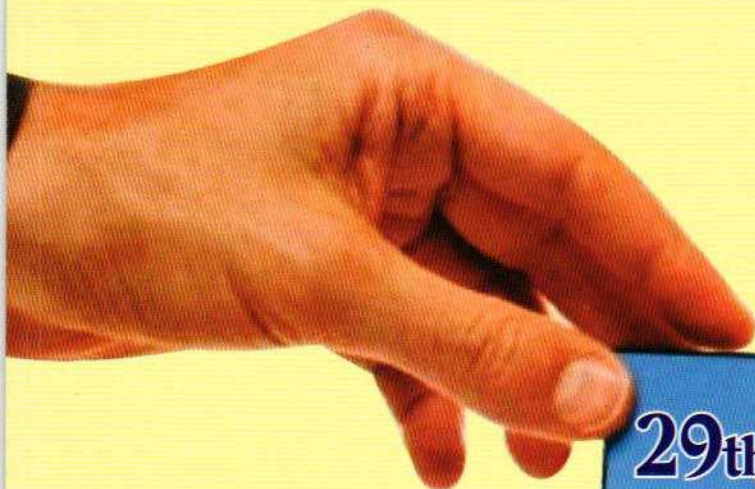
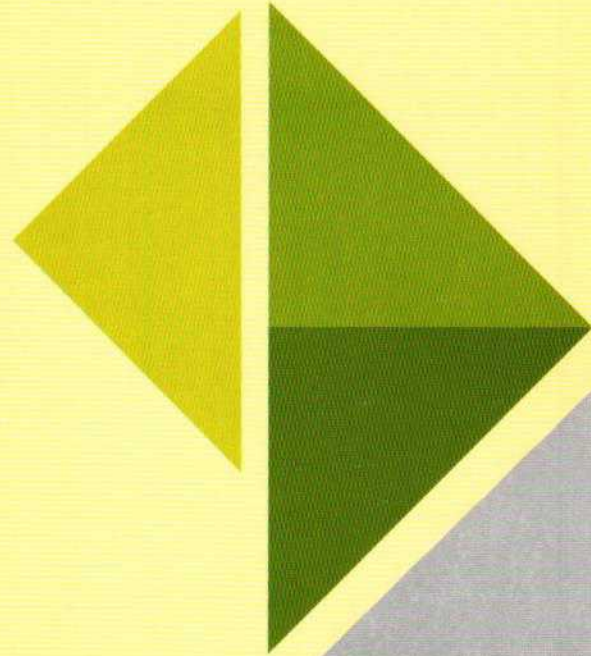




AL-QADIR

Textile Mills Limited

Qtm



29th

Annual
Report

2015

6-km. Jhelum Road, Chakwal



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VISION

Al-Qadir Textile Mills Limited is the largest exporter of cotton yarn in Rawalpindi Division, delivering quality products through innovative technology and effective resource management, maintaining high ethical and professional standards.

Pursuing its objectives, Al-Qadir Textile Mills Limited has over the years, preserved to attain the present enviable position, with its products competing at home and abroad.

We work to achieve commitments, integrity, fairness and teamwork into every aspect of our business dealings.

MISSION

Our mission is to keep ahead of our competitors. We can not be complacent about our achievements. Everyone from top management to workers is driven by this mission and engaged in applying resources to continual product improvement.

Given its vision and its focused strategy, Al-Qadir Textile Mills Limited, can look forward to as bright a future as its past.

Better utilization of man-power, continuous improvement in quality, customer's satisfaction is our mission.



COMPANY INFORMATION

**BOARD OF DIRECTORS:
CHAIRMAN**

MR. MUHAMMAD BASHIR RAJA

**CHIEF EXECUTIVE OFFICER
DIRECTORS**

MR. GHULAM ALI RAJA
MR. ASIF ALI RAJA
MR. ADIL BASHIR RAJA
MST. TASNEEM AKHTAR
MST. YASMEEN BEGUM
MST. ASBAH RUBINA
MR. GUL SHER KHAN

**AUDIT COMMITTEE:
CHAIRMAN
MEMBERS**

MR. GUL SHER KHAN
MST. TASNEEM AKHTAR
MST. YASMEEN BEGUM
MST. ASBAH RUBINA

**HUMAN RESOURCE AND
REMUNERATION COMMITTEE
CHAIRMAN
MEMBERS**

MR. GUL SHER KHAN
MR. GHULAM ALI RAJA
MST. ASBA RUBINA

**CHIEF FINANCIAL OFFICER
& COMPANY SECRETARY**

MR. ZAHEER AHMED AKMAL

AUDITORS

AMIR ALAM KHAN & CO.
CHARTERED ACCOUNTANTS,
RAWALPINDI

BANKERS:

BANK AL-FALAH LIMITED

REGISTERED OFFICE

RAJA HOUSE, NEAR MAKKI MASJID,
CHAKWAL, PAKISTAN
TEL: 0543-540833 FAX: 0543-540834
URL: www.aqtextile.com
E-MAIL: info@aqtextile.com

HEAD OFFICE & MILLS

6-K.M. JHELUM ROAD, CHAKWAL

SHARE REGISTRARS

M/S YOUR SECRETARY (PVT) LTD
1020, 10TH FLOOR, UNI PLAZA,
I.I. CHUNDRIGAR ROAD,
KARACHI.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of the Company will be held at Mills Office 6-K.M Jhelum Road, Chakwal on Saturday i.e. October 31, 2015 at 10:30 A.M to transact the following business.

1. To confirm the Minutes of the 28th Annual General Meeting held on October 31, 2014.
2. To receive and adopt the Audited Accounts of the company for the year ended 30th June 2015 and the Directors and Auditor's Report thereon.
3. To approve and appoint the "External Auditors" for the year 2015-16 and to fix their remuneration. The retiring auditor M/s Amir Alam Khan & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.
4. To consider any other business with the permission of the chair.

Chakwal
October 08, 2015

By order of the Board
Zaheer Ahmed Akmal
Company Secretary

NOTICES:

1. The share transfer books of the company will remain closed from 25th October to 31st October 2015 (both days inclusive). Transfer received in order at the Registrars of the Company i.e., M/s Your Secretary (Pvt.) Limited, 1020, Uni Plaza, I.I. Chundrigar Road, Karachi.
2. A member entitled to attend and vote all the general meetings, is entitled to appoint another member as proxy to attend and vote for his/her behalf. Complete proxy form must be received at Company's Registrar or the Registered Office of the Company, not less than 48 hours before the time of the meeting.
3. Any individual beneficial owner of CDC, entitled to vote at this meeting must bring his/her original Computerized National Identity Card with him/her to prove his/her identity and in case of proxy, a copy of shareholders' attested Computerized National Identity Card must be attached with the proxy form.
4. Shareholders are requested to promptly notify the Company or the Registrars of the Company of any change in their address.



DIRECTOR'S REPORT TO THE MEMBERS

In the Name of Allah, Most Gracious, Most Merciful

The Directors of your Company are pleased to present before you the audited Financial Statements for the year ended June 30, 2015 along with Auditors' report thereon.

Performance of Company

The performance of your Company remained satisfactory for the year under review in spite of globally stagnant demands of textile products which has resulted in continuous fall in sale rates throughout the year.

During the year under review the company has sustained loss after tax of Rs. 91.288 million as compared to loss after tax of Rs. 70.288 million for the corresponding last year. This further slide in loss is attributed to the non-responsive yarn market towards higher cotton prices in local as well as international markets and power outages as compared to the corresponding last year. The turnover of the company also decreases from 1.610 billion to Rs. 1.607 billion.

Future Outlook

Textile industry is passing through difficult circumstances, mainly due to poor product demands and comparatively high cost of production as of neighboring countries. Textile sector is awaiting the announcement of incentives from the Government of Pakistan which would support the industry to boost its sales. It is high time that Government should take necessary steps and provide relief without further loss of time. In spite of all these conditions the management making its best efforts to make the operation as efficient as possible.

Textile sector is the backbone of our economy, accounting for 8 percent of GDP with significant potential for growth. It has the most intensive backward and forward linkages within the wider economic chain compared to any other sector. Spinning industry, in Pakistan has many challenges to face. Despite difficult situation ahead due to uncertain cotton market and power shortages, we are hopeful that your company would continue its journey of profitability. The management of your company continues to make best efforts, through strategy of expanding and diversifying product range and targeting new and growing markets.

