

J. A . TEXTILE MILLS LIMITED

Financial Statements

For the year ended June 30, 2015

COMPANY INFORMATION

Board of Directors

Chief Executive:	Mr. Imran Zahid
Directors:	Mr. Zahid Anwar
	Mrs. Rukhsana Begum
	Ms. Quratul-Ain Zahid
	Mr. Muhammad Yousaf
	Mr. Muhammad Ali
	Mr. Muhammad Anwar-ul-Haq

Audit Committee:

Chairman:	Mr. Muhammad Ali
Member:	Mr. Muhammad Anwar-ul-Haq
Member:	Ms. Quratul-Ain Zahid

Human Resources & Remuneration (HR&R) Committee:

Chairman:	Mr. Muhammad Anwar-ul-Haq
Member:	Ms. Quratul-Ain Zahid
Member:	Mr. Muhammad Yousaf

Company Secretary: Mr. Ajmal Shabab

Chief Financial Officer: Mr. Aftab Younis

Head of Internal Audit: Mr. Muhammad Umer Farooq

Auditors: Kreston Hyder Bhimji & Company, Chartered Accountants

Banks: Al Baraka Islamic Bank B.S.C. (E.C.)
Dubia Islamic Bank Pakistan Limited
JS Bank Limited
National Bank of Pakistan
United Bank Limited

Legal Advisor: Mr. Zia-ul-Haq (Advocate)

Registered Office: JK House, 32-W, Susan Road, Madina Town, Faisalabad

Share Registrar Office: National Biz Management (Private) Limited
Plot No. 2-C, Mezzanine Floor, Badar Commercial Area, Street
No. 9, Phase-V(Ext.), D. H. A., Karachi

Mills: 29-KM, Sheikhpura Road, Faisalabad

Web Site: www.jatml.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the members of J. A. Textile Mills Limited will be held at registered office, JK House, 32-W, Susan Road, Madina Town, Faisalabad at 9:00 AM on 31.10.2015 to transact the following business :-

1. To confirm the minutes of the Annual General Meeting held on 31.10.2014.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2015 together with the Directors' and Auditor's reports thereon.
3. To appoint auditors for the year ending June 30, 2016 and fix their remuneration. The retiring auditors M/S Kreston Hyder Bhimji & Co. chartered accountants being eligible offered themselves for reappointment.
4. To transact any other business with the permission of the chair.

FOR AND ON BEHALF OF THE BOARD

FAISALABAD: 08.10.2015

(Company Secretary)

NOTES:

1. The share transfer books of the company will remain closed from 24.10.2015 to 31.10.2015 (both days inclusive).
2. A member entitled to attend and vote at the general meeting is entitled to appoint another member as proxy. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for the meeting.
3. CDC shareholders are requested to bring with them their National Identification Cards alongwith participants ID and their account number at the time of Annual General Meeting' in order to facilitate identification. In case of a corporate entity, a certified copy of the resolution passed by the Board of Directors/valid power of attorney with the specimen signatures of the nominee be produced at the time of meeting.
4. Members are requested to immediately notify the change in their addresses, if any.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Board of Directors is pleased to present 28th Annual Report for the year ended June 30, 2015

Industry review

Textile industry is core industry of Pakistan and is playing a pivotal role to strengthen the economy of the country which is now leading towards a disaster for so many reasons. Among others, duty free import of yarn from India has shrunk the sale of locally produced yarn as imported yarn is available on cheaper rates in the market resulting prices of locally manufactured yarn has been drastically decreased in addition to severe slump in the market which is still prevailing.

Operational review

Synopsis of financial year 2015:

- Sales revenue decreased by 21.75% due to decrease in yarn prices.
- Gross earnings were showing bit improvement and gross loss was decreased to 36.222 million negative from 59.435 million negative during last year.
- Cost of sales decreased by 23.02% from 806.572 million to 620.893 million during the year under review.

Summarized financial results

	2015		2014	
	Millions Rupees	% of Sales	Millions Rupees	% of Sales
Gross loss margin	(36.222)	(6.20)	(59.435)	(7.96)
Operating loss before tax	(39.338)	(6.73)	(69.115)	(9.25)

Future Outlook

The Management of the company is making its strenuous efforts, optimal production strategies and effective cost controls to further improve the profitability of the Company. In view of this spirit, the company has made the following additions in its production and power house departments. The induction of these assets will ultimately increase production and improve profitability.

1. During the year new machines have been installed in Blow Room, Carding, Drawing and Auto cone Departments.
2. One Gas Engine has been installed in Power House Department for the increased use of cheaper source of energy.
3. Major Overhauling of existing Generator has been made.

The management positively looks forward to counter all challenges and is firmly committed to deliver best possible results in future and will continue to meet our objectives and goals.

Compliance to good governance, social and environmental requirements

Your company is committed to fulfill its responsibilities towards good governance, social and environmental responsibilities. To protect health and safety of employees and environment, company provides able conditions and means to ensure compliance.

Your company has established implemented and maintained systems in compliance with the requirements of international standards and achieved third party certifications for the following product/ management systems standards;

- ISO 9001:2008 Quality Management Systems

Contribution to national exchequer

During the financial year the company contributed Rs. 9.718 million to the national exchequer in shape of direct and indirect taxes.

Human resource and industrial relations

Under a defined and documented criteria in line with national and international laws people are recruited and hired. This is demonstrated at all level beyond any racism, cast, sex or religion and respects human rights, ethics and standards.

To keep work friendly environment company has setup procedures, rules and regulations which regulate employment guidance. The operations of the company were carried out keeping in view the dignity, respect, support and protection as per national and international standards set to meet the working environments.

Earnings per share

Based on the loss after tax for the year ended June 30, 2015, the earnings per share is rupee 2.18 negative.

Dividend

Considering current financial results and accumulated losses brought forward, no dividend is recommended for the year ended June 30, 2015.

Contingencies and commitments

There is no material change in position of ongoing litigation and other matters related to court as reported in note 19 of the Financial Statements for the year ended June 30, 2015.

Outstanding statutory payment

An amount of Rs. 5,591,401 has been shown in the balance sheet as custom levies payable. This consists of import duty and import surcharge on the import of ring spinning frames. SRO 1076(I)/95 provide that 30% of total import duty and

surcharge was levied which the Company has already paid. However, this amount was shown payable in books since so many years without any demand. Therefore, the Management decided to written off this amount.

Financial and Corporate Reporting Framework

The Directors are pleased to state that your company is compliant with the provisions of the practices of Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan (SECP).

In order to protect and enhance the long term value of shareholders the Board is responsible for the overall corporate governance of the company including approving strategic policies and decisions, capital expenditures, appointing, removing, and creating succession policies.

Following are the statements of Corporate and Financial Reporting Framework:

- a) Financial statements prepared by the management of the Company represent fairly and accurately the company's state of affairs, results of its operation, cash flows and changes in equity.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- e) The system of internal control is sound in design, has been effectively implemented and being monitored continuously. Ongoing review will continue in future for further improvement in controls.
- f) There are no significant doubts upon the company's ability to continue as a going concern.
- g) There has been no material departure from best practices of corporate governance.
- h) Transactions undertaken with related parties during the financial year have been ratified by the Audit Committee and approved by the Board.
- i) The value of investments in respect of Employees Provident Fund was Rs. 8.062/- millions for the year ended June 30, 2015.
- j) Company has arranged in-house training program for its Directors.
- k) Statement of compliance with the Best Practices of Corporate Governance is annexed.

Auditors' report- emphasis paragraphs

Regarding the auditor's reservation of going concern relating to note 1.2 of financial statements, the management is optimistic that the current balancing and modernization of plant and machinery will improve the future financial results. The management is also optimistic that improvement in future industry situation, better production efficiency, continuing financial support from directors and associates will also lead to improved financial results. Based upon these aspects, the financial statements have been prepared on going concern basis. Regarding the auditor's reservation relating to note 19.1 and 19.2, we would like to explain that company is at sound footing and prima facie all the cases is expected to be decided in its favor.

