPANY INFORMATION

Board of Directors:

Chairperson : Mrs. Nargis Jehangir

Chief Executive Officer : Mian Muhammad Jehangir

Directors : Mian Waheed Ahmad
: Mian Waqar Ahmad
: Ms. Ayesha Jehangir
: Mr. Haroon Majid
: Mr. Maqsood Ahmed Sajid

Nominee Director – NIT : Mr. Muhammad Arshad

Company Secretary : Mr. Muhammad Masud Mufti

Chief Financial Officer : Mr. Muhammad Irfan

Auditors : SARWARS
Chartered Accountants

Audit Committee : Mr. Haroon Majid Chairman
: Mian Waqar Ahmad Member
: Ms. Ayesha Jehangir Member

HR & Remuneration Committee : Mrs. Nargis Jehangir Chairperson
: Ms. Ayesha Jehangir Member
: Mr. Maqsood Ahmed Sajid Member

Bankers : Habib Bank Limited
: NIB Bank Ltd. (formerly PICIC)
: National Bank of Pakistan
: The Bank of Punjab

Head Office & Registered Office : 29-B/7, Model Town, Lahore.
Phone: 35831804-5 (2 lines)
Fax: 35830844
Email: info@miantextile.com

Shares Registrar : Hameed Majeed Associates (Pvt.) Ltd.
H.M House 7-Bank Square, Lahore.
Tel: 37235081-82 Fax: 37358817



MISSION STATEMENT

To provide quality products to customers and explore new markets to promote / expand sale of the company through good governance and foster a sound and dynamic team, so as to achieve optimum price of products of the Company for sustainable and equitable growth and prosperity of the company.

VISION STATEMENT

To transform the Company into a modern and dynamic yarn & cloth manufacturing Company with highly professional and fully equipped to play meaningful role on sustainable basis in the economy of Pakistan.



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

For year ended June 30, 2019

This statement is being presented to comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) and have been prepared in accordance with Regulation 40 of the Regulations 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 complied with the requirements of the Regulations in the following manner:

- The total number of directors are 7 (other than one Nominee director) as following:

a) Male	5
b) Female	2

- The Company encourages the representation of independent non-executive directors and directors representing minority interests on its board of directors. The composition of board is as follows:
- Composition of the Board of Directors ("the Board") is as follows:

Category	Names
Executive Directors:	Mian Muhammad Jehangir
	Mian Waheed Ahmad
Non-Executive Directors:	Mian Waqar Ahmad
	Mrs. Nargis Jehangir
	Ms. Ayesha Jehangir
Independent Directors	Mr. Haroon Majid
	Mr. Maqsood Ahmed Sajid

- The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding company, where applicable).
- No casual vacancy occurred on the board during the year.
- 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.
- The board has developed a vision/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.
- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
- The meetings of the board were presided over by the Chairperson and, in her absence, by a director elected by the board for this purpose. The Board has complied with requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the Meetings of the Board.
- The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with Act and these Regulations.
- Having minimum 14 years of education by all of directors and minimum 15 years of experience by 4 out of 7 directors on the board make them exempt from any director's training program.



Since the company is facing financial crunch these days due to closure of its manufacturing operation and sale of its Factory premises because of some irrepressible factors, so the training program for remaining directors is being deferred. However, the company intends to arrange for orientation course for the remaining directors in future.

- During the period, there is no replacement of CFO, Company Secretary, and Head of Internal Audit of the Company.

- CFO and CEO duly endorsed the financial statements before approval of the Board.

- The board has formed two committees comprising of the members given below:

a) Audit Committee:

It comprises of three members, of whom all three are non-executive directors and the chairman of the committee is an independent director. The committee met 4 times during the year and the attendance was as follows:

Name of Member	Meetings Attended
Mr. Haroon Majid (Chairman)	4
Mian Waqar Ahmad (Member)	4
Ms. Ayesha Jehangir (Member)	4

b) Human Resource and Remuneration Committee:

It comprises of three members. All members including the Chairperson of Human Resource & Remuneration Committee are non-executive directors with one independent director. The Committee met twice during the year and the attendance of the meeting is as follows:

Name of Member	Meetings Attended
Mrs. Nargis Jehangir (Chairperson)	2
Ms. Ayesha Jehangir (Member)	2
Mr. Maqsood Ahmed Sajid (Member)	2

- The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
- The board has set up an effective internal audit function, which has been effectively implemented.
- The statutory auditors of the Company M/s Manzoor Hussain Mir & Co. have resigned and the casual vacancy was filled within the stipulated time. The statutory auditors have confirmed that they have been given a satisfactory rating under the quality control review programme of the ICAP, 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 ICAP.
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all other requirements of the Regulations have been complied with.

For and on behalf of the Board

Lahore:
October 02, 2019

Chief Executive



TEL: 35 78 29 20
35 78 29 22
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E-mail: sarwars@sarwarsca.com
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Off: # 12-14, 2nd Floor, Lahore
Center, 77-D, Main Boulevard,
Gulberg-III, Lahore.

INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Mian Textile Industries Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **Mian Textile Industries Limited** for the year ended June 30, 2019, in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the 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 of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Place: Lahore
Date: October 02, 2019

SARWARS
CHARTERED ACCOUNTANTS
Audit Engagement Partner: Shan Ibrahim



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 33rd Annual General Meeting of the Shareholders of **Mian Textile Industries Limited** will be held on **Saturday October 26, 2019** at **10:30 AM** at the Registered Office of the Company at 29-B/7, Model Town, Lahore to transact the following business:-

Ordinary Business:

1. To confirm the minutes of the last Annual General Meeting of the Shareholders of the Company held on October 27, 2018.
2. To receive, consider and adopt the audited financial statements of the company together with the Director's and Auditor's reports thereon for the year ended June 30, 2019.
3. To appoint Auditors and fix their remuneration for the year ending on June 30th 2020.
4. To transact any other business with the permission of the Chairman.

By order of the Board

Lahore:
Dated: October 04, 2019

Muhammad Masud Mufti
Company Secretary

Notes:

- a) The share transfer books of the Company will remain closed from October 17, 2019 to October 26, 2019 (both days inclusive). Transfers received in order at the Registered Office of the Company up to the close of business on October 16, 2019 will be in time to affect the voting rights at the meeting.
- b) Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his/her CNIC with him/her to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC. Representatives of corporate members should bring the usual documents required for such purpose.
- c) The Shareholders are requested to notify the Company, the change in their address, if any, immediately to the Company's Registrar Hameed Majeed Associates (Pvt.) Ltd. – H. M. House 7, Bank Square, Lahore.
- d) Members are requested to provide by mail or fax, photocopy of their CNIC and email address to enable the Company to comply with the relevant laws.

**DIRECTOR'S REPORT TO THE SHAREHOLDERS**

On behalf of the Board of Directors of Mian Textile Industries Limited, I am pleased to welcome you to the 33rd Annual General Meeting of the Company and submit their report together with audited financial statements of the Company and Auditor's Report thereon for the year ended June 30, 2019.

In pursuance to the Special Resolution approved by the shareholders in a General Meeting, complete Factory Land, Building, Power plant with all accessories & electric installations including premises of School and Mosque along with furniture & fixtures/equipments etc at site of the company have been disposed off and registry/ownership has been transferred to M/s Pakistan Tiles (Pvt.) Ltd. (Abu Yousaf Group) Lahore during the year for total consideration of Rs. 410.00 million. In this regard, during the year the company earned profit mainly on account of gain on sale of fixed assets held for sale.

The Financial results of the Company for the year ended are summarized below:

	2019 (Rs. in '000')	2018 (Rs. in '000')
Trading income	2,116	18,958
Operating Loss	(21,312)	(24,525)
Finance cost	9	59
Profit before taxation	93,828	43,521
Taxation - earlier years	-	204
- current year	(26)	(237)
Profit after taxation	93,802	43,488
Comprehensive Income for the year	93,802	43,488
E.P.S	4.24	1.97

Future outlook

After payment of outstanding liabilities of all the banks/financial institutions, the company during the year has also managed to pay major amount of loans from directors/their family members & associates through sale of assets held for sale as approved by the shareholders.

The Company intended to do viable trading business mainly in textile products. But in view of present aggravated condition of economy, the trading business does not seem profitable.

The company received a proposal for merger with M/s Sufi Steel Industries (Pvt.) Ltd. but unfortunately, the economic conditions and the stock market situation got aggravated and the party is presently hesitant to go for merger under these circumstances and have postponed the negotiations till the country's economic condition and stock market improves.

Dividend

In view of the brought forward losses and operational loss sustained, the directors have not recommended any dividend for the period ended as at June 30, 2019.

**Notes**

Furthermore, we give hereunder our comments on the observations recorded by the company's auditors in their report.

Emphasis of Matter Paragraph:

As required, the Company has provided the list of members to the SECP. After confirmation from SECP, the company will give notice to the concerned shareholders. The company is in the process of complying with the requirements of Section 244 of the Companies Act, 2017.

CORPORATE AND FINANCIAL REPORTING FRAME WORK

The directors also confirm compliance with Corporate and Financial Reporting Framework of the SECP's Code of Corporate Governance for the following:

- The financial statements prepared by the management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts have been maintained by the Company;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from (if any) has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There company has closed down its manufacturing operations and factory land & complete premises etc has been disposed off. The company being a non-going concern, the financial statements have been prepared under fair market value method against historical cost convention in earlier years.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations of the stock exchange except, if any, as mentioned in the Statement of Compliance.
- Operating and financial data and key ratios of six years are annexed.
- A statement showing pattern of shareholding is annexed.
- During the year, no transaction in the shares of the Company was made by the CEO, directors, CFO, Company Secretary, their spouses & minor children.