CORPORATE & FINANCIAL REPORTING FRAMEWORK:

We are pleased to report that your company has taken necessary steps to comply with the provisions of Code of Corporate Governance as amended in 2013 and incorporated in the listing regulations of the Stock Exchanges.

- The financial statements for the year ended June 30, 2015 present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS) as applicable in Pakistan has been followed in preparation of financial statements; and departure, if any, has been adequately disclosed.
- The system of internal control is sound in design. The process of monitoring will continue and control strengthened where ever considered necessary;
- There are no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in listing regulations of Stock Exchange & Companies Ordinance 1984.
- Key operating and financial data of last six years is summarized.
- There are no outstanding statutory payments on accounts of taxes, duties, levies or charges except

- those reflected in the audited accounts.
- The company operated an un-funded and unapproved gratuity scheme. Provision is made annually to cover the obligations under the scheme. The latest actuarial valuation has been carried out as at June 30, 2015.
 - During the year, six meetings of the Board of Directors were held and the attendance by each member is given at annexure.

Name of Directors	No. of Board Meeting Attended
Mr. Ghulam Ali Raja	6
Mr. Mohammed Bashir Raja	6
Mr. Asif Ali Raja	6
Mr. Adil Bashir Raja	5
Mr. Gul Sher Khan	6
Mst. Tasneem Akhtar	4
Mst. Yasmeen Begum	5
Mst. Asbah Rubina	6

(The Board granted leave of absence to the directors who could not attend the meetings due to their pre-occupation.)

- During the year 5 meetings of the Audit Committee were held attendance by each director is as follows.

Mr. Gul Sher Khan	Chairman	5
Mst. Tasneem Akhtar	Member	4
Mst. Yasmeen Begum	Member	5
Mst. Asba Rubina	Member	5
- The pattern of shareholding as on June 30, 2015 and its disclosure as required in the Code of Corporate Governance is annexed with this report.
- During the year one meeting of the Human Resource and Remuneration Committee was held and attended by all the members.
- Code of conduct has been developed and are communicated and acknowledged by each Director and employee of the Company.
- 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.

AUDITORS

The present auditors of the Company M/S Amir Alam Khan, Chartered Accountants, Islamabad, retire and being eligible, offer themselves for re-appointment. The Audit Committee has recommended re-appointment of the same auditors.

ACKNOWLEDGEMENT

The directors of the company wish to place on record their appreciation for the efforts of the executives, officers, staff members and workers of the company in achieving the best possible results. They also thanks its shareholder, customers banks and financial institutions for their continued support extended by them in smooth running of company's operations and hope that their cooperation will be continued with the same spirit in the years to come.



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations No. 35 of listing regulations of Karachi Stock Exchange for purposes of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practice of corporate governance.

The Company has applied the principles contained in the code in the following manner:

1. The Company encourages representation of independent Non-Executive Directors on its Board of Directors. At present the Board includes-

Category	Name
Independent Director	1. Gul Sher Khan
Executive Director	1. Muhammad Bashir Raja
	2. Asif Ali Raja
	3. Adil Bashir Raja
Non-Executive Director	1. Ghulam Ali Raja
	2. Tasneem Akhtar
	3. Yasmeen Begum
	4. Asba Rubina

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 resident directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a Stock Exchange has been declared as defaulter by the stock exchange.
4. No casual vacancy occurred in the Board during the current 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 decision on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO and other working director(s) have been taken by the Board/shareholders.
8. The meeting of the Board was presided over by the Chief Executive or in his absence other director elected by the board for this purpose. The Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers were appropriately circulated at least seven days before the meetings. The minutes of the meeting were recorded and circulated. The Company Secretary and CFO attended the meetings of the Board of Directors.
9. Directors are well conversant with the listing regulations and legal requirements and as such are fully aware of their duties and responsibilities.



10. The Board has already approved appointment of Chief Financial Officer, Company Secretary, and Internal Auditor, their remuneration and terms and conditions of employment.
11. The Director's Report 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 the 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 Code.
15. The Board has formed an audit committee. It comprises of three members, of whom all are non executive directors and the chairman of the committee is an 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 as required by the Code. The terms of references of the committee have been formed and advised to the committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members including the CEO and non executive directors, while the chairmen of the committee is non executive director.
18. The Board has set up an effective internal audit function managed by suitably qualified and experienced personnel who are conversant with the policies and procedures of the Company. They are involved in the internal audit function on full time basis.
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 the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by the 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 Company's shares 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. All related party transactions entered during the year were at arm's length basis and these have been placed before the Audit Committee and Board of Directors. These transactions are duly reviewed and approved by Audit Committee and Board of Directors.
24. We confirm that all other material principles contained in the Code have been complied with.

CHAKWAL
October 08, 2015

GHULAMALIRAJA
(Chief Executive Officer)

**FINANCIAL DATA AT A GLANCE**

FROM 2010 -2015

Rs Million

	2010	2011	2012	2013	2014	2015
Sales Revenue	1,106,614	1,608.282	1,453.022	1,819.084	1,610.289	1,607.355
Marketing & Administrative Expenses	15,230	14.243	13.955	16.990	17.437	18.781
Profit/(Loss) before Tax	53,325	22.956	14.654	53.373	(63.835)	(85.578)
Profit/(Loss) after Tax	29,149	12.228	3.634	44.328	(70.819)	(91.288)
Capital expenditure	2,817	27.258	5.696	36.776	110.666	28.867
Shareholders' Equity	436,253	461.887	466.590	519.688	446.569	441.736
No. of Shares Outstanding	7,560	7,560	7,560	7,560	7,560	7,560
Break-up Value (Rs./Share)	57.71	61.10	61.72	68.74	59.07	58.43
Cash Dividend (%)	10	NIL	NIL	NIL	NIL	NIL
Dividend per Share (Rs.)	NIL	NIL	NIL	NIL	NIL	NIL
Bonus Share (%)	NIL	NIL	NIL	NIL	NIL	NIL
Production converted on 20/s KG	9,887	8.884	9.555	9.456	8.743	8.860

Key Performance Indicators

Return on Shareholders' Equity	6.68	2.65	0.78	8.53	(15.86)	(20.67)
Return on Total Assets	4.53	1.80	0.51	6.17	(8.60)	(9.43)
Earning per Share (Rs.)	3.86	1.62	0.48	5.86	(9.37)	(12.08)
Total Assets	643,260	680.796	714.935	718.967	823.371	968.547



Amir Alam Khan & Co.
Chartered Accountants

55/1, Bank Road, Rawalpindi

Tele: 5563483, 5563256

Fax : 5517358

E-mail: aakco@hotmail.com

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of AL-QADIR TEXTILE MILLS LIMITED for the year ended June 30, 2015, to comply with the Listing Regulations of the Karachi and Lahore Stock Exchanges 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 and to highlight any non-compliance with the requirements of the code. 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 the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such controls, the company's corporate governance procedures and risks.

The code requires the company to place before the Audit Committee, an upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval 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 and recording proper justification for using such alternative pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out 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.

Rawalpindi,
October 08, 2015

Amir Alam Khan & Co
Chartered Accountants
Habib Fakhruddin

Islamabad: Plot 1, I & T Centre, Street 40, G-10/4, Islamabad, Tele: 051 - 2353978, Fax: 051 - 2353977



Amir Alam Khan & Co.

Chartered Accountants

55/1, Bank Road, Rawalpindi

Tele: 5563483, 5563256

Fax : 5517358

E-mail: aakco@hotmail.com

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of AL-QADIR TEXTILE MILLS LIMITED as at June 30, 2015, the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984.
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company.
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2015 and of the loss for the year then ended; and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Rawalpindi,
October 08, 2015

Amir Alam Khan & Co.

