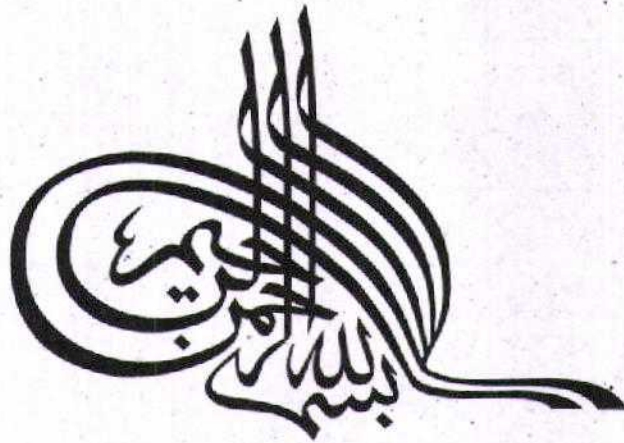


 *Asim Textile Mills Ltd.*



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COMPANY INFORMATION**BOARD OF DIRECTORS:****CHIEF EXECUTIVE:
DIRECTORS:**

MR. ZAHID ANWAR
MRS. RUKHSANA BEGUM
MR. IMRAN ZAHID
MS. QURATUL AIN ZAHID
CH. GHULAM MURTAZA BUTTAR
MR. UMER FAROOQ
MR. ALI RAZA ZAFAR

AUDIT COMMITTEE:**CHAIRMAN:
MEMBER:
MEMBER:**

CH. GHULAM MURTAZA BUTTAR
MR. UMER FAROOQ
MS. QURATUL AIN ZAHID

HUMAN RESOURCES & REMUNERATION COMMITTEE:**CHAIRMAN:
MEMBER:
MEMBER:**

MR. UMER FAROOQ
MR. ALI RAZA ZAFAR
CH. GHULAM MURTAZA BUTTAR

COMPANY SECRETARY:

MR. ALLAH DITTÄH

CHIEF FINANCIAL OFFICER:

MR. NAVEED AKHTAR

HEAD OF INTERNAL AUDIT:

MR. NASEEM ABBAS

AUDITORS:

KRESTON HYDER BHIMJI & COMPANY
CHARTERED ACCOUNTANTS

BANKS:

AL BARAKA BANK (PAKISTAN) LIMITED
JS BANK LIMITED
NATIONAL BANK OF PAKISTAN
UNITED BANK LIMITED
DUBAI ISLAMIC BANK

LEGAL ADVISOR:

MR. ZIA-UL-HAQ (ADVOCATE)

REGISTERED OFFICE:

JK HOUSE, 32-W, SUSAN ROAD,
MADINA TOWN, FAISALABAD

SHARE REGISTRAR OFFICE:

NATIONAL BIZ MANAGEMENT (PVT) LTD.
PLOT NO. 2-C, MEZZANINE FLOOR, BADAR
COMMERCIAL AREA, STREET NO. 9,
PHASE-V (Ext.), D. H. A., KARACHI

MILLS:

32-KM, SHEIKHUPURA ROAD, FAISALABAD

WEB SITE:

www.asimtextile.com

VISION

TO TURN AROUND THE COMPANY INTO A
PROFITABLE UNDERTAKING THROUGHOUT ITS
LIFE AND TO BE A MARKET LEADER BY BEING
THE BEST LEADER BY BEING THE BEST.

MISSION

TO PROVIDE FINE QUALITY PRODUCTS
OF ITS CUSTOMERS AND BRING THE COMPANY
INTO PROFIT TO INCREASE SHAREHOLDERS'
WEALTH

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the members of Asim Textile Mills Limited will be held at registered office of the Company JK House, 32-W, Susan Road, Madina Town, Faisalabad at 9:30 AM on 31.10.2014 to transact the following business :-

- 1 To confirm the minutes of the Annual General Meeting held on 31.10.2013.
- 2 To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2014 together with the Directors' and Auditor's reports thereon.
- 3 To appoint auditors for the year ending June 30, 2015 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: 03.10.2014

(Company Secretary)

NOTES:

1. The share transfer books of the Company will remain closed from 25.10.2014 to 31.10.2014 (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 along with 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 MEMBERS

Your directors feel pleasure in presenting the 25th annual report with audited financial statements of the Company for the year ended June 30, 2014.

OPERATING RESULTS:

	[Rupees in Million]	
	Year ended June 30, 2014	Year ended June 30, 2013
Profit before taxation	70.475	104.064
Taxation	41.828	2.656
	<hr/>	<hr/>
Profit after taxation	28.647	101.408
	<hr/>	<hr/>
Earning per share – basic (Rupee)	1.89	6.68

Synopsis of financial year 2014:

- Gross earnings decreased to 87.458 million from 125.195 million during last year due to increase prices of raw material and fuel & power.
- Operational costs increased by 5.61% (Increased from 22.285 million to 23.536 million during the year under review).
- Sales revenue increased by 16.29% due to increase demand in market.

COURT CASES:

There is no material change in position of on going litigation and other matters related to court as reported in the Directors' report to the share holders for the year ended June 30, 2013.

AUDITOR'S REPORT:

Auditors have draw attention to the notes 21.1 to the financial statements.

In directors' opinion our court cases are based on strong legal grounds and are likely to be decided in Company's favour.

OUTSTANDING STATUTORY PAYMENT:

There is no outstanding statutory payment due on account of taxes, duties, levies and charges except of normal and routine nature.

FUTURE PROSPECTS:

Your Company has performed satisfactory in this financial year despite the negative factors like energy crisis, poor law and order situation and inflation etc. Management is also working on the quality improvement to hold better position in the market. We are quite optimistic about the future of Company thought it could not be isolated from the current situation of country but we are trying to minimize negative impact of market.

COMPLIANCE TO GOOD GOVERNANCE, SOCIAL AND ENVIRONMENTAL REQUIREMENTS

Your company is committed to fulfill its responsibilities towards good governance, social and environmental responsibilities. The management has maintained safe environment in all its operations.

The Company has established implemented and maintained systems in compliance with the requirements of international standards and achieved third party certification for the following product/management systems standards:

ISO 9001:2008

Quality Management Systems

CONTRIBUTION TO NATIONAL EXCHEQUER

Your company has contributed Rs.27 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.

AUDITORS:

The present auditors M/s. Kreston Hyder Bhimji & Co., Chartered Accountants retire and being eligible offer themselves for reappointment for the next year. The audit committee has also recommended their name for reappointment.

PATTERN OF SHAREHOLDING:

Pattern of shareholding as on June 30, 2014 is annexed.