BOARD MEETING

During the financial year under consideration, five meetings were held and the attendance by the respective directors was as follows:

S.No.	Name of Directors	No. of meetings attended
1	Mian Muhammad Jehangir	5
2	Mian Waheed Ahmad	5
3	Mian Waqar Ahmad	-
4	Mrs. Nargis Jehangir	-
5	Ms. Ayesha Jehangir	3
6	Mr. Haroon Majid	1
7	Mr. Maqsood Ahmed Sajid	1
8	Mr. Muhammad Arshad (Nominee-NIT)	5

Leave of absence was granted to Directors who could not attend the Board meetings.



COMPOSITION OF THE BOARD OF DIRECTORS ("THE BOARD")

Category	Names
Executive Directors:	Mian Muhammad Jehangir
	Mian Waheed Ahmad
Non-Executive Directors:	Mian Waqar Ahmad
	Mrs. Nargis Jehangir
	Ms. Ayesha Jehangir
Independent Directors	Mr. Haroon Majid
	Mr. Maqsood Ahmed Sajid

The total numbers of directors are 7 (other than one Nominee director) comprising of 2 Female and 5 Male directors. However, no remuneration is paid to Non-executive directors.

AUDIT COMMITTEE

The Board constituted an Audit Committee comprising the following Directors:

- | | | |
|----|---------------------|----------|
| 1. | Mr. Haroon Majid | Chairman |
| 2. | Mian Waqar Ahmad | Member |
| 3. | Ms. Ayesha Jehangir | Member |

HUMAN RESOURCES & REMUNERATION COMMITTEE

The Board constituted an HR&R Committee comprising the following Directors:

- | | | |
|----|-------------------------|-------------|
| 1. | Mrs. Nargis Jehangir | Chairperson |
| 2. | Ms. Ayesha Jehangir | Member |
| 3. | Mr. Maqsood Ahmed Sajid | Member |

AUDITORS

The auditors M/s Manzoor Hussain Mir & Co. Chartered Accountants had resigned and M/s SARWARS Chartered Accountants were appointed as auditors, who will retire at the conclusion of the Annual General Meeting. The auditors of the Company shall be appointed in the forthcoming AGM for the next year ending on 30th June 2020 and their remuneration shall be fixed.

PATTERN OF SHAREHOLDINGS

A statement-showing pattern of shareholding as on June 30, 2019 is annexed.

ACKNOWLEDGEMENT

We like to place on record our gratitude to the valued clients, regulatory authorities, banks and financial institutions and also the shareholders for their continued support. We also appreciate the efforts and dedication shown by the staff for managing the company's affairs during this tough time.

ON BEHALF OF THE BOARD

Place:Lahore

Date:October 02, 2019

MIAN MUHAMMAD JEHANGIR
Chief Executive



بورڈ آف ڈائریکٹرز کی ترتیب:

نام	کینگری
میاں محمد جہانگیر	ایگزیکٹو ڈائریکٹر
میاں وحید احمد	
میاں وقار احمد	نان ایگزیکٹو ڈائریکٹر
مسز نرگس جہانگیر	
مس عائشہ جہانگیر	
مسٹر ہارون ماجد	آزاد ڈائریکٹر
مسٹر مقصود احمد ساجد	

ڈائریکٹرز کی کل تعداد سات ہے جو کہ دو خواتین اور پانچ مرد ڈائریکٹرز پر مشتمل ہے۔ جبکہ نان ایگزیکٹو ڈائریکٹر کو معاوضہ ادا نہیں کیا جاتا۔

آڈٹ کمیٹی:

بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی قائم کی ہے اور مندرجہ ذیل ڈائریکٹرز اس کے اراکین ہیں۔

- | | | |
|---|--------------------|-----------|
| 1 | مسٹر ہارون ماجد | چیئر پرسن |
| 2 | میاں وقار احمد | رکن |
| 3 | مسما عائشہ جہانگیر | رکن |

HR کمیٹی:

بورڈ آف ڈائریکٹرز نے HR کمیٹی قائم کی ہے اور مندرجہ ذیل ڈائریکٹرز اس کے اراکین ہیں۔

- | | | |
|---|----------------------|-----------|
| 1 | مسز نرگس جہانگیر | چیئر پرسن |
| 2 | مسما عائشہ جہانگیر | رکن |
| 3 | مسٹر مقصود احمد ساجد | رکن |

آڈیٹرز:

میسرز منظور حسین میر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کے مستعفی ہونے کے بعد میسرز سرورز چارٹرڈ اکاؤنٹنٹس کو بطور آڈیٹر مقرر کیا گیا ہے، جو سالانہ اجلاس میں ریٹائر ہو جائیں گے۔

کمپنی کے آڈیٹر آئندہ ہونے والے سالانہ اجلاس عام میں سال 30 جون 2020 کے لئے مقرر ہوں گے اور ان کا معاوضہ بھی مقرر کیا جائے گا

حصہ داران کی تفصیل:

30 جون 2019 کو حصہ داران کی تفصیل لف ہے۔

اعتراف:

کمپنی کی انتظامیہ، ملازمین محنت اور لگن سے کام کرنے کیلئے تعریف کے مستحق ہیں، ہم اپنے قابل قدر حصص داران، گاہکوں سپلائرز اور مالیاتی اداروں کے تعاون، مدد، مسلسل حمایت اور اعتماد کے شکر گزار ہیں۔

میاں محمد جہانگیر

چیف ایگزیکٹو آفیسر

مورخہ 02 اکتوبر 2019



کارپوریٹ اور فنانشل فریم ورک پر تعمیل کا بیان:

انتظامیہ کارپوریٹ اور فنانشل فریم ورک پر عمل درآمد کے بارے میں بخوبی آگاہ ہے اور بشمول درج ذیل نظم و ضبط کی تعمیل کرتی ہے۔

A مالیاتی گوشوارے واضح طور پر معاملات کی حالت، آپریشنوں کے نتائج، اثاثوں کے بہاؤ اور اکوئیٹی میں تبدیلی بیان کرتے ہیں۔

B کمپنی کی طرف سے باقاعدہ اکاؤنٹ کی کتابوں کا بندوبست کیا گیا ہے۔

C مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ کی پالیسیاں مسلسل استعمال میں لائی گئی ہیں اور اکاؤنٹنگ کے تخمینے مناسب اور حقیقت پسندانہ سوچ رکھتے ہوئے لگائے گئے ہیں۔

D مالیاتی گوشواروں کی تکمیل انٹرنیشنل سٹینڈرڈ کو مد نظر رکھ کر کی گئی ہے۔

E کمپنی کی اندرونی کنٹرول کا نظام مضبوط ہے اور موثر طریقے سے لاگو کیا گیا ہے اور قابلیت رکھنے والے اندرونی آڈیٹر کی نگرانی میں ہیں۔

F کمپنی نے اپنا مینوفیکچرنگ آپریشن بند کر دیا ہے اور مکمل فیکٹری لینڈ بلڈنگ وغیرہ بیچ دیا ہے۔ نان گونگ کنسرن ہونے کی وجہ سے کمپنی کی

مالیاتی رپورٹس کو مناسب مارکیٹ کی قیمت کے تحت تیار کیا گیا ہے۔

G کورپوریٹ گورننس کی بہترین پریکٹس سے انہراف نہیں کیا گیا ماسوائے اُس کے جو کہ سٹینڈرٹ آف کمپلائنس میں درج کی گئی۔

H چھ سالہ کلیدی آپریٹنگ اور مالیاتی اعداد و شمار لف ہیں۔

I شیئر ہولڈنگ کے پیرن کی میٹینٹ لف ہے۔

J دوران سال ڈائریکٹرز، سی ایف او کمپنی سیکرٹری یا ان کی اہلیہ اور نابالغ بچوں نے کمپنی کے شیئرز میں ٹریڈنگ نہیں کی۔

بورڈ آف ڈائریکٹرز کے اجلاس:

سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد کئے گئے تھے ہر ایک کی طرف سے حاضری کی تفصیل یہ ہے۔

5	جناب میاں محمد جہانگیر
5	جناب میاں وحید احمد
-	جناب میاں وقار احمد
-	محترمہ مسز نرگس جہانگیر
3	محترمہ عائشہ جہانگیر
1	جناب بارون ماجد
1	جناب مقصود احمد ساجد
5	جناب محمد ارشد

جو ڈائریکٹر بورڈ میں شرکت نہیں کر سکتے تھے ان کی رخصت دی گئی تھی۔



ڈائریکٹرز رپورٹ

میاں ٹیکسٹائل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں آپ کو کمپنی کی طرف سے تین سو سالانہ میٹنگ میں خوش آمدید کہتا ہوں اور کمپنی کے ڈائریکٹرز سالانہ عام اجلاس کے سامنے 30 جون 2019 کو ختم ہونے والے سال کے لئے آؤٹ شدہ اکاؤنٹس کے ساتھ ساتھ اپنی رپورٹ پیش کرنا چاہیں گے۔

کمپنی کے شیئر ہولڈرز کی جانب سے منظور کردہ خصوصی قرارداد پر عمل کرتے ہوئے مکمل فیکٹری لینڈ، بلڈنگ، پاور پلانٹ اور تمام تنصیبات، بشمول سکول، مسجد اور فرنیچر وغیرہ بیچ دیا ہے اور اس کی (رجسٹری) ملکیت میسرز پاکستان ٹائیکلز پرائیویٹ لمیٹڈ (ایویوسف گروپ) کو دوران سال بعد پرض 410.00 ملین روپے منتقل کی جا چکی ہے۔ اس سلسلے میں دوران سال حاصل ہونے والا منافع، اثاثہ جات کی فروخت سے حاصل ہونے والے منافع سے حاصل ہوا ہے۔

مالیاتی جائزہ

2018 2019

(ملین روپے) (ملین روپے)

تجارتی آمدنی

آپریٹنگ نقصان

مالی لاگت

منافع قبل از ٹیکس

ٹیکس گزشتہ سال

ٹیکس رواں سال

منافع بعد از ٹیکس رواں سال

مجموعی منافع / نقصان (سالانہ)