Chartered Accountants

Habib Fakhruddin

Islamabad: Plot 1, I & T Centre, Street 40, G-10/4, Islamabad, Tele: 051 - 2353978, Fax: 051 - 2353977

**BALANCE****AS AT**

	Note	2015 Rupees	2014 Rupees
SHARE CAPITAL AND RESERVES			
Share capital	6	75,600,000	75,600,000
Share deposit money	7	15,922,750	15,922,750
Accumulated profit		111,105,173	194,782,925
		<u>202,627,923</u>	<u>286,305,675</u>
 SURPLUS ON REVALUATION OF FIXED ASSETS			
	8	239,107,988	160,263,378
 NON-CURRENT LIABILITIES			
Deferred liabilities	9	108,993,226	80,267,523
 CURRENT LIABILITIES			
Trade and other payables	10	97,691,618	78,275,679
Accrued mark-up		1,117,734	3,409,110
Short term borrowings	11	306,712,529	209,514,934
Provision for taxation	12	12,295,854	5,335,027
		<u>417,817,735</u>	<u>296,534,750</u>
 CONTINGENCIES AND COMMITMENTS			
	13	-	-
		<u>968,546,872</u>	<u>823,371,326</u>

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chakwal,
October 08, 2015

CHIEF EXECUTIVE

**SHEET****30 JUNE 2015**

	Note	2015 Rupees	2014 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	14	620,500,163	516,903,489
Long term deposits	15	444,599	989,576
		620,944,762	517,893,065
CURRENT ASSETS			
Stores, spares and loose tools	16	11,575,902	11,527,463
Stock in trade	17	35,818,044	212,488,404
Trade debts - considered good	18	248,485,857	36,678,568
Advances	19	20,032,499	14,992,749
Tax refunds due from the government	20	26,804,900	17,267,938
Cash and bank balances	21	4,884,908	12,523,139
		347,602,110	305,478,261
		<u>968,546,872</u>	<u>823,371,326</u>

DIRECTOR



PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
Sales	22	1,607,354,671	1,610,289,346
Cost of sales	23	(1,567,409,802)	(1,557,140,260)
Gross profit		39,944,869	53,149,086
Selling and distribution expenses	24	57,483,055	37,882,167
Administrative expenses	25	17,585,589	17,437,495
Other operating expenses	26	8,766,366	1,609,766
		(83,835,010)	(56,929,428)
Loss from operations		(43,890,141)	(3,780,342)
Other operating income / (loss)	27	1,209,853	(19,772,191)
		(42,680,288)	(23,552,533)
Finance cost	28	(42,897,761)	(40,282,986)
Loss before taxation		(85,578,049)	(63,835,519)
Taxation	29	(5,710,072)	(6,983,834)
Loss after taxation		(91,288,121)	(70,819,353)
Loss per share - basic and diluted	30	(12.08)	(9.37)

The annexed notes from 1 to 38 form an integral part of these financial statements.



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
Loss after taxation		(91,288,121)	(70,819,353)
Other comprehensive income :			
Item that will not be reclassified to profit or loss:			
Gain on remeasurement of post employment benefit obligations		138,665	884,556
Impact of deferred tax		-	(172,062)
		138,665	712,494
Comprehensive loss transferred to equity		<u>(91,149,456)</u>	<u>(70,106,859)</u>
Other comprehensive income not transferred to equity			
Surplus on revaluation of property, plant and equipment (net of deferred tax)		45,874,494	-
Total comprehensive loss for the year		<u>(45,274,962)</u>	<u>(70,106,859)</u>

The annexed notes from 1 to 38 form an integral part of these financial statements.



CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES	31	(76,659,902)	(124,599,988)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(28,866,975)	(110,666,384)
Proceeds from disposal of property, plant and equipment		300,000	6,154,700
Capital work-in-progress		-	(409,260)
Profit on deposit accounts		136,317	227,257
Net cash used in investing activities		<u>(28,430,658)</u>	<u>(104,693,687)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings		<u>97,197,595</u>	<u>206,966,907</u>
Net cash generated from financing activities		<u>97,197,595</u>	<u>206,966,907</u>
Net decrease in cash and cash equivalents		(7,892,965)	(22,326,768)
Cash and cash equivalents at the beginning of the year		12,523,139	34,842,552
Exchange gain on foreign currency translation		254,734	7,355
Cash and cash equivalents at the end of the year		<u><u>4,884,908</u></u>	<u><u>12,523,139</u></u>

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Share capital	Share deposit money	Accumulated profit	Total
-----Rupees-----				
BALANCE AS AT JUNE 30, 2013	75,600,000	15,922,750	240,154,315	331,677,065
Total comprehensive income for the year				
Loss for the year	-	-	(70,819,353)	(70,819,353)
Other comprehensive income for the year	-	-	712,494	712,494
	-	-	(70,106,859)	(70,106,859)
Surplus realized on incremental depreciation net of deferred tax	-	-	24,735,469	24,735,469
BALANCE AS AT JUNE 30, 2014	75,600,000	15,922,750	194,782,925	286,305,675
Total comprehensive income for the year				
Loss for the year	-	-	(91,288,121)	(91,288,121)
Other comprehensive income for the year	-	-	138,665	138,665
	-	-	(91,149,456)	(91,149,456)
Surplus realized on incremental depreciation net of deferred tax	-	-	7,471,704	7,471,704
BALANCE AS AT JUNE 30, 2015	75,600,000	15,922,750	111,105,173	202,627,923

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1. THE COMPANY AND ITS OPERATIONS

AL-QADIR TEXTILE MILLS LIMITED (the Company) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is quoted on Karachi and Lahore Stock Exchanges of Pakistan. Its registered office is situated at Raja house, near Makki Masjid, Chakwaal, Pakistan. The Company is engaged in the business of textile spinning.

2. STATEMENT OF COMPLIANCE

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 (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 shall prevail.

3. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

3.1 The following amendments, revisions and interpretations to published accounting standards were not effective during the year and have not been early adopted by the Company:

	Effective for periods beginning on or after
IAS 1 Presentation of Financial Statements (Amendments)	January 01, 2016
IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2016
IAS 19 Employee Benefits (Amendments)	January 01, 2016
IAS 27 Separate Financial Statements (Amendments)	January 01, 2016
IAS 28 Investment in Associates and Joint Ventures (Amendments)	January 01, 2016
IAS 34 Interim Financial Reporting (Amendments)	January 01, 2016
IAS 38 Intangible Assets (Amendments)	January 01, 2016
IAS 41 Agriculture (Amendments)	January 01, 2016
IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations	July 01, 2016
IFRS 7 Financial Instruments: Disclosures (Amendments)	July 01, 2016
IFRS 10 Consolidated Financial Statements	January 01, 2015
IFRS 11 Joint Arrangements	January 01, 2016
IFRS 12 Disclosure of interests in other entities	January 01, 2015
IFRS 13 Fair Value Measurement	January 01, 2015
IFRS 14 Regulatory Deferral Accounts	January 01, 2016
IFRS 15 Revenue from Contracts with Customers	January 01, 2017

The management anticipates that adoption of above standards, amendments and interpretations in future periods will have no material impact on the Company's financial statements other than in presentation / disclosures. The Company has yet to assess the full impact of the amendments.

3.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

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



IFRS 1 First-time adoption of International Financial Reporting Standards
IFRS 9 Financial instruments

Following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4 Determining whether an arrangement contains a lease.
IFRIC 12 Service concession arrangements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the approved accounting standards require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision effects only that period, or in the period of the revision and future periods. Judgements made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in respective policy notes. The areas where assumptions and estimates are significant to the Company's financial statements or where judgements were exercised in application of accounting policies are as follows:

i) Financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependant on conditions at existing at balance sheet date.

ii) Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might effect the carrying amount of respective item of property, plant and equipment, with corresponding effect on the depreciation charge and impairment.

iii) Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

iv) Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

v) Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in Note 9.1 to the financial statement for valuation of present value of defined benefit obligations.

vi) Future estimation of export sales

Deferred tax calculation has been based on estimates of future ratio of export and local sales.

**vii) Contingencies and commitments**

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

viii) Provision for doubtful debts

The Company reviews its receivable against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- i). Property, plant and equipment of which land, buildings and plant and machinery are carried at revaluation model in accordance with the requirements of IAS 16 as disclosed in Note 14.
- ii). Defined benefits obligations which are stated at present value in accordance with the requirements of IAS 19 "Employee Benefits" as disclosed in Note 9.

5.2 Employee benefits**Defined benefit plans**

The Company operates an unfunded gratuity for all of its permanent employees, who attain the minimum qualification period for entitlement to gratuity. Provision is made annually to cover the obligation on the basis of actuarial valuation and charged to income currently. The most recent actuarial valuation was carried out on June 30, 2015 using the Projected Unit Credit Method.

All actuarial gains and losses are recognised in other comprehensive income as they occur, immediately recognises all past service costs and replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability / asset.

5.3 Taxation**Current**

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation income. The charge for current year is calculated using prevailing tax rates or tax rate expected to apply to the profit for the year if enacted. The charge for the current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

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 corresponding tax bases in the computation of the taxable profits. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets to the extent that it is probable that taxable profit 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 in the case of items credited or charged to equity in which case it is included in equity.