Board of Directors meetings

During the year under review, Six meetings of the Board were held:-

<u>Name of directors</u>	<u>Attendance</u>
Mr. Imran Zahid (CEO)	6
Mr. Zahid Anwar	6
Mrs Rukhsana Begum	4
Ms Quratul Ain Zahid	5
Mr. Muhammad Anwar ul Haq	6
Mr. Muhammad Ali	6
Mr. Muhammad Yousaf	6

Audit committee

The Board has formed an audit committee. It comprises of three members, all are non-executive directors and the chairman of the committee is independent director. During the year four meetings of the committee were held for review of audit reports and interim/ annual financial results prior to the approval of the Board and following were in attendance:

<u>Name of Director</u>	<u>Attendance</u>
Mr. Muhammad Ali (Chairman)	4
Mr. Muhammad Anwar ul Haq	4
Ms Quratul Ain Zahid	3

Human Resource and Remuneration Committee

During the year two meeting of the committee was held and following were in attendance:

<u>Name of Director</u>	<u>Attendance</u>
Mr. Muhammad Anwar ul Haq (Chairman)	2
Ms Quratul Ain Zahid	2
Mr. Muhammad Yousaf	2

Post balance sheet events

There was no significant post balance sheet event which warrants mention in the Directors' Report.

Key financial highlights

Financial data of the last six (06) year is attached.

Pattern of shareholding

The pattern of shareholding as at June 30, 2015 is annexed.

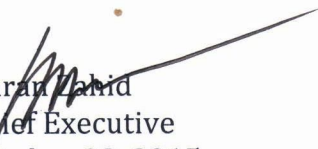
Auditors

Present auditors, M/s Kreston Hyder Bhimji and Company, Chartered Accountants, retire and offer themselves for re-appointment. The Audit Committee has recommended the re-appointment of retiring auditors for the year 2016 on same terms and conditions.

Acknowledgement

We would like to express our appreciation for the dedication and hard work put in by the entire team at J. A. Textile Mills Limited and all its partners within the country and all across the world.

For and on behalf of the Board.


Imran Zahid
Chief Executive
October 08, 2015

**STATEMENT OF COMPLIANCE WITH THE
CODE OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED JUNE 30, 2015**

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in listing regulation No. 35 of Karachi and Lahore Stock Exchanges for the purpose of establishing a frame work of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.


The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At present the board includes:

Category	Names
Independent Directors	Mr. Muhammad Yousaf and Mr. Muhammad Ali.
Executive Directors	Mr. Imran Zahid and Mr. Zahid Anwar.
Non-Executive Directors	Mrs. Rukhsana Begum, Ms. Quratul-Ain Zahid, Mr. Muhammad Anwar-ul-Haq.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year.
5. 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.
6. 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.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive and non-executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Orientation course has been arranged during the year.
10. The appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment has been duly approved by the Board.

11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an audit committee. It comprises of three members, all are non-executive directors and the chairman of the committee is independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises three members, all are non- executive directors and the chairman of the committee is non- executive director.
18. The Board has set-up an effective internal audit function. The audit staff are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, 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 institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the company's securities, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the CCG have been complied with.


IMRAN ZAHID
CHIEF EXECUTIVE
OCTOBER 08, 2015

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices (“the Statement”) contained in the Code of Corporate Governance (“the Code”) prepared by the Board of Directors of **J. A. Textile Mills Limited** (“the Company”) for the year ended June 30, 2015 to comply with the Listing Regulation No.35 Chapter XI of the Karachi Stock Exchange (Guarantee) Limited and Listing Regulation No.35 Chapter XI of Lahore Stock Exchange (Guarantee) Limited, where the Company is listed.


The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company’s compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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’s 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 Code requires the Company to place before audit committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions, distinguishing between transactions carried out on terms equivalent to those that prevail in arm’s length transactions and transactions which are not executed at arm’s length price, recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine 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 best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2015.

DATE: October 8, 2015
FAISALABAD


Kreston Hyder Bhimji & Co.
KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Shabir Ahmad, FCA

J. A . TEXTILE MILLS LIMITED

BALANCE SHEET AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	441,533,700	424,791,022
Long term deposits	6	<u>16,805,880</u>	<u>17,171,926</u>
		458,339,580	441,962,948
CURRENT ASSETS			
Stores and spares	7	10,989,747	15,810,317
Stock in trade	8	45,945,645	89,917,610
Trade debts	9	2,419,641	497,010
Advances, prepayment and other receivables	10	2,975,182	16,545,565
Short term investment	11	337,387	316,959
Tax refunds due from Government	12	11,649,488	9,638,140
Cash and bank balances	13	<u>3,101,501</u>	<u>2,215,049</u>
		77,418,591	134,940,650
TOTAL ASSETS		<u><u>535,758,171</u></u>	<u><u>576,903,598</u></u>
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 ordinary shares of Rs.10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid up capital			
12,601,160 ordinary shares of Rs. 10 each, fully paid in cash		126,011,600	126,011,600
Accumulated loss		<u>(223,593,426)</u>	<u>(204,758,459)</u>
		(97,581,826)	(78,746,859)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
	14	217,606,724	226,187,459
NON CURRENT LIABILITIES			
Long term financing	15	-	174,110,750
Deferred liabilities	16	<u>56,739,549</u>	<u>74,232,686</u>
		56,739,549	248,343,436
CURRENT LIABILITIES			
Trade and other payables	17	185,004,275	152,509,510
Accrued mark up/interest		22,031,875	22,031,875
Short term borrowings	18	151,957,574	-
Current portion of long term financing	15	-	6,578,177
		358,993,724	181,119,562
CONTINGENCIES AND COMMITMENTS			
	19		
TOTAL EQUITY AND LIABILITIES		<u><u>535,758,171</u></u>	<u><u>576,903,598</u></u>

The annexed notes 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

J. A . TEXTILE MILLS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Sales - net	20	584,670,340	747,136,933
Cost of sales	21	620,892,796	806,572,113
Gross loss		<u>(36,222,456)</u>	<u>(59,435,180)</u>
Operating expenses			
Distribution costs	22	29,625	222,000
Administrative expenses	23	11,809,214	12,242,835
Finance cost	24	24,815	300,248
		<u>11,863,654.</u>	<u>12,765,083</u>
		<u>(48,086,110)</u>	<u>(72,200,263)</u>
Other income	25	8,748,244	3,084,779
Loss before taxation		<u>(39,337,866)</u>	<u>(69,115,484)</u>
Taxation	26	<u>(11,901,736)</u>	<u>(26,073,309)</u>
Loss for the year		<u><u>(27,436,130)</u></u>	<u><u>(43,042,175)</u></u>
Loss per share - Basic & Diluted	27	<u><u>(2.18)</u></u>	<u><u>(3.42)</u></u>

The annexed notes 1 to 35 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

J. A . TEXTILE MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015

	2015 Rupees	2014 Rupees
Loss for the year	(27,436,130)	(43,042,175)
Other comprehensive income for the year:		
Items that will not be reclassified subsequently to profit or loss:		
Other comprehensive income	20,428	23,826
Total Comprehensive loss for the year	<u>(27,415,702)</u>	<u>(43,018,349)</u>