فی شیئر آمدنی

2,116	18,958
(21,312)	(24,525)
9	59
93,828	43,521
-	204
(26)	(237)
93,802	43,488
93,802	43,488
4.24	1.97

مستقبل کا تصور:

تمام بینکوں کے واجب الادا قرضہ جات کی ادائیگی کے بعد دوران سال اثاثہ جات کی فروخت سے کمپنی ڈائریکٹرز / ارشد داران کے قرضہ جات کا بڑا حصہ ادا کرنے میں کامیاب ہوئی۔

کمپنی نے ٹریڈنگ (بالخصوص ٹیکسٹائل مصنوعات) کرنے کی نیت کی لیکن معیشت کے بگڑتے ہوئے حالات میں ٹریڈنگ کرنا منافع بخش نہیں ہے۔

کمپنی کو میسرز صوفی سیٹیل انڈسٹریز پرائیویٹ لمیٹڈ کی طرف سے انضمام کی پیشکش موصول ہوئی، لیکن بد قسمتی سے ملکی معیشت اور سٹاک مارکیٹ کے حالات بگڑنے کی وجہ سے پارٹی ہنگامی بہت کا شکار ہے اور اس نے ملک کی معاشی حالت اور سٹاک مارکیٹ کی بہتری تک مذاکرات ملتوی کر دیئے ہیں۔

منافع میں حصہ:

بچھلے سالوں کے نقصان اور رواں مالی سال میں آپریٹنگ نقصان کی صورت میں ڈائریکٹرز نے ڈیویڈنڈ دینے کی سفارش نہیں کی۔

نوٹس:

مزید براں کمپنی کے آڈیٹر کی طرف سے آؤٹ رپورٹ میں اٹھائے گئے نکات کے حوالے سے ڈائریکٹران کے جوابات درج ذیل ہیں۔

خصوصی توجہ کے معاملات کا پیرا گراف

کمپنی نے ممبران کی لسٹ SECP کو فراہم کر دی ہے جس کی SECP سے تصدیق موصول ہونے کے بعد کمپنی ممبران کو نوٹس جاری کرے گی، کمپنی کی طرف سے کمپنیز ایکٹ

2017 کے سیکشن 244 کی ضروریات پوری کرنے کا عمل جاری ہے۔



PERFORMANCE OF LAST SIX YEARS AT GLANCE (RUPEES IN '000')

FINANCIAL DATA**PROFIT & LOSS ACCOUNT**

	2019	2018	2017	2016	2015	2014
			Restated	Restated		
Sales	-	-	-	-	-	151,926
Cost of sales	-	-	-	-	-	155,423
Gross profit/(loss)	-	-	-	-	-	(3,497)
Rental income from investment property	-	-	17,179	27,399	30,753	-
Trading income	2,116	18,958	-	-	-	-
Operating profit/(loss)	(21,312)	(24,525)	(30,518)	(12,160)	(4,816)	(21,732)
Profit/(loss) before taxation	93,828	43,521	40,687	81,555	(30,631)	(50,143)
Profit/(loss) after taxation	93,802	43,488	42,858	81,555	(30,631)	(51,663)
Comprehensive income/(loss) for the year	93,802	43,488	47,985	86,450	(26,397)	(22,752)

BALANCE SHEET

Paid up capital	221,052	221,052	221,052	221,052	221,052	221,052
Fixed assets	3,267	304,334	328,213	392,531	415,083	427,961
Current assets	77,292	28,095	27,707	24,176	30,913	22,696
Current liabilities	44,005	352,219	419,000	450,769	226,555	112,809

KEY RATIOS

Gross profit/(loss) ratio	-	-	-	-	-	-2.30%
Operating profit/(loss) ratio	-1007.07%	-129.37%	-177.65%	-44.38%	-15.66%	-14.30%
Net profit/(loss) ratio	4432.45%	229.40%	249.48%	297.66%	-99.60%	-34.01%
Current ratio	1 : 1.76	1 : 0.08	1 : 0.07	1 : 0.05	1 : 0.14	1 : 0.20
Earning/(loss) per share (Rs.)	4.24	1.97	1.94	3.69	(1.39)	(2.34)



Pattern of Shareholding for Mian Textile Industries Limited As on:- 30-Jun-2019

No. of Share Holders	Shareholdings From	To	Total Number of Share Held	Percentage of Total Capital
327	1 -	100	24,131	0.11
770	101 -	500	332,836	1.51
226	501 -	1000	208,700	0.94
248	1001 -	5000	670,345	3.03
59	5001 -	10000	455,650	2.06
14	10001 -	15000	178,400	0.81
15	15001 -	20000	282,600	1.28
9	20001 -	25000	212,700	0.96
5	25001 -	30000	145,600	0.66
3	30001 -	35000	98,800	0.45
2	35001 -	40000	79,500	0.36
4	40001 -	45000	172,100	0.78
3	45001 -	50000	145,500	0.66
5	50001 -	55000	264,556	1.20
2	65001 -	70000	135,295	0.61
1	70001 -	75000	73,000	0.33
1	115001 -	120000	116,000	0.52
1	135001 -	140000	138,000	0.62
2	145001 -	150000	300,000	1.36
1	150001 -	155000	154,000	0.70
1	160001 -	165000	161,500	0.73
1	165001 -	170000	168,000	0.76
1	180001 -	185000	181,500	0.82
1	185001 -	190000	189,000	0.86
1	250001 -	255000	253,000	1.14
1	305001 -	310000	308,800	1.40
1	420001 -	425000	420,900	1.90
1	605001 -	610000	605,578	2.74
1	1760001 -	1765000	1,762,309	7.97
1	1950001 -	1955000	1,952,800	8.83
1	2180001 -	2185000	2,185,000	9.88
1	3565001 -	3570000	3,566,198	16.13
1	6160001 -	6165000	6,162,902	27.88
1,711			22,105,200	100.00

Form 34**Mian Textile Industries Ltd.****Patten of Holding of Shares****Held by the Share Holders as at 30/06/2019**

Categories of Share Holders	Numbers	Shares Held	%
- Individuals	1673	4,481,748	20.27
- Investment Companies	3	33,800	0.15
- Insurance Companies	1	420,900	1.90
- Financial Institution	3	53,315	0.24
- Joint Stock Companies	12	96,050	0.43
- Modaraba Companies	4	22,000	0.10
- Mutual Funds	2	605,578	2.74
- CEO, Directors, Spouses & Relatives	11	16,390,209	74.15
- Others	2	1,600	0.01

TOTAL: 1,711 22,105,200 100.00



CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2019

	No. of Shares	%
1 ASSOCIATED COMPANY	Nil	-
2 NIT AND ICP		
i) National Bank Of Pakistan, Trustee Department	728,549	
ii) Investment Corporation of Pakistan	12,900	
	741,449	3.35
3 DIRECTORS		
i) Mian Muhammad Jehangir	6,162,902	27.88
ii) Mian Waheed Ahmad	2,185,000	9.88
iii) Mian Waqar Ahmad	154,000	0.70
iv) Mrs. Nargis Jehangir	3,566,198	16.13
v) Ms. Ayesha Jehangir	1,912,309	8.65
vi) Mr. Haroon Majid	500	-
vii) Mr. Maqsood Ahmed Sajid	500	-
	13,981,409	63.25
4 DIRECTORS' SPOUSES & MINOR CHILDRENS/RELATIVES	2,408,800	10.90
5 PUBLIC SECTOR COMPANIES AND CORPORATIONS	97,650	0.44
6 BANKS DEVELOPMENT FINANCIAL INSTITUTIONS NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS	463,800	2.10
7 GENERAL PUBLIC	4,412,092	19.96
	22,105,200	100.00
8 SHAREHOLDERS HOLDING FIVE PERCENT OR MORE:		
Mian Muhammad Jehangir	6,162,902	27.88
Mrs. Nargis Jehangir	3,566,198	16.13
Mian Waheed Ahmad	2,185,000	9.88
Mian Khurram Jehangir	1,952,800	8.83
Ms. Ayesha Jehangir	1,912,309	8.65
9 DURING THE FINANCIAL YEAR THE TRADING IN SHARES OF THE COMPANY BY THE CEO, DIRECTORS, CFO, COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN IS AS FOLLOW:		
Nil		



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIAN TEXTILE INDUSTRIES LIMITED

Opinion

We have audited the annexed financial statements of **MIAN TEXTILE INDUSTRIES LIMITED** (the Company), which comprises the statement of financial position as at June 30, 2019, and the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, 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 purpose of the audit.

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 and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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 June 30, 2019 and of the profit and total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the 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 opinion.

Emphasis of Matter Paragraph

Attention is invited to Note no. 14.1 of the financial statements. The company is in the process of complying with the requirements of section 244 of the Companies Act, 2017. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S.No. Key Audit Matters	How the matter was addressed in our audit
(i) Disposal of assets held for sale and other fixed assets and settlement of liabilities As referred in note No. 12 to the annexed financial statements, the company has disposed off its assets in order to pay off and settle the outstanding liabilities. As the nature of transaction is material in quantitative aspect and require significant attention while performing the audit procedures. Further, these transactions also require transparency and objectivity from the management of the company. So, this matter is also material with respect to its nature.	Our audit procedures included the following: Reviewed transfer and sale deeds. Verification of payment made to the parties from bank statements and obtained direct confirmations from the concerned parties. Checked all legal and regulatory requirements pertaining to the whole transactions. Checked appropriate disclosures in the financial statements.
(ii) Qualifications pertaining to previous audit report The predecessor auditor gave qualified opinion on the basis of matters mentioned in point A, B and C of the previous audit report. These matters are significant in terms of its impact on current year audit report, therefore we consider it as a key audit matter.	Our audit procedures included the following: Observation in point A is resolved because the company has disposed off its assets held for sale therefore no impairment is required in the current year. Other assets requiring revaluation have been revalued by an approved valuers. Observation in point B is resolved because liability has been paid off and sufficient appropriate evidence has been obtained. Observation in point C is resolved because items of financial position are all arranged in liquidity order.