The carrying amount of deferred tax assets is reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of deferred tax asset to be utilized.

5.4 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date or rates fixed under the Exchange Rate Absorption Scheme of State Bank of Pakistan or forward exchange rate booking, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All known monetary items are translated in Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. The Company charges all the exchange differences to profit and loss account.

5.5 Property, plant and equipment

Owned

Property, plant and equipment except freehold land and capital work-in-process are stated at cost / revalued amount less accumulated depreciation and accumulated impairment losses (if any). Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land and capital work in progress are stated at cost / revalued amount less any recognized impairment loss.

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 benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the cost / revalued amount of the assets over their estimated useful lives at the rates given in Note 14. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions up to the date when the asset is de-recognized.

The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss account in the year the asset is de-recognized.

5.6 Inventories

Inventories, except for stock in transit and waste stock / rags are stated at lower of cost and net realizable value. Cost is determined as follows:

**Stores, spare parts and loose tools**

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Stock in trade

Cost of raw material, work-in-process and finished good is determined as follows:

Raw material	at weighted average purchase cost
Work-in-process and finished goods	at weighted average manufacturing cost including a portion of production overheads

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags are valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completions and the estimated costs necessarily to make a sale.

5.7 Borrowing cost

Interest, mark-up and other charges on long term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long term finances. All other interest, mark up and other charges are recognized in profit and loss account.

5.8 Trade debts

Known bad debts are written off and provision is made against doubtful debts.

5.9 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

5.10 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

5.11 Revenue recognition

Revenue from different sources is recognized as under:

- i) Sales revenue is recognized when the goods are dispatched and significant risks and rewards of ownership are transferred to the customer.
- ii) Interest income is accounted for on accrual basis.
- iii) Rebate on exports, if any is accounted for on actual receipt basis.

5.12 Share capital

Ordinary shares are classified as equity.

5.13 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and 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 can be made.

**5.14 Impairment**

The carrying amounts of the Company's asset are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized whenever the carrying amount of the assets exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

5.15 Off setting

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

5.16 Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, cash at bank on current, saving and deposit accounts and other short-term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

5.17 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and assets and the liabilities are stated at fair value and amortized cost respectively. The Company derecognizes the financial assets and liabilities when it ceases to be a party to such contractual provisions of the instrument. The Company recognizes the regular way purchase or sale of financial assets using settlement date accounting.

i) Trade and other payables

Liabilities for trade and other payables are carried at their amortized cost which approximates the fair value of the consideration to be paid in the future for goods and services received.

ii) Trade and other receivables

Trade and other receivables are recognized and carried at their amortized cost less allowance for any uncollectable amounts. Carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the realisability of these receivables, appropriate amount of provision is made.

iii) Off-setting of financial assets and liabilities

A financial asset and a financial liability is off set and the net amount is reported in the balance sheet if the Company has a legally enforceable right to off set the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.18 Related party transaction

Transactions and contracts with the related parties are carried out at arm's length price determined in accordance with comparable uncontrolled price method.

**5.19 Dividend and other appropriations**

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

5.20 Earnings per share

The Company presents basic and diluted Earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

	Note	2015 Rupees	2014 Rupees
6. SHARE CAPITAL			
Authorized:			
15,000,000 (2014 : 15,000,000) Ordinary shares of Rupees 10 each		<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid up:			
6,691,000 (2014 : 6,691,000) ordinary shares of Rupees 10 each, issued for cash		66,910,000	66,910,000
869,000 (2014 : 869,000) ordinary shares of Rupees 10 each, issued for consideration other than cash		<u>8,690,000</u>	<u>8,690,000</u>
		<u>75,600,000</u>	<u>75,600,000</u>

7. SHARE DEPOSIT MONEY

This represents amount received from Chief Executive Officer Mr. Ghulam Ali Raja in 1993.

8. SURPLUS ON REVALUATION OF FIXED ASSETS

Opening balance	203,908,581	234,069,131
Assets revalued during the year	114,343,205	-
	<u>318,251,786</u>	<u>234,069,131</u>
Deferred tax relating to revalued amount	(71,672,094)	(49,070,284)
Revaluation surplus net of deferred tax	<u>246,579,692</u>	<u>184,998,847</u>
Surplus realized during the year (net of deferred tax)		
- Incremental depreciation	(7,471,704)	(8,237,197)
- Surplus realized on disposal of assets	-	(16,498,272)
	<u>(7,471,704)</u>	<u>(24,735,469)</u>
	<u>239,107,988</u>	<u>160,263,378</u>

The latest revaluation of property, plant and equipment was carried out on June 30, 2015 by independent valuer M/s Harvesters Services (Private) Limited using market based approach.



	Note	2015 Rupees	2014 Rupees
9. DEFERRED LIABILITIES			
Gratuity - unfunded defined benefit plan	9.1	2,052,113	3,502,140
Deferred tax	9.2	106,941,113	76,765,383
		<u>108,993,226</u>	<u>80,267,523</u>

9.1 Gratuity - unfunded defined benefit plan**a) Liability recognized in the balance sheet:**

Present value of defined benefit obligation	2,052,113	3,502,140
	<u>2,052,113</u>	<u>3,502,140</u>

b) Movement in present value of defined benefit obligation:

Present value of defined benefit obligation at the beginning of the year	3,502,140	4,257,847
Current service cost	2,372,429	2,619,332
Interest cost	111,309	238,317
Benefits paid	(3,795,100)	(2,728,800)
Actuarial gain on present value of defined benefit obligation	(138,665)	(884,556)
	<u>2,052,113</u>	<u>3,502,140</u>

c) Remeasurement recognized in other comprehensive income:

Actuarial gains due to changes in demographic assumptions	-	(5,134)
Actuarial gains due to experience assumptions	(138,665)	(879,422)
	<u>(138,665)</u>	<u>(884,556)</u>

d) Amount recognized in the profit and loss account:

Current service cost	2,372,429	2,619,332
Interest cost	111,309	238,317
	<u>2,483,738</u>	<u>2,857,649</u>



	Note	2015 Rupees	2014 Rupees
e) Expense is recognized in the following line items in the profit and loss account:			
Administrative expenses		99,350	153,213
Cost of sales		2,384,388	2,704,436
		<u>2,483,738</u>	<u>2,857,649</u>
f) Principal actuarial assumptions used in the actuarial valuation carried out as at year end are as follows:			
Discount rate - per annum		9.50%	13.25%
Expected rate of increase in salary - per annum		8.50%	12.25%
Average expected remaining working life of employees		7 years	4 years
Mortality rates		Adjusted SLIC 2001-2005	SLIC 2001-2005

g) Sensitivity analysis

The calculation of defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions.

	Effect of increase	Effect of decrease
Discount rate change by 1 percent	1,860,539	2,283,032
Salary increase rate change by 1 percent	2,283,032	1,857,296

The above sensitivity analysis are based on the changes in assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of defined benefit obligation to significant assumptions the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied when calculating the liability recognized within the balance sheet.



	Note	2015 Rupees	2014 Rupees
9.2 Deferred tax			
Differences in tax and accounting bases of assets		35,656,458	33,801,411
Surplus on revaluation of property, plant and equipment		71,672,094	43,645,203
		107,328,552	77,446,614
Provision for gratuity		(387,439)	(681,231)
		<u>106,941,113</u>	<u>76,765,383</u>

10. TRADE AND OTHER PAYABLES

Trade creditors		15,112,850	21,781,399
Accrued and other payables		51,043,483	27,225,115
Advance from customers		19,777,420	20,210,447
Excise duty payable		1,798,632	1,798,632
Withholding tax payable		1,221,549	1,041,193
Workers' Profit Participation Fund	10.1	4,655,042	4,139,655
Workers' Welfare Fund		2,556,545	553,141
Unclaimed dividend		1,526,097	1,526,097
		<u>97,691,618</u>	<u>78,275,679</u>

10.1 Workers' Profit Participation Fund

Opening balance		4,139,655	3,718,030
Allocation for the period		-	-
Paid during the year		-	-
		<u>4,139,655</u>	<u>3,718,030</u>
Interest on unpaid balance		515,387	421,625
		<u>4,655,042</u>	<u>4,139,655</u>

The Company retains Worker's Profit Participation Fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers Participation Act), 1968 on funds utilized by the Company till the date of allocation to workers.

Interest is calculated at one year KIBOR + 2.5 % per annum.