The annexed notes 1 to 35 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

J. A . TEXTILE MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2015

	Share Capital	Accumulated loss	Total
	[R u p e e s]		
Balance as at June 30, 2013	126,011,600	(170,731,401)	(44,719,801)
Total comprehensive loss for the year	-	(43,018,349)	(43,018,349)
Loss for the year	-	(43,042,175)	(43,042,175)
Other comprehensive income for the year	-	23,826	23,826
Incremental depreciation on revalued property, plant and equipment for the year	-	13,045,244	13,045,244
Tax effect on incremental depreciation	-	(4,053,953)	(4,053,953)
Balance as at June 30, 2014	126,011,600	(204,758,459)	(78,746,859)
Total comprehensive loss for the year		(27,415,702)	(27,415,702)
Loss for the year	-	(27,436,130)	(27,436,130)
Other comprehensive income for the year	-	20,428	20,428
Incremental depreciation on revalued property, plant and equipment for the year	-	12,258,194	12,258,194
Tax effect on incremental depreciation	-	(3,677,459)	(3,677,459)
Balance as at June 30, 2015	126,011,600	(223,593,426)	(97,581,826)

The annexed notes 1 to 35 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

J. A . TEXTILE MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(39,337,866)	(69,115,484)
Adjustments for non cash and other items:			
Depreciation		21,829,693	20,426,312
Provision for doubtful receivables		745,000	
Bad debts written off		149,130	-
Balances written back		(6,751,927)	-
Profit on deposit accounts		(1,301,586)	(982,932)
Profit on deposit with SNGPL		(692,500)	(2,075,233)
Finance cost		24,815	300,248
Operating cash flows before working capital changes		(25,335,241)	(51,447,089)
Changes in working capital			
(Increase)/decrease in current assets			
Stores and spares		4,820,570	(7,745,021)
Stock in trade		43,971,965	(2,680,434)
Trade debts		(2,071,761)	7,465,403
Advances, prepayment and other receivables		11,935,791	(11,666,733)
Tax refunds due from Government		-	2,251,450
Increase/(decrease) in current liabilities			
Trade and other payables		33,846,966	82,389,323
		92,503,531	70,013,988
Cash generated from operations		67,168,290	18,566,899
Finance cost paid		(24,815)	(108,573)
Workers' profit participation fund paid		(191,675)	(2,449,075)
Taxes paid		(2,011,348)	(4,849,087)
Net cash generated from operating activities		64,940,452	11,160,164
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(38,572,371)	(29,141,068)
Profit on deposit accounts		1,109,253	1,069,697
Profit on deposit with SNGPL		1,774,425	225,515
Long term deposits		366,046	-
Net cash used in investing activities		(35,322,647)	(27,845,856)
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of short term financing		(28,731,353)	(5,490,122)
Net cash used in financing activities		(28,731,353)	(5,490,122)
Net increase/(decrease) in cash and cash equivalents	(a+b+c)	886,452	(22,175,814)
Cash and cash equivalents at the beginning of the year		2,215,049	24,390,863
Cash and cash equivalents at the end of the year	13	3,101,501	2,215,049

The annexed notes 1 to 35 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

J. A . TEXTILE MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1. THE COMPANY AND ITS OPERATIONS

- 1.1 J.A. Textile Mills Limited (the Company) was incorporated in Pakistan on 25 May, 1987 under the Companies Ordinance, 1984. The shares of the company are listed on the Karachi and Lahore Stock Exchanges in Pakistan. The Mill is situated at Tehsil Jaranwala, District Faisalabad in the province of Punjab and the registered office of the Company is situated at JK House, 32-W Susan Road, Madina Town, Faisalabad. The principal business activity of the Company is manufacturing and sale of yarn.
- 1.2 The Company has accumulated loss of Rs. 223.593 million (2014: Rs. 204.758 million) as against issued, subscribed and paid up capital of Rs. 126.012 million, thereby having a negative equity of Rs. 97.582 million (2014: Rs. 78.747 million); and its current liabilities exceeded its current assets by Rs. 281.575 million (2014: Rs.46.179 million) as at June 30, 2015. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, and therefore the Company may be unable to discharge its liabilities and realize its assets in the normal course of business.

In spite of the huge accumulated losses, negative equity and current ratio, the management of the company is making its strenuous efforts, optimal production strategies and effective cost controls to improve the profitability of the company. In view of the spirit, the company has made the additions referred in note 5.1. The management positively looks forward to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet our objectives and goals. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going concern basis.

2. STATEMENT OF COMPLIANCE

- 2.1 These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.
- 2.2 **Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant**

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for accounting periods beginning on July 1, 2014 are considered not to be relevant for the company's financial statements and hence have not been detailed here.

- 2.3 **Standards, interpretations and amendments to approved accounting standards that are issued but not yet effective**

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting Periods beginning on or After)
IAS-16	Property, Plant and Equipment (Amendments)	January 01, 2016
IAS-38	Intangible Assets (Amendments)	January 01, 2016
IAS-27	Separate Financial Statements	January 01, 2015
IAS-28	Investments in Associates and Joint Ventures (Revised 2011)	January 01, 2015
IFRS 12	Disclosure of interests in other entities	January 01, 2015
IFRS 13	Fair value measurement	January 01, 2015

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan, for the purpose of their applicability in Pakistan:

		IASB Effective date Accounting Periods beginning on or After
IFRS 1	First-time adoption of International Financial Reporting standards	July 01, 2009
IFRS 9	Financial instruments	January 01, 2015
IFRS 14	Regulatory Deferral accounts	January 1, 2014
IFRS 15	Revenue from customers	January 1, 2014
IFRIC 21	Levies	January 1, 2014
IFRS 12	Service concession arrangements	January 01, 2013
IFRS 13	Fair value measurement	January 01, 2013

3. BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention except property, plant and equipment referred in note 4.1 are carried at revalued amounts. The company's significant accounting policies are stated in note 4. In these financial statements, except for cash flow statement, all the transactions have been accounted for on accrual basis.

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of setting up and applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. 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 the revision and future periods if the revision affects both current and future periods.

Significant areas requiring the use of the management assumptions, judgment and estimates in these financial statements are as follows:

Useful life of the depreciable assets	(Note : 4.1)
Store and spares	(Note : 4.2)
Provision for doubtful debts and other receivable	(Note : 4.4)
Taxation	(Note : 4.10)
Contingencies	(Note : 4.13)

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the subsequent years.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Property, plant and equipment except free hold land, building on freehold land (factory), plant & machinery, power generators, electric installations, factory equipments and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Building on freehold land, plant & machinery, power generators, electric installations, factory equipments are stated at revalued amount less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at revalued amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the entity and its cost can be reliably measured. Cost incurred to replace a component of an item of the property, plant and equipment is capitalized and the asset so replaced is retired from use. Normal repairs and maintenance are charged to profit and loss account during the period in which they are incurred.

Depreciation is charged to income applying the reducing balance method so as to write off the historical cost of the assets over their expected useful life at the rates mentioned in property, plant and equipment note - 5.1.

Depreciation on additions during the year is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off. The residual values and useful lives are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

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

4.1.2 Capital work in progress

Capital work in progress is shown at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during the construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

4.2 Stores and spares

These are valued at lower of moving average cost and net realizable value except items-in-transit which are valued at cost accumulated to the balance sheet date. Stores, spares and loose tools are regularly reviewed by the management to assess their net realizable value (NRV). Provision is made for slow moving and obsolete store items when so identified.

4.3 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw material - At factory	Annual average cost
- In Transit	Invoice value plus direct charges in respect thereof.
Work in process and finished goods	Prime cost including a proportion of production overheads.
Wastes	At net realizable value

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to be incurred in order to make the sale.

4.4 Trade and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Other receivables are recognized at nominal amount which is fair value of the consideration to be received in future. Balances considered bad are written off when identified.

4.5 Short term investment

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial recognition at cost, these are measured at fair value. The Company uses latest stock exchange quotations to determine the fair value of quoted investments. Gain or losses on available for sale investments are recognized directly in other comprehensive income until the investments are sold or disposed off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously recognized in other comprehensive income, is re-classified from equity to profit and loss as re-classification adjustment.