**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 of the company 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.

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. We have nothing to report in this regard.

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 the going concern, disclosing, as applicable, matters relating 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. When such use is inappropriate and management uses an alternative basis of accounting, we conclude whether the alternative bases used by management are acceptable in the circumstances. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use, refer to note no. 3.1 of the financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- 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 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of accounts 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 and loss and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of accounts and returns;
- (c) investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).



Other Matter Paragraph

The financial statements of the company for the year ended June 30, 2018 were audited by Manzoor Hussain Mir & Co. Chartered Accountants, who expressed qualified opinion on those statements on October 1st, 2018.

The engagement partner on audit resulting in this independent auditor's report is Shan Ibrahim.

Place: Lahore

SARWARS
CHARTERED ACCOUNTANTS

**STATEMENT OF FINANCIAL POSITION****ASSETS** **Note**

Cash And Bank Balances	5
Tax Refunds Due From Government	6
Trade Debts	7
Loan And Advances	8
Store And Spares	9
Long Term Deposits And Deferred Cost	10
Trade Deposits And Short Term Prepayments	11
Assets Held For Sale	12
Property, Plant And Equipment	13

TOTAL ASSETS**LIABILITIES**

Trade And Other Payables	14
Borrowings	15
Director Bridge Finance Loan- Unsecured	16
Deferred Liabilities	17
Provision For Taxation	

TOTAL LIABILITIES**NET ASSETS****REPRESENTED BY:-****Authorized share capital**

22,500,000 Ordinary shares of Rs. 10/- each

Issued, subscribed and Paid Up Capital	18
Surplus on revaluation of fixed assets	19
Reserves	

Share Holders' Equity

Contingencies & Commitments	20
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MIAN MUHAMMAD JEHANGIR
Chief ExecutiveMIAN WAHEED AHMED
DirectorMUHAMMAD IRFAN
Chief Financial Officer**AS AT JUNE 30, 2019**

2019		2018	
Book value	Estimated	Book value	Estimated
	Realisable/ settlement value		Realisable/ settlement value
57,523,854	57,523,854	6,211,832	6,211,832
16,276,952	16,276,952	11,605,718	11,605,718
1,917,229	1,917,229	569,140	569,140
2,549	2,549	2,986,453	2,986,453
-	-	-	-
679,367	679,367	771,577	771,577
1,571,152	1,571,152	6,722,126	6,722,126
604,649	604,649	299,162,743	299,162,743
3,266,753	3,266,753	5,775,834	5,775,834
81,842,507	81,842,507	333,805,423	333,805,423
9,044,177	9,044,177	12,939,144	12,939,144
34,934,500	34,934,500	339,042,915	339,042,915
-	-	38,563,713	38,563,713
4,040,432	4,040,432	3,027,497	3,027,497
26,453	26,453	236,972	236,972
48,045,562	48,045,562	393,810,242	393,810,242
33,796,945	33,796,945	(60,004,819)	(60,004,819)
225,000,000	225,000,000	225,000,000	225,000,000
221,052,000	221,052,000	221,052,000	221,052,000
-	-	233,234,836	233,234,836
(187,255,055)	(187,255,055)	(514,291,655)	(514,291,655)
33,796,945	33,796,945	(60,004,819)	(60,004,819)
-	-	-	-
33,796,945	33,796,945	(60,004,819)	(60,004,819)

MIAN MUHAMMAD JEHANGIR
Chief ExecutiveMIAN WAHEED AHMED
DirectorMUHAMMAD IRFAN
Chief Financial Officer



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2019

	NOTES	2019 (RUPEES)	2018 (RUPEES)
Income From Trading	21	2,116,250	18,957,730
Cost Of Trading	22	(1,963,248)	(17,553,846)
Operating Profit		153,002	1,403,884
Operating Expenses			
Distribution Cost	23	1,101,650	1,105,400
Administrative Expenses	24	20,363,570	24,823,648
		21,465,220	25,929,048
Operating Loss		(21,312,218)	(24,525,164)
Other Operating Charges	25	4,446,350	4,861,578
Other Operating Income	26	119,595,763	72,966,560
Finance Cost	27	8,978	58,850
Profit Before Taxation		93,828,217	43,520,968
Taxation	28	26,453	32,749
		93,801,764	43,488,219
Profit After Taxation		93,801,764	43,488,219
Earning Per Share	29	4.24	1.97

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

MIAN MUHAMMAD JEHANGIR
Chief Executive

MIAN WAHEED AHMED
Director

MUHAMMAD IRFAN
Chief Financial Officer



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees
Profit for the year after taxation	93,801,764	43,488,219
Other comprehensive income	-	-
Total comprehensive income for the year	93,801,764	43,488,219

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

MIAN MUHAMMAD JEHANGIR
Chief Executive

MIAN WAHEED AHMED
Director

MUHAMMAD IRFAN
Chief Financial Officer



CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 (Rupees)	2018 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation			
Adjustments for non-cash and other items:		93,828,217	43,520,968
Depreciation			
Provision for gratuity		1,483,800	861,802
Loss/(Gain) on disposal of property, plant and equipment		5,382,371	415,119
Un-claimed balances written back		(2,683,429)	4,683,009
Profit on security deposit (SNGPL)		-	(72,031,657)
Profit on disposal of vehicles		-	(226,033)
Profit on disposal of assets held for sale		-	(623,470)
Provision for doubtful debts		(109,657,238)	-
Non- recurring expenses add back		4,446,350	178,569
Impairment loss on property held for sale		1,978,709	
Finance cost		2,714,520	5,671,223
		8,978	58,850
Operating profit before working capital changes		(96,325,939)	(61,012,588)
Adjustments for Working Capital Changes		(2,497,722)	(17,491,620)
(Increase) / decrease in current assets:			
Stores and spares		-	-
Trade debts		-	-
Loans and advances		(5,794,439)	(402,109)
Trade deposits, prepayments and other receivables		2,983,904	(2,560,538)
Tax refunds due from Government		1,150,974	59,006
(Decrease) / increase in current liabilities:		378,277	362,780
Trade and other payables			
Income tax payable		(3,894,968)	1,858,566
Net working capital changes		(5,176,252)	(675,578)
Finance cost paid		(8,978)	(58,850)
Gratuity paid		(4,369,436)	(721,170)
Income tax paid		(5,286,483)	(716,797)
Net cash generated from/ (used in) operating activities		(9,664,897)	(1,496,817)
CASH FLOWS FROM INVESTING ACTIVITIES		(17,338,870)	(19,664,015)
Property, plant and equipment purchased			
Long term deposits		(5,876,690)	(4,108,052)
Proceeds from disposal of property, plant and equipment		92,210	10,000
Proceeds received against security deposits		6,707,500	17,493,021
Proceeds from disposal of Assets Held For Sale		4,000,000	
Net cash (used in) / generated from investing activities		406,400,000	-
CASH FLOWS FROM FINANCING ACTIVITIES		411,323,020	13,394,969
Director's bridge finance loan			
Short term bank borrowings		(38,563,713)	-
Short term related party loans		-	(11,200,000)
Long term deposits		(304,108,415)	14,348,249
Net cash (used in)/ generated from financing activities		-	-
Net Increase/ (Decrease) In Cash And Cash Equivalents		(342,672,128)	3,148,249
Cash And Cash Equivalents At The Beginning Of The Year		51,312,022	(3,120,797)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		6,211,832	9,332,629
		57,523,854	6,211,832

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

MIAN MUHAMMAD JEHANGIR
Chief Executive

MIAN WAHEED AHMED
Director

MUHAMMAD IRFAN
Chief Financial Officer



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Share Capital	Accumulated Loss	Surplus on revaluation of PPE	Shareholder's Equity
	(-----Rupees-----)			
Balance as at June 30, 2017 - Restated	221,052,000	(550,652,442)	226,107,404	(103,493,038)
Profit/(Loss) for the period after taxation	-	43,488,219	-	43,488,219
Total comprehensive income/(loss) for the period				
Transfer from surplus on revaluation of PPE				
- Incremental depreciation	-	761,930	(761,930)	-
- Disposal during the period	-	(7,889,362)	7,889,362	-
Balance as at June 30, 2018	221,052,000	(514,291,655)	233,234,836	(60,004,819)
Profit/(Loss) for the period after taxation	-	93,801,764	-	93,801,764
Total comprehensive income/(loss) for the period				
Transfer from surplus on revaluation of PPE				
- Incremental depreciation	-	-	-	-
- Disposal during the period	-	233,234,836	(233,234,836)	-
Balance as at June 30, 2019	221,052,000	(187,255,055)	-	33,796,945

MIAN MUHAMMAD JEHANGIR
Chief Executive

MIAN WAHEED AHMED
Director

MUHAMMAD IRFAN
Chief Financial Officer



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Mian Textile Industries Limited, "the Company", was incorporated in Pakistan on December 01, 1986 as a Public Limited Company under the Companies Ordinance, 1984. Its shares are quoted on Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at 29-B/7, Model Town, Lahore and its manufacturing facilities are located at 48.5 K.M. Multan Road, Bhai Pheru, Tehsil Chunian, District Kasur. The Company was principally engaged in the business of manufacturing, sale and export of textile products. It is resolved by share-holders in their extra-ordinary meeting held on 29th April, 2017 that operation of manufacturing unit is not viable and unit be closed down. The Chief Executive has been authorised to sell all the fixed assets comprising of Land, Building and other remaining spinning Plant and Machinery so as to pay out the outstanding loans of banks and directors and their family members. In 2017 the company has rental income for leasing out building from July 2016 to January 2017. Whereas in 2018 the industrial building remained vacant through out the year and there was no leasing income. In 2019, trading business was conducted where sales are amounting to Rs. 2.116 million (2018: 18.957 million).

The company has been classified as Large sized entity as per the Directives of ICAP and regulations of SCEP and Companies Act, 2017.

