



**Ideal**Group



# IDEAL

**SPINNING MILLS LIMITED**

26th Annual Report 2014



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**COMPANY INFORMATION**

<b>CHAIRMAN:</b>	MR. MOHAMMAD SAEED
<b>CHIEF EXECUTIVE OFFICER:</b>	MR. AMJAD SAEED
<b>DIRECTORS:</b>	MRS. ROBINA AMJAD MR. OMER SAEED MR. AHSAN SAEED MR. KHIZER SAEED MR. MUHAMMAD ASIF (NIT)
<b>AUDIT COMMITTEE:</b>	
<b>CHAIRMAN</b>	MR. OMER SAEED
<b>MEMBER</b>	MR. AHSAN SAEED
<b>MEMBER</b>	MR. MUHAMMAD ASIF (NIT)
<b>H.R. &amp; REMUNERATION COMMITTEE:</b>	
<b>CHAIRMAN</b>	MR. AHSAN SAEED
<b>MEMBER</b>	MR. OMER SAEED
<b>MEMBER</b>	MR. KHIZER SAEED
<b>CHIEF FINANCIAL OFFICER:</b>	MR. M. PERVAIZ AKHTAR
<b>COMPANY SECRETARY:</b>	MR. MUHAMMAD NADEEM
<b>SHARE REGISTRAR:</b>	M/S CONSULTING ONE (PVT) LTD 478-D, PEOPLES COLONY NO:1, FAISALABAD
<b>AUDITORS:</b>	M/S RIAZ AHMAD & COMPANY. CHARTERED ACCOUNTANTS
<b>BANKERS:</b>	BANK AL-FALAH LIMITED ALBARAKA BANK (PAKISTAN) LTD BANK AL-HABIB LTD HABIB METROPOLITAN BANK THE BANK OF PUNJAB
<b>REGISTERED OFFICE :</b>	ROOM NO 404 & 405, 4 <sup>TH</sup> FLOOR, BUSINESS CENTRE, MUMTAZ HASSAN ROAD, KARACHI. <a href="http://www.idealism.com">www.idealism.com</a>
<b>FACTORY:</b>	35-KM SHEIKHUPURA ROAD, TEHSIL JARANWALA, DISTT. FAISALABAD.

## **MISSION**

*To be a foremost Company receptive to the needs of our customers, acknowledge for consistently providing fine quality products and services by understanding the customers behaviours and preparing fully to meet the challenges of global market and to maximize profit by making best efforts in production planning, quality of products and making strategies.*



### **NOTICE OF MEETING**

Notice is hereby given that the 26th Annual General Meeting of **Ideal Spinning Mills Limited** will be held at Haji A. H. Muslim Gymkhana, Aiwan-e-Sadar Road, behind Shaheen Complex, Karachi on October 31, 2014 at 10.00 a.m. to transact the following business:

1. To confirm the minutes of the last Extra Ordinary Annual General Meeting held on March 31, 2014.
2. To receive consider and adopt the Audited Financial Statements of the company for the year ended June 30, 2014 together with Directors' and Auditors' report thereon.
3. To appoint Auditors for the year 2014-2015 and fix their remuneration. The present Auditor **M/S RIAZ AHMED & COMPANY** chartered Accountants, being eligible have offered themselves for reappointment.
4. Resolved that consent and approval of the Company be and hereby accorded to sale/purchase transaction with associated companies as per annual limit of Rs. 100 Million each as per normal trading terms and conditions.
5. To transact any other business with the permission of the chair.

By order of the board



**MUHAMMAD NADEEM**  
Company Secretary

**Dated: October 03, 2014**  
**KARACHI**

#### **NOTES:**

1. The Share transfer books of the company will remain closed from October 22, 2014 to October 31, 2014 (both days inclusive) transfers received at share registrar M/S CONSULTING ONE (PVT) LTD, 478-D, Peoples colony No:1 Faisalabad at the close of business hours on 21st October, 2014 will be treated in time.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint another member as proxy. Proxies received in order to be effective at the Registered Office of the company not less than 48 hours before the time for the meeting.
3. Any individual beneficial owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or passport to prove his/her identity and in case of proxy must enclosed an attested copy of his/her CNIC or passport. Representatives of corporate members should bring the usual documents required for such purpose.
4. Shareholders are requested to promptly notify the company of change in their addresses.

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors feel pleasure in presenting 26th Annual report with Audited Financial Statements of the company for the year ended 30 June 2014.

<b>FINANCIAL RESULTS</b> <b>(RUPEES IN THOUSAND)</b>	<b>2014</b>	<b>2013</b>
SALES	2,282,646	1,981,874
COST OF SALES	2,125,895	1,806,185
GROSS PROFIT	156,751	175,689
DISTRIBUTION COST	(18,886)	(20,393)
ADMINISTRATIVE EXPENSES	(79,995)	(66,405)
OTHER OPERATING EXPENSES	(1,040)	(2,482)
	(99,881)	(89,280)
	56,870	86,409
OTHER INCOME	387	1,436
PROFIT FROM OPERATIONS	57,257	87,845
FINANCE COST	(40,535)	(42,820)
PROFIT BEFORE TAXATION	16,722	45,025
PROVISION FOR TAXATION	(12,540)	(14,060)
PROFIT AFTER TAXATION	4,182	30,965
EARNINGS PER SHARE		
BASIC AND DILUTED	0.42	3.12

It has been a challenging year for the company as we witnessed high input costs in shape of raw materials and sluggish trends in sales because of lower demands from china and other far eastern countries which affected local market significantly. At the same time we saw energy problems with consistent electricity and gas load shedding which not only has resulted in production losses but also escalated our cost of productions as we had to resort to high alternative energy source i-e diesel based generation. Despite all odds by the Grace of Almighty Allah we managed to remain profitable although the profit has been reduced to Rs. 4.18 Million in comparison to last year profit of Rs. 30.97 Million. It has been a volatile year with new government had started its economic policies, appreciation in rupee parity against US dollar stable interest rates etc,

**FUTURE PROSPECTS**

At present country is yet again going through a political turmoil which is not good for economic stability. Rupee has again started to slide against dollar. We hope and expect that this unhealthy condition would be over soon. According to Pakistan Cotton ginner association data cotton lint arrival upto 15-09-14 in ginning factories has been equal to 2.75 Million bales which is 4.71% higher than last year. Despite recent floods crop outlook is positive and raw material rates are expected to remain within moderate range consequent to which we are hopeful for good financial results in the ensuing year of 2014-15.

The company is going through gradual BMR phase in order to replace old machinery with new.