4.6 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees (functional and presentation currency) at the rates of exchange approximating those appearing on the dates of transactions. Assets and liabilities in foreign currencies are translated into Pak Rupees at rates of exchange prevalent on the balance sheet date. All exchange differences arising from foreign currency transactions / translations are charged to profit and loss account.

4.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash and cheques in hand and at banks and include short term highly liquid investments. The cash and cash equivalents are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

4.8 Surplus on revaluation of property, plant and equipment

The surplus arising on revaluation of these assets is credited to the "Surplus on revaluation of property, plant and equipment" account shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance 1984. The Company has adopted the following accounting treatment of depreciation on revalued assets in accordance with the provisions of the above said section:

Depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and

An amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets account" to accumulated profits/losses through Statement of Changes in equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

4.9 Staff retirement benefits

The Company operates an approved funded contributory Provident Fund Scheme for all its employees eligible for benefits. Equal monthly contributions are made, both by the Company, and the employees, to the fund at the rate of 8.33% of the basic salary. The Company's contribution to the fund is charged to profit and loss account for the year.

4.10 Taxation

Current Taxation

Under normal law

The current taxation is computed on the basis of profit for the year adjusted for fiscal purposes, minimum tax u/s 113 or Alternate Corporate Tax (ACT) u/s 113C of the Income Tax Ordinance, 2001 after taking into account the tax credit or rebate, if any.

Under presumptive tax regime

Taxation in relation to export of goods under section 154 read with section 169 is provided on the basis of Presumptive Tax Regime in accordance with the provisions of the Income Tax Ordinance, 2001.

Deferred Taxation

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

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

4.11 Trade and other payables

Liabilities in respect of trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received whether or not billed to the Company.

4.12 Provisions

A provision is recognized when the Company has a present, legal or constructive obligation as a result of a past event when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.13 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence/ non- occurrence of the uncertain future event(s).

4.14 Related party transactions and transfer pricing

All transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable uncontrolled price method.

4.15 Borrowing costs

Borrowing costs to the extent of borrowing costs that are directly attributable to the acquisition or construction 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 profit and loss account in the period of incurrence.

4.16 Dividend and other appropriations

Dividend is recognized as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

4.17 Financial Instruments

Financial assets are long term deposits, trade debtors, advances & other receivables and cash and bank balances. These are initially recognized at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred; and the company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are recognized according to the substance of the contractual arrangements entered into. Significant financial liabilities are long term borrowings and trade and other payables. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit and loss account for the period in which it arises.

4.18 Offsetting of financial assets and financial liabilities

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

4.19 Impairment

The management assesses 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 cash generating unit is reduced to its recoverable amount by charging the impairment loss against profit and loss account for the year.

4.20 Revenue recognition

Revenue is recognized to the extent it is probable that economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at fair value of consideration received or receivable and is recognized on the following basis;

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the customers usually when goods are delivered/ dispatched and title has passed.

Profit on short term investments and bank deposits is recognized on accrual basis.

Interest income on deposit with Sui Northern Gas Pipelines Limited (SNGPL) is recognized on accrual basis.

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress

Note
2015
Rupees
2014
Rupees

5.1 440,561,530 415,763,252
5.4 972,170 9,027,770
441,533,700 424,791,022

5.1 OPERATING FIXED ASSETS

DESCRIPTION	COST / REVALUED AMOUNT			DEPRECIATION			W.D.V	Rate %
	As at July 1, 2014	Addition/ (deletion)	As at June 30, 2015	As at July 1, 2014	For the year	As at June 30, 2015		
	[R U P E E S]							
Freehold land	78,800,000	-	78,800,000	-	-	-	78,800,000	-
Building on freehold land								
- factory	152,567,415	-	152,567,415	43,370,615	5,459,840	48,830,455	103,736,960	5
- residential	29,130,889	-	29,130,889	8,616,323	1,025,728	9,642,051	19,488,838	5
Plant and machinery	237,936,253	19,991,448	257,927,701	77,944,022	8,815,425	86,759,447	171,168,254	5
Power Generators	29,997,446	1,185,000	31,182,446	5,376,812	2,570,688	7,947,500	23,234,946	10
Electric Installations	16,621,598	-	16,621,598	10,951,598	567,000	11,518,598	5,103,000	10
Factory equipments	14,785,075	-	14,785,075	3,445,075	1,134,000	4,579,075	10,206,000	10
Electric appliances	940,688	-	940,688	747,730	19,296	767,026	173,662	10
Office equipments	2,807,355	21,500	2,828,855	1,854,300	96,573	1,950,873	877,982	10
Furniture and fixtures	290,516	-	290,516	245,387	4,513	249,900	40,616	10
Vehicles	11,521,112	-	11,521,112	7,854,869	733,249	8,588,118	2,932,994	20
Total 2015	596,596,295	46,627,971	643,224,266	180,833,043	21,829,693	202,662,736	440,561,530	
	2014							
	COST / REVALUED AMOUNT			DEPRECIATION			W.D.V	
DESCRIPTION	As at July 1, 2013	Addition/ (deletion)	As at June 30, 2014	As at July 1, 2013	For the year	As at June 30, 2014	As at June 30, 2014	Rate %
Freehold land	78,800,000	-	78,800,000	-	-	-	78,800,000	-
Building on freehold land								
- factory	152,567,415	-	152,567,415	43,370,615	5,459,840	48,830,455	103,736,960	5
- residential	29,130,889	-	29,130,889	8,616,323	1,025,728	9,642,051	19,488,838	5
Plant and machinery	237,936,253	19,991,448	257,927,701	77,944,022	8,815,425	86,759,447	171,168,254	5
Power Generators	29,997,446	1,185,000	31,182,446	5,376,812	2,570,688	7,947,500	23,234,946	10
Electric Installations	16,621,598	-	16,621,598	10,951,598	567,000	11,518,598	5,103,000	10
Factory equipments	14,785,075	-	14,785,075	3,445,075	1,134,000	4,579,075	10,206,000	10
Electric appliances	940,688	-	940,688	747,730	19,296	767,026	173,662	10
Office equipments	2,807,355	21,500	2,828,855	1,854,300	96,573	1,950,873	877,982	10
Furniture and fixtures	290,516	-	290,516	245,387	4,513	249,900	40,616	10
Vehicles	11,521,112	-	11,521,112	7,854,869	733,249	8,588,118	2,932,994	20
Total 2014	575,398,347	21,197,948	596,596,295	160,406,731	20,426,312	180,833,043	415,763,252	

	2015 Rupees	2014 Rupees
5.2 Depreciation charge for the year has been allocated as under		
Cost of sales	21,146,917	19,591,977
Administrative expenses	682,776	834,335
	<u>21,829,693</u>	<u>20,426,312</u>

5.3 Had there been no revaluation, the related figures of freehold land, building on freehold land, plant and machinery, power generators, electric installation and factory equipments as at June 30 would have been as follows:

	2015		
	Cost	Accumulated depreciation	Written down value
	[R U P E E S]		
Freehold land	3,848,875	-	3,848,875
Building on freehold land			
- Factory	32,519,124	28,454,955	4,064,169
- Residential	6,147,674	5,074,391	1,073,283
Plant and machinery	303,123,188	198,894,694	104,228,494
Power Generators	46,529,285	8,356,495	38,172,790
Electric installations	12,569,808	10,930,863	1,638,945
Factory equipments	2,905,074	2,337,321	567,753
	<u>407,643,028</u>	<u>254,048,719</u>	<u>153,594,309</u>
	2014		
	Cost	Accumulated depreciation	Written down value
	[R U P E E S]		
Freehold land	3,848,875	-	3,848,875
Building on freehold land			
- Factory	32,519,124	28,241,051	4,278,073
- Residential	6,147,674	5,017,902	1,129,772
Plant and machinery	285,909,988	193,564,252	92,345,736
Power Generators	17,355,514	5,320,384	12,035,130
Electric installations	12,569,808	10,748,758	1,821,050
Factory equipments	2,711,074	2,285,015	426,059
	<u>361,062,057</u>	<u>245,177,362</u>	<u>115,884,695</u>
	2015 Rupees		2014 Rupees