11. SHORT TERM BORROWINGS

Banks - secured	11.1	302,164,502	206,966,907
Related parties - unsecured	11.2	4,548,027	2,548,027
		<u>306,712,529</u>	<u>209,514,934</u>

11.1 Banks - secured

Bank Alfalah Limited -FAPC		40,575,295	156,966,907
Bank Alfalah Limited-FAFB		213,642,011	-
Bank Alfalah Limited - Cash			
Finance (Hypo)		47,947,196	50,000,000
		<u>302,164,502</u>	<u>206,966,907</u>



Other facilities obtained by the Company:

NATURE OF FACILITY	2015		2014		Expiry	Security
	LIMIT	MARK UP / COMMISSION	LIMIT	MARK UP / COMMISSION		
	Rupees (Million)		Rupees (Million)			
Current Finance (Pledge)	700.00	3 Months KIBOR + 2.25% per annum	700.00	3 Months KIBOR + 2.25% per annum	November 30, 2015	Pledge of fresh crop local cotton bales at 10% margin on KCA rates
Current Finance (Hypo)	50.00	3 Months KIBOR + 2.25% per annum	50.00	3 Months KIBOR + 2.25% per annum		1st charge on the Company's entire current assets amounting to Rupees 244 million. Duly registered with SECP
Sub-limit of Current Finance: FAPC Own Sources	(600.00)	3 Months KIBOR + 2.25% per annum	(600.00)	3 Months KIBOR + 2.25% per annum		Pledge of fresh crop local cotton bales at 10% margin on KCA rates
Sub-limit of Current Finance Pledge: FAFB Own Sources	(600.00)	Treasury rate*	(600.00)	Treasury rate		Acceptance of issuing bank. Lien on original export LC. Acceptance of issuing bank
Sub-limit of Current Finance: FIM	(25.00)	3 Months KIBOR + 2.25% per annum	100.00	3 Months KIBOR + 2.25% per annum		Pledge of imported cotton bales at invoice value (imported under LCs established through Bank Alfalah Limited). All Other charges (import duties, taxes etc.) towards landed cost at godown would be borne by the customer in shape of margin
FBP-Clean Documents	200.00	Treasury rate*	200.00	Treasury rate	November 30, 2015	Acceptance of issuing bank. Lien on original export LC. Acceptance of issuing bank
FBP-Discrepant Documents	120.00	Treasury rate*	120.00	Treasury rate		1st charge on the Company's entire current assets amounting to Rupees 244 million. Duly registered with SECP. Indemnity for discrepant documents
Sub-limit of FBP-Discrepant Docs: FAFB-FE-25 Own Sources-Discrepant	(120.00)	3 Months KIBOR + 2.25% per annum / Treasury rate*	(120.00)	3 Months KIBOR + 2.25% per annum / Treasury rate		1st charge on the Company's entire current assets amounting to Rupees 244 million. Duly registered with SECP. Indemnity for discrepant documents
L/C Sight	50.00	0.20% for 1st quarter and 0.10% for subsequent quarters*	(50.00)	0.20% for 1st quarter and 0.10% for subsequent quarters		Nil margin on LC or as per SBP directives whichever is higher. 20% cash margin against SLC (OTT) for import of machinery
LER	15.00					
LC Usance <FBP Discrepant Docs>	(13,179)	0.20 % for 1st & 0.10% for subsequent quarters.*			June 30, 2015	20% cash margin against ULC (OTT) for import of machinery. Lien on accepted bills
Acceptance against Foreign LC <FBP Discrepant Docs>	(13,179)	0.10% / Month beyond expiry of ULC				20% cash margin against ULC (OTT) for import of machinery. Lien on accepted bills

*Rates will be on case to case basis.

11.2

Related parties - unsecured

This represents un-secured interest free loan obtained from:



	Note	2015 Rupees	2014 Rupees
Ghulam Ali Raja - Chief Executive Officer		2,548,027	2,548,027
Muhammad Bashir Raja - Director		2,000,000	-
		<u>4,548,027</u>	<u>2,548,027</u>

12. PROVISION FOR TAXATION

Opening balance		5,335,027	24,413,384
Provision for the			
Current year		12,295,854	5,335,027
Prior years		(8,734,621)	(1,778,094)
		<u>3,561,233</u>	<u>3,556,933</u>
		8,896,260	27,970,317
Paid / adjusted during the year		<u>3,399,594</u>	<u>(22,635,290)</u>
		<u>12,295,854</u>	<u>5,335,027</u>

13. CONTINGENCIES AND COMMITMENTS

Contingencies

	2015 Rupees in million	2014
Bank Al-Falah Limited FAFB / FDBC	-	192.44
Bank Al-Falah Limited FAPC	-	2.40
Bank Al-Falah Limited FBP Clean	-	111.43
	<u>-</u>	<u>306.27</u>

14. PROPERTY, PLANT AND EQUIPMENT

		2015 Rupees	2014 Rupees
Operating fixed assets	14.1	620,090,903	516,494,229
Capital work-in-progress		<u>409,260</u>	<u>409,260</u>
		<u>620,500,163</u>	<u>516,903,489</u>



14.1 Operating fixed assets

Particulars	Free hold land	Building	Plant and machinery	Office equipment	Furniture & fixture	Telephone installations	Vehicles	Weigh station	Total
Rupees									
As at July 01, 2013									
Cost	22,883,750	130,447,980	394,220,891	1,477,380	1,854,029	429,519	17,152,830	1,172,188	589,638,567
Accumulated depreciation	-	(18,621,270)	(68,443,899)	(904,627)	(1,437,970)	(387,935)	(10,621,660)	(317,924)	(100,735,285)
Net book value	22,883,750	111,826,710	325,776,992	572,753	416,059	41,584	6,531,170	854,264	488,903,282
Year ended June 30, 2014									
Opening net book value	22,883,750	111,826,710	325,776,992	572,753	416,059	41,584	6,531,170	854,264	488,903,282
Additions	-	-	106,010,884	-	581,500	-	4,074,000	-	110,666,384
Disposals	-	-	-	-	-	-	-	-	-
Cost	-	-	(31,000,000)	-	-	-	-	-	(31,000,000)
Accumulated depreciation	-	-	4,838,497	-	-	-	-	-	4,838,497
Depreciation charge	-	(5,591,336)	(29,299,231)	(57,275)	(80,580)	(4,158)	(1,795,928)	(85,426)	(36,913,934)
Net book value	22,883,750	106,235,374	376,327,142	515,478	916,979	37,426	8,809,242	768,838	516,494,229
As at July 01, 2014									
Cost	22,883,750	130,447,980	469,231,775	1,477,380	2,435,529	429,519	21,226,830	1,172,188	649,304,951
Accumulated depreciation	-	(24,212,606)	(92,904,633)	(961,902)	(1,518,550)	(392,093)	(12,417,588)	(403,350)	(132,810,722)
Net book value	22,883,750	106,235,374	376,327,142	515,478	916,979	37,426	8,809,242	768,838	516,494,229
Year ended June 30, 2015									
Opening net book value	22,883,750	106,235,374	376,327,142	515,478	916,979	37,426	8,809,242	768,838	516,494,229
Additions	-	-	28,866,975	-	-	-	-	-	28,866,975
Disposals	-	-	-	-	-	-	-	-	-
Cost	-	-	(650,000)	-	-	-	-	-	(650,000)
Accumulated depreciation	-	-	174,328	-	-	-	-	-	174,328
Depreciation charge	-	(5,311,769)	(475,672)	(51,548)	(91,698)	(3,743)	(1,761,848)	(76,884)	(475,672)
Revaluation surplus adjustment	-	-	(31,840,344)	-	-	-	-	-	(39,137,834)
Cost	-	(29,524,375)	(124,570,649)	-	-	-	-	-	(154,095,024)
Accumulated depreciation	-	29,524,375	124,570,649	-	-	-	-	-	154,095,024
Revaluation surplus	42,685,000	29,009,305	42,648,900	-	-	-	-	-	114,343,205
Net book value	65,568,750	129,932,910	415,527,001	463,930	825,281	33,683	7,047,394	691,954	620,090,903
As at June 30, 2015									
Cost	65,568,750	129,932,910	415,527,001	1,477,380	2,435,529	429,519	21,226,830	1,172,188	637,770,107
Accumulated depreciation	-	-	-	(1,013,450)	(1,610,248)	(395,836)	(14,179,436)	(480,234)	(17,679,204)
Net book value	65,568,750	129,932,910	415,527,001	463,930	825,281	33,683	7,047,394	691,954	620,090,903
Rate of depreciation - %	0	5	5-15	10	10	10	20	10	10



