REVIEW REPORT TO THE MEMBERS

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OLD

We have reviewed the ....of Listing Regulations ?????????? of Pakistan Stock Exchange wherethe Company is listed.

NEW

We have reviewed the .... of Listing Regulations No. 5.19.23 of the Rule Book of Pakistan Stock Exchange where the Company is listed.

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OLD

Following instances of non-compliance with the requirements of the Code were observed which are not stated in the Statement of Compliance:

Following instances of non-compliance with the requirements of the Code were observed which are not stated in the Statement of Compliance:

a) ....

NEW

Following instances of non-compliance with the requirements of the Code were observed which are not stated in the Statement of Compliance:

a) ....

Auditors' Report To The Members

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OLD

b) in our opinion;

C) in our opinion;

(i) ......;

(ii) ....;

(iii) ....;

(c) ....

NEW

b) in our opinion;

(i) ......;

(ii) ....;

(iii) ....;

(c) ....

STATEMENT OF COMPREHENSIVE INCOME

Page No. 18

OLD

	2016 Rupees	2015 Rupees Restated
Total Comprehensive Profit / (Loss) for the Year	27,589,351	(97,759,418)

NEW

Total Comprehensive Income / (Loss) for the Year	27,589,351	(97,759,418)

STATEMENT OF CHANGES IN EQUITY

OLD

Particulars	Issued, Subscribed and Paid up Capital	Reserves			Sponsors' Loan	Total
		Capital	Revenue			
		Share Premium Reserve	General Reserve	Accumulated Loss		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at	350,000,000	39,898,526	90,000,000	(546,330,321)	-	(66,431,795)
Effect of restatement (Note-6)	-	-	-	513,663	115,708,828	116,222,491

NEW

Balance as at	350,000,000	39,898,526	90,000,000	(546,330,321)	-	(66,431,795)
Effect of restatement (Note-6 and Note-8.4)	-	-	-	513,663	115,708,828	116,222,491

NOTES

OLD

1.2 Going concern assumption

The Company's accumulated loss stands at Rs. 574.300 million (2015: Rs. 623.935 million) as at June 30, 2016. Current liabilities of the Company exceed its current assets by Rs. 221.184 million (2015: Rs. 252.314 million) as at the balance sheet date. Further, the Company has shut down its tile manufacturing unit since January 2014. These factors along with matters set forth in Note 15 raise doubts about the Company being a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

NEW

1.2 Going concern assumption

As at June 30, 2016, the current liabilities of the Company exceed its current assets by Rs. 221.184 million (2015: Rs. 252.314 million). Further, the Company has shut down its tile manufacturing unit since January 2014. These factors raise doubts about the Company being a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

OLD

c) Deferred markup on loan from standard chartered bank
The Company is carrying deferred markup on certain lendings at amortised cost.

NEW

c) Deferred markup and interest free loans from related parties
The Company is carrying interest free loans from related parties and deferred markup on certain lendings at amortised cost.

NOTES

OLD

2.5.4 Standards, interpretations and amendments to approved accounting standards that are neither relevant and nor yet effective

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

NEW

2.5.4 Standards, interpretations and amendments to approved accounting standards that are neither relevant and nor yet effective

There are number of other standards, amendments and interpretations to the published standards that are neither relevant nor yet effective and, therefore, have not been presented here.

OLD

8. LONG TERM FINANCING	Note	2016 Rupees	2015 Rupees Restated
.....	..	.....	.....
Discounting of deferred markup - restatement	..	.....	.....
		.....	.....
		.....	.....
.....			
.....	..	.....	.....
.....	..	.....	.....
		.....	.....
.....	..	.....	.....
.....	..	.....	.....
Adjustment	..	(53,938)	(327,437)

NEW

8. LONG TERM FINANCING

.....	..	.....	.....
Adjustment due to impact of IAS-39	..	.....	.....
		.....	.....
		.....	.....
.....			
.....	..	.....	.....
.....	..	.....	.....
		.....	.....
.....	..	.....	.....
.....	..	.....	.....
Adjustment due to impact of IAS-39	..	8,281	4,131

NOTES

OLD

8.4 In accordance with the requirements of IAS-39, deferred markup on loan obtained from standard chartered bank and interest free portions of loans obtained from M/s Imperial Electric Company (Private) Limited and M/s Associated Engineers (Private) Limited has been carried at amortised cost and the relevant difference is being charged to the profit and loss account. During the year, imputed markup has been calculated and accounted for. This accounting treatment has been accounted for with retrospective effect that has increased the profit for the year 2015 and equity as at that date by Rs. 15,653,660 and has increased the profit for the year 2014 and equity as at that date by Rs. 513,663.