1.1 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS EFFECTING THE COMPANY'S STATEMENT OF FINANCIAL POSITION AND PERFORMANCE

Summary of significant events and transactions are duly disclosed in note no. 12 and 31.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of the Companies Act, 2017 (the Act) and directives issued by the Securities and Exchange Commission of Pakistan, and approved accounting and reporting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act), 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 IFRSs, the provisions of and directives issued under Companies Act, 2017 shall prevail.

2.1 Standards, amendments or interpretations that became effective during the year

The following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on or after April 1, 2017 and are considered to be relevant to the Company's financial statements:

IAS 7, 'Statement of cash flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments is part of the IASB's disclosure initiative, which continues to explore how financial statements disclosure can be improved. In the first year of adoption, comparative information needs not be provided.

The third and fourth schedule to the Companies Act, 2017 became applicable to the company since previous financial year for the preparation of these financial statements. The Companies Act, 2017 (the Act) has brought certain changes with regard to preparation and presentation of annual and interim financial statements of the company.

Further, the disclosure requirement contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with IFRS disclosure requirements; and
- incorporation of significant additional disclosures. Attention is invited to Note No. 4.8, 30,31 and 34.

2.2 New / revised accounting standards, amendments to published accounting standards, and interpretations that are effective from,

The following standards, amendments and interpretations to existing standards that are effective from,

		Effective Date
Standard or Interpretation		Periods Beginning on or After
- IFRS 9	Financial Instruments	July 1, 2019
- IFRS 15	Revenue from contracts	July 1, 2018
- IFRS 16	Leases	January 1, 2019
- IFRIC 22	Foreign currency translation and advance consideration	January 1, 2018
- IFRIC 23	Accounting treatment when there is uncertainty over income tax treatment under IAS 12	January 1, 2019
- IAS 19	Amendments to "Employee benefits"	January 1, 2019

The management anticipates that adoption of above new standards and amendments of the standards will have no material impact on the Company's financial statements in the period of initial application.

The following new standards have been issued by the International Accounting Standards Board (IASB), which have not been notified up to June 30, 2019 by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:



- IFRS 17

Insurance contracts

IASB Effective Date

January 1, 2021

3 BASIS OF PREPARATION OF FINANCIAL STATEMENTS ON NON-GOING CONCERN ASSUMPTION

3.1 The company being a Non-going concern, the financial statements have been prepared under fair market value method against historical cost convention in earlier years up to 2016. Assets and liabilities are stated at fair value.

3.2 In the Extra Ordinary meeting of shareholders held on 29th April 2017, it was resolved that operation of industrial unit is not viable and unit be closed down due to depressed market, uneconomical conditions, political upheavals and continuous losses sustained. Chief Executive has been authorized to sell out the fixed assets of the Company. Fixed assets, classified as "Assets held for sale", comprising of land, building, plant and machinery re-valued by the approved consultants in 2017 which were shown at the fair market value have been disposed off in the current year.

3.2.2 The company in 2019 earned Rs. 93.8 million profit after tax against profit of Rs. 43.5 million after tax in 2018. The profit in 2019 is mainly on account of gain on disposal of assets held for sale.

The following is the detail of mark-up waived by the banks:

Note	2019 Rupees	2018 Rupees
Long term financial liabilities written back	-	23,812,633
Deferred mark-up written back:		
Habib Bank Limited	-	44,245,366
	-	85,725,618

3.3.3 The management after close of manufacturing unit has decided to do trading business of all kinds of textile products. The company vide object clauses No. 6 and 27 of Memorandum of Association is authorised to conduct trading business of all kinds of cloth or carry on any other trade or business whether manufacturer or other-wise.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

4.2 Significant estimates and judgments

The preparation of financial statements in conformity with approved International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The accounting estimates and underlying assumptions are reviewed on an ongoing basis except for change in assumption stated above at Note No. 3.1. Revision 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 revision and future periods if revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Useful life of depreciable assets (note. 4.8)
- Investment property (note. 4.9)
- Provisions for doubtful receivables (note. 4.13)
- Slow moving inventory (note. 4.11, 4.12)
- Taxation (note. 4.7)
- Impairment (note. 4.10)
- Fair value measurement (note. 4.21)

However, the management believes that the change in outcome of the estimates has been disclosed with effect on the amount disclosed in the financial statements as stated above in Note 3.1.

4.3 Provisions

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that an outflow of economic resources will be required to settle these obligations and a reliable estimate of the amounts can be made.

4.4 Staff retirement benefits

The Company operates an un-funded gratuity scheme for all its employees according to the terms of their employment. Under this scheme, gratuity is paid to the retiring employees on the basis of their last drawn basic salary for each completed year of service.

4.5 Trade and other payables

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

**4.6 Contingencies**

The Company has disclosed significant contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the balance sheet date.

4.7 Taxation**Current**

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, or minimum tax at the rate of 1.25% of the turnover under section 113 of the Income Tax Ordinance, 2001, whichever is higher.

Deferred

Deferred tax liability is accounted for in respect of all taxable temporary differences at the balance sheet date arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable income. Deferred tax assets are generally recognized for all deductible temporary differences, unused tax losses and tax credits to the extent it is probable that taxable profit will be available in future against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

4.8 Property, plant and equipment**4.8.1 Operating fixed assets**
Owned assets

Property, plant and equipment are stated at cost/revalued amounts less accumulated depreciation and identified impairment losses, if any. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable cost of bringing the assets to working condition.

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Revalued amount has been determined by an independent professional valuer on the basis of open market value of the asset based on estimated gross replacement cost, depreciated to reflect the residual service potential of the asset having paid due regard to age, condition and obsolescence. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Cost in relation to self constructed assets includes direct cost of material, labor and other allocable expenses.

Increase in the carrying amount arising on revaluation of land, building and plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity, to the extent that increase reverse a decrease previously recognised in the statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increase of the same asset are first recognised in the other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to un-appropriated profit.

Depreciation is charged to income by applying reducing balance method without taking into account any residual value at the rates specified in Note 13.1. The remaining useful life of the depreciable assets and depreciation method are reviewed periodically to ensure that the depreciation method and periods of depreciation are consistent with the expected pattern of economic benefits from property, plant and equipment. Full month's depreciation is charged on additions to fixed assets during the month, where as no depreciation is charged on the assets disposed off during the month. The Company reviews the value of the assets for possible impairment on annual basis. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

Gains or losses on disposal of property, plant and equipment are included in current year's income.

Normal repairs and maintenance are charged to income as and when incurred. Major renewals and replacements are capitalized and the assets so replaced, if any, other than those kept as stand by, are retired.

4.8.2 Leased assets
Finance lease

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligations of lease are accounted for as liabilities. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of financial cost on the remaining balance of principal liability for each period.

Depreciation is charged on the basis similar to operating fixed assets applying reducing balance method at the rates specified in Note 13.1 to write off the cost of the asset over its estimated remaining useful life in view of certainty of ownership of assets at the end of the lease periods.

Insurance and other maintenance costs are borne by the Company.

Finance cost and depreciation on leased assets are charged to current year's income.

Operating leases

Lease rentals payable under the operating leases are charged to profit and loss account on a straight line basis over the term of the relevant leases.

**4.8.2 Non-Current assets held for sale**

Assets that meet the criteria (as per IFRS 5) to be classified as held for sale to be measured at the lower of carrying amount and fair value less cost to sell, if their carrying value is to be recovered principally through a sale transaction with in one year of the date of balance sheet rather than through continuing use and depreciation on such assets cease. Refer to Note No. 12.

4.9 Investment property

Properties which are held to earn rentals or for capital appreciation or for both are classified as investment properties. Investment properties are initially recognized at cost, being the fair value of the consideration given. Subsequently these are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. Also refer to Note No. 4.21.

Any gain or loss arising from a change in fair value is charged to profit or loss. Rental income from investment properties is accounted for as described in note 4.19.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Latest fair market valuation was carried out by the independent valuer on 30th June 2017 vide report dated 3rd August 2017.

For the purpose of subsequent measurement, the Company determines with sufficient regularity the fair value of the items of investment property based on available active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Valuations wherever needed are performed as of the reporting date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of fixed assets. Upon disposal of the item, the related surplus on revaluation is transferred to retained earnings (accumulated loss). Any loss arising in this manner is immediately charged to profit or loss.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

An item of Investment property is derecognized either when disposed of or permanently withdrawn from use and no future economic benefits is expected from its disposal.

4.10 Impairment

The management assess at each balance sheet date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by charging the impairment loss against income for the year.

4.11 Stores and spares

These are valued at lower of moving average cost and net realizable value except for items in transit that are valued at cost comprising the invoice value plus incidental charges paid thereon till the balance sheet date. Provision is made against obsolete and slow moving items.

4.12 Stock in trade

Basis of valuation are as follows:

Particulars	Mode of valuation
Store & spares	At moving average cost.

There was no raw material, stocks of finished goods and stocks-in-process either in earlier year or the year under report.

4.13 Trade debts and other receivables

Receivables are carried at original invoice amount less an estimate made for doubtful receivable balances based on review of outstanding amounts at year end. Bad debts are written off when identified.

4.14 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and at banks.

4.15 Borrowings

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on the accrual basis. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to income in the period in which these are incurred.

**4.16 Foreign currency translations**

Transactions in foreign currencies are accounted for in Pak rupees at the rates of exchange prevailing at the date of transaction as per IAS 21. Monetary assets and liabilities in foreign currencies are translated at rates of exchange prevailing at the balance sheet date and in case of forward exchange contracts at the committed rates. Gains or losses on exchange are charged to income statement.

4.17 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments and are remeasured at fair value. Any gain/loss on de-recognition and on remeasurement of such financial instruments other than investments available for sale, is charged to income for the period in which it arises.

4.18 Related party transactions

All transactions with related parties are measured at arm's length prices determined in accordance with the Comparable Un-controlled Price Method except in circumstances where it is not in the interest of the Company to do so.