14.2 Plant and machinery items costing Rupees 2,302,070 are not in use since acquisition.

	Note	2015 Rupees	2014 Rupees
14.3 Depreciation for the year has been allocated as under:			
Cost of goods sold	23	37,228,997	34,975,992
Administrative expenses	25	1,908,837	1,937,942
		<u>39,137,834</u>	<u>36,913,934</u>

14.4 Detail of assets disposed of during the year:

Quantity	Description	Cost	Accumulated depreciation	Net book value	Sale price	Mode of disposal	Sold To
-----Rupees-----							
01	Old Drawing Machine	650,000	174,328	475,672	300,000	Negotiation	Sapphire Fibers Limited

14.5 Freehold land, building and plant and machinery are stated at revalued amounts. Had there been no revaluation, related figures of these assets as at June 30, 2015 would have been as follows:

	Cost	Accumulated depreciation	Written down value
-----Rupees-----			
Freehold land	3,879,645	-	3,879,645
Building	55,051,956	42,207,672	12,844,284
Plant and machinery	648,844,511	350,417,398	298,427,113
2015	707,776,112	392,625,070	315,151,042
2014	679,559,137	375,930,597	303,628,540

	Note	2015 Rupees	2014 Rupees
15. LONG TERM DEPOSITS			
Security deposits		444,599	444,599
Excise duty		-	544,977
		<u>444,599</u>	<u>989,576</u>

16. STORES, SPARES AND LOOSE TOOLS			
Stores		11,399,613	11,345,845
Spares and loose tools		176,289	181,618
		<u>11,575,902</u>	<u>11,527,463</u>



	Note	2015 Rupees	2014 Rupees
17. STOCK IN TRADE			
Raw material		22,677,570	182,198,964
Work-in-process		9,673,395	11,628,798
Finished goods		2,069,358	17,893,665
Waste		1,397,721	766,977
		<u>35,818,044</u>	<u>212,488,404</u>
18. TRADE DEBTS - CONSIDERED GOOD			
Secured against letter of credit		241,597,760	32,580,949
Unsecured - considered good		6,888,097	4,097,619
		<u>248,485,857</u>	<u>36,678,568</u>
19. ADVANCES			
Advances considered good - unsecured			
- To suppliers		5,442,707	6,033,073
- To employees		1,407,566	1,096,629
Income tax		13,182,226	7,863,047
		<u>20,032,499</u>	<u>14,992,749</u>
20. TAX REFUNDS DUE FROM THE GOVERNMENT			
Sales tax refundable	20.1	20,506,834	17,267,938
Provision for doubtful sales tax refund claims		(4,964,575)	-
		<u>15,542,259</u>	<u>17,267,938</u>
Income tax refundable		11,262,641	-
		<u>26,804,900</u>	<u>17,267,938</u>

20.1 Sales tax refundable includes Rupees 16,665,835 (2014 : Rupees 16,665,835) on account of refund claims pending for the periods July 2004 to March 2013 against which a provision for doubtful refund claims of Rupees 4,964,575 for the periods July 2004 to June 2010 has been made.

	Note	2015 Rupees	2014 Rupees
21. CASH AND BANK BALANCES			
Cash in hand		595,852	246,635
Cash at banks			
Local currency			
on current accounts		560,889	7,959,396
on deposit accounts	21.1	2,051,387	2,680,553
Foreign currency			
on current account - USD 16,498 (2014 : USD 16,498)		1,676,780	1,636,555
		<u>4,289,056</u>	<u>12,276,504</u>
		<u>4,884,908</u>	<u>12,523,139</u>

21.1 Rate of profit on bank deposit is 7 % per annum (2014 : 7 % per annum).



	Note	2015 Rupees	2014 Rupees
22. SALES			
Local			
Yarn		659,218,644	909,772,520
Waste		11,216,727	11,494,885
		670,435,371	921,267,405
Export of yarn		950,163,196	708,111,790
Sales tax			
Yarn		(12,973,947)	(17,838,670)
Waste		(269,949)	(1,251,179)
		(13,243,896)	(19,089,849)
		<u>1,607,354,671</u>	<u>1,610,289,346</u>
23. COST OF SALES			
Raw material consumed	23.1	1,146,168,458	1,162,988,894
Salaries, wages and benefits	23.2	101,962,107	92,803,522
Packing material		29,826,950	22,770,300
Fuel and power		205,856,833	210,730,009
Stores, spares and loose tools consumed		3,539,663	4,424,992
Repairs and maintenance		20,461,885	28,758,566
Insurance		2,950,318	3,138,244
Cotton cess		1,946,550	392,050
Depreciation	14.3	37,228,997	34,975,992
Miscellaneous		319,075	451,069
		<u>1,550,260,836</u>	<u>1,561,433,638</u>
Work-in-process			
Opening stock		11,628,798	10,566,230
Closing stock		(9,673,395)	(11,628,798)
		<u>1,955,403</u>	<u>(1,062,568)</u>
Cost of goods manufactured		<u>1,552,216,239</u>	<u>1,560,371,070</u>
Finished goods			
Opening stock		18,660,642	15,429,832
Closing stock		(3,467,079)	(18,660,642)
		<u>15,193,563</u>	<u>(3,230,810)</u>
		<u>1,567,409,802</u>	<u>1,557,140,260</u>
23.1 Raw material consumed			
Opening stock		182,198,964	87,747,374
Purchases		986,647,064	1,257,440,484
		<u>1,168,846,028</u>	<u>1,345,187,858</u>
Closing balance		(22,677,570)	(182,198,964)
		<u>1,146,168,458</u>	<u>1,162,988,894</u>

23.2 This includes employees' retirement benefits amounting to Rupees 2,384,388 (2014 : Rupees 2,704,436)



	Note	2015 Rupees	2014 Rupees
24. SELLING AND DISTRIBUTION EXPENSES			
Export expenses and freight		19,342,454	13,104,642
Commission paid on local sales		1,033,889	522,020
Commission paid on export sales		37,106,712	24,255,505
		<u>57,483,055</u>	<u>37,882,167</u>
25. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	25.1	4,849,073	4,065,532
Directors' remuneration		4,306,659	4,396,256
Insurance		187,590	227,164
Vehicle running and maintenance		1,159,072	2,037,684
Traveling and conveyance		656,804	776,687
Entertainment		120,989	174,480
Postage and telecommunication		1,140,096	1,024,966
Printing and stationery		263,561	319,037
Legal and professional charges		918,000	399,000
Fee and subscription		674,857	905,157
ISO system		129,050	62,756
Guest house		594,478	677,135
Depreciation	14.3	1,908,837	1,937,942
News paper, books and periodicals		26,768	55,432
Advertisement		52,100	-
Miscellaneous		597,655	378,267
		<u>17,585,589</u>	<u>17,437,495</u>

25.1 This includes employees' retirement benefits amounting to Rupees 99,350 (2014 : Rupees 153,213).

	Note	2015 Rupees	2014 Rupees
26. OTHER OPERATING EXPENSES			
Auditors' remuneration	26.1	1,275,000	625,000
Donations	26.2	8,000	10,000
Provision for doubtful sales tax refund claims		4,964,575	-
Workers' Profit Participation Fund (WPPF)		515,387	421,625
Workers' Welfare Fund (WWF)		2,003,404	553,141
		<u>8,766,366</u>	<u>1,609,766</u>
26.1 Auditors' remuneration			
Audit fee		625,000	600,000
Out of pocket expenses		-	25,000
Tax services		650,000	-
		<u>1,275,000</u>	<u>625,000</u>

26.2 None of the directors and their spouses have any interest in the donee's fund.



	Note	2015 Rupees	2014 Rupees
27. OTHER OPERATING INCOME / (LOSS)			
Financial assets			
Profit on deposit accounts		136,317	227,257
Exchange gain		254,734	7,355
Non-financial assets			
Loss on disposal of fixed assets		(175,672)	(20,006,803)
Balances written off	27.1	994,474	-
		<u>1,209,853</u>	<u>(19,772,191)</u>
27.1 Balances written off			
Credit balances - Trade creditors		2,719,687	-
Debit balances			
- Advances to suppliers		(1,180,236)	-
- Long term security deposit		(544,977)	-
		<u>994,474</u>	<u>-</u>
28. FINANCE COST			
Markup on short term finance		32,987,101	31,124,450
Bank charges and commission		9,910,660	9,158,536
		<u>42,897,761</u>	<u>40,282,986</u>
29. TAXATION			
Current year	12	3,561,233	3,556,933
Deferred			
- Current year		4,097,085	4,270,364
- Rate change		(1,948,246)	(843,463)
		<u>2,148,839</u>	<u>3,426,901</u>
		<u>5,710,072</u>	<u>6,983,834</u>

29.1 Provision for taxation has been made in accordance with sections 154 and 169 of the Income Tax Ordinance, 2001. The assessments of the Company have been finalized up to tax year 2014.