Corporate changes:

During the year in the extra ordinary general meeting (EGM) held on 31-03-2014 the following directors were elected in place of the retiring directors:

- 1) Mr. Muhammad Saeed
- 2) Mr. Amjad Saeed
- 3) Mrs. Rubina Amjad
- 4) Mr. Omer Saeed
- 5) Mr. Ahsan Saeed
- 6) Mr. Khizer Saeed
- 7) Mr. M.ASIF (Nominee NIT)



The retiring directors were:

- 1) Mr. Muhammad Saeed
- 2) Mr. Nisar Ahmed
- 3) Mr. Muhammad Arshad
- 4) Mr. Amjad Saeed
- 5) Mr. Shahzad Ahmed
- 6) Mr. Aizad Amer
- 7) Mr. Saad Ashraf (Nominee NIT)

#### **OUTSTANDING STATUTORY PAYMENTS**

All outstanding payments are nominal and routine nature.

#### **RETIREMENT BENEFITS FUNDS:**

The Company operates un-funded gratuity scheme for its employees as reflected in the financial statements.

#### **AUDITORS**

The present auditor M/S RIAZ AHMAD & CO. Chartered Accountants, being eligible offered themselves for re-appointment for the year 2014-2015.

#### **PATTERN OF SHAREHOLDING**

Pattern of share holding as on 30 June, 2014 is annexed.

#### **RELATED PARTY TRANSACTIONS**

All transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable un-controlled price method. The company has complied with best practices on transfer pricing as contained in listing regulations of Stock Exchanges of Pakistan.

#### **NO. OF BOARD MEETING HELD**

During the year under review (4) meetings of Board of Directors held. Attendance by each director is appended here under:

<b>Name of Directors</b>	<b>Attendance</b>
Nisar Ahmed Sheikh (R)	3
Muhammad Saeed Sheikh	4
Muhammad Arshad Sheikh (R)	3
Amjad Saeed	3
Shahzad Ahmed (R)	3
Aizad Amer (R)	2
Saad Ashraf (Nit)(R)	3
Mrs. Rubina Amjad	1
Omer Saeed	1
Ahsan Saeed	1
Khizer Saeed	1
Shahid Anwar (Nit)(R)	1

- Directors who did not attend the above meetings were granted leave of absence by the Board of Directors.

#### **AUDIT COMMITTEE**

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

Mr. OMER SAEED	Chairman
Mr. AHSAN SAEED	Member
Mr. M.ASIF (NIT)	Member

**HUMAN RESOURCE AND REMUNERATION COMMITTEE**

The Board in compliance with the Code of Corporate Governance has established a human resource and remuneration committee comprising the following members:

Mr. AHSAN SAEED	Chairman
Mr. OMER SAEED	Member
Mr. KHIZER SAEED	Member

**APPROPRIATIONS:**

The Board of Directors recommended nil dividend for its shareholders due to tight liquidity position and import of Q. Pro Auto Winder, slubing device, vision shield and three reater card costing Rs. 80.00 million

**CORPORATE GOVERNANCE**

The statement of compliance of best practices of Corporate Governance is annexed

**CORPORATE AND FINANCIAL REPORTING FRAME WORK**

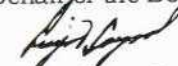
In compliance with listing regulations of stock exchanges and as required under the companies ordinance, 1984. Your directors are pleased to state as under:

1. The Financial Statements prepared by the management of your company present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
2. Proper books of accounts of the company have been maintained.
3. Appropriate accounting policies have been consistently applied and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements. The system of internal control is sound in design and has been effectively implemented and monitored.
5. There is no doubt upon the company's ability to continue as a going concern.
6. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
7. Key operating and financial data of last six years in summarized form is annexed.

**ACKNOWLEDGEMENT**

The Board places on record its appreciation for loyalty and devotion to work, by staff and workers for the company. The relationship between management and workers remained very cordial and we hope that these will further improve in the years to come.

On Behalf of the Board



Amjad Saeed  
Chief Executive Officer  
October 03, 2014



## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) as contained in the Listing Regulations of the Stock Exchanges of Pakistan 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 manner:

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

### Independent Director

i) Muhammad Asif

### Executive Directors

i) Mohammad Saeed

ii) Amjad Saeed

### Non-Executive Directors

i) Mrs. Rubina Amjad

ii) Omer Saeed

iii) Ahsan Saeed

iv) Khizer Saeed

The independent director meets the criteria of independence under clause i (b) of the CCG.

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 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. No Causal vacancy was occurred in the Board during the year ended 30 June 2014.

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 Chief Executive Officer, other executive and non-executive directors, have been taken by the Board.

8. All 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. The Board met once in each quarter during the year ended 30 June 2014 including once in every quarter to approve the financial statements of the Company. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days prior to the meetings. The minutes of the meetings were appropriately recorded and circulated in time.

9. The Company arranged training program for its directors having experience of less than fifteen years on the Board during the year.

10. The Board has approved appointment of CFO/Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The Directors' Report for the year ended 30 June 2014 has been prepared in compliance with the requirements of the CCG and it 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 by 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, who are non-executive directors including the Chairman of the Committee and one of them 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 and as required by the CCG. The terms of reference of the Committee have been framed and advised to the Committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises 3 members, who are non-executive directors and the chairman of the committee is a non-executive director.
18. The Board has set-up an effective internal audit function. The audit staff is suitably qualified and experienced for the purpose and is conversant with the policies and procedure of the company and is involved in the internal audit function on a 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 (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
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 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.

By order of the Board



Amjad Saeed

Chief Executive Officer

Date: October 03, 2014



## KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS

PARTICULARS	2014	2013	2012	2011	2010	2009
	(Rupees in Millions)					
<b><u>FINANCIAL POSITION</u></b>						
Paid up capital	99.200	99.200	99.200	99.200	99.200	99.200
Fixed assets at cost	1190.969	1,131.876	1,074.401	976.467	958.828	936.681
Fixed assets (Lease) at cost	-	-	-	65.15	65.15	65.15
Accumulated depreciation	666.864	616.867	566.967	524.937	482.349	438.756
Current assets	431.919	362.242	316.139	350.218	234.918	174.247
Current liabilities	425.248	364.785	324.926	357.044	285.047	250.710
<b><u>INCOME</u></b>						
Sales		1,981.874	2,015.151	2,374.878	1,475.987	1,111.393
Other income	0.387	1.436	4.23	1.66	1.00	1.04
Pre tax Profit/(loss)	16.722	44.723	44.29	178.00	117.02	(47.39)
Taxation	(12.540)	(13.969)	(15.76)	(84.84)	(39.08)	2.07
<b><u>STATISTICS AND RATIOS</u></b>						
Pre tax profit/(loss) to sales %	0.73	2.26	2.20	7.50	7.93	(4.26)
Pre tax profit/(loss) to capital %	16.86	45.08	44.64	179.43	117.96	(47.78)
Current ratio	1:1.02	1:0.99	1:0.97	1:0.98	1:0.82	1:0.70
Paid up value per share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Earnings after tax per share (Rs.)	0.42	3.10	2.88	9.39	7.86	(4.57)
Cash dividend %	-	-	-	7.50	-	-
Break up value per share (Rs.)	26.08	25.92	22.82	20.13	10.74	2.88

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **IDEAL SPINNING MILLS LIMITED** ("the Company") for the year ended 30 June 2014 to comply with the requirements of Listing Regulations of the respective Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code 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 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's personnel and review of various documents prepared by the Company to comply with the Code.