4.19 Revenue recognition

- (i) Local sales are recorded when goods are delivered to customers and invoices raised.
- (ii) Export sales are booked on shipment basis on receipt of bill of lading.
- (iii) Processing charges are recorded when goods are delivered to customers and invoices raised.
- (iv) Gain on 'sale and lease-back' transactions that result in finance lease, is deferred and amortized over the lease term.
- (v) Dividend income is recognized when the right to receive payment is established.
- (vi) Profits on short term deposits is accounted for on time apportioned basis on the principal outstanding and at the rate applicable.
- (vii) Rental income from investment properties is credited to profit or loss on accrual basis.

4.20 Off setting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognized amounts and the company intends to either settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. When applicable, the Company measures the fair value of an instrument and non-financial assets carried at fair value, using the quoted price in an active market for that instrument and non-financial assets carried at fair value. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable market, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

	Note	2019 (Rupees)	2018 (Rupees)
5 CASH AND BANK BALANCES			
In Hand		391	36,155
With Banks :			
Current Accounts		57,523,463	5,445,786
Deposit Account		-	729,891
		57,523,463	6,175,677
		57,523,854	6,211,832

**6 TAX REFUNDS DUE FROM GOVERNMENT**

		2019 (Rupees)	2018 (Rupees)
Income tax:			
Opening advance tax		11,605,718	10,794,183
Income tax deposited / deducted at source	6.1	5,158,996	716,797
Add: Earlier year Refunds		-	204,223
		16,764,714	11,715,203
Sales Tax:			
Sales tax refundable		-	378,277
Less: Provision for doubtful of recovery		(487,762)	(487,762)
Total		16,276,952	11,605,718

6.1	Tax Demand			
	Tax year	Principal	Additional Tax	Total
	2006	1,957,679	1,736,966	3,694,645
	2010	2,981,407	2,236,876	5,218,283
	2010	173,466	-	173,466
		5,112,552	3,973,842	9,086,394

6.2 Company has availed amnesty on Principal amount of tax demand for the year 2006 and 2010 amounting Rs. 5,112,552 on June 28, 2019. The appeals for these tax years are also pending before the appellate authorities, therefore company has treated this amount as advance tax till the decision of appeals.

		2019 (Rupees)	2018 (Rupees)
7 TRADE DEBTS			
Local - Considered Good		1,917,229	569,140
- Considered Doubtful	7.1	20,101,754	15,701,754
Less Provision for doubtful Debts		(20,101,754)	(15,701,754)
		1,917,229	569,140
		1,917,229	569,140

7.1 Refer to contingencies and commitments note no. 19.4 and 19.5.

8 LOAN AND ADVANCES

Advances to suppliers and contractors	-	2,468,500
Advances to Staff	2,549	517,953
	2,549	2,986,453

9 STORE AND SPARES

Stores	-	973,207
Disposed during the year	-	(664,932)
Less: Provision for obsolete stores	-	(301,538)
	-	6,737
Spares	-	764,359
Less: Provision for obsolete stores	-	(311,591)
	-	452,768
Less: Held for sale	-	(459,505)
	-	-



		2019 (Rupees)	2018 (Rupees)
10 LONG TERM DEPOSITS AND DEFERRED COST			
SECURITY DEPOSITS			
Deposits with utility companies		679,367	706,577
Others		-	65,000
		679,367	771,577
11 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security Deposit (SNGPL)	11.1	1,535,902	6,458,093
Prepayments		35,250	38,000
Profit receivable on security deposit		-	226,033
		1,571,152	6,722,126
11.1	These deposits are subject to return @ 3.5%. Security deposits of Rs. 4 million has been adjusted in sale proceeds of the assets held for disposal.		
12 ASSETS HELD FOR SLAE AND DISCONTINUED OPERATIONS			
Non current assets held for sale	12.1	-	298,558,094
Store & spares held for sale	12.2	604,649	604,649
		604,649	299,162,743
12.1 Non current asset held for sale			
Opening non- current assets held for sale			
Freehold land		28,000,000	28,000,000
Factory building on freehold land		51,911,247	56,117,000
Transfer during the year:			
Freehold land		-	-
Factory building on freehold land		-	-
		79,911,247	84,117,000
Adjustments during the year:			
Non-recurring expenses relating to building capitalized		-	199,923
Impairment loss on building		-	(4,405,676)
		79,911,247	79,911,247
Closing non-current assets held for sale		79,911,247	79,911,247
Operating assets held for sale:			
Opening balance :		218,646,847	239,061,000
Transfer during the year:			
Furniture and fixture		2,225,991	-
Office equipments		650,330	-
Arms and Ammunition		1,576	-
		2,877,897	-
Closing balance		221,524,744	239,061,000
		301,435,991	318,972,247
Total Assets available for sale		301,435,991	318,972,247
Adjustments during the year:			
Non-recurring expenses reversed		(1,978,709)	1,978,709
Disposal of assets		(296,742,762)	(21,127,315)
Impairment loss		(2,714,520)	(1,265,547)
		(301,435,991)	(20,414,153)
Closing total assets held for sale		-	298,558,094



	2019 (Rupees)	2018 (Rupees)				
12.2 Store & spares held for sale						
Opening balance	604,649	703,364				
Transfer during the year	-	-				
	604,649	703,364				
Disposed off / written off during the year	-	(98,715)				
	604,649	604,649				
Detail of assets disposed off during the year:						
(Mode of sale is negotiation with parties concerned.)						
Particulars	Cost / Revalued Amount	Acc Dep	Book Value	Sale Proceeds	Gain / (Loss)	Sold to Parties
Copier Aficio 4500(HO)	53,000	(15,544)	37,456	37,000	(456)	Digital Electronics - Lhr
Generator (HO)	40,365	(37,739)	2,626	11,500	8,874	Unique Generators - Lhr
Fridge (PEL) HO	8,000	(6,804)	1,196	1,000	(196)	Al Qadri Cooling Centre - Lhr
	101,365	(60,087)	41,278	49,500	8,222	
LZM-5382	865,000	(718,545)	146,455	655,000	508,545	Zafar Iqbal - Lhr
LXV-2349	382,006	(375,484)	6,522	100,000	93,478	M.Irfan - Lhr
LEE-116	1,625,932	(1,403,920)	222,012	1,300,000	1,077,988	M.Tahir Rafique - Shk. pura
LEA-8099	1,562,000	(435,191)	1,126,809	1,400,000	273,191	Mian Khurram Jehangir - Lhr
LEB-217	2,464,530	(205,378)	2,259,152	2,450,000	190,848	Mian Waheed Ahmed - Lhr
LEA-11-8116	805,500	(583,658)	221,842	753,000	531,158	Deen Public High School
	7,704,968	(3,722,175)	3,982,793	6,658,000	2,675,207	
Grand Total	7,806,333	(3,782,262)	4,024,071	6,707,500	2,683,429	
Particulars	Cost / Revalued Amount	Acc Dep	Book Value	Sale Proceeds	Gain / (Loss)	Sold to Parties
Land	140,000,000	-	140,000,000	161,580,000	21,580,000	Pakistan Tiles Pvt Ltd.
Building	140,374,564	-	140,374,564	240,819,000	100,444,436	Pakistan Tiles Pvt Ltd.
Generator/ Electric install etc	12,823,634	4,166	12,827,800	7,000,000	(5,827,800)	Pakistan Tiles Pvt Ltd.
Furn/Fix/Equip/Arms	10,927,890	(8,049,992)	2,877,898	601,000	(2,276,898)	Pakistan Tiles Pvt Ltd.
	304,126,088	(8,045,826)	296,080,262	410,000,000	113,919,738	
Simplex Frame	666,667	(4,167)	662,500	400,000	(262,500)	D.S Industries Ltd.- Lhr
	304,792,755	(8,049,993)	296,742,762	410,400,000	113,657,238	
Security deposit			4,000,000	-	(4,000,000)	Pakistan Tiles Pvt Ltd.
Grand Total	304,792,755	(8,049,993)	300,742,762	410,400,000	109,657,238	



13 FIXED ASSETS

Property plant and equipment
Less: Assets held for sale

	2019 (Rupees)	2018 (Rupees)
13.1	3,266,753	304,333,928
	-	(298,558,094)
	<u>3,266,753</u>	<u>5,775,834</u>

13.1 Property, Plant & Equipment

Particulars	COST / FAIR VALUE				Rate %	DEPRECIATION						WDV As at 30/06/2019	
	As at 01/07/2018	Additions	Disposals During the year	Transfer to Held for Sale		As at 30/06/2019	Accumulated As at 01/07/2018	Adj for Trf to held for Sale	Acc on Disposal	On Addition	Charge for the Year		Accumulated As at 30/06/2019
Furniture & Fixture	7,587,752	303,850	(8,000)	(7,540,188)	343,414	10%	5,452,281	(5,314,196)	(6,804)	12,314	108,752	252,347	91,067
Office equipment	3,698,260	109,500	(93,365)	(3,363,716)	350,679	10%	2,978,552	(2,713,386)	(53,283)	4,192	35,985	252,060	98,619
Vehicles	7,945,768	5,463,340	(7,704,968)	-	5,704,140	20%	5,027,190	(3,722,175)	746,013	-	576,441	2,627,468	3,076,672
Arms & Ammunition	29,986	-	-	(23,986)	6,000	10%	27,911	(22,410)	-	-	104	5,605	395
2019	19,261,766	5,876,690	(7,806,333)	(10,927,890)	6,404,233		13,485,934	(8,049,992)	(3,782,262)	762,518	721,282	3,137,480	3,266,753

13.2 The company has revalued its assets as at June 30, 2019 by an approved valuer. The valuer has determined no impairment loss, therefore written down value of the assets as at June 30, 2019 is equal to net realizable value.