NUMBER OF BOARD MEETINGS HELD:

Four board meetings were held during the year ended on 30.06.2014. Attendance by each director is given below:-

Name of Director	No of Meetings Attended
Mr. Zahid Anwar (CEO)	4
Mrs. Rukhsana Begum	4
Mr. Imran Zahid	2
Ms. Quratul Ain Zahid	2
Ch. Ghulam Murtaza Buttar	4
Mr. Umer Farooq	3
Mr. Ali Raza Zafar	4

AUDIT COMMITTEE:

The Board in compliance with the Code of Corporate Governance has established an audit committee comprising of the following members:

Ch. Ghulam Murtaza Buttar	-	Chairman
Mr. Umer Farooq	-	Member
Ms. Quratul Ain Zahid	-	Member

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

In compliance to listing regulations of Stock Exchanges and as required under the Companies Ordinance, 1984, your directors are pleased to report as under:

1. The financial statements prepared by the management of your Company present fairly and accurately the state of its affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of accounts of the company have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. 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.
5. The system of internal control is sound in design and has been effectively implemented and being monitored continuously. On going review will continue in future for further improvement in controls.
6. There are no significant doubts upon the company's ability to continue as a going concern.
7. There has been no material departure from the best practices of corporate governance.
8. Transaction undertaken with related parties during the financial year have been ratified by the Audit Committee and approved by the Board.
9. The value of investment made in respect of Employees Provident Fund was Rs.6,188,836/- (2013: Rs.5,207,648/-).
10. Key operating and financial data of last six years in summarized form is annexed.
11. Statement of compliance with the Best Practice of Corporate Governance is annexed.

DIVIDEND:

Due to accumulated losses directors do not recommend payment of dividend.

POST BALANCE SHEET EVENT:

There is no significant post balance sheet event which warrants mention.

KEY FINANCIAL HIGHLIGHTS:

Financial data of the last six years is annexed.

ACKNOWLEDGEMENT:

The management would like to place on record its deep appreciation for the continuous support of its shareholders, customers and employees and expect to get the same cooperation in the future.

Dated: October 03, 2014
Faisalabad.

On behalf of the Board

Zahid Anwar
Chief Executive

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

The Company has applied the principles contained in the CCG in the following manners:-

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

Category	Names
Independent Directors:	Ch. Ghulam Murtaza Buttar Mr. Umer Farooq Mr. Ali Raza Zafar
Executive Directors:	Mr. Zahid Anwar Mr. Imran Zahid
Non-Executive Directors:	Mrs. Rukhsana Begum Ms. Quratul Ain Zahid

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 director 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 NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Two casual vacancies occurred on the Board on 29th January 2014 was filled up by the directors within same day.
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 board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirement of the CCG 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 independent 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.

Dated: October 03, 2014
Faisalabad.

Zahid Anwar
Chief Executive

KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS

Particulars	2013	2012	2011	2010	2009	2008
Financial Position						
Paid up capital	151.770	151.770	151.770	151.770	151.770	151.770
Fixed assets (cost)	475.479	257.248	630.916	610.699	594.997	594.728
Accumulated depreciation	310.154	271.458	251.802	231.829	212.158	191.911
Current assets	303.484	201.542	165.402	122.441	82.109	122.804
Current liabilities	232.427	242.552	244.174	236.019	229.507	247.016
Income						
Sales	1,130.026	1,054.932	1,094.821	832.727	650.364	629.924
Other income	6.792	8.676	1.940	1.251	1.455	-
Pre tax profit/(loss)	104.064	36.776	44.574	27.161	(33.877)	2.426
Taxation (credit)/charge	(2.656)	(7.539)	(6.049)	(0.332)	4.025	1.429
Statistics & Ratios						
Pre tax profit/(loss) to sales %	9.21	3.49	4.07	3.26	(5.21)	0.39
Pre tax profit/(loss) to capital %	68.57	24.23	29.37	17.9	(22.32)	1.6
Current ratio	1: 1.30	1: 0.83	1: 0.68	1: 0.52	1: 0.36	1: 0.50
Paid up value per share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Earning after tax per share (Rs.)	6.68	1.93	2.54	1.77	(1.97)	0.25
Cash dividend%	-	-	-	-	-	-
Break up value per share (Rs.)	(11.15)	(18.27)	(20.74)	(23.76)	(26.00)	(24.53)

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

We have reviewed the 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 **Asim Textile Mills Limited** ("the Company") to comply with the Listing Regulation No.35 of the Karachi Stock Exchange (Guarantee) Limited and Chapter XI of the Listing Regulations of Islamabad Stock Exchange (Guarantee) Limited and 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.

Further, Sub-Regulation (xiii a) of Listing Regulations 35 notified by the Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval 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. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before 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 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, 2014.

DATE: OCTOBER 03, 2014
FAISALABAD

KRESTON HYDER BHIMJI & CO.
Chartered Accountants
Engagement Partner: Khan Muhammad

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **ASIM TEXTILE MILLS LIMITED** ("the Company") as at June 30, 2014 and 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 the 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, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with 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, 2014 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Without qualifying our opinion, we draw attention to the members towards note 21.1 to the financial statements which indicate that the Company has filed a suit against Faysal Bank Limited for charging illegal profits against the principles of Islamic Banking and that the balances as appearing in these financial statements have also not been confirmed by the Bank. Although, the management of the company is affirmative that the case will be decided in company's favor, the ultimate outcome of the matter cannot presently be determined with any degree of certainty.

DATE: OCTOBER 03, 2014
FAISALABAD

KRESTON HYDER BHIMJI CO.
Chartered Accountants
Engagement Partner: Khan Muhammad

BALANCE SHEET
AS AT JUNE 30, 2014

	Note	2014 Rupees	Restated 2013 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	366,961,037	371,419,451
Advance for capital expenditure	6	10,191,707	-
Long term deposits	7	11,046,184	11,046,184
		<u>388,198,928</u>	<u>382,465,635</u>
CURRENT ASSETS			
Stores and spares	8	12,238,304	9,626,213
Stock in trade	9	91,991,046	95,091,358
Trade debts	10	29,111,463	3,873,914
Advances, prepayment and other receivable	11	11,730,958	9,018,862
Short term investment	12	10,097,291	9,338,298
Tax refunds due from Government	13	8,875,646	11,006,169
Cash and bank balances	14	194,556,030	165,529,175
		<u>358,600,738</u>	<u>303,483,989</u>
TOTAL ASSETS		<u><u>746,799,666</u></u>	<u><u>685,949,624</u></u>
SHARE CAPITAL AND RESERVES			
Authorized capital			
17,500,000 ordinary shares of Rs.10 each		<u>175,000,000</u>	<u>175,000,000</u>
Issued, subscribed and paid up capital			
15,177,000 ordinary shares of Rs. 10 each, fully paid in cash		<u>151,770,000</u>	<u>151,770,000</u>
Accumulated loss		<u>(285,811,747)</u>	<u>(320,958,821)</u>
		<u>(134,041,747)</u>	<u>(169,188,821)</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	15	140,430,714	146,171,524
NON CURRENT LIABILITIES			
Long term financing	16	415,046,998	415,046,998
Deferred liabilities	17	90,011,806	61,493,416
		<u>505,058,804</u>	<u>476,540,414</u>
CURRENT LIABILITIES			
Trade and other payables	18	38,646,764	35,721,376
Accrued mark up	19	194,161,422	194,161,422
Short term borrowing	20	2,543,709	2,543,709
		<u>235,351,895</u>	<u>232,426,507</u>
CONTINGENCIES AND COMMITMENTS	21	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>746,799,666</u></u>	<u><u>685,949,624</u></u>