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions 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 alternate 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 as applicable to the Company for the year ended 30 June 2014.

**RIAZ AHMAD & COMPANY**  
Chartered Accountants

*Riaz Ahmad & Co.*

Name of engagement partner:

Muhammad Kamran Nasir

Date: October 03, 2014.

FAISALABAD



**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of **IDEAL SPINNING MILLS LIMITED** as at 30 June 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 account 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 account and are further in accordance with accounting policies consistently applied except for the changes stated in Note 2.7 to the financial statements with which we concur;
  - 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 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 30 June 2014 and of the profit, its comprehensive income, its 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 (XVIII of 1980).

**RIAZ AHMAD & COMPANY**  
Chartered Accountants

*Riaz Ahmad & Co.*

Name of engagement partner:

Muhammad Kamran Nasir

Date: October 03, 2014.

FAISALABAD

BALANCE SHEET AS AT 30 JUNE 2014

NOTE	2014 (RUPEES IN THOUSAND)	2013 (RUPEES IN THOUSAND)	NOTE	2014 (RUPEES IN THOUSAND)	2013 (RUPEES IN THOUSAND)
<b>EQUITY AND LIABILITIES</b>					
<b>SHARE CAPITAL AND RESERVES</b>					
Authorized share capital			NON-CURRENT ASSETS		
20,000,000/(2013: 20,000,000) ordinary shares			Property, plant and equipment	110	5271,5717
of Rupees 10 each	200,000	200,000	Long term loans	111	5333
Issued, subscribed and paid up share capital			Long term deposits and prepayments	122	22,6651
9,920,000/(2013: 9,920,000) ordinary shares					5224,7711
of Rupees 10 each fully paid in cash	99,200	99,200	<b>CURRENT ASSETS</b>		
Unappropriated profit	153,607	157,922	Stores, spare parts and loose tools	113	227,2551
Total equity	258,807	257,122	Stock-in-trade	114	184,897
			Trade debts	115	93,9744
<b>LIABILITIES</b>			Loans and advances	116	18,8771
<b>NON-CURRENT LIABILITIES</b>			Short term prepayments	117	280
Long term financing			Other receivables	118	23,2766
Deferred income tax liability	153,532	97,883	Cash and bank balances		51,6333
Staff retirement gratuity	18,907	9,571			362,242
<b>CURRENT LIABILITIES</b>					
Trade and other payables	113,076	105,384			
Accrued mark-up	9,170	8,984			
Short term borrowings	214,449	197,887			
Current portion of long term financing	49,653	42,442			
Provision for taxation	15,900	10,188			
	425,248	384,785			
<b>TOTAL LIABILITIES</b>					
	736,004	629,831			
<b>CONTINGENCIES AND COMMITMENTS</b>					
<b>TOTAL EQUITY AND LIABILITIES</b>					
	984,811	886,953			

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

  
ANWAR SAHEED  
CHIEF EXECUTIVE OFFICER


  
OWAIS SAHEED  
DIRECTOR



**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2014**

	NOTE	2014 (RUPEES IN THOUSAND)	2013
SALES	19	2,282,646	1,981,874
COST OF SALES	20	<u>(2,125,895)</u>	<u>(1,806,185)</u>
GROSS PROFIT		156,751	175,689
DISTRIBUTION COST	21	<u>(18,886)</u>	<u>(20,393)</u>
ADMINISTRATIVE EXPENSES	22	<u>(79,955)</u>	<u>(66,405)</u>
OTHER EXPENSES	23	<u>(1,040)</u>	<u>(2,482)</u>
		<u>(99,881)</u>	<u>(89,280)</u>
		56,870	86,409
OTHER INCOME	24	<u>387</u>	<u>1,436</u>
PROFIT FROM OPERATIONS		57,257	87,845
FINANCE COST	25	<u>(40,535)</u>	<u>(42,820)</u>
PROFIT BEFORE TAXATION		<u>16,722</u>	<u>45,025</u>
TAXATION	26	<u>(12,540)</u>	<u>(14,060)</u>
PROFIT AFTER TAXATION		<u><u>4,182</u></u>	<u><u>30,965</u></u>
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	27	<u><u>0.42</u></u>	<u><u>3.12</u></u>

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

  
 AMJAD SAEED  
 CHIEF EXECUTIVE OFFICER

  
 OMER SAEED  
 DIRECTOR

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

	2014	2013
	(RUPEES IN THOUSAND)	
PROFIT AFTER TAXATION	4,182	30,965
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Experience adjustment on defined benefit plan	(3,509)	(302)
Deferred income tax related to experience adjustment	1,012	91
	(2,497)	(211)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive loss for the year - net of deferred tax	(2,497)	(211)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,685</u>	<u>30,754</u>

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

  
 AMJAD SAEED  
 CHIEF EXECUTIVE OFFICER


  
 OMER SAEED  
 DIRECTOR



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

	NOTE	2014	2013
		(RUPEES IN THOUSAND)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	28	80,808	153,415
Finance cost paid		(40,153)	(42,479)
Income tax paid		(19,274)	(13,237)
Dividend paid		-	(2)
Staff retirement benefits paid		(4,167)	(5,058)
Workers' profit participation fund paid		(2,561)	(2,829)
Net (increase) / decrease in long term loans		(196)	97
Net decrease / (increase) in long term deposits and prepayments		122	(60)
Net cash generated from operating activities		14,579	89,847
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(103,400)	(64,485)
Proceeds from sale of property, plant and equipment		9,450	1,125
Profit on bank deposits received		59	52
Net cash used in investing activities		(93,891)	(63,308)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		69,773	52,500
Repayment of long term financing		(26,510)	(89,772)
Short term borrowings - net		16,562	41,796
Net cash from financing activities		59,825	4,524
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(19,487)	31,063
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		51,693	20,630
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 18)		32,206	51,693

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

  
**AMJAD SAEED**  
 CHIEF EXECUTIVE OFFICER

  
**OMER SAEED**  
 DIRECTOR

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014**

	SHARE CAPITAL	UNAPPROPRIATED PROFIT	TOTAL EQUITY
-----RUPEES IN THOUSAND-----			
<b>Balance as at 30 June 2012</b>	99,200	127,168	226,368
Profit for the year	-	30,965	30,965
Other comprehensive loss for the year	-	(211)	(211)
Total comprehensive income for the year	-	30,754	30,754
<b>Balance as at 30 June 2013</b>	99,200	157,922	257,122
Profit for the year	-	4,182	4,182
Other comprehensive loss for the year	-	(2,497)	(2,497)
Total comprehensive income for the year	-	1,685	1,685
<b>Balance as at 30 June 2014</b>	99,200	159,607	258,807

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

  
 AMJAD SAEED  
 CHIEF EXECUTIVE OFFICER

  
 OMER SAEED  
 DIRECTOR



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

**1. THE COMPANY AND ITS OPERATIONS**

Ideal Spinning Mills Limited (the Company) is a public limited company incorporated in Pakistan on 08 June 1989 under the Companies Ordinance, 1984 and listed on Karachi and Lahore Stock Exchanges in Pakistan. Its registered office is situated at Room No. 404-405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi. The factory is located at Tehsil Jaranwala, District Faisalabad in the Province of Punjab. The principal activity of the Company is manufacturing and sale of yarn and cloth.