14 TRADE AND OTHER PAYABLES

	2019 (Rupees)	2018 (Rupees)
Creditors		
For Goods	-	978,806
For Expenses	636,880	340,708
	636,880	1,319,514
Accrued Liabilities	7,191,730	8,122,047
Advances from Customers & others	580,281	780,281
Unclaimed Dividend	415,333	415,333
14.1		
Other Payables		
Tax deducted at source	5,701	22,964
Sales Tax Payable	214,252	-
	219,953	22,964
Due to school (Charitable Trust)	14.2	2,279,006
	9,044,177	12,939,144

14.1 The Company has provided the list of members to the SECP. After confirmation from the SECP, the company will give notice to the concerned shareholders. The company is in the process of complying with the requirements of Section 244 of the Companies Act, 2017.

14.2 The school is run by charitable "wakf". Its accounts are maintained and its funds are retained by the company as a custodian. All the expenses are paid out of the fund of the trust and are not included in the profit and loss account of Mian Textile Industries Limited. The management of the company has decided that no rent for school land, building or any facility would be charged to school. Funds for construction of school building, furniture fixture and other equipments of school were donated by the sponsors. The company has settled all outstanding funds with school during the year.

15 SHORT TERM BORROWING

From banking companies and other financial institutions-Secured**From related parties-Unsecured**

Loan from Chief Executive	15.1	34,934,500	99,564,206
Other related parties	15.2	-	239,478,709
		34,934,500	339,042,915

15.1 An amount of Rs. 64,629,706/- against total amount of outstanding loan of Rs. 99,564,206/- has been settled off with the Chief Executive.

15.2 These includes the following amounts due to other related parties:

Mr. Ch. Yaqoob	-	214,478,709
Sarwars & Sons	-	20,000,000
Sheikh Noor-ud-Din & Sons (Pvt) Limited	-	5,000,000
	-	239,478,709

The company has settled off the outstanding loan to the above mentioned related parties during the year.

16 DIRECTORS BRIDGE FINANCE & LOAN-UNSECURED

Directors Bridge Finance & Loan	-	38,563,713
	-	38,563,713

The company has settled off the outstanding loan with Directors during the year.



		2019 (Rupees)	2018 (Rupees)
17 DEFERRED LIABILITIES			
Gratuity	17.1	4,040,432	3,027,497
		4,040,432	3,027,497
17.1 GRATUITY			
Opening balance		3,027,497	3,333,548
Add: Provision for the year		5,382,371	415,119
		8,409,868	3,748,667
Less: Paid/adj during the period		4,369,436	721,170
		4,040,432	3,027,497
Refer policy note no. 4.4.			
18 SHARE CAPITAL			
Authorized capital			
22,500,000 (2018: 22,500,000) ordinary shares of Rupees 10 each		225,000,000	225,000,000
Issued, subscribed and paid up share capital			
22,105,200 (2018: 22,105,200) ordinary shares of Rupees 10 each fully paid up in cash		221,052,000	221,052,000
19 SURPLUS ON REVALUATION OF FIXED ASSETS			
Opening balance		233,234,836	226,107,404
		233,234,836	226,107,404
Less: Depreciation for the period		-	761,930
Adjusted against assets held for sale		(233,234,836)	(7,889,362)
		-	233,234,836
20 CONTINGENCIES AND COMMITMENTS			
20.1 Writ petition filed against WAPDA on refusal of request for reduction of load was disposed off by the court with the direction to approach WAPDA authorities. The matter is still pending with the said authority.			
20.2 Appeal filed by Company to ATIR for tax year 2010 against various curtailment & add backs confirmed by CIR(A) made by DCIR vide Order u/s 122(5A) is pending. Demand of Rs. 0.173 million is illegal and not provided. DCIR while making revised assessment vide Order u/s 124/161/205(3) dated 23-06-2014 levied tax of Rs. 1.957 million for tax year 2006 u/s 161 and Rs. 4.533 million for additional tax u/s 205(3) on said disputed demand Appeal before CIR(A) is yet not decided. However rectification was carried out by the taxation officer u/s 221 vide Order dated 17-09-2015 and all demand was reduced to Rs. 3.695 million.			
20.3 That reference titled "Mian Textile etc Vs NHA etc" was filed by the Mian Textile which was decided by the Senior Civil Judge Kasur on 06-11-2018. That the total land was acquired by the NHA was 203-Marla out of which the land owned by the Mian Textile is 100-Marla, Honorable Court while accepting the reference granted the compensation of the acquired land @ 35,000/- per Marla along with 15% compulsory charges and 8% of compound interest from the date of taking over possession till payment. That Mian Textile filed execution/petition which is pending in the court of Senior Civil Judge, Kasur and next date of hearing is 20-09-2019. That Mian Textile has filed R.F.A before the Honorable Lahore High Court in which on 26-03-2018, Lahore High Court ordered that Mian Textile can receive compensation deposited in the court. That Mian Textile filed application in the court of Senior Civil Judge, Kasur for withdrawal of amount decreed by the court. That the NHA has been appearing in the court and in lingering on the matter by one pretext or the other but now the Honorable Court has finally ordered the NHA/respondents to deposit the decretarial amount in the court till date of hearing.			
20.4 This suit was filed by the company against Tariq Anwar Bhutta of J.S Textile on the basis of dishonored cheques for total Rs. 7.400 million of said J.S Textile in favor of the company. This suit has been decreed in favor of the company and presently execution of the same is pending before the Court of Additional Session Judge Lahore.			



20.5 This is a suit filed by the company against M/s Green Corporation for the recovery of Rs. 25,802,303/-. This suit is pending adjudication before the Civil Court Lahore, Wherein defendant had been proceeded exparte and case has been decreed in favor of the company on 9-04-2019 and now the execution proceedings of the said decree are pending. The company is vigilantly pursuing this case. There is no scope of any loss to the company in the instant matter.

		2019 (Rupees)	2018 (Rupees)
21 TRADING INCOME			
Trading of vehicles		2,116,250	18,957,730
		2,116,250	18,957,730
22 Cost of Trading			
Purchases		1,963,248	17,376,924
Freight and Insurance		-	176,922
		1,963,248	17,553,846
23 DISTRIBUTION COST			
Salaries allowances and other benefits		1,080,600	1,080,600
Miscellaneous		21,050	24,800
		1,101,650	1,105,400
24 ADMINISTRATIVE EXPENSES			
Staff salaries and benefits		10,629,352	7,997,524
Travelling and conveyance		49,990	46,328
Rent, rate and taxes		1,014,870	882,920
Repair and maintenance		69,365	128,305
Insurance		254,929	182,560
Utilities		948,004	821,844
Printing and stationery		121,571	134,781
Fee and subscription		476,500	432,373
Vehicles running and maintenance		1,134,020	1,162,203
Entertainment		266,684	284,168
Newspapers and journals		22,743	23,863
Postage and telegram		20,944	43,121
Telecommunication		182,070	233,400
Legal and professional charges		1,126,250	181,625
Auditor's remuneration	24.1	211,500	415,000
Depreciation		1,483,800	861,801
Non-operational expenses	24.2	2,318,978	10,933,552
		20,363,570	24,823,648
24.1 Auditor's remuneration			
Statutory audit fee		150,000	150,000
Audit/Review fee		61,500	51,250
Tax consultancy fee		-	183,750
Out of pocket expenses		-	30,000
		211,500	415,000
24.2 Non-operational expenses			
Salaries, wages and benefits		72,056	1,699,111
Rent, rate and taxes		-	57,350
Repair and maintenance		-	10,000
Fuel and power		320,287	3,177,420
Insurance		148,029	175,193
Telecommunication		40	33,219
Other expenses		63,160	110,036
Impairment loss	24.2.1	1,715,406	5,671,223
		2,318,978	10,933,552

24.2.1 It includes adjustment of excess depreciation.



	2019 (Rupees)	2018 (Rupees)
25 OTHER OPERATING CHARGES		
Loss on disposal of assets held for sale	-	4,683,009
Provision for doubtful debts	4,446,350	178,569
	4,446,350	4,861,578
26 OTHER OPERATING INCOME		
Profit on security deposit (SNGPL)	-	226,033
Profit on delayed delivery of vehicles	-	85,400
Profit on disposal of own vehicles	-	623,470
Un-claimed balances written back	2,958,261	3,973,658
Long term Financial Liabilities written off	-	23,812,633
Deferred mark up written back	-	44,245,366
Profit on disposal of assets held for sale	109,657,238	-
Profit on disposal of fixed assets	2,683,429	-
Miscellaneous income	4,296,835	-
	119,595,763	72,966,560

27 FINANCE COST		
Bank charges	8,978	58,850
	8,978	58,850

28 TAXATION		
Current Tax	26,453	32,749

The company has done trading business during the year, the provision of minimum tax u/s 113 is made on sale of vehicles at the rate 1.25% amounting to Rs. 26,453/-. Profit before tax of Rs. 93,828,217/- is mainly due to capital gain on disposal of fixed assets held for sale that is exempt from tax due to time constraints. Gain on disposal of other assets is adjusted against brought forward assessed losses. Therefore, according to the relevant provisions of Income Tax Ordinance, 2001, no provision is recorded on taxable profits.

Provision for taxation

2018	32,749
2017	2,170,670
2016	-

Income tax return for tax year 2018 was filed within prescribed time limit. Income tax assessments have been completed up to income year ended June 30, 2018 (tax year 2018) as deemed assessment.

Deferred Tax

Deferred tax asset is not recognized in these financial statements as the Company is sustaining heavy losses and is assessed under the deeming section 113 of the Income Tax Ordinance. Major timing differences are not expected to reverse for a foreseeable future and there is no assurance that future taxable profits would be sufficient to realize the benefit of brought forward losses.

	2019 (Rupees)	2018 (Rupees)
29 Earning/(loss) per share - basic & diluted		
Profit / (Loss) for the year	Rupees 93,801,764	43,488,219
Weighted average number of ordinary shares	Number 22,105,200	22,105,200
Earning per share	Rupees 4.24	1.97

29.1 There is no dilutive effect on the basic earnings per share of the company as the company has no such commitments that would result in dilution of earnings of the company.