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

CHIEF EXECUTIVE

DIRECTOR

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
Sales - net	22	1,314,143,237	1,130,025,767
Cost of sales	23	1,226,685,538	1,004,830,726
Gross profit		87,457,699	125,195,041
Operating expenses			
Administrative expenses	24	23,535,581	22,285,943
Other operating expenses	25	3,709,203	5,477,068
Finance cost	26	558,291	159,352
		27,803,075	27,922,363
Operating profit		59,654,624	97,272,678
Other income	27	10,820,236	6,791,618
Profit before taxation		70,474,860	104,064,296
Taxation	28	41,827,589	2,656,378
Profit for the year		28,647,271	101,407,918
Earnings per share - Basic	29	1.89	6.68

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

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2014

	2014 Rupees	2013 Rupees
Profit for the year	28,647,271	101,407,918
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Unrealized income on changes in fair value of investment	758,993	743,178
Total comprehensive income for the year	<u>29,406,264</u>	<u>102,151,096</u>

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

CHIEF EXECUTIVE

DIRECTOR

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2014**

	Note	2014 Rupees	2013 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		70,474,860	104,064,296
Adjustments for non cash and other items:			
Depreciation		19,796,629	18,516,195
Profit on deposit accounts		(9,813,198)	(6,176,178)
Profit on deposit with SNGPL		(1,007,038)	-
Profit on short term investment		-	(608,322)
Workers' profit participation fund		3,709,203	5,477,068
Finance cost		558,291	159,352
Operating cash flows before working capital changes		83,718,747	121,432,411
Changes in working capital			
(Increase)/decrease in current assets			
Stores and spares		(2,612,091)	(531,185)
Stock in trade		3,100,312	(55,158,606)
Trade debts		(25,237,549)	(3,873,914)
Advances, prepayment and other receivable		(2,884,344)	(4,335,878)
Tax refunds due from Government		2,069,162	-
Increase/(decrease) in current liabilities		4,214,523	(13,144,160)
les		(21,349,987)	(77,043,743)
Cash generated from		62,368,760	44,388,668
Finance cost paid		(79,561)	(36,290)
		(13,219,063)	(7,192,467)
		(28,775)	(56,784)
		(5,477,068)	(2,098,500)
		43,564,293	35,004,627
b)			
Addition in property, pl		(15,391,352)	(2,783,425)
Advance for capital expenditure		(10,191,707)	-
		53,137	-
		10,992,484	5,889,259
		-	8,648,500
		-	1,351,500
		-	(2,692,500)
Long term deposits		(14,537,438)	10,413,334
ctivities			
Net increase in cash and cash equivalents	(a+b)	29,026,855	45,417,961
Cash and cash equival		165,529,175	120,111,214
Cash and cash equivalents at the end of the yea	14	194,556,030	165,529,175

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

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2014

	Share capital	Accumulated loss	Total
	[R U P E E S]		
Balance as at July 01, 2012	151,770,000	(429,064,292)	(277,294,292)
Incremental depreciation on revalued property, plant and equipment for the year	-	9,021,781	9,021,781
Tax effect on incremental depreciation	-	(3,067,406)	(3,067,406)
Total comprehensive income for the year	-	102,151,096	102,151,096
Balance as at June 30, 2013	151,770,000	(320,958,821)	(169,188,821)
Incremental depreciation on revalued property, plant and equipment for the year	-	8,568,373	8,568,373
Tax effect on incremental depreciation	-	(2,827,563)	(2,827,563)
Total comprehensive income for the year	-	29,406,264	29,406,264
Balance as at June 30, 2014	151,770,000	(285,811,747)	(134,041,747)

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

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

1. THE COMPANY AND ITS OPERATIONS

- 1.1 The Company is limited by shares and incorporated in Pakistan under the Companies Ordinance, 1984. Its shares are quoted at Karachi, Islamabad and Lahore stock exchanges. The principal business of the Company is manufacturing and sale of yarn. 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.

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 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)
IFRS-2 Shared-based Payments (Amendments)	July 01, 2014
IFRS-3 Business Combinations (Amendments)	July 01, 2014
IFRS-8 Operating Segments (Amendments)	July 01, 2014
IAS-16 Property, Plant and Equipment (Amendments)	July 01, 2014
IAS-24 Related Party Disclosures (Amendments)	July 01, 2014
IAS-32 Financial Instrument: Presentation (Amendments)	January 01, 2014
IAS-36 Impairments of Assets (Amendments)	January 01, 2014
IAS-39 Financial Instrument: Recognition & Measurement (Amendments)	January 01, 2014
IFRIC-21 Levies	January 01, 2014

The management anticipate 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 10 Consolidated financial statements	January 01, 2013
IFRS 11 Joint arrangements	January 01, 2013
IFRS 12 Disclosure of Interests in other entities	January 01, 2013
IFRS 13 Fair value measurement	January 01, 2013
IFRIC 21 Levies	January 01, 2014

3. BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention except property, plant and equipment referred in note 4.3 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 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	(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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**4.1 Property, plant and equipment****Operating assets**

Operating fixed assets except land and capital work in progress are stated at cost / revalued amounts less accumulated depreciation and impairment, if any. Cost in relation to fixed assets signifies historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Free hold land is stated at revalued amount and capital work in progress is stated at historical cost.

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.

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 (monthly weighted) 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 changed its policy for staff retirement benefits as on 31st March, 2008 from staff retirement gratuity to provident fund and staff retirement gratuity up to that date is stated on termination basis.

At present the Company operates an approved Provident Fund Scheme covering all its permanent employees. 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 recognized as expense 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, whichever is higher, 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, long term advances, 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 loans & finances, short term loans & borrowing and trade 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 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.

4.19 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.

4.20 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 sales of goods is recognized when the significant risks and rewards of the ownership of the goods have been passed to the customer usually when goods are delivered/ dispatched and title has passed.