**2. 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:

**2.1 Basis of preparation**

**a) Statement of compliance**

These financial statements have been prepared in accordance with 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 (IASB) 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.

**b) Accounting convention**

These financial statements have been prepared under the historical cost convention, except for the recognition of staff retirement benefits on the basis of actuarial valuation.

**c) Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

**Useful 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 annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

### Inventories

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

### 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.

### Provision for doubtful debts

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

### Employees retirement benefits

The cost of the defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates. Changes in these assumptions in future years may effect the liability / asset under these plans in those years.

d) **Amendments to published approved standards that are effective in current year and are relevant to the Company**

Following amendments to published approved standards are mandatory for the Company's accounting periods beginning on or after 01 July 2013:

International Accounting Standard (IAS) 19 (Amendments) 'Employee Benefits' (effective for annual periods beginning on or after 01 January 2013). The amendments have eliminated the corridor approach which permitted to recognize actuarial gains / losses in profit and loss account using the corridor method, whereby actuarial gains / losses are recognized when the cumulative unrecognized amount thereof at the beginning of the year exceed the corridor limit, where corridor limit has been prescribed as 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets. Pursuant to this change, the Company has recognized immediately all actuarial gains or losses in other comprehensive income and past service cost in profit and loss account.

The adoption of the aforesaid amendment resulted in change in the Company's accounting policy related to recognition of actuarial gains and losses and past service cost pertaining to staff retirement gratuity as notified in Note 2.7.

IFRS 7 (Amendment) 'Financial Instruments: Disclosures' (effective for annual periods beginning on or after 01 January 2013). The IASB has amended the accounting requirements and disclosures related to offsetting of financial assets and financial liabilities by issuing amendments to IAS 32 'Financial Instruments: Presentation' and IFRS 7. These amendments are the result of IASB and US Financial Accounting Standard Board undertaking a joint project to address the differences in their respective accounting standards regarding offsetting of financial instruments. The application of the amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.



On 17 May 2012, IASB issued Annual Improvements to IFRS: 2009 – 2011 Cycle, incorporating amendments to five IFRS more specifically in IAS 1 'Presentation of Financial Statements' and IAS 32 'Financial Instruments: Presentation' that are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 January 2013. The application of the amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

**e) Standards, interpretation and amendments to published standards that are effective in current year but not relevant to the Company**

There are other standards, new interpretation and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2013 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

**f) Standards, interpretation and amendments to published standards that are not yet effective but relevant to the Company**

Following standards, interpretation and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2014 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the de-recognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard is not expected to have a material impact on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2017). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.



IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

IAS 19 (Amendment) 'Employee Benefits' (effective for annual periods beginning on or after 01 July 2014). This amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employees service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Company is yet to assess the full impact of this amendment, however the initial indications are that the amendment is unlikely to have any significant impact on the Company's financial statements.

IAS 32 (Amendments) 'Financial Instruments: Presentation' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off'; the application of simultaneous realization and settlement; the offsetting of collateral amounts and the unit of account for applying the offsetting requirements. However, the amendments are not expected to have a material impact on the Company's financial statements.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. However, the amendments are not expected to have a material impact on the Company's financial statements.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2010 – 2012 Cycle, incorporating amendments to seven IFRSs more specifically in IFRS 8 'Operating Segments' and IFRS 13 'Fair Value Measurement', which are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. These amendments are unlikely to have a significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2011 – 2013 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 13 'Fair Value Measurement', that is considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. These amendments are unlikely to have a significant impact on the Company's financial statements and have therefore not been analyzed in detail.

IFRIC 21 'Levies' (effective for annual periods beginning on or after 01 January 2014). The interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. However, the interpretation is not expected to have a material impact on the Company's financial statements.



- g) **Standard and amendments to published standards that are not yet effective and not considered relevant to the Company**

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2014 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

## **2.2 Property, plant, equipment and depreciation**

### **Operating fixed assets**

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. 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 less any identified 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 benefits 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 / depreciable amount of the assets over their estimated useful lives at the rates given in Note 10.1. The Company charges the depreciation on additions from the month when the asset is available for use and on deletions upto the month preceding the disposal 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.

## **2.3 Impairment**

The carrying amounts of assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. The resulting impairment loss is taken to the profit and loss account.

## **2.4 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.

## 2.5 Inventories

Inventories, except for stock in transit and waste materials, 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 stated at invoice amount plus other charges paid thereon.

### Stock-in-trade

Cost of raw materials, work-in-process and finished goods is determined as follows:

- |  |  |
|--|--|
| i) For raw materials                       | Weighted average cost  |
| ii) For work-in-process and finished goods | 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 is stated at net realizable value.

Net realizable value represents the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to make the sales.

## 2.6 Cash and cash equivalents

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

## 2.7 Staff retirement benefits

The main features of the funds operated by the Company for its employees are as follows:

### a) Staff Retirement Gratuity

The Company operates unfunded gratuity scheme for all its permanent employees who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made in the books of account on the basis of actuarial computation. Latest actuarial valuation has been made as at 30 June 2014 by the consulting actuaries using Projected Unit Credit Actuarial Cost Method.

### Change in accounting policy

During the year, the Company has adopted IAS 19 (Amendments) 'Employee Benefits' and changed its basis for recognition of actuarial gains and losses on its defined benefit plan. According to new policy, actuarial gains and losses are recognized in other comprehensive income in the period in which they occur. Amounts recognized in profit and loss account are limited to current and past service costs, gains and losses on settlements, and net interest income / expense. Previously, the Company recognized actuarial gains and losses over the expected average remaining working lives of the employees, to the extent that unrecognized actuarial gains / losses exceeds 10 percent of present value of defined benefit obligation. This change in accounting policy has been accounted for retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.



Had there been no change in this accounting policy, the amount recognized in these financial statements for the year ended 30 June 2014 and financial statements for the year ended 30 June 2013 would have been different as follows:

	2014	2013
	(RUPEES IN THOUSAND)	
Decrease in profit after taxation	-	(211)
Increase in other comprehensive income	(2,497)	211

#### b) Employees' Provident Fund

##### Change in accounting policy

The Company operated provident fund for its permanent employees at Head Office. Equal monthly contributions were made to the fund both by the Company and the employees at the rate of 8.25 percent of the basic salary. However, with effect from 01 September 2013, the Company has curtailed the provident fund scheme and started unfunded gratuity scheme for all its permanent employees who were previously under provident fund scheme. Had there been no change in this accounting policy, the figures recognized in these financial statements would have been different as follows:

	(RUPEES IN THOUSAND)
Staff retirement gratuity would have been lower by	752
Trade and other payables would have been higher by	458
Deferred income tax liability would have been lower by	113
Profit after taxation would have been higher by	181
Earnings per share would have been higher by (Rupees)	0.02

## 2.8 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 obligations and a reliable estimate of the amount can be made.