5.4 Capital work in progress

Plant and machinery	5.4.1	-	4,195,600
Advances for capital expenditure	5.4.2	972,170	4,832,170
		<u>972,170</u>	<u>9,027,770</u>

5.4.1 Movement of plant and machinery

Opening balance	4,195,600	1,084,650
Addition during the year	13,017,600	21,042,825
	17,213,200	22,127,475
Less: Capitalization during the year	(17,213,200)	(17,931,875)
	-	4,195,600

5.4.2 Advances for capital expenditure

Plant and machinery	972,170	4,832,170
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	Note	2015 Rupees	2014 Rupees
6. LONG TERM DEPOSITS			
Security deposits		<u>16,805,880</u>	<u>17,171,926</u>
6.1 This includes Rs. 13,850,000/- (2014: Rs. 14,216,046/-) security deposit with Sui Northern Gas Pipelines Limited (SNGPL) against supply of natural gas to the company. It is subject to interest at the rate of 5% per annum.			
7. STORES AND SPARES			
Stores		2,007,989	3,211,519
Spares		<u>8,981,758</u>	<u>12,598,798</u>
		<u>10,989,747</u>	<u>15,810,317</u>
8. STOCK IN TRADE			
Raw material		5,419,581	48,515,992
Finished goods		<u>40,526,064</u>	<u>41,401,618</u>
		<u>45,945,645</u>	<u>89,917,610</u>
9. TRADE DEBTS			
Considered good			
Local - unsecured		<u>2,419,641</u>	<u>497,010</u>
10. ADVANCES, PREPAYMENT AND OTHER RECEIVABLES			
Advances-considered good:			
Advances to suppliers		1,140,978	13,575,561
Advances to employees		482,466	42,112
Prepaid insurance		269,744	211,306
Accrued profit		<u>962,220</u>	<u>1,851,812</u>
		2,855,408	15,680,791
Others			
Considered good		119,774	864,774
Considered doubtful		745,000	-
		864,774	864,774
Less: Provision for doubtful receivables	10.1	<u>(745,000)</u>	-
		<u>2,975,182</u>	<u>16,545,565</u>
10.1 This represents provision created for advance paid to BSL logistics on account of clearing and forwarding services and it was outstanding since 2006.			
11. SHORT TERM INVESTMENT			
Available for sale			
Nafa Government Securities Liquid Fund	11.1	<u>337,387</u>	<u>316,959</u>
11.1 These have been valued by using published net asset value (NAV) as at 30th June, the number of units held by the Company are 33,265.3716 units (2014: 31,526.2428 units).			
12. TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax receivable		3,475,062	3,475,062
Income tax refundable		<u>8,174,426</u>	<u>6,163,078</u>
		<u>11,649,488</u>	<u>9,638,140</u>
13. CASH AND BANK BALANCES			
Cash in hand		165,950	541,767
Cash at bank			
In current accounts	-Including US \$ 970 (2014: US \$ 970)	514,696	679,765
In deposit accounts	13.1	<u>2,420,855</u>	<u>993,517</u>
		2,935,551	1,673,282
		<u>3,101,501</u>	<u>2,215,049</u>
13.1 The rate of profit on deposit accounts is ranging from 4.5% to 8% per annum (2014: ranging from 5% to 8% per annum).			
14. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Balance as on July 01,		226,187,459	235,178,750
Less: Incremental depreciation on revalued property, plant and equipment for the year transferred to accumulated loss		<u>12,258,194</u>	<u>13,045,244</u>
Related effect of deferred tax liability		<u>(3,677,459)</u>	<u>(4,053,953)</u>
		8,580,735	8,991,291
Balance as on June 30,		<u>217,606,724</u>	<u>226,187,459</u>

This represents surplus on revaluation of freehold land, building on freehold land, plant and machinery, factory equipments, electric installations and power generators. Revaluation of freehold land on market value, building on freehold land and plant and machinery on depreciated replacement values was carried out by M/S Yousaf Adil Saleem & Co. Chartered Accountants as on September 30, 1998 and by M/S Nizamy Associates as on June 30, 2007 and June 30, 2012.

	Note	2015 Rupees	2014 Rupees
15. LONG TERM FINANCING			
From banking companies - secured			
IBRD foreign currency		-	164,509
Demand finance		-	14,946,241
		-	15,110,750
From related parties - unsecured			
Chief executive, Directors and Members		-	165,578,177
Less: Current portion shown under current liabilities		-	(6,578,177)
		-	159,000,000
		-	174,110,750
16. DEFERRED LIABILITIES			
Deferred taxation	16.1	56,739,549	68,641,285
Deferred custom levies	16.2	-	5,591,401
		<u>56,739,549</u>	<u>74,232,686</u>
16.1 DEFERRED TAXATION			
16.1.1 Balance as on July 01, Provided/(adjusted) during the year		68,641,285	95,421,362
Balance as on June 30,	16.1.2	<u>(11,901,736)</u>	<u>(26,780,077)</u>
		<u>56,739,549</u>	<u>68,641,285</u>
16.1.2 This comprise of following:			
Deferred tax liability:			
Taxable temporary differences relating to operating assets		17,809,756	19,486,246
Taxable temporary differences relating to surplus on revaluation of property, plant and equipment		65,988,382	69,665,841
Deferred tax assets:			
Deductible temporary differences on tax losses		(26,910,721)	(20,362,934)
Deferred tax asset related to minimum tax		<u>(147,868)</u>	<u>(147,868)</u>
		<u>56,739,549</u>	<u>68,641,285</u>
16.1.3 The liability of deferred tax has been computed by applying the tax rate expected to be enacted at the balance sheet date when the temporary differences will be reversed and tax losses will be recovered.			
16.1.4 Deferred tax debit balance is recognized on tax losses and minimum tax based on the projected taxable profits of the Company for future years.			
16.2 DEFERRED CUSTOM LEVIES		<u>-</u>	<u>5,591,401</u>
It represents 70% of the import duty and surcharge on ring spinning frames provided by the management in the past as was demanded by custom authorities in other cases. Whereas SRO 1076(I)/95 provides that 30% of total import duty and surcharge was leviable which the Company has already paid. The management has written back these long outstanding levies during the year.			
17. TRADE AND OTHER PAYABLES			
Trade creditors		166,945,673	134,998,456
Accrued expenses		14,097,609	12,038,667
Advances from customers		2,663,101	4,177,854
Withholding tax payable		148,012	20,182
Unclaimed dividend		443,720	443,720
Provident fund trust	17.1	330,672	224,516
Sales tax payable		375,488	414,440
Workers' profit participation fund	17.2	-	191,675
		<u>185,004,275</u>	<u>152,509,510</u>
17.1 This represents amount due to provident fund trust for the month of June of which payment was made at July 13, 2015 (July 20, 2014).			
17.2 Workers' profit participation fund			
Balance as at July 01,		191,675	2,449,075
Interest on funds utilized in the Company's business		-	191,675
		<u>191,675</u>	<u>2,640,750</u>
Allocation for the year		-	-
		-	2,640,750
Less: Payments during the year		<u>(191,675)</u>	<u>(2,449,075)</u>
		<u>-</u>	<u>191,675</u>

18. SHORT TERM BORROWINGS

	Note	2015 Rupees	2014 Rupees
From banking companies - secured			
IBRD foreign currency	18.1	164,509	-
Demand finance	18.2	14,946,241	-
		15,110,750	-
From related parties - unsecured			
Chief executive, Directors and Members	18.3	136,846,824	-
		<u>151,957,574</u>	<u>-</u>

18.1 The financing was obtained from MCB Bank Limited and is secured against first charge by way of equitable mortgage on fixed assets of the Company, hypothecation of plant and machinery and equipment and floating charge on book debts. It was further secured by a demand promissory note and personal guarantees of the directors of the Company carrying mark up @ 14% per annum. In case of default in payment of any installment of principal and/or mark up on due date, additional mark up @ 5% per annum was payable on the amount of default.