Profit on short term investment is recognized on the time-apportioned basis.

4.21 Correction of prior periods error

Deferred tax effect in the sum of Rs. 3,184,464 for the year ended June 30, 2012 on the surplus arisen from time to time on the revaluation of property, plant and equipment was inadvertently not transferred from "surplus on revaluation of property plant and equipment" account. Since such an error was found to be the misinterpretation of fact during those periods, therefore, the same is being rectified as "prior period errors" in accordance with the para 45 of IAS 8, "Accounting policies, Changes in accounting estimates and Errors". The above correction has no effect on the profit and loss account, cash flow statement and changes in equity. The effect of these adjustments in these financial statements is, as under:

	Amount Rupees
Effect on year 2012 :	
Effect on the balance sheet	
Increase in surplus on revaluation of Property, plant & equipment	3,184,464
Decrease in deferred liabilities	(3,184,464)

5. PROPERTY, PLANT AND EQUIPMENT

				2014						
DESCRIPTION	COST / REVALUATION			DEPRECIATION				W . D . V	Rate %	
	As at July 1, 2013	Addition/ (deletion)	As at June 30, 2014	As at July 1, 2013	Adjustment	For the year	As at June 30, 2014	As at June 30, 2014		
Freehold land	39,206,400	-	39,206,400	-	-	-	-	39,206,400	-	
Building on freehold land	100,136,763	-	100,136,763	27,475,140	-	3,633,061	31,108,221	69,028,542	5	
Plant and machinery	492,513,580	2,725,993	495,239,573	245,878,380	-	12,354,477	258,232,857	237,006,716	5	
Electric installations	16,080,359	186,137 (54,500)	16,211,996	9,622,656	(1,363)	659,070	10,280,363	5,931,633	10	
Furniture and fittings	659,633	-	659,633	347,440	-	31,219	378,659	280,974	10	
Office equipments	2,567,992	23,600	2,591,592	1,352,606	-	122,203	1,474,809	1,116,783	10	
Vehicles	9,872,998	12,455,622	22,328,620	4,981,494	-	2,992,635	7,974,129	14,354,491	20	
Factory Equipment	355,750	-	355,750	316,308	-	3,944	320,252	35,498	10	
Total 2014	661,393,475	15,336,852	676,730,327	289,974,024	(1,363)	19,796,629	309,769,290	366,961,037		

				2013						
DESCRIPTION	COST / REVALUATION			DEPRECIATION				W . D . V	Rate %	
	As at July 1, 2012	Addition/ (deletion)	As at June 30, 2013	As at July 1, 2012	Adjustment	For the year	As at June 30, 2013	As at June 30, 2013		
Freehold land	39,206,400	-	39,206,400	-	-	-	-	39,206,400	-	
Building on freehold land	100,136,763	-	100,136,763	23,650,844	-	3,824,296	27,475,140	72,661,623	5	
Plant and machinery	492,513,580	-	492,513,580	232,897,580	-	12,980,800	245,878,380	246,635,200	5	
Electric installations	13,966,869	2,113,490	16,080,359	8,966,869	-	655,787	9,622,656	6,457,703	10	
Furniture and fittings	659,633	-	659,633	312,752	-	34,688	347,440	312,193	10	
Office equipments	2,567,992	-	2,567,992	1,217,563	-	135,043	1,352,606	1,215,386	10	
Vehicles	7,840,873	2,032,125	9,872,998	4,100,295	-	881,199	4,981,494	4,891,504	20	
Factory Equipment	355,750	-	355,750	311,926	-	4,382	316,308	39,442	10	
Total 2013	657,247,860	4,145,615	661,393,475	271,457,829	-	18,516,195	289,974,024	371,419,451		

5.1 Detail of property plant and equipment disposed off during the year:

Description	Party	Mode of disposal	Cost	Book value	Sale proceeds	Gain/(Loss)
<u>Electric installations</u>						
Split A/C	Multi Electronics	Exchange with new AC	54,500	53,137	53,137	

Note

5.1.1

5.1.1 This represents exchange of split air conditioner with new one at book value.

5.2 Depreciation charge for the year has been allocated as under;

	2014 Rupees	2013 Rupees
Cost of sales	16,650,572	17,465,265
Administrative expenses	3,146,057	1,050,930
	<u>19,796,629</u>	<u>18,516,195</u>

5.3 Had there been no revaluation, the related figures of freehold land, building on freehold land, plant and machinery and electric installations as at June 30 would have been as follows.

	2014		
	Cost	Accumulated depreciation	Written down value
	[R U P E E S]		
Freehold land	4,062,000	-	4,062,000
Building on freehold land	40,631,000	31,763,409	8,867,591
Plant and machinery	404,439,390	269,277,400	135,161,990
Electric installations	15,748,022	10,192,208	5,555,814
	<u>464,880,412</u>	<u>311,233,017</u>	<u>153,647,395</u>

	2013		
	Cost	Accumulated depreciation	Written down value
	[R U P E E S]		
Freehold land	4,062,000	-	4,062,000
Building on freehold land	40,631,000	31,296,694	9,334,306
Plant and machinery	401,713,397	262,283,172	139,430,225
Electric installations	15,616,385	9,576,259	6,040,126
	<u>462,022,782</u>	<u>303,156,125</u>	<u>158,866,657</u>

	Note	2014 Rupees	2013 Rupees
6. ADVANCE FOR CAPITAL EXPENDITURE			
Advance against purchase of land	21.3	<u>10,191,707</u>	<u>-</u>
7. LONG TERM DEPOSITS			
Security deposits			
- SNGPL	7.1	8,266,056	8,266,056
- FESCO		2,734,078	2,734,078
- WASA		8,550	8,550
- CDC		37,500	37,500
		<u>11,046,184 *</u>	<u>11,046,184</u>
7.1 This represents the security amount deposited with Sui Northern Gas Pipelines Limited (SNGPL) for supply of natural gas to the Company. The balance amount is subject to profit @ 5% p.a.			
8. STORES AND SPARES			
Stores		5,068,768	4,311,528
Spares		<u>7,169,536</u>	<u>5,314,685</u>
		<u>12,238,304</u>	<u>9,626,213</u>
9. STOCK IN TRADE			
Raw material		40,469,254	42,522,854
Work in process		6,993,814	7,693,160
Finished goods		<u>44,527,978</u>	<u>44,875,344</u>
		<u>91,991,046</u>	<u>95,091,358</u>
10. TRADE DEBTS			
Considered good			
Local - unsecured		<u>29,111,463</u>	<u>3,873,914</u>
11. ADVANCES, PREPAYMENT AND OTHER RECEIVABLE			
Advances-considered good			
- Advances to employees		51,000	776,433
- Advances to suppliers		11,037,553	7,434,479
Prepaid insurance		218,449	211,746
Accrued profit		423,956	596,204
		<u>11,730,958</u>	<u>9,018,862</u>
12. SHORT TERM INVESTMENT			
Available for sale			
NAFA Government Securities Liquid Fund	12.1	<u>10,097,291</u>	<u>9,338,298</u>
12.1 These have been valued by using published net asset value (NAV) as at 30 June 2014, the number of units held by the Company is 1,004,325.8445 units (2013: 930,303.9687 units).			
13. TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax		7,951,532	10,020,694
Income tax		<u>924,114</u>	<u>985,475</u>
		<u>8,875,646</u>	<u>11,006,169</u>
14. CASH AND BANK BALANCES			
Cash in hand		42,587,318	106,205
Cash at bank			
In current accounts	14.1	<u>24,729,438</u>	<u>991,077</u>
In deposit accounts	14.2	<u>127,239,274</u>	<u>164,431,893</u>
		<u>151,968,712</u>	<u>165,422,970</u>
		<u>194,556,030</u>	<u>165,529,175</u>