## 2.9 Taxation

### Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for 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 the corresponding tax bases 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 recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## **2.10 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.

## **2.11 Financial instruments**

Financial instruments carried on the balance sheet include deposits, trade debts, loans and advances, other receivables, cash and bank balances, long term financing, short term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are measured initially at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and de-recognition is charged to the profit and loss account. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

## **2.12 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.

## **2.13 Trade and other receivables**

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

## **2.14 Trade and other payables**

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

## **2.15 Off setting**

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



## 2.16 Foreign currencies

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, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the profit and loss account.

## 2.17 Revenue recognition

Revenue from different sources is recognized as under:

- Revenue from sale of goods is recognized on dispatch of goods to customers.
- Sizing and conversion income is recognized on dispatch of goods.
- Profit on deposits with banks is recognized on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

## 2.18 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has two reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibres) and Weaving (Producing different quality of greige fabric using yarn).

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

**3. LONG TERM FINANCING**

**2014**      **2013**  
(RUPEES IN THOUSAND)

<b>Secured</b>		
Financing from banking companies (Note 3.1)	76,532	42,769
<b>Unsecured</b>		
Directors' / sponsors' loan (Note 3.2)	172,765	183,265
	<u>249,297</u>	<u>206,034</u>
	49,653	42,442
Less: Current portion shown under current liabilities	<u>199,644</u>	<u>163,592</u>

**3.1**

LENDER	FACILITY	2014	2013	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
(RUPEES IN THOUSAND)								
The Bank of Punjab	Term finance-I	4,592	22,962	3 Month KIBOR + 2.5%	Twenty Three equal installments commenced on 28 March 2007 and ending on 28 June 2014.	Quarterly	Quarterly	Joint pari passu charge over present and future fixed assets of the Company for Rupees 195 million and personal guarantee of the Chief Executive Officer of the Company.
The Bank of Punjab	Term finance-II	-	1,474	3 Month KIBOR + 2%	Nine equal half yearly installments commenced on 31 July 2009 and ending on 30 July 2013.	Quarterly	Quarterly	Exclusive first charge over specific plant and machinery of the Company for Rupees 20 million, joint pari passu charge over present and future fixed assets of the Company for Rupees 195 million and personal guarantee of the Chief Executive Officer of the Company.
Bank Al-Falah Limited	Term finance	11,667	18,333	3 Month KIBOR + 2%	Twelve equal quarterly installments commenced on 02 May 2013 and ending on 01 February 2016.	Quarterly	Quarterly	First pari passu charge over present and future fixed assets of the Company for Rupees 29 million and personal guarantee of Chief Executive Officer and one Director.
The Bank of Punjab	Term finance-III	48,875	-	3 Month KIBOR + 2%	Sixteen equal quarterly installments to be commenced on 30 June 2015 and ending on 31 March 2019.	Quarterly	Quarterly	Exclusive first charge over specific plant and machinery of the Company for Rupees 20 million and joint pari passu charge over fixed assets of the Company for Rupees 195 million.
The Bank of Punjab	Term finance	11,398	-	3 Month KIBOR + 2%	Six equal quarterly installments commenced on 30 June 2014 and ending on 30 September 2016.	Quarterly	Quarterly	First joint pari passu charge over present and future fixed assets of the Company including land, building and machinery out of total first joint pari passu charge for Rupees 195 million and personal guarantee of the Chief Executive Officer of the Company.
		<u>76,532</u>	<u>42,769</u>					

**3.2 Directors' / Sponsors' loan**

This represents interest free loans obtained from the directors / sponsors of the Company with no defined future settlement date. However, it is confirmed by the lenders that repayment would not be demanded within next twelve months from the balance sheet date except for the amount of Rupees 25.840 million (2013: Rupees 11.340 million) shown under current portion of non-current liabilities. Loan amounting to Rupees Nil (2013: Rupees 153.700 million) is subordinated to bank borrowings.



	2014 (RUPEES IN THOUSAND)	2013
<b>4. DEFERRED INCOME TAX LIABILITY</b>		
This comprises of the following:		
<b>Taxable temporary difference</b>		
Differences in tax and accounting bases of assets	96,646	103,500
<b>Deductible temporary differences</b>		
Staff retirement gratuity	(4,441)	(2,882)
Tax losses	-	(3,975)
Tax credits	-	(4,760)
	(4,441)	(11,617)
	<u>92,205</u>	<u>91,883</u>

<b>5. STAFF RETIREMENT GRATUITY</b>		
Balance as at 01 July	9,571	6,137
Charge for the year (Note 5.1)	9,994	8,190
Retirement benefits paid	(4,167)	(5,058)
Experience adjustment recognized in other comprehensive income	3,509	302
Balance as at 30 June	<u>18,907</u>	<u>9,571</u>

<b>5.1 Charge for the year</b>		
Current service cost	9,021	7,128
Interest cost	973	1,062
	<u>9,994</u>	<u>8,190</u>

<b>5.2 Principal actuarial assumptions</b>		
Discount factor used (% per annum)	13.25%	13%
Expected rate of increase in salaries (% per annum)	12.25%	12%
Expected remaining working life time of employees (years)	5	4

**5.3 Trend information**

	2014	2013	2012	2011	2010
-----RUPEES IN THOUSAND-----					
Present value of defined benefit obligation	18,907	9,571	8,165	8,984	8,020
Experience adjustment on obligation	(3,509)	(302)	2,028	-	1,526

2014  
(RUPEES IN THOUSAND)

2013

## 6. TRADE AND OTHER PAYABLES

Creditors (Note 6.1)	76,221	47,180
Accrued liabilities	48,259	46,525
Advances from customers	8,795	6,950
Payable to Employees' Provident Fund Trust	-	71
Income tax deducted at source	161	263
Sales tax deducted at source	825	835
Unclaimed dividend	485	485
Workers' profit participation fund (Note 6.2)	912	2,365
Workers' welfare fund	418	630
	<u>136,076</u>	<u>105,304</u>

6.1 This includes amounts in aggregate of Rupees 4.959 million (2013: Rupees 3.103 million) due to associated undertakings.