However, no mark up has been accrued due to litigations and considering that liability already recorded on this account is far more than factually due (fully explained in note 19.2 of the financial statements); and for that suit and counter suit have been filed by the company and the bank, pending adjudication at the terminal date.

In view of likelihood of outcome of the case in the near future, it has been classified as current liability.

18.2 It represented credit facilities created against deferral of installments of IBRD foreign currency loan is also secured against the securities as mentioned in note 18.1 above. It carried mark up ranging from 14% to 17% per annum.

However the company has filed a suit against charging the compound mark up by MCB Bank Limited. The bank has also filed a counter suit against the Company. Consequently no mark up has been accrued due to litigation and considering that liability already accounted for on this account is far more than factually due (fully explained in note 19.2 of the financial statements).

In view of likelihood of outcome of the case in the near future, it has been classified as current liability.

18.3 It represents interest free loan from Chief executive, Directors and Members. Last year Chief executive, Directors and Members resolved that they will not demand repayment of loan except to the extent of Rs. 6,578,177/- . This year it is resolved that repayment of loan may be demanded at any time subject to the availability of sufficient funds with the company. Therefore, it has been classified as a current liability.

19. CONTINGENCIES AND COMMITMENTS

Contingencies

19.1 The Faysal Bank Limited had filed an appeal before the Lahore High Court, Lahore against the decision of Banking Court # 2 Faisalabad for recovery of Rs.45.616 Million (2014: Rs.45.616 Million) along with costs etc. not determinable at this stage, which was made in favour of the Company. The appeal of the Bank was accepted by the Honourable Lahore High Court, Lahore to the extent that computation of mark up and verification of payments to the tune of Rs. 26.890 Million may again be made.

Having been aggrieved by the decision of the Honourable Lahore High Court, Lahore, the Company filed an appeal before the Supreme Court of Pakistan. The management of the company has affirmed that the case will be decided in its favour on the pretext that due relief had already been given by the apex court in identical cases.

19.2 The Company has filed a suit for rendition of accounts against charging excessive mark up by MCB Bank Limited instead of agreed one in all financing facilities availed in 1996 and resultantly claimed an amount of Rs. 10,006,998 as refundable on this account. The bank has also filed a counter suit against the Company for recovery of outstanding liabilities in the sum of Rs. 23,341,928 including accrued mark up and cost of funds amounting to Rs. 8,231,179. In the opinion of the management and its legal advisor, the case of the Company is based on strong legal grounds as the superior courts have already decided cases against charging of compound mark up / profit and the case of the Company is also based on similar question of law.

Accordingly, the management of the Company has decided that further mark up on long term financing from MCB Bank Limited should not be charged after July 01, 2008 keeping in view the verdict of the Apex courts, deciding that other than cost of fund on the unpaid original credit facility, which in the instant case is Rs. 164,509 only. Consequently, the accrued mark up of Rs. 22.032 million already existed in the books of account is much more than the amount that may be payable by the Company on decision.

19.3 Two ex-employees of the company filed suits against the company of which;

19.3.1 One employee has filed a suit against the company in Labour Court for the claim of outstanding dues against his services. The financial impact of the case is immaterial. The legal advisor has confirmed that the Company is at sound footing and prima facie the case is expected to be decided in its favour.

19.3.2 Another employee has filed a suit for the claim of reinstatement of his services and dues which has been decided by the Labour Court No.4, Faisalabad in appellant's favour. The Company has filed an appeal before Punjab Labour Appellate Tribunal against the decision of Labour Court. In compliance with the order of Punjab Labour Appellate Tribunal Rs.119,774 as 50% of employee's dues have been deposited with Appellate Authority. The legal advisor has confirmed that the Company is at sound footing and prima facie the case is expected to be decided in its favour.

	Note	2015 Rupees	2014 Rupees
Commitments			
Under letters of credit (Sight)		-	100,000,000
20. SALES -NET			
Local			
Yarn sales		590,169,011	735,941,310
Waste sales		6,587,074	28,717,227
Gross sales		596,756,085	764,658,537
Less: Sales Tax		(11,701,114)	(17,229,204)
Commission		(384,631)	(292,400)
		(12,085,745)	(17,521,604)
		584,670,340	747,136,933
21. COST OF SALES			
Raw material consumed	21.1	396,787,603	547,264,144
Stores and spares consumed		17,188,566	20,791,649
Packing material consumed		8,845,777	8,871,295
Salaries, wages and benefits		67,563,787	72,712,187
Provident fund contribution		1,648,842	2,102,493
Fuel and power		102,353,887	142,011,353
Repairs and maintenance		759,698	359,029
Postage and telecommunication		66,989	61,331
Vehicles running and maintenance		445,201	763,963
Insurance		2,132,141	2,227,983
Depreciation	5.2	21,146,917	19,591,977
Others		1,077,834	1,264,625
		620,017,242	818,022,029
Work in process			
Balance as on July 01,		-	7,472,432
Balance as on June 30,		-	-
Finished goods			
Balance as on July 01,		41,401,618	22,479,270
Balance as on June 30,		(40,526,064)	(41,401,618)
		875,554	(18,922,348)
		620,892,796	806,572,113
21.1 RAW MATERIAL CONSUMED			
Balance as on July 01,		48,515,992	57,285,474
Purchases		353,691,192	538,494,662
Balance as on June 30,		402,207,184	595,780,136
		(5,419,581)	(48,515,992)
		396,787,603	547,264,144
22. DISTRIBUTION COSTS			
Shipping expenses		-	191,700
Postage and telephone		7,965	6,202
Others		21,660	24,098
		29,625	222,000
23. ADMINISTRATIVE EXPENSES			
Staff salaries and benefits		6,334,132	5,717,742
Provident fund contribution		242,219	207,516
Postage and telecommunication		371,880	386,379
Electricity, gas and water		111,001	385,537
Printing and stationery		132,092	168,985
Traveling and conveyance		727,141	1,483,171
Fee and subscriptions		326,546	930,088
Legal and professional		681,523	725,911
Repairs and maintenance		84,325	66,395
Auditors' remuneration	23.1	320,000	320,000
Insurance		357,649	320,390
Depreciation	5.2	682,776	834,335
Bad debts written off		149,130	-
Provision for doubtful receivables		745,000	-
Others		543,800	696,386
		11,809,214	12,242,835

	Note	2015 Rupees	2014 Rupees
23.1 AUDITORS' REMUNERATION			
Statutory audit		250,000	250,000
Half yearly review		50,000	50,000
Out of pocket expenses		20,000	20,000
		<u>320,000</u>	<u>320,000</u>
24. FINANCE COST			
Interest on workers' profit participation fund		-	191,675
Bank charges and commission		24,815	108,573
		<u>24,815</u>	<u>300,248</u>
25. OTHER INCOME			
Income from financial assets			
Profit on deposit accounts		1,301,586	982,932
Exchange gain on foreign currency translation		2,231	388
Profit on deposit with SNGPL		692,500	2,075,233
Income from non-financial assets			
Balances written back		6,751,927	26,226
		<u>8,748,244</u>	<u>3,084,779</u>
26. TAXATION			
Current	26.1	-	-
Deferred			
Deferred tax (income) / expense relating to the origination and reversal of temporary differences, tax loss etc.		(5,661,619)	(23,973,566)
Deferred tax income resulting from reduction in tax rate		(6,240,117)	(2,806,511)
		<u>(11,901,736)</u>	<u>(26,780,077)</u>
Prior year		-	706,768
		<u>(11,901,736)</u>	<u>(26,073,309)</u>

26.1 In view of the gross loss in the current year, provision for minimum tax has not been made on turnover under Section 113 of the Income Tax Ordinance, 2001.