14.1 It includes US\$, 1000/- (2013: US\$, 1000/-) and SAR. 2,461/- (2013: SAR. 2,461/-)

14.2 Deposits with commercial banks yield profit at the rate of 5% to 9% (2013: 5% to 10.5%)

	2014 Rupees	Restated 2013 Rupees
15. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Balance as on July 01,	146,171,524	148,941,435
Add: Correction of surplus on revaluation of property plant and equipment note- 4.21	-	3,184,464
Balance as on July 01 -restated	146,171,524	152,125,899
Incremental depreciation on revalued property, plant and equipment for the year	(8,568,373)	(9,021,781)
Related effect of deferred tax liability	2,827,563	3,067,406
	(5,740,810)	(5,954,375)
Balance as on June 30,	140,430,714	146,171,524

First revaluation of building on freehold land and plant and machinery was carried out as on September 30, 1995 by an independent valuer M/s Iqbal A. Nanjee & Co. Lahore on the basis of depreciated replacement values.

Second revaluation of freehold land, building on freehold land and plant and machinery has been carried out on September 30, 2000 by an independent valuer Inspectorates Corporation International (Pvt) Ltd., Lahore and the same has been verified by SBP's approved auditors on the basis of depreciated replacement values.

Third revaluation of freehold land, building on freehold land, plant and machinery and electric installations has been carried out on June 30, 2012 by an independent valuer M/s Nizamy Associates, Faisalabad on the basis of depreciated replacement values.

	Note	2014 Rupees	2013 Rupees
16. LONG TERM FINANCING			
Loan from banking companies - secured			
Morabaha finance:			
Morabaha - I	16.1	340,901,898	340,901,898
Morabaha - II	16.2	74,145,100	74,145,100
		415,046,998	415,046,998

16.1 It represents morabaha finance created by Faysal Bank Limited by converting various morabaha finances into long term morabaha-I at an interest rate of 13% per annum.

16.2 It represents an interest free morabaha finance by Faysal Bank Limited by converting various unpaid markups into long term non-profit morabaha-II.

16.3 The above mentioned morabaha finances are secured against the first charge of Rs. 505 million on fixed assets and personal guarantees of directors and Chief Executive of the Company.

16.4 The Company is not repaying the morabaha finances as it has filed a suit against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The bank has also filed a counter suit praying for a decree to be passed in its favor for a sum of Rs. 454.502 million against the defendants jointly and severally, with cost of funds at the rate of 20% or as certified by State Bank of Pakistan from date of default and 20% liquidated damages plus service charges and all costs, charges, expenses payable or to be incurred by the plaintiff bank till the final payment / realization of the afore-mentioned amount. The facts and status of the litigations are further explained in note 21.1. Accordingly, the current portion of these morabaha finances has not been transferred to current liabilities as the amount of liability and related current portion is dependent upon the decision of the above stated cases.

	Note	2014 Rupees	Restated 2013 Rupees
17. DEFERRED LIABILITIES			
Deferred taxation	17.1	88,470,244	59,923,079
Staff retirement gratuity	17.2	1,541,562	1,570,337
		90,011,806	61,493,416

17.1 DEFERRED TAXATION

17.1.1 Balance as on July 01,	59,923,079	66,174,949
Correction of surplus on revaluation of property plant and equipment note- 4.21	-	(3,184,464)
Balance as on July 01 -restated	59,923,079	62,990,485
Adjusted during the year	28,547,165	(3,067,406)
Balance as on June 30,	88,470,244	59,923,079
17.1.2 This comprise of following:		
Deferred tax liability:		
Taxable temporary differences relating to operating assets	32,680,646	-
Taxable temporary differences relating to surplus on revaluation of property, plant and equipment	57,095,516	-
Deferred tax assets:		
Deductible temporary differences on tax losses	(797,203)	-
Staff retirement benefits	(508,715)	-
	88,470,244	-

17.1.3 The Company has accounted for deferred tax liability in this year as compared to previous year in which the provision for deferred taxation is based only on temporary differences arising on surplus on revaluation of property, plant and equipment. Previously the Company being prudent had not accounted for net deferred tax asset on net taxable temporary differences comprising accelerated tax depreciation, recognized losses and staff retirement benefits, due to the uncertainty with regard to availability of future taxable profits of the Company against which the unused tax losses and unused tax credits can be utilized.