29.2 The applicable tax rate is 33 % (2014 : 34 %) on the taxable income of the Company.

	Note	2015	2014
30. LOSS PER SHARE - BASIC AND DILUTED			
Loss after taxation - Rupees		(91,288,121)	(70,819,353)
Number of ordinary share outstanding		7,560,000	7,560,000
Loss per share - Rupees	30.1	<u>(12.08)</u>	<u>(9.37)</u>

30.1 No figure for diluted earning per share has been presented as there is no dilutive effect on the basic earnings per share of the Company.



Note	2015 Rupees	2014 Rupees
31. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(85,578,049)	(63,835,519)
Adjustments for:		
Depreciation	39,137,834	36,913,934
Worker's Welfare Fund	2,003,404	553,141
Loss on disposal of fixed asset	175,672	20,006,803
Provision for gratuity	2,483,738	2,857,649
Interest on WPPF	515,387	421,625
Finance cost	42,897,761	40,282,987
Profit on deposit accounts	(136,317)	(227,257)
Exchange gain	(254,734)	(7,355)
Balances written off	(994,474)	-
	85,828,271	100,801,527
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(48,439)	8,640,622
Stock in trade	176,670,360	(98,744,968)
Trade debts	(211,807,289)	(19,864,642)
Advances	(5,348,412)	24,174,940
Tax refunds due from the government	(7,008,942)	7,070,060
Increase / (decrease) in current liabilities		
Trade and other payables	19,616,835	(16,329,543)
	(27,925,887)	(95,053,531)
Cash used in operations	(27,675,665)	(58,087,523)
Finance cost paid	(45,189,137)	(40,904,038)
Taxes paid	-	(22,879,627)
Gratuity paid	(3,795,100)	(2,728,800)
	(76,659,902)	(124,599,988)

32. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

The aggregate amounts charged in these financial statements in respect of remuneration including benefits applicable to the managing director, directors and executives of the Company are given below:

	2015		2014	
	Chief Executive	Director	Chief Executive	Director
	-----Rupees-----			
Remuneration	-	3,490,000	-	3,180,000
Utilities and other benefits	-	816,659	-	1,216,256
	-	4,306,659	-	4,396,256
Number	1	3	1	3

**33. FINANCIAL RISK MANAGEMENT****33.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk**(i) 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 and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to bank balances and foreign debtors. The Company uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Company's exposure to currency risk was as follows:

	2015	2014
Cash at banks - USD	<u>16,498</u>	<u>16,498</u>

The following significant exchange rates were applied during the year:

	2015	2014
Rupees per US Dollar		
Average rate	101.770	100.840
Reporting date	101.635	99.200

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 83,887 (2014 : Rupees 81,828) and Rupees 83,887 (2014 : Rupees 81,828) higher / lower respectively, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

**(ii) Other price risk**

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk as the Company has not made any investment in equity instruments of other companies.

(iii) Interest rate risk

This represents the risk that the 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 assets. The Company's interest rate risk arises from short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

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

	2015 Rupees	2014 Rupees
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	2,051,387	4,317,108
Financial liabilities		
Short term borrowings	302,164,502	206,966,907

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 3,016,692 (2014: Rupees 1,337,489) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities / deposits outstanding at balance sheet dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2015 Rupees	2014 Rupees
Long term deposits	444,599	989,576
Advances	1,407,566	1,096,629
Trade debts	248,485,857	36,678,568
Bank balances	4,289,056	12,276,505
	<u>254,627,078</u>	<u>51,041,278</u>



The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

Rating			2015	2014
Short term	Long term	Agency	Rupees	Rupees

Banks

National Bank of Pakistan	A-1+	AAA	JCR-VIS	5,493	27,962
Allied Bank Limited	A1+	AA+	PACRA	-	99,783
Bank Alfalah Limited	A1+	AA	PACRA	1,661,406	5,579,831
Habib Bank Limited	A-1+	AAA	JCR-VIS	98,992	177,833
MCB Bank Limited	A1+	AAA	PACRA	2,051,279	1,936,773
United Bank Limited	A-1+	AA+	JCR-VIS	7,127	10,716
Faysal Bank Limited	A-1+	AA+	JCR-VIS	28,029	17,158
Meezan Bank Limited	A-1+	AA	JCR-VIS	216,179	3,733,969
Silk Bank Limited	A-2	A -	JCR-VIS	184,964	184,965
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	(4,638)	507,515
				4,248,831	12,276,505

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

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 18 and hereunder:

The-aging of trade debts at the reporting date was:

	2015		2014	
	Gross	Impairment	Gross	Impairment
	-----Rupees-----			
Not yet due	-	-	-	-
Past due 1 - 30 days	113,890,587	-	36,242,860	-
Past due 31 - 90 days	104,481,079	-	185,187	-
Past due 91 - 180 days	28,173,295	-	27,348	-
Past due 181 - 360 days	1,806,234	-	71,988	-
Over 360	134,662	-	151,185	-
	248,485,857	-	36,678,568	-

(c) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2014, the Company has available borrowing facilities from financial institutions as mentioned in Note 11 and Rupees 4.85 million cash and bank balances. So, management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at June 30, 2015:

	Carrying amount	Contractual cash flows	6 month or less	6 - 12 month
-----Rupees-----				
Trade and other payables	76,115,566	76,115,566	76,115,566	-
Accrued mark-up	1,117,734	1,117,734	1,117,734	-
Short term borrowings	306,712,529	306,712,529	-	306,712,529
	383,945,829	383,945,829	77,233,300	306,712,529

Contractual maturities of financial liabilities as at June 30, 2014:

	Carrying amount	Contractual cash flows	6 month or less	6 - 12 month
-----Rupees-----				
Trade and other payables	56,266,600	56,266,600	56,266,600	-
Accrued mark-up	3,409,110	3,409,110	3,409,110	-
Short term borrowings	209,514,934	209,514,934	-	209,514,934
	269,190,644	269,190,644	59,675,710	209,514,934

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at June 30, 2015. The rates of interest / mark up have been disclosed in Note 11 to these financial statements.

33.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

33.3 Financial instruments by categories

Financial assets as per balance sheet

	2015 Rupees	2014 Rupees
Long term deposits	444,599	989,576
Advances	1,407,566	1,096,629
Trade debts	248,485,857	36,678,568
Cash and bank balances	4,884,908	12,523,139
	255,222,930	51,287,912



	2015 Rupees	2014 Rupees
Liabilities as per balance sheet		
Trade and other payables	76,115,566	56,266,600
Accrued mark-up	1,117,734	3,409,110
Short term borrowings	306,712,529	209,514,934
	<u>383,945,829</u>	<u>269,190,644</u>

33.4 Capital risk management

The Company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent short term borrowings obtained by the Company. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'. the Company's strategy is to maintain debt burden at minimum possible level. The capital structure of the Company is equity based with no financing through long term borrowings. The Company avails short term borrowing for working capital purposes only.

	2015 Rupees	2014 Rupees
Borrowings	306,712,529	209,514,934
Total equity	202,627,923	286,305,675
Total capital employed	<u>509,340,452</u>	<u>495,820,609</u>
Gearing ratio (percentage)	<u>60.22</u>	<u>42.26</u>

34. PLANT CAPACITY AND PRODUCTION

	2015	2014
Number of Spindles installed	<u>38,668</u>	<u>38,668</u>
Installed capacity in 20's count	<u>11,235,420</u>	<u>11,235,420</u>
Actual production after conversion into 20's count in kgs for 715 shifts (2014 : 723 shifts) in kgs (approximately)	<u>8,860,440</u>	<u>8,743,997</u>

The variance in actual and installed capacity production, is due to power crisis faced by the Company during the year.