26.2 Reconciliation of tax expense and accounting profit has not been presented in these financial statements due to the reason discussed in note 26.1 above.

27. EARNINGS / (LOSS) PER SHARE-BASIC

Loss for the year (Rupees)	<u>(27,436,130)</u>	<u>(43,042,175)</u>
Weighted average number of ordinary shares outstanding during the year	<u>12,601,160</u>	<u>12,601,160</u>
Loss per share-basic (Rupees)	<u>(2.18)</u>	<u>(3.42)</u>

There is no dilutive effect on the basic earnings per share of the Company.

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	EXECUTIVE	
	2015	2014
	[R U P E S]	
Salary	733,335	693,333
House rent allowance	293,334	277,333
Utilities allowance	73,334	69,333
Total	<u>1,100,003</u>	<u>1,039,999</u>
Number of persons	<u>1</u>	<u>1</u>

No remuneration is paid to the Chief Executive Officer and directors, however Chief Executive Officer and Executive Directors are entitled to free use of Company maintained cars. The monetary value of these benefits is approximately Rs. 124,670/- (2014: Rs. 307,195/-).

29. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and key management personnel. Amounts due from and due to related parties, if any, are shown under relevant notes to financial statements. Remuneration of Executives is disclosed in Note 28. Transactions with related parties other than specifically mentioned in related notes were as follows.

Party	Nature of relationship	Nature of transactions	2015 Rupees	2014 Rupees
Provident fund	Retirement benefit fund	Company's contribution to provident fund	1,891,061	2,310,009
CEO/directors/members	Related party	Loan repayments to CEO/directors/members	28,731,353	5,490,122
Asim Textile Mills Limited	Associate	Purchase of cotton	11,827,306	-

	Note	2015 Rupees	2014 Rupees
30. PLANT CAPACITY AND PRODUCTION			
Number of spindles installed		21,384	21,384
Number of spindles worked		21,384	21,384
Number of shifts worked per day		3	3
Installed capacity after conversion into 20/s count (Kgs)		6,811,893	6,811,893
Actual production of yarn after conversion into 20/s count (Kgs)		4,958,936	4,501,142

Reasons for shortfall

The short fall in actual production during the year when compared with capacity is mainly on account of:

- Temporary closure of business for maintenance and unfavorable market conditions and economic slow down in the country;
- The actual production is planned to meet the market demand and orders in hand; and
- Shortage of electricity.

31. EMPLOYEES PROVIDENT FUND TRUST

2015 2014

The following information is based on latest un-audited financial statements of the Fund:

Size of the fund (Rupees)	8,847,980	9,126,304
Cost of investment made (Rupees)	7,480,405	7,695,780
Percentage of investment made (%)	85	84
Fair value of investment (Rupees)	8,061,566	8,261,953

31.1 The break-up of fair value of investments is:

	2015		2014	
	Rupees	% of full	Rupees	% of full
Bank balances	4,969,235	61.64	5,416,245	66
NBP Fullerton Asset Management Ltd	3,092,331	38.36	2,845,708	34
	<u>8,061,566</u>	<u>100.00</u>	<u>8,261,953</u>	<u>100</u>

31.2 The investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

32. NUMBER OF EMPLOYEES

The average number of employees for the year ended June 30, 2015 were 466 (2014: 514) and number of employees as at June 30, 2015 were 534 (2014: 239)

33. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

33.1 Financial assets and liabilities by category and their respective maturities

Financial assets and liabilities of the company are as follows:-

	June 30, 2015							Total
	Interest/mark-up bearing			Non Interest/mark-up bearing				
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total		
[R U			P E	E S]			
Financial assets								
Available for sale								
- Investment (NAFA Government Securities)	337,387	-	337,387	-	-	-	-	337,387
Long term deposits	-	13,850,000	13,850,000	-	2,955,880	2,955,880	16,805,880	16,805,880
Trade debts	-	-	-	2,419,641	-	2,419,641	2,419,641	2,419,641
Advances, prepayment and other receivables	-	-	-	1,564,460	-	1,564,460	1,564,460	1,564,460
Cash and bank balances	2,420,855	-	2,420,855	680,646	-	680,646	3,101,501	3,101,501
	2,758,242	13,850,000	16,608,242	4,664,747	2,955,880	7,620,627	24,228,869	24,228,869
Financial liabilities								
Trade and other payables	-	-	-	181,817,674	-	181,817,674	181,817,674	181,817,674
Accrued mark up/interest on long term financing	-	-	-	22,031,875	-	22,031,875	22,031,875	22,031,875
Short term borrowings	15,110,750	-	15,110,750	136,846,824	-	136,846,824	151,957,574	151,957,574
	15,110,750	-	15,110,750	340,696,373	-	340,696,373	355,807,123	355,807,123
Excess of financial liabilities over financial assets	(12,352,508)	13,850,000	1,497,492	(336,031,626)	2,955,880	(333,075,746)	(331,578,254)	(331,578,254)

	June 30, 2014							Total
	Interest/mark-up bearing			Non Interest/mark-up bearing				
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total		
[R U			P E	E S]			
Financial assets								
Available for sale								
- Investment (NAFA Government Securities)	-	-	-	316,959	-	316,959	316,959	316,959
Loans and receivables								
Long term deposits	-	14,216,046	14,216,046	-	2,955,880	2,955,880	17,171,926	17,171,926
Trade debts	-	-	-	497,010	-	497,010	497,010	497,010
Advances, prepayment and other receivables	-	-	-	2,716,586	-	2,716,586	2,716,586	2,716,586
Cash and bank balances	993,517	-	993,517	1,221,532	-	1,221,532	2,215,049	2,215,049
	993,517	14,216,046	15,209,563	4,752,087	2,955,880	7,707,967	22,917,530	22,917,530
Financial liabilities								
Long term financing	-	15,110,750	15,110,750	6,578,177	159,000,000	165,578,177	180,688,927	180,688,927
Trade and other payables	-	-	-	147,705,359	-	147,705,359	147,705,359	147,705,359
Accrued mark up/interest on long term financing	-	-	-	22,031,875	-	22,031,875	22,031,875	22,031,875
Short term borrowings	-	-	-	-	-	-	-	-
	-	15,110,750	15,110,750	176,315,411	159,000,000	335,315,411	350,426,161	350,426,161
Excess of financial liabilities over financial assets	993,517	(894,704)	98,813	(171,563,324)	(156,044,120)	(327,607,444)	(327,508,631)	(327,508,631)

The carrying values of all the financial assets and liabilities reflected in the financial statements approximate their fair value.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Taken as a whole, the company is exposed to market risk comprising interest rate risk, currency risk and other price / equity risk, credit risk and liquidity risk. The company's principal financial liabilities comprise long term borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finance for company's operations. The company has various financial assets such as deposits, trade debts, prepayments, other receivables and cash and bank balances, which are directly related to its operations. The company's finance department oversees the management of these risks and provide assurance to the company's senior management that the company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company policies and risk appetite. No changes were made in the objectives, policies, procedures and assumptions during the year ended June 30, 2015. The policies for managing each of these risks are summarized below:

34.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk, and other price risk, such as equity risk. Financial instruments susceptible to / affected by market risk include loans, borrowings and deposits. The sensitivity analysis in the following sections relate to the position as at June 30, 2014 and 2015.