30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE OFFICERS

Particulars	2019			2018		
	Chief Executive	Directors		Chief Executive	Directors	
		Executive	Non-Executive		Executive	Non-Executive
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	896,000	760,000	-	896,000	760,000	-
House rent allowance	358,400	304,000	-	358,400	304,000	-
Medical	89,600	76,000	-	89,600	76,000	-
Reimbursed expenses	167,882	215,600	-	144,754	191,930	-
	1,511,882	1,355,600	-	1,488,754	1,331,930	-
Number of persons	1	1	-	1	1	-

30.1 In addition to above, meeting fee of Rs. 32.50 thousand (2018: Rs. 12.50 thousand) was paid to three (2018: one) directors during the year.

30.2 The Chief Executive Officer and Executive directors are provided with free use of the Company maintained vehicles.

30.3 The Company considers its Chief Executive and Executive Director as its key management personnel.

31 RELATED PARTY TRANSACTIONS

The related party comprise associated companies, staff retirement funds, directors and other key management personnel. The company in the normal course of business carries out transactions with various related parties. The company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Nature of transactions	Relationship with the company	2019 Rupees	2018 Rupees
Directors' bridge finance	Chief executive	(38,563,713)	-
Short term loan	Chief executive	(64,629,706)	(130,460)
Short term loan	Other related parties	(239,478,709)	14,478,709
Lease rent	Director	(900,000)	(808,500)

32 FINANCIAL INSTRUMENTS

32.1 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES

The Company has devised policies for risk areas where it could be subjected to a financial loss or where it expects to make market gains. The Company takes exposure to expand trading business of all kinds, obtain sufficient funds to fulfill the demands, meet working capital requirements and to gain benefit of mark-up rate spread available in the money market. Due to the nature of business of the Company, it is inherent that the Company liabilities will remain sensitive to external factors beyond the control of management. Therefore, the management secures the financial liabilities of the Company through collateralization of its property, plant and equipment. Such collateralization are disclosed in relevant notes (if any) to these financial statements.

The management provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk interest rate risk, credit risk and liquidity risk.

(a) Market Risk

Market risk is the risk where parties to the financial instruments are subjected to risk of changes in fair values of their financial assets and liabilities due to circumstances reasonably beyond their control. The carrying value of all the financial instruments reflected in these financial statements approximates to their fair values.

(i) Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is subjected to currency risk on export sales and purchases that are entered in a currency other than Pak Rupees that is a functional and presentation currency. The Company was exposed to currency risk arising from United States Dollars- USD only. The Company's foreign exchange exposure was restricted short term borrowings. The Company's exposure to currency risk is as follows:

	2019 USD	2018 USD
--	-------------	-------------

Long term financing

**Sensitivity Analysis**

If the functional currency, at reporting date, has weakened/ strengthened by 5% against the USD with all other variables held constant, the impact on loss after taxation for the year would have been Rs. Nil (2018: nil) higher/lower, mainly as a result of exchange gains/ losses on translation of foreign exchange denominated financial instruments.

(ii) **Other Price Risk**

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of 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. The Company is not exposed to commodity price risk since it has no portfolio of commodity suppliers. No equity instrument held by the Company which are traded on a regular basis on the stock exchange and historically, it does not have a direct correlation with the equity index of the Karachi Stock Exchange (KSE). Therefore, it has not any possible impact of increase / decrease in the KSE Index on the Company's profit after taxation for the year and on equity (fair value reserve).

(iii) **Interest Rate Risk**

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

The Company has no Long Term fixed rate interest bearing assets / liabilities except for Saving and Deposit accounts, on which rate of return was minimal. The Company's interest rate risk arises from short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Company to fair value interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments is as follows:

Floating Rate Instruments**Financial Assets****Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect the profit and loss of the Company.

(b) **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 that would be recognized at the reporting date. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2019 Rupees	2018 Rupees
Long term deposits	679,367	771,577
Trade debts	1,917,229	569,140
Loans and advances	2,549	2,986,453
Trade deposits	1,535,902	6,684,126
Cash and Bank Balances	57,523,854	6,211,832
	61,658,902	17,223,128

Due to the Company's long standing business relationships with these counter-parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) **Liquidity Risk**

Liquidity Risk is a risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Since many years, the Company is facing liquidity problems. For this, purpose, the Company was continuously negotiating with its financial institutions in order to re-schedule its loans. Currently, the Company manages its liquidity risk by maintaining cash and the availability of funding through an adequate amount of committed credit facilities. At 30th June, 2019, the Company had Rs. Nil (2018: Rs. Nil) available borrowing limits from financial institutions and Rs. 57.53 million (2018: 6.212 million) cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscovered cash flows:

Current maturities of financial liabilities as at 30th June, 2019

	Carrying Amount	Contractual Values	Less than One Year	One to Five Years	More than Five Years
			Rupees-----		
Trade and other payables	9,044,177	9,044,177	-	9,044,177	-
Loan from Chief Executive	34,934,500	34,934,500	34,934,500		
Deferred Liabilities	4,040,432	4,040,432	4,040,432	-	-
	48,019,109	48,019,109	38,974,932	9,044,177	-

**Current maturities of financial liabilities as at 30th June, 2018**

	Carrying Amount	Contractual Values	Less than One Year	One to Five Years	More than Five Years
			Rupees-----		
Trade and other payables	12,500,848	12,500,848	12,500,848	-	-
Short term borrowings from others	339,042,915	339,042,915	339,042,915	-	-
Directors' bridge finance & loan	38,563,713	38,563,713	-	38,563,713	-
Deferred Liabilities	3,027,497	3,027,497	-	-	-
	393,134,973	393,134,973	351,543,763	38,563,713	-

32.2 **FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES**

The carrying value of all the Financial Assets & Liabilities reported in financial statements approximate to their fair value. Fair value is determined on the basis of objective evidence at each reporting date.

32.3 **FINANCIAL INSTRUMENTS BY CATEGORIES**

	2019 Rupees	2018 Rupees
Loans and Advances		
Long term deposits	679,367	771,577
Trade debts	1,917,229	569,140
Loans and advances	2,549	2,986,453
Trade deposits	1,535,902	6,684,126
Cash and Bank Balances	57,523,854	6,211,832
	61,658,901	17,223,128
Financial Liabilities as at Amortized Cost		
Deferred liabilities	4,040,432	3,027,497
Trade and other payables	9,044,177	12,500,848
Short term borrowings from banks	-	339,042,915
	13,084,609	354,571,260

32.4 **CAPITAL RISK MANAGEMENT**

While managing capital, the Company prepared its accounts as a Non-Going Concern basis and resolved to close its industrial unit which is not viable, enhances shareholders' wealth and meets shareholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchase shares, if possible, selling property, plant and equipment.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings from the banks and financial institutions (including current and non-current) less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt. As on the reporting date , the gearing ratio of the Company was as under:

	2019 Rupees	2018 Rupees
Total borrowings	34,934,500	339,042,915
Cash and bank balances	(57,523,854)	(6,211,832)
Net Debt	(22,589,354)	332,831,083
Equity	33,796,945	(60,004,819)
Total Capital	11,207,591	272,826,264
Gearing Ratio	-201.55%	121.99%

33 SEGMENT INFORMATION

During the year 2019 the company has earned Rs. 2.11 million from sale of vehicles as compared to Rs. 18.95 million in previous year. The company has no other operational segments, therefore no segmentation has been made.

34 NUMBER OF EMPLOYEES

	2019	2018
Average No. of workers per month		
- Factory	1	11
- Other than factory	7	16
	8	27
As at 30th June		
- Factory	-	3
- Other than factory	11	13
	11	16

**35 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been approved and authorized for issue by the Board of Directors of the company in its meeting held on October 02, 2019.

36 CORRESPONDING FIGURES

- (i) Figures have been rounded off to the nearest Rupee,
- (ii) Corresponding figures have been re-arranged / reclassified, wherever necessary, to facilitate comparison.
- (iii) The company is of the view that as per circular no. 14 2016 dated April 21, 2016 issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index" needs not to be separately disclosed, as there are no any component fall on All shares Islamic Index as at the reporting date.

MIAN MUHAMMAD JEHangIR
Chief Executive

MIAN WAHEED AHMED
Director

MUHAMMAD IRFAN
Chief Financial Officer

**PROXY FORM
(33rd ANNUAL GENERAL MEETING)**

I/We _____ son/daughter/wife
of _____ of _____ being member (s) of
MIAN TEXTILE INDUSTRIES LTD, holder of _____ ordinary shares of
the Company, under Folio No./Participant's ID/CDC sub account No. _____ hereby appoint
_____ of _____ failing him/her _____ of
_____ who is/are member(s) of MIAN TEXTILE INDUSTRIES LTD. under
Folio No./Participant's ID/CDC sub account No. _____ respectively, as my/our proxy in my/our absence
to attend and vote for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company to
be held on October 26, 2019 and/or any adjournment thereof.

As witness my/our hand this _____ day of October, 2019.

Signed in the presence of;

Witness _____

Name _____

Occupation _____

Address _____

Signature of
Shareholder (s) on
revenue stamp
worth Rupees 5/-

The signature should agree with the
specimen registered with the Company.

IMPORTANT:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, 29-B/7 Model Town, Lahore. Not less than 48 hours before the time of holding the meeting.
2. No person shall act as Proxy unless he/she is a member of the Company, except that a Corporation/Company may appoint a person who is not a member.
3. If a member appoints more than one Proxy and more than one instruments of Proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. In case of Proxy for an individual beneficial Owner of CDC, attested copies of beneficial Owner's NIC or passport, Account and Participant's I.D. Nos. must be deposited along with the Form of Proxy. In case proxy for corporate member, he/she should bring the usual documents required of such purpose.
5. Shareholders are requested to notify change in their address, if any.