	Note	2014 Rupees	2013 Rupees
17.2 STAFF RETIREMENT GRATUITY			
Balance as on July 01,		1,570,337	1,627,121
Paid during the year		(28,775)	(56,784)
Balance as on June 30,		<u>1,541,562</u>	<u>1,570,337</u>
18. TRADE AND OTHER PAYABLES			
Trade creditors		17,118,708	15,499,081
Accrued expenses		12,520,726	10,195,194
Advances from customers		3,043,568	3,204,988
Due to related parties	18.1	1,501,344	1,166,170
Withholding tax payable		62,220	27,091
Sale tax withheld payable		212,265	151,784
Workers' profit participation fund	18.2	4,187,933	5,477,068
		<u>38,646,764</u>	<u>35,721,376</u>
18.1 This represents directors current account balances maintained with the company.			
Balance as on July 01,		1,166,170	927,452
Received during the year		1,200,000	1,600,000
Paid during the year		(864,826)	(1,361,282)
Balance as on June 30,		<u>1,501,344</u>	<u>1,166,170</u>
18.2 Workers' profit participation fund			
At the beginning of the year		5,477,068	1,975,438
Interest on funds utilized in the Company's business		478,730	123,062
		5,955,798	2,098,500
Allocation for the year		3,709,203	5,477,068
		9,665,001	7,575,568
Less: Amount paid for the year		(5,477,068)	(2,098,500)
		<u>4,187,933</u>	<u>5,477,068</u>
19. ACCRUED MARK UP			
Accrued markup on secured morabaha finance	19.1	194,161,422	194,161,422
19.1 The company has ceased the payment of markup since July 01, 2006, as it has filed a suit against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The facts of the litigation are explained in note 21.1.			
20. SHORT TERM BORROWING			
Banking company			
Interest free bank overdraft - unsecured	20.1	2,543,709	2,543,709
20.1 The company has ceased repayment of the overdraft as it has filed a suite against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The facts of the litigation are explained in note 21.1.			
21. CONTINGENCIES AND COMMITMENTS			
Contingencies			
21.1 The company has instituted a suit in the Honorable Lahore High Court, Lahore against Faysal Bank Limited claiming damages on account of acquisition of un-remunerative agricultural land on the advice of FIBL for not providing timely cash finance facilities despite written commitments and for charging illegal profits against the principles of Islamic Banking and in contravention of the objective clause of its Memorandum of Association, Articles of Association and against circulars issued by the State Bank of Pakistan. The amount claimed for the first two counts is Rs.141.831 million (including claims of Central Excise Duty), whereas the amount of last count has been left for the Court to determine.			
The bank has also filed a counter suite for recovery of Rs. 454.502 million in the Honorable Lahore High Court, Lahore along with cost of funds, etc., pending adjudication at the terminal date. The cost of the fund in the instant case cannot be determined with reasonable degree of certainty at this point in time, in view of the dispute in the recovery amount as well as undetermined rate of cost and period of default. Due to litigations, the Bank is not responding and confirming the balance to the company.			
The management of the company as well as its legal advisors are of the opinion that these cases are based and being contested on strong legal grounds and are likely to be decided in Company's favor. Accordingly, mark ups on these lending are not being accrued as referred to in notes 16, 19 and 20 of these financial statements, particularly in view of the fact that the total liability already booked in this regard is much more than that to be decided by the court.			
21.2 During the year, the Company has not acknowledged a liability amounting to Rs. 1,409,497/- (2013: Rs. 2,081,286/-) of Workers Welfare Fund in the light of the decision of Honorable High Court Lahore dated 24 August 2011 whereby the Honorable High Court Lahore has struck down amendments regarding Workers Welfare Fund Ordinance, 1971 introduced through Finance Act 2006 and 2008 as being unconstitutional. However, the department has filed a review petition against the decision, which is still pending for adjudication.			
Commitments			
21.3 The Company has acquired land of 10.22 acres at Rs. 67,856,882/- at M-3 Industrial Estate developed by Faisalabad Industrial Estate Development and Management Company (FIEDMC). It represent interest free installments consist of four years quarterly plan. Only 15% down payment is made during the year. Allotment letter shall be issued on full payment of plot. Refer note 6.			

	Note	2014 Rupees	2013 Rupees
22. SALES - NET			
Local			
Yarn sales		1,329,765,645	1,127,354,323
Waste sales		10,688,309	10,157,534
Gross sales		1,340,453,954	1,137,511,857
Less: Sales tax		(26,283,417)	(7,443,872)
Commission		(27,300)	(42,218)
		(26,310,717)	(7,486,090)
		<u>1,314,143,237</u>	<u>1,130,025,767</u>
23. COST OF SALES			
Raw material consumed	23.1	896,731,869	793,725,074
Stores and spares consumed		23,541,972	21,279,289
Packing material consumed		20,996,038	16,779,965
Salaries, wages and benefits		87,836,402	78,504,196
Provident fund contribution		2,809,978	2,346,418
Fuel and power		171,870,604	111,058,341
Repairs and maintenance		1,409,513	1,810,972
Insurance		3,074,140	2,095,396
Depreciation	5.2	16,650,572	17,465,265
General expenses		717,738	642,802
		<u>1,225,638,826</u>	<u>1,045,707,718</u>
Work in process			
Balance as on July 01,		7,693,160	7,648,957
Balance as on June 30,		(6,993,814)	(7,693,160)
		<u>699,346</u>	<u>(44,203)</u>
Cost of goods manufactured		<u>1,226,338,172</u>	<u>1,045,663,515</u>
Finished goods			
Balance as on July 01,		44,875,344	4,042,555
Balance as on June 30,		(44,527,978)	(44,875,344)
		<u>347,366</u>	<u>(40,832,789)</u>
		<u>1,226,685,538</u>	<u>1,004,830,726</u>
23.1 RAW MATERIAL CONSUMED			
Balance as on July 01,		42,522,854	28,241,240
Purchases		894,678,269	808,006,688
		<u>937,201,123</u>	<u>836,247,928</u>
Balance as on June 30,		(40,469,254)	(42,522,854)
		<u>896,731,869</u>	<u>793,725,074</u>
24. ADMINISTRATIVE EXPENSES			
Staff salaries and benefits		10,588,862	6,920,192
Provident fund contribution		284,440	257,406
Postage and telecommunication		444,156	345,562
Electricity, Fuel and water		846,980	120,916
Printing and stationary		71,006	59,891
Travelling and conveyance		100,670	96,808
Entertainment		456,609	175,916
Fees and subscription		963,984	1,481,434
Legal and professional		1,769,944	652,556
Rent, rate and taxes	24.1	254,217	8,293,411
Vehicle, running and maintenance		3,119,108	1,907,644
Auditors' remuneration	24.2	320,000	320,000
Insurance		942,807	369,643
Advertisement		10,260	10,260
Depreciation	5.2	3,146,057	1,050,930
Others		216,481	223,374
		<u>23,535,581</u>	<u>22,285,943</u>
24.1 It includes sale tax Rs. Nil (2013: Rs. 8,016,421/-) paid into Government treasury to avail sale tax amnesty in terms of SRO. 179(I)/2013 dated 7th March, 2013.			

	Note	2014 Rupees	2013 Rupees
24.2 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>
25. OTHER OPERATING EXPENSES			
Workers' profit participation fund		<u>3,709,203</u>	<u>5,477,068</u>
26. FINANCE COST			
Interest on workers' profit participation fund		478,730	123,062
Bank charges and commission		79,561	36,290
		<u>558,291</u>	<u>159,352</u>
27. OTHER INCOME			
Income from financial assets			
Profit on deposit accounts		9,813,198	6,176,178
Profit on short term investment		-	608,322
Exchange gain on foreign currency translation		-	7,118
Profit on deposit with SNGPL		1,007,038	-
		<u>10,820,236</u>	<u>6,791,618</u>
28. TAXATION			
Current	28.1	13,249,908	5,684,298
Deferred		28,547,165	(3,067,406)
Prior year		30,516	39,486
		<u>41,827,589</u>	<u>2,656,378</u>

28.1 In view of the available tax losses, provision for current taxation is based on turnover under Section 113 of the Income Tax Ordinance, 2001. Reconciliation of tax expense and product of accounting profit has not been presented in these financial statements due to the reason of turnover taxation.