### 6.2 Workers' profit participation fund

Balance as on 01 July	2,365	2,608
Interest for the year (Note 25)	196	221
Provision for the year (Note 23)	912	2,365
	<u>3,473</u>	<u>5,194</u>
Less: Payments during the year	2,561	2,829
	<u>912</u>	<u>2,365</u>

6.2.1 The Company retains workers' 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.

## 7. ACCRUED MARK-UP

Long term financing	2,168	1,473
Short term borrowings	7,002	7,511
	<u>9,170</u>	<u>8,984</u>



2014                      2013  
(RUPEES IN THOUSAND)

## 8. SHORT TERM BORROWINGS

### From banking companies - secured

Cash finances (Note 8.1)	131,334	120,764
Murabaha finances (Note 8.2)	36,225	20,000
Running finances (Note 8.3)	46,890	31,382

### From banking companies - unsecured

Temporary bank overdrafts	-	25,741
	<u>214,449</u>	<u>197,887</u>

- 8.1 These form part of total credit facility of Rupees 450 million (2013: Rupees 500 million) and is secured against pledge of raw material and yarn. These are further secured by the personal guarantee of directors of the Company. Rate of mark up ranges from 10.93% to 12.17% (2013: 11.26% to 13.95%) per annum.
- 8.2 These form part of total credit facility of Rupees 90 million (2013: Rupees 90 million) and is secured against joint pari passu charge of Rupees 55 million over current assets and pledge of raw material. Rate of markup ranges from 11.96% to 12.44% (2013: 12.09% to 14.53%) per annum.
- 8.3 These form part of total credit facility of Rupees 80 million (2013: Rupees 80 million) and are secured against pledge of stocks. Rate of markup ranges from 10.93% to 12.13% (2013: 11.31% to 13.99%) per annum.

## 9. CONTINGENCIES AND COMMITMENTS

### a) Contingencies

- i) Guarantees of Rupees 18.605 million (2013: Rupees 18.605 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections and to Faisalabad Electric Supply Company against electricity connection.
- ii) The Company is contingently liable for Rupees 2.246 million (2013: Rupees 0.252 million) on account of custom duty not acknowledged in view of pending appeal before appellate authorities.

iii) Post dated cheques of Rupees 0.529 million (2013: Rupees 4.356 million) are issued to customs authorities in respect of duties on imported material availed on the basis of consumption. If documents are not provided on due dates, cheques issued as security shall be encashable.

**b) Commitments**

i) Letters of credit for capital expenditure are of Rupees 38.232 million (2013: Rupees 1.937 million).

ii) Letters of credit other than for capital expenditure are of Rupees Nil (2013: Rupees 1.869 million).

**2014                      2013**  
**(RUPEES IN THOUSAND)**

**10. PROPERTY PLANT AND EQUIPMENT**

Operating fixed assets (Note 10.1)	524,105	515,009
Capital work-in-progress (Note 10.2)	35,519	6,508
	559,624	521,517



10.1 OPERATING FIXED ASSETS

	Freehold land	Buildings on	Plant and machinery	Stand-by equipment	Electric installations	Factory equipment	Office equipment	Computers	Electric appliances	Furniture and fixtures	Vehicles	Total
RUPEES IN THOUSAND												
<b>At 30 June 2012</b>												
Cost	3,372	152,234	786,109	33,801	35,649	6,661	1,653	5,093	3,830	1,224	44,775	1,074,401
Accumulated depreciation	-	(74,392)	(429,296)	(14,957)	(18,619)	(3,504)	(744)	(3,359)	(2,074)	(793)	(19,229)	(566,967)
Net book value	3,372	77,842	356,813	18,844	17,030	3,157	909	1,734	1,756	431	25,546	507,434
<b>Year ended 30 June 2013</b>												
Opening net book value	3,372	77,842	356,813	18,844	17,030	3,157	909	1,734	1,756	431	25,546	507,434
Additions	-	6,363	47,599	-	5,593	151	-	220	878	12	4,472	65,288
Disposals:												
Cost	-	-	-	-	-	-	-	-	-	-	(7,813)	(7,813)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	6,723	6,723
Depreciation charge	-	(8,096)	(37,817)	(1,884)	(2,050)	(329)	(91)	(550)	(232)	(44)	(5,530)	(56,623)
Closing net book value	3,372	76,109	366,595	16,960	20,573	2,979	818	1,404	2,402	389	23,398	515,009
<b>At 30 June 2013</b>												
Cost	3,372	158,597	833,708	33,801	41,242	6,812	1,653	5,313	4,708	1,236	41,434	1,131,876
Accumulated depreciation	-	(82,488)	(467,113)	(16,841)	(20,689)	(3,833)	(835)	(3,909)	(2,306)	(837)	(18,036)	(616,867)
Net book value	3,372	76,109	366,595	16,960	20,573	2,979	818	1,404	2,402	389	23,398	515,009
Opening net book value	3,372	76,109	366,595	16,960	20,573	2,979	818	1,404	2,402	389	23,398	515,009
Additions	-	51,739	-	6,508	2,884	290	-	161	429	11	12,367	74,389
Disposals:												
Cost	-	-	-	-	-	-	-	-	-	-	(15,296)	(15,296)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	6,003	6,003
Depreciation charge	-	(7,611)	(38,416)	(2,346)	(1,439)	(313)	(82)	(461)	(971)	(41)	(8,293)	(9,293)
Closing net book value	3,372	68,498	379,918	21,122	22,018	2,956	736	1,104	1,860	369	22,152	524,105
<b>At 30 June 2014</b>												
Cost	3,372	158,597	885,447	40,309	44,126	7,102	1,653	5,474	5,137	1,247	38,505	1,130,969
Accumulated depreciation	-	(90,099)	(505,529)	(19,187)	(22,108)	(4,146)	(917)	(4,370)	(3,277)	(678)	(16,353)	(666,864)
Net book value	3,372	68,498	379,918	21,122	22,018	2,956	736	1,104	1,860	369	22,152	524,105
Annual rate of depreciation (%)	-	10	10	10	10	10	10	30	10	10	20	

10.1.1 Depreciation charge for the year has been allocated as follows:

	2014 (RUPEES IN THOUSAND)	2013 (RUPEES IN THOUSAND)
Cost of sales (Note 20)	51,096	50,408
Administrative expenses (Note 22)	4,904	6,215
	<u>56,000</u>	<u>56,623</u>

10.1.2 Detail of operating fixed assets disposed of during the year is as follows:

Description	Qty.	Nos	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of purchasers
----- (RUPEES IN THOUSAND) -----									
<b>Vehicles</b>									
Santro LWH - 5020	1		734	603	131	150	19	Negotiation	Mr. Kamran Amin, House No. 235, Defence Housing Society, L - Block, Lahore.
Suzuki Baleno LRZ - 9016	1		842	760	82	100	18	Negotiation	Mr. Muhammad Ashraf, Post Office Bhaio, Tehsil Kharian, District Gujrat.
Toyota Land Cruiser UT - 300	1		13,720	4,640	9,080	9,200	120	Negotiation	Mr. Khurram Shehzad, House No. 306, Sarfaraz Colony, Faisalabad.
			<u>15,296</u>	<u>6,003</u>	<u>9,293</u>	<u>9,450</u>	<u>157</u>		