34.1.1 Yield/Mark-up rate risk:

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

The Company has no significant long term interest bearing financial assets. The Company's interest rate risk arises from long term financing. Borrowings obtained at variable rates exposes the Company to cash flow interest rate risk. Borrowings obtained at fixed rate exposes the company to fair value interest rate risk.

	2015 Rupees	2014 Rupees
Fixed rate instruments:		
Financial liabilities		
Short term borrowings	151,957,574	-
Financial assets		
Security deposit with SNGPL	13,850,000	14,216,046
Floating rate instruments:		
Financial assets		
Bank balance-deposit accounts	2,420,855	993,517

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 and loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

34.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables or payables that exist due to transactions in foreign currencies.

Financial assets include Rs. 98,455/- (2014: Rs. 96,224/-) which are subject to currency risk.

At June 30, 2015 had the functional currency been strengthened /weakened by 5% against the foreign currency with all other variables held constant, profit/(loss) for the year and equity would have been Rs. 4,578/- (2014: Rs.4,408/-) higher / lower, mainly as a result of foreign exchange gains / losses on translation of foreign currency denominated trade debts and foreign currency bank accounts.

34.1.3 Price Risk

Price risk represents 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 effecting all similar financial instruments traded in the market.

The company does not believe to have been materially exposed to price risk as its investment is in NAFA Government Securities Liquid Fund.

34.2 Credit risk and concentration of credit risk:

Credit risk is the risk representing accounting loss that would be recognized at the reporting date if one party to a financial instrument will fail to discharge an obligation or its failure to perform duties under the contract as contracted. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company is mainly exposed to credit risk on trade debts amounting to Rs. 2.420 million (2014: Rs. 0.497 million). Company seeks to minimize the credit risk exposure through having exposure only to customers and suppliers considered credit worthy and also by obtaining advance against sales from customers. The carrying values of financial assets which are neither past due nor impaired are as under:

FINANCIAL ASSETS	2015 Rupees	2014 Rupees
Long term deposits	16,805,880	17,171,926
Trade debts	2,419,641	497,010
Advances and other receivables	1,564,460	2,716,586
Short term investment	337,387	316,959
Bank balances	1,673,282	24,369,141
	<u>22,800,650</u>	<u>45,071,622</u>

Credit quality of financial assets

The credit quality of the company's financial assets have been assessed below by reference to external credit ratings of counterparties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit rating determined based on their historical information for any defaults in meeting obligations.

	Rating			2015 Rupees	2014 Rupees
	Short term	Long term	Agency		
Bank balances					
Al-Baraka Bank (Pakistan) Limited	A-1	A	JCR-VIS	511,532	511,532
Bank Al-Habib Limited	A1+	AA+	PACRA	3,761	3,761
Faysal Bank Limited	A1+	AA	PACRA	20,889	20,889
JS Bank Limited	A1+	A+	PACRA	17,345	17,345
National Bank of Pakistan	A-1+	AAA	JCR-VIS	34,905	34,905
United Bank Limited	A-1+	AA+	JCR-VIS	1,040,851	1,040,851
Dubai Islamic Bank (Pakistan) Limite	A-1	A+	JCR-VIS	43,999	43,999
				<u>1,673,282</u>	<u>1,673,282</u>
Short term investments					
NAFA Government Securities Liquid Fund		AAA(f)	PACRA	337,387	316,959
Counterparties without external credit rating					
Other receivables				<u>1,564,460</u>	<u>2,716,586</u>

34.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and cash equivalents.

The table below summaries the maturity profiles of company's financial liabilities as on June 30, 2015 and 2014 based on contractual undiscounted payments date and present market interest rates.

	Within 6 months	More than 6 months and less than 1 year	More than 1 year and up to 5 years	Total
June 30, 2015				
Long term financing	-	-	-	-
Trade and other payables	181,817,674	-	-	181,817,674
Accrued interest/mark up	-	22,031,875	-	22,031,875
Short term borrowings	-	151,957,574	-	151,957,574
	<u>181,817,674</u>	<u>173,989,449</u>	<u>-</u>	<u>355,807,123</u>
June 30, 2014				
Long term financing	3,617,997	2,960,180	174,110,750	180,688,927
Trade and other payables	147,705,359	-	-	147,705,359
Accrued interest/mark up	-	-	22,031,875	22,031,875
Short term borrowings	-	-	-	-
	<u>151,323,356</u>	<u>2,960,180</u>	<u>196,142,625</u>	<u>350,426,161</u>

34.3.1 The company has un availed facility of Rs. 100 Million for LCs at sight as at June 30, 2015 (2014: 100 Million).

34.4. Capital risk management

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

The debt-to-adjusted capital ratios at June 30, 2015 and June 30, 2014 were as follows:

	2015 Rupees	2014 Rupees
Total Debts	151,957,574	180,688,927
Less: Cash and cash and bank balances	<u>(3,101,501)</u>	<u>(2,215,049)</u>
Net debt	148,856,073	178,473,878
Total equity (including surplus on revaluation of property, plant & equipment)	120,024,898	147,440,600
Total capital employed	<u>268,880,971</u>	<u>325,914,478</u>
Gearing ratio	<u>55.36</u>	<u>54.76</u>

34.5 Fair value of financial assets and liabilities

The carrying value of financial assets and liabilities approximate their fair value.

35. DATE OF AUTHORIZATION FOR ISSUE

35.1 The financial statements were authorized for issue on 08 OCT 2015 by the Board of Directors of the Company.

35.2 Figures in these financial statements have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE


DIRECTOR

FORM - 34

PATTERN OF SHAREHOLDING AS ON 30 JUNE, 2015

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
154	1	100	13,401
57	101	200	11,400
33	201	300	9,900
44	301	400	17,579
1,227	401	500	613,500
60	501	1,000	59,200
81	1,001	5,000	209,058
15	5,001	10,000	123,500
9	10,001	20,000	149,321
3	20,001	50,000	107,200
3	50,001	80,000	193,727
4	250,001	400,000	1,059,761
3	550,001	700,000	1,885,753
1	1,155,001	1,155,000	1,154,850
1	6,990,001	6,995,000	6,993,010
1,695			12,601,160

NOTE: The slabs not applicable have not been shown.

(*) The shareholder holds 10% or more shares

Categories of Shareholders	Number	Shares	Holding
		Held	Percentage
Individuals.	1,678	3,091,024	24.53
N. I. T.	1	279,861	2.22
L. C. P.	1	4,300	0.03
Mr. Imran Zahid (CEO/Director)	1	630,000	5.00
(*)Mr. Zahid Anwar (Director)	1	6,993,010	55.49
Mrs Rukhsana Begum (Director)	1	1,154,850	9.16
Miss Quratul Ain Zahid (Director)	1	325,500	2.58
Mr. Muhammad Anwar ul Haq (Director)	1	2,500	0.02
Mr. Muhammad Ali (Director)	1	2,500	0.02
Mr. Muhammad Yousaf (Director)	1	2,500	0.02
Saudi Pak Ind & Inv (pvt) Ltd	1	200	0.00
Adamjee Insurance Co Ltd	1	1,000	0.01
The Bank of Punjab	1	17,435	0.14
Altowfeek Investment Bank Ltd	1	20,000	0.16
National Bank of Pakistan	1	64,480	0.51
Islamic Investment Bank Ltd	1	10,000	0.08
Pasha Securities (Pvt) Ltd.,	1	1,000	0.01
National Development Finance Corp.	1	1,000	0.01
	1,695	12,601,160	100.00

STATEMENT SHOWING SHARES BOUGHT AND SOLD BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSE AND MINOR CHILDREN FROM 01-07-2014 TO 30-06-2015.

Name	Designation	Shares	
		Bought	Sold
NIL	NIL	NIL	NIL