29. EARNINGS PER SHARE-BASIC	2014	2013
Profit for the year (Rupees)	<u>28,647,271</u>	<u>101,407,918</u>
Weighted average number of ordinary shares outstanding during the year	<u>15,177,000</u>	<u>15,177,000</u>
Earnings per share-basic (Rupees)	<u>1.89</u>	<u>6.68</u>

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

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	EXECUTIVES	
	[R U P E E S]	
	2014	2013
Salary	1,216,000	-
House rent allowance	486,400	-
Utilities allowance	592,006	-
Total	<u>1,824,000</u>	<u>-</u>
Number of persons	<u>2</u>	<u>-</u>

No remuneration is paid to the Chief Executive and directors during the year, however Chief Executive is provided with free use of Company maintained car. No meeting fee has been paid to any director of the Company for attending the board meetings.

31. 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 other key management personnel. Amounts due from and due to related parties, if any, are shown under relevant notes to financial statements. Remuneration of Chief Executive Officer, Directors and Executives is explained in Note 30. Transactions with related parties other than those specifically mention in relevant notes is as follows.

Nature of relationship	Nature of transactions	2014 Rupees	2013 Rupees
Post employment benefit	Expense during the year	6,188,836	5,207,648

There were no transactions with key management personnel except those covered under their terms of employment.

32. PLANT CAPACITY AND PRODUCTION

	2014	2013
Number of spindles installed	22,320	22,320
Number of spindles worked	22,320	22,320
Number of shifts worked per day	3	3
Installed capacity after conversion into 20/s count (Kgs)	9,964,261	9,682,858
Actual production of yarn after conversion into 20/s count (Kgs)	9,111,022	8,338,396

33. EMPLOYEES PROVIDENT FUND TRUST

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

Size of the fund (Rupees)	12,352,444	10,212,981
Cost of investment made (Rupees)	2,907,980	8,186,793
Percentage of investment made (%)	24	80
Fair value of investment (Rupees)	11,808,341	9,643,045

33.1 The breakup of fair value of investments is:

	2014		2013	
	Rupees	% of total	Rupees	% of total
NAFA Govt. Securities	3,023,420	25.60	9,356,455	97.03
Bank balances	8,784,921	74.40	286,590	2.97
	<u>11,808,341</u>	<u>100.00</u>	<u>9,643,045</u>	<u>100.00</u>

33.2 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.

34. NUMBER OF EMPLOYEES

The average number of employees for the year ended June 30, 2014 were 571 (2013: 568) and number of employees as at June 30, 2014 were 574 (2013: 571).

35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

35.1 Financial assets and liabilities

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

June 30, 2014						
Interest/mark-up bearing			Non Interest/mark-up bearing			Total
Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
RUPEES						
Financial assets						
At fair value through profit and loss						
- Investment (NAFA Government Securities)			10,097,291	-	10,097,291	10,097,291
Loans and receivables						
Long term deposits	8,266,056	8,266,056	-	2,780,128	2,780,128	11,046,184
Trade debts			29,111,463	-	29,111,463	29,111,463
Advances, prepayment and other receivable	423,956	423,956	11,088,553	-	11,088,553	11,512,509
Cash and bank balances	127,239,274	127,239,274	67,316,756	-	67,316,756	194,556,030
	127,663,230	8,266,056	135,929,286	117,614,063	120,394,191	256,323,477
Financial liabilities						
At amortised cost						
Long term finances	415,046,998	415,046,998	-	-	-	415,046,998
Trade and other payables			31,140,778	-	31,140,778	31,140,778
Interest accrued on long term financing			194,161,422	-	194,161,422	194,161,422
Short term borrowing			2,543,709	-	2,543,709	2,543,709
	415,046,998	415,046,998	227,845,909	-	227,845,909	642,892,907
Excess of financial assets over financial liabilities	127,663,230	(406,780,942)	(279,117,712)	(110,231,846)	2,780,128	(107,451,718)
					(386,569,430)	
June 30, 2013						
Interest/mark-up bearing			Non Interest/mark-up bearing			Total
Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
RUPEES						
Financial assets						
At fair value through profit and loss						
- Investment (NAFA Government Securities)			9,338,298	-	9,338,298	9,338,298
Loans and receivables						
Long term deposits	8,266,056	8,266,056	-	2,780,128	2,780,128	11,046,184
Trade debts			3,873,914	-	3,873,914	3,873,914
Advances, prepayment and other receivable	596,204	596,204	776,433	-	776,433	1,372,637
Cash and bank balances	164,431,893	164,431,893	1,097,282	-	1,097,282	165,529,175
	165,028,097	8,266,056	173,294,153	15,085,927	17,866,055	191,160,208
Financial liabilities						
At amortised cost						
Long term finances	415,046,998	415,046,998	-	-	-	415,046,998
Trade and other payables			26,860,445	-	26,860,445	26,860,445
Interest accrued on long term financing			194,161,422	-	194,161,422	194,161,422
Short term borrowing			2,543,709	-	2,543,709	2,543,709
	415,046,998	415,046,998	223,565,576	-	223,565,576	638,612,574
Excess of financial assets over financial liabilities	165,028,097	(406,780,942)	(241,752,845)	(208,479,649)	2,780,128	(205,699,521)
					(447,452,366)	

36. 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, short 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 and other receivables and cash and bank balances, which are directly related to its operations. The company's finance departments 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, 2014. The policies for managing each of these risks are summarized below:

36.1 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 2013.

36.1.1 Interest 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.

	2014 Rupees	2013 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	415,046,998	415,046,998
Financial assets		
Security deposits with SNGPL	8,266,056	8,266,056
Floating rate instruments		
Financial assets		
Bank balances-deposit account	127,239,274	164,431,893

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

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 827,055/- (2013: Rupees 1,068,807/-) higher / lower. The analysis is prepared assuming the amounts of bank balances outstanding at the balance sheet date were outstanding for the whole year.

36.1.2 Currency risk / Foreign Exchange 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. 163,230/- (2013: Rs. 163,305/-) which were subject to currency risk.

At June 30, 2014, had the currency been weakened/strengthened by 5% against the foreign currency with all other variables held constant, profit for the year and equity would have been Rs. 5,305/- (2013 : Rs.5,307/-) higher / lower, mainly as a result of foreign exchange gains / losses on translation of foreign currency denominated trade debts and foreign currency bank accounts.