2014  
(RUPEES IN THOUSAND)

2013  
(RUPEES IN THOUSAND)

10.2 Capital work-in-progress

Plant and machinery	35,519	-
Stand-by equipment	-	6,508
	<u>35,519</u>	<u>6,508</u>



**2014                      2013**  
**(RUPEES IN THOUSAND)**

**11. LONG TERM LOANS**
**Considered good:**

Executive - secured (Note 11.1 and Note 11.2)	100	230
Employees - secured (Note 11.2)	1,481	568
	<u>1,581</u>	<u>798</u>
Less: Current portion shown under current assets (Note 16)		
Executive	100	120
Other employees	752	145
	<u>852</u>	<u>265</u>
	<u>729</u>	<u>533</u>

**11.1 Reconciliation of carrying amount of loans to executive:**

Balance as on 01 July	230	350
Less: Repayments	130	120
Balance as on 30 June	<u>100</u>	<u>230</u>

**11.1.1** Maximum aggregate balance due from executive at the end of any month during the year was Rupees 0.220 million (2013: Rupees 0.340 million).

**11.2** These represent loans given to employees for meeting their personal expenditure and are secured against balance to the credit of employees in the staff retirement gratuity. These are recoverable in equal monthly installments.

**11.3** The fair value adjustment in accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' arising in respect of staff loans is not considered material and hence not recognized.

**12. LONG TERM DEPOSITS AND PREPAYMENTS**

Security deposits	2,539	2,539
Prepayments	122	402
	<u>2,661</u>	<u>2,941</u>
Less: Current portion shown under current assets	122	280
	<u>2,539</u>	<u>2,661</u>

**13. STORES, SPARE PARTS AND LOOSE TOOLS**

Stores	9,846	7,347
Spare parts	13,467	19,833
Loose tools	119	71
	<u>23,432</u>	<u>27,251</u>

	2014	2013
	(RUPEES IN THOUSAND)	
<b>14. STOCK-IN-TRADE</b>		
Raw materials	77,079	129,788
Work-in-process	16,547	12,480
Finished goods (Note 14.2)	140,881	42,629
	<u>234,507</u>	<u>184,897</u>
<b>14.1</b>	Stock-in-trade of Rupees 123.214 million (2013: Rupees 0.905 million) is being carried at net realizable value.	
<b>14.2</b>	Finished goods include stock in transit of Rupees 2.292 million (2013: Rupees Nil).	
<b>14.3</b>	The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 3.634 million (2013: Rupees Nil).	
<b>15. TRADE DEBTS</b>		
<b>Considered good:</b>		
Unsecured:		
- Related parties (Note 15.1 and Note 15.2)	154	2,902
- Others (Note 15.3)	77,486	48,072
	<u>77,640</u>	<u>50,974</u>
<b>15.1</b>	This represents amounts due from the following related parties:	
Arshad Corporation (Private) Limited	-	2,902
Lily Fabrics	154	-
	<u>154</u>	<u>2,902</u>
<b>15.2</b>	As at 30 June 2014, trade debts due from related parties amounting to Rupees 0.154 million (2013: Rupees 2.902 million) were past due but not impaired. The ageing analysis of these trade debts is as follows:	
Upto 1 month	-	2,902
1 to 6 months	-	-
More than 6 months	154	-
	<u>154</u>	<u>2,902</u>
<b>15.3</b>	As at 30 June 2014, trade debts due from other than related parties of Rupees 15.510 million (2013: Rupees 18.105 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:	
Upto 1 month	9,568	12,102
1 to 6 months	1,672	2,628
More than 6 months	4,270	3,375
	<u>15,510</u>	<u>18,105</u>



2014                      2013  
(RUPEES IN THOUSAND)

**16. LOANS AND ADVANCES**
**Considered good:**

Employees - interest free

– Executives 120

– Other employees:

Against expenses 118

Against salary 1,160

812 1,278

812 1,398

Current portion of long term loans (Note 11) 265

Advances to suppliers / contractors 5,896

Letters of credit 82

Income tax 11,230

39,334 18,871

**17. OTHER RECEIVABLES**
**Considered good:**

Sales tax refundable 25,625

Export rebate 31

Insurance claim 2,569

Accrued profit on bank deposits 41

Others 10

24,678 28,276

**18. CASH AND BANK BALANCES**
**With banks:**

On current accounts 31,752

On PLS saving accounts (Note 18.1) 19,303

31,482 51,055

Cash in hand 638

32,206 51,693

18.1 Rate of profit on bank deposits was 3.75% (2013: 6.00% to 7.01%) per annum.

	2014 (RUPEES IN THOUSAND)	2013
<b>19. SALES</b>		
Local (Note 19.1)	2,210,563	1,930,837
Export (Note 19.2)	72,023	50,995
Export rebate	60	42
	<u>2,282,646</u>	<u>1,981,874</u>
<b>19.1 Local</b>		
Yarn	2,010,032	1,769,094
Waste	16,765	10,514
Sizing income	7,072	4,295
Conversion income	<u>218,003</u>	<u>160,532</u>
	2,251,872	1,944,435
Less: Sales tax	41,309	13,598
	<u>2,210,563</u>	<u>1,930,837</u>
<b>19.2</b>	Exchange gain due to currency rate fluctuations relating to export sales amounting to Rupees 1.354 million (2013: Rupees 0.352 million) has been included in export sales.	
<b>20. COST OF SALES</b>		
Raw materials consumed (Note 20.1)	1,642,863	1,291,560
Salaries, wages and other benefits (Note 20.2)	172,511	152,923
Stores, spare parts and loose tools consumed	57,600	63,747
Packing materials consumed	28,905	20,594
Sizing material consumed	21,393	17,079
Outside processing / conversion charges	1,648	12
Repair and maintenance	4,709	7,846
Fuel and power	240,566	196,446
Insurance	3,632	2,207
Other factory overheads	999	712
Depreciation (Note 10.1.1)	<u>51,096</u>	<u>50,408</u>
	2,225,922	1,803,534
Work-in-process		
Opening stock	12,480	10,121
Closing stock	(16,547)	(12,480)
	(4,067)	(2,359)
Cost of goods manufactured	<u>2,221,855</u>	<u>1,801,175</u>
Finished goods		
Opening stock	42,629	45,595
Closing stock	(140,881)	(42,629)
	(98,252)	2,966
Cost of sales - purchased for resale	2,292	2,044
	<u>2,125,895</u>	<u>1,806,185</u>