35. RELATED PARTY TRANSACTIONS

The related parties comprise of directors and major shareholders and entities under common directorship and employees' funds. Transactions with related parties made during the year are given below. Remuneration of chief executive, directors and executives are disclosed in Note 32 to the financial statements respectively.



	2015 Rupees	2014 Rupees
Key management personnel		
Director - Muhammad Bashir Raja		
Loan received	2,000,000	-

36. NUMBER OF EMPLOYEES

Number of permanent employees at year end

672**603**

Average number of permanent employees during the year

647**587****37. GENERAL**

In these financial statements figures have been rounded off to the nearest rupee and those of the previous year have been re-arranged and re-grouped wherever necessary to facilitate comparison.

38. DATE OF AUTHORIZATION FOR ISSUE

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

CHIEF EXECUTIVE

DIRECTOR



PATTERN OF SHAREHOLDINGS
AS AT JUNE 30, 2015

NO OF SHAREHOLDERS	SHAREHOLDINGS			NO. OF SHARES HELD
148	1	TO	100	13,639
576	101	TO	500	252,472
11	501	TO	1000	10,300
25	1001	TO	5000	70,400
4	5001	TO	10000	35,500
1	15001	TO	20000	19,900
1	20001	TO	50000	26,000
2	50001	TO	60000	109,800
5	60001	TO	70000	324,350
1	70001	TO	100000	90,200
6	100001	TO	200000	826,639
3	200001	TO	300000	622,450
1	400001	TO	500000	437,400
2	500001	TO	600000	1,115,900
1	700001	TO	800000	787,050
1	2700001	TO	3000000	2,818,000
788				7,560,000

CATEGORIES OF SHAREHOLDINGS

AS AT JUNE 30, 2015

S. NO.	CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Individuals	781	7,550,899	99.88
2	Investment Companies	2	4,600	0.06
3	Financial Institutions	2	3,800	0.05
4	Joint Stock Companies	3	701	0.01
	TOTAL	788	7,560,000	100%



INFORMATION AS REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE

AS AT JUNE 30, 2015

CATEGORY OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD	% percentage
Associated Companies, Undertaking and Related Parties	0	0	0
Investment Companies	2	4,600	0.0608
Directors			
Mr. Ghulam Ali Raja	1	2,844,000	37.6190
Mr. Muhammad Bashir Raja	1	787,050	10.4107
Mr. Adil Bashir Raja	1	107,778	1.4256
Mr. Asif Ali Raja	1	154,130	2.0387
Mst. Tasneem Akhtar	1	204,050	2.6991
Mst. Yasmeen Begum	1	116,600	1.5423
Mst. Asbah Rubina	1	58,300	0.7712
Mr. Gull Sher Khan	1	7,800	0.1032
Sponsors, Directors Spouse and Minor Children	2	128,250	1.6964
Executives	0	0	0
Public Sectors Companies & Corporation	2	701	0.0093
Banks , DFIs , NBFIs, Insurance Companies, Modarabas & Mutual Funds	2	3,800	0.0503
Shareholders Holdings Ten Percent or More			
Mr. Ghulam Ali Raja		2,844,000	37.6190
Mr. Muhammad Bashir Raja		787,050	10.4107

PROXY FORM

Folio No.	
/CDC A/C No.	
Share held	

I/We
of
a member(s) of AL-QADIR TEXTILE MILLS LIMITED and holder of
ordinary shares, as per Registered Folio No. do hereby appoint.....
of a member of
AL-QADIR TEXTILE MILLS LIMITED, vide Registered Folio No. As my / our
proxy to act on my / our behalf at the 29th Annual General Meeting of the Company to be held on the 31st
October 2015 at 10:30 p.m at Mills 6-K.M. Jhelum Road, Chakwal and or at my adjournment thereof.

Signed this day of October, 2015

Signature

1. Witness:
Signature _____
Name _____
Address _____

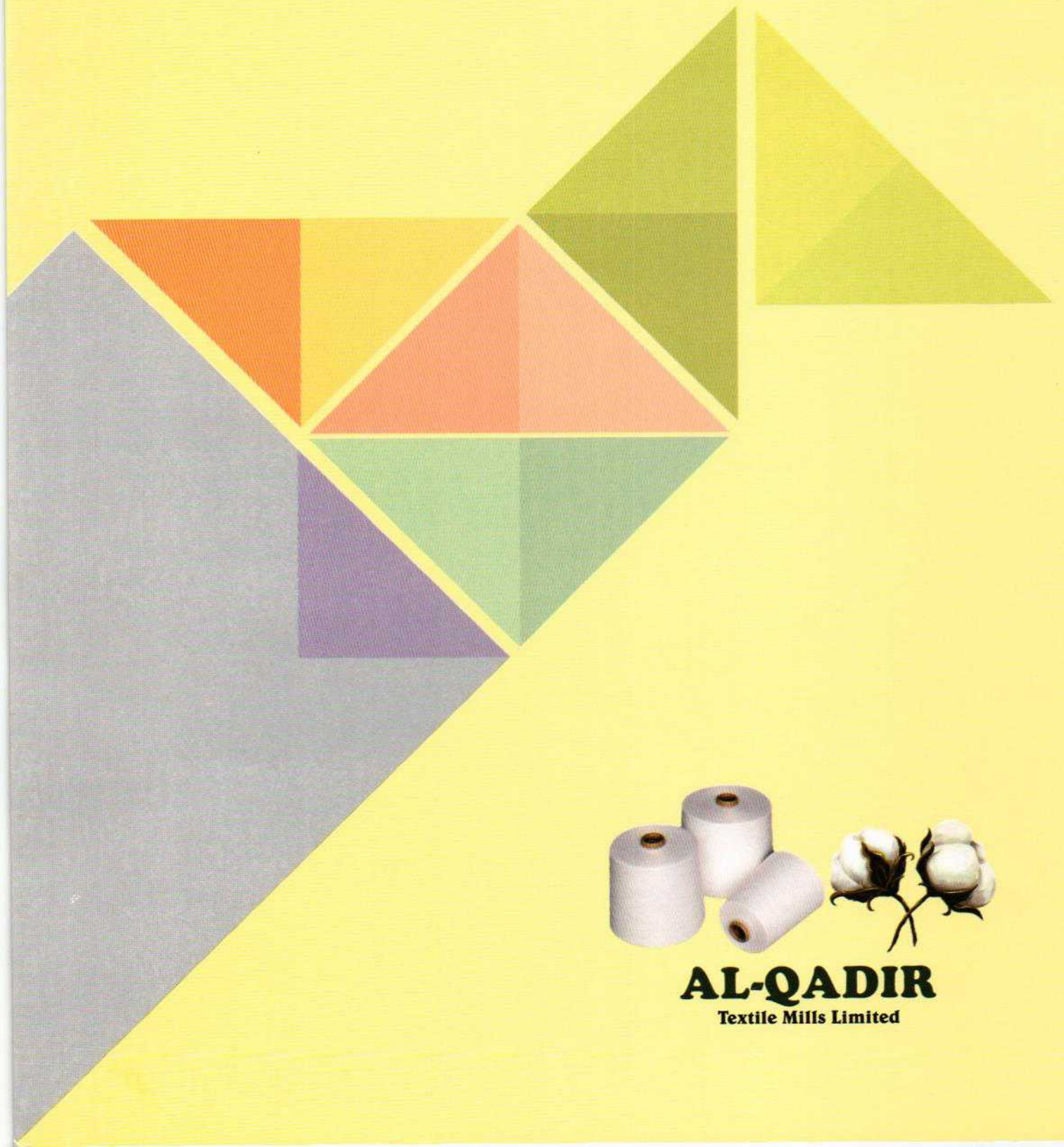
AFFIX
REVENUE
STAMP

2. Witness:
Signature _____
Name _____
Address _____

Signature-----
(Signature appended above should
agree with the specimen signatures
registered with the Company.)

NOTICE

1. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote instead of him/her at the meeting.
2. The instrument appointing a proxy should be signed by the member(s) or by his/her attorney duly authorized in writing. If the member is a corporation, its common seal should be affixed on the instrument.
3. CDC shareholder are requested to bring with them their Computerized National Identity Cards along with the participants' ID number and their account numbers at the time of attending the Annual General meeting in order to facilitate identification of the respective shareholders.
4. The instrument appointing a proxy, together with Power of Attorney, if any, under which it is signed or notarially certified copy thereof, should be deposited at the Company's office not later than 48 hours before the time of holding the meeting.



AL-QADIR
Textile Mills Limited