NEW

8.4 In accordance with the requirements of IAS-39, deferred markup on loan obtained from Standard Chartered Bank (Pakistan) Limited and interest free portions of loans obtained from M/s Imperial Electric Company (Private) Limited and M/s Associated Engineers (Private) Limited have been carried at amortised cost and the relevant difference is being charged to the profit and loss account. During the year, imputed markup has been calculated and accounted for. This accounting treatment has been accounted for with retrospective effect that has increased the profit for the year 2015 by Rs. 15,596,853 and equity as at that date by Rs. 16,110,516 and has increased the profit for the year 2014 and equity as at that date by Rs. 513,663.

OLD

	2016 Rupees	2015 Rupees
10. DEFERRED TAXATION		
Deductible temporary differences		
- Provision for doubtful debts	(9,902,796)	(3,533,956)
- Provision for obsolete stores and spares	(629,576)	(667,885)
- Provision for obsolete stock	(5,590,375)	(4,556,606)
- Others	(8,592,410)	-
- Unused tax losses - unabsorbed depreciation	(147,003,745)	(180,440,582)
	(171,718,902)	(189,199,029)
	90,885,492	63,483,695

NEW

10. DEFERRED TAXATION		
Deductible temporary differences		
- Provision for doubtful debts	(9,902,796)	(3,533,956)
- Provision for obsolete stores and spares	(629,576)	(667,885)
- Provision for obsolete stock	(4,295,247)	(4,556,606)
- Others	(9,394,937)	-
- Unused tax losses - unabsorbed depreciation	(147,003,746)	(180,440,582)
	(171,226,302)	(189,199,029)
	90,885,492	63,483,695

NOTES

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OLD

		Note	2016 Rupees	2015 Rupees Restated
29.	OTHER OPERATING INCOME			
	....		....	....
	Discounting of deferred markup	8.4	....	....

NEW

		Note	2016 Rupees	2015 Rupees Restated
29.	OTHER INCOME			
	Liabilities		.....	.....
	Adjustment due to impact of IAS-39	8.4	.....	.....

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OLD

		2016 Rupees	2015 Rupees Restated
33.	CASH GENERATED FROM OPERATIONS		
	- Doubtful debts written off	147,500	22,849,587
	- Obsolete stock written off	4,503,226	-
	- Bad debts	147,500	-
	- Gain on disposal of property, plant and equipment	(41,236)	(1,036,647)

NEW

		2016 Rupees	2015 Rupees Restated
33.	CASH GENERATED FROM OPERATIONS		
	- Doubtful debts written off	147,500	22,849,587
	- Obsolete stock written off	4,503,226	-
	- Gain on disposal of property, plant and equipment	(41,236)	(1,036,647)

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OLD

Outstanding Balance at the year end		2016 Rupees	2015 Rupees Restated
Associated Engineers	Long term financing - interest bearing	18,152,456	16,079,893
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	Long term financing - interest bearing	2,561,714	2,557,583
.....	Payable	.....	.....

NEW

Associated Engineers	Long term financing	18,098,518	15,752,456
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	Long term financing	2,569,995	2,561,714
.....	Payable	.....	.....

NOTES

OLD

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(iii) Cash flow sensitivity analysis for variable rate instruments

If interest rates at the balance sheet date fluctuate by 1% higher / lower with all other variables held constant, loss before taxation for the year would have been Rs. 7.256 million (2015: Rs. 8.473 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at the balance sheet date are outstanding for the entire year.

NEW

(iii) Cash flow sensitivity analysis for variable rate instruments

If interest rates at the balance sheet date fluctuate by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 7.247 million (2015: Rs. 8.473 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at the balance sheet date are outstanding for the entire year.

OLD

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Nature	From	To	Amount Rupees
Discounting of	Long .... interest free loan	.... companies (Note 8)	....

NEW

Discounting of interest free loan	Long .... companies (Note 8)	....	....