	2014	2013
	(RUPEES IN THOUSAND)	
<b>20.1 Raw materials consumed</b>		
Opening stock	129,788	90,513
Add: Purchased during the year	1,590,154	1,333,108
	1,719,942	1,423,621
Less:		
Cotton lost due to fire	-	2,273
Closing stock	77,079	129,788
	77,079	132,061
	1,642,863	1,291,560
<b>20.2</b>		
Salaries, wages and other benefits include staff retirement benefits amounting to Rupees 7.866 million (2013: Rupees 5.449 million).		
<b>21. DISTRIBUTION COST</b>		
Outward freight and handling	1,578	1,597
Commission to selling agents	16,229	18,482
Salaries and other benefits	112	103
Vehicles' running	20	27
Travelling and accomodation	734	16
Postage and telephone	65	42
Fee and subscription	23	55
Entertainment	4	2
Insurance	71	-
Printing and stationery	30	8
Others	20	61
	18,886	20,393
<b>22. ADMINISTRATIVE EXPENSES</b>		
Salaries, wages and other benefits (Note 22.1)	35,563	30,773
Directors' remuneration	3,600	3,600
Rent, rates and taxes	507	857
Legal and professional	117	355
Insurance	1,262	1,168
Traveling and conveyance	2,516	1,502
Vehicles' running	10,119	8,553
Entertainment	7898	3,562
Auditors' remuneration (Note 22.2)	550	525
Advertisement	251	37
Postage and telephone	2,465	2,694
Electricity, gas and water	1,929	1,972
Printing and stationery	1,670	1,431
Repair and maintenance	451	382
Fee and subscription	1,628	1,221
Miscellaneous	1919	1,558
Depreciation (Note 10.1.1)	4,904	6,215
	79,955	66,405

- 22.1 Salaries, wages and other benefits include staff retirement benefits of Rupees 2.220 million (2013: Rupees 3.265 million).

**2014                      2013**  
**(RUPEES IN THOUSAND)**

**22.2 Auditors' remuneration**

Audit fee	500	500
Half yearly review	50	25
	550	525

**23. OTHER EXPENSES**

Workers' profit participation fund (Note 6.2)	912	2,365
Trade debts written off	47	99
Loans and advances written off	63	-
Donations (Note 23.1)	18	18
	1,040	2,482

- 23.1 There is no interest of any director or his / her spouse in donees' fund.

**24. OTHER INCOME**

**Income from financial assets**

Profit on deposits with banks	18	44
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**Income from non-financial assets**

Gain on sale of property, plant and equipment	157	35
Reversal of workers' welfare fund (Note 24.1)	212	-
Net insurance claim	-	517
Scrap sales	-	840
	369	1,392
	387	1,436

- 24.1 Old provision related to the financial year 2011-12 amounting to Rupees 0.630 million has been reversed in these financial statements and current year provision amounting to Rupees 0.418 million has been adjusted against this reversal.

**25. FINANCE COST**

**Mark-up on:**

Long term financing	4,084	5,652
Short term borrowings	34,200	35,024
Interest on workers' profit participation fund (Note 6.2)	196	221
Bank charges and commission	2,055	1,923
	40,535	42,820



	2014	2013
	(RUPEES IN THOUSAND)	
<b>26. TAXATION</b>		
Charge for the year:		
Current (Note 26.1)	15,900	10,168
Prior year adjustment	(4,694)	(167)
	11,206	10,001
Deferred	1,334	4,059
	12,540	14,060

- 26.1** Provision for current taxation represents minimum tax on local sales and tax deducted against export sales under the relevant provisions of the Income Tax Ordinance, 2001. Tax losses available as at 30 June 2014 are Rupees Nil (2013: Rupees 11.692 million) including unabsorbed depreciation. Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not presented, being impracticable due to minimum and final taxation.

## **27. EARNINGS PER SHARE - BASIC AND DILUTED**

There is no dilutive effect on the basic earnings per share which is based on:

		2014	2013
Profit for the year	(Rupees in thousand)	4,182	30,965
Weighted average number of ordinary shares	(Numbers)	9 920 000	9 920 000
Earnings per share	(Rupees)	0.42	3.12

## **28. CASH GENERATED FROM OPERATIONS**

Profit before taxation	16,722	44,723
<b>Adjustment for non-cash charges and other items:</b>		
Depreciation	56,000	56,623
Gain on sale of property, plant and equipment	(157)	(35)
Provision for staff retirement gratuity	9,994	8,492
Profit on deposits with banks	(18)	(44)
Finance cost	40,535	42,820
Trade debts written off	47	99
Loans and advances written off	63	=
Reversal of workers' welfare fund	(212)	=
Provision for workers' profit participation fund	912	2,365
Working capital changes (Note 28.1)	(43,078)	(1,628)
	80,808	153,415

2014      2013  
(RUPEES IN THOUSAND)

**28.1 Working capital changes**

Decrease / (increase) in current assets		
- Stores, spare parts and loose tools	3,819	10,177
- Stock-in-trade	(49,610)	(38,668)
- Trade debts	(26,713)	20,848
- Loans and advances	(6,726)	(272)
- Short term prepayments	158	(144)
- Other receivables	3,557	(13,605)
	<u>(75,515)</u>	<u>(21,664)</u>
Increase in trade and other payables	32,437	20,036
	<u>(43,078)</u>	<u>(1,628)</u>

**29. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES**

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive Officer, Director and Executives of the Company is as follows:

	Chief Executive Officer		Director		Executives	
	2014	2013	2014	2013	2014	2013
-----RUPEES IN THOUSAND-----						
Managerial remuneration	1,200	1,200	1,200	1,200	4,474	4,737
<b>Allowances</b>						
House rent	540	540	540	540	2,013	2,132
Utilities	60	60	60	60	-	-
<b>Contribution to provident fund</b>	-	-	-	-	28	120
	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>6,515</u>	<u>6,989</u>
<b>Number of persons</b>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>7</u>	<u>7</u>

**29.1** Chief Executive Officer, Director and certain executives are provided with Company maintained vehicles and are entitled to reimbursement of travelling expenses, electricity, gas and water bills.

**29.2** Aggregate amount charged in the financial statements for meeting fee to one director was Rupees 5,000 (2013: Rupees Nil).

**29.3** No remuneration was paid to non-executive directors of the Company.



**30. NUMBER OF EMPLOYEES**

	2014 (No. of Persons)	2013
Number of employees as on 30 June	1045	963
Average number of employees during the year	1032	957

**31. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated companies / undertakings, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements is as follows:

	2014 (RUPEES IN THOUSAND)	2013
<b>Associated companies / undertakings:</b>		
Fuel and power purchased	12,194	16,107
Expenses paid	-	274
Purchase of goods	153	132
Sale of goods	-	35,818
Sizing / conversion income received	-	16,894
Expenses recovered	24	-
<b>Other related parties</b>		
Loans obtained from directors	9,500	32,500
Loans repaid to directors	-	65,204
Company's contribution to Employees' Provident Fund Trust	92	524

**32. PLANT CAPACITY AND ACTUAL PRODUCTION**

		2014	2013
<b>Spinning</b>			
100 % plant capacity converted to 20s count based on 3 shifts per day for 1095 shifts (2013: 1095 shifts)	(Kgs.)	5 826 492	5 826 492
Actual production converted to 20s count based on 3 shifts per day for 1095 shifts (2013