36.1.3 Other price risk / Equity Price risk:

Other price risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments in securities. As at balance sheet date, the Company is not exposed to equity price risk as the Company do not have any investments in equity market.

36.2 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. 29,111 million (2013: Rs. 3,874 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	2014	2013
	Rupees	Rupees
Long term deposits	11,046,184	11,046,184
Trade debts	29,111,463	3,873,914
Advances, deposits and other receivable	423,956	596,204
Cash and bank balances	194,556,030	165,529,175
	<u>235,137,633</u>	<u>181,045,477</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			2014	2013
	Short term	Long term	Agency	Rupees	Rupees
Bank balances					
Al-Baraka Bank Limited	A	A	PACRA	718,478	626,842
Dubai Islamic Bank Limited	A-1	A+	JCR-VIS	37,173	62,374,370
Faysal Bank Limited	A1+	AA	PACRA	666	666
Habib Bank Limited	A-1+	AAA	JCR-VIS	24,220	22,740
JS Bank Limited	A1	A+	PACRA	204,908	18,139,772
MCB Bank Limited	A1+	AAA	PACRA	26,955	26,955
Meezan Bank Limited	A-1+	AA	JCR-VIS	10,411	10,411
National Bank of Pakistan	A-1+	AAA	JCR-VIS	140,880	700,717
Samba Bank Limited	A-1	AA-	JCR-VIS	10,981	10,981
United Bank Limited	A-1+	AA+	JCR-VIS	148,333,899	83,509,516
				<u>149,508,571</u>	<u>165,422,970</u>
Short term investment					
NAFA Government Securities Liquid Fund		AAA	PACRA	10,097,291	9,338,298
Counterparties without external credit rating					

36.3 Liquidity risk

Liquidity risk reflects the company's inability in raising funds to meet commitments. The Company's production remained below its installed normal capacity. Working capital of the Company is positive as at the balance sheet date. The Company's Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer. As a result of these efforts, the working capital improved over the last year. Management also foresees that the working capital position will become more favorable in the period to come due to increased revenues from the continuous operation of plant and increase in demand and price of the yarn.

The table below summarizes the maturity profiles of company's financial liabilities as on June 30, 2014 and 2013 based on contractual undiscounted payments date and present market interest rates.

	Within 1 year	More than 1 year and up to 5 years	Total
	[R U P E E S]		
June 30, 2014			
Long term financing	-	415,046,998	415,046,998
Trade and other payables	29,639,434	1,501,344	31,140,778
Markup and profits payable	-	194,161,422	194,161,422
Short term borrowings	-	2,543,709	2,543,709
	<u>29,639,434</u>	<u>613,253,473</u>	<u>642,892,907</u>
June 30, 2013			
Long term financing	-	415,046,998	415,046,998
Trade and other payables	25,694,275	1,166,170	26,860,445
Accrued interest/markup	-	194,161,422	194,161,422
Short term borrowings	-	2,543,709	2,543,709
	<u>25,694,275</u>	<u>612,918,299</u>	<u>638,612,574</u>

36.4 Fair value of financial instruments:

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

36.5 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.

37. CORRESPONDING FIGURES

37.1 Previous year figures have been rearranged and reclassified wherever necessary for the purpose of comparison. No major reclassification has been made in the corresponding figures.

37.2 Following nomenclatures have been changed during the year:

Previous year nomenclature	Current year nomenclature
Accrued Profit on deposits accounts	Accrued profit
Furniture, fixture & office equipments	Furniture and fittings
	Office equipments

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

38. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on October 03, 2014 by the Board of Directors of the Company.

Chief Executive

Director

FORM - 34
PATTERN OF SHAREHOLDING AS ON 30 JUNE, 2014

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
136	1	100	12,942
111	101	200	22,200
70	201	300	20,965
107	301	400	42,708
1,834	401	500	915,900
81	501	1,000	77,863
93	1,001	5,000	226,485
20	5,001	10,000	158,300
9	10,001	15,000	108,400
5	22,001	30,000	127,037
1	32,001	32,500	32,500
4	60,001	90,000	295,200
5	100,001	300,000	1,017,300
2	800,001	1,000,000	1,866,200
3	1,100,001	1,600,000	4,176,600
1	2,080,001	2,090,000	2,088,100
1	3,980,001	3,990,000	3,988,300
2,483			15,177,000

NOTE: The slabs not applicable have not been shown.

(*) The shareholder holds 10% or more shares

Categories of Shareholders	Number of shareholders	Shares Held	Holding Percentage
Individuals.	2,469	4,793,450	31.58
(*) N. I. T.	1	1,725,800	11.37
I. C. P.	1	27,600	0.18
(*) Mr. Zahid Anwar (CEO/Director)	1	3,988,300	26.28
(*) Mrs. Rukhsana Begum (Director)	1	2,088,100	13.76
Mr. Imran Zahid (Director)	1	1,516,900	9.99
Miss Quratul Ain Zahid (Director)	1	869,150	5.73
Ch. Ghulam Murtaza Buttar (Director)	1	500	0.00
Mr. Umer Farooq (Director)	1	500	0.00
Mr. Ali Raza Zafar (Director)	1	500	0.00
N. H. Holding (Pvt) Ltd.	1	1,000	0.01
Darson Securities (Pvt) Ltd.	1	500	0.00
Faysal Bank Limited	1	13,000	0.09
Saudi Pak Ind & Inv (pvt) Ltd	1	12,700	0.08
The Bank of Punjab	1	139,000	0.92
	2,483	15,177,000	100.00

STATEMENT SHOWING SHARES BOUGHT AND SOLD BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSE AND MINOR CHILDREN FROM 01-07-2013 TO 30-06-2014.

Name	Designation	Shares	
		Bought	Sold
NILL	NILL	NILL	NILL

ANNUAL GENERAL MEETING**FORM OF PROXY****IMPORTANT**

This Form of Proxy, in order to be effective, must be deposited duly completed at the Company's Registered Office JK House, 32-W Susan Road, Madina Town, Faisalabad, not less than 48 hours before the time of holding the meeting.

A proxy must be a member of the Company. Signature should agree with the specimen registered with the company.

Please quote Registered Folio Number

I/We _____
of _____
being a member of the Asim Textile Mills Limited _____ and holder
of _____ ordinary shares, hereby appoint
_____ of _____

who is also a member of the company as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at registered office of the Company, JK House, 32-W, Susan Road, Madina Town, Faisalabad, on 31.10.2014 at 9:00 a.m. or at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2014

Signed by the said _____ in the presence of _____

Date:

(Member's Signature)

Place

(Witness's Signature)

Affix Rs. 5/-
revenue stamp which
must be cancelled
either by signature
over it or by some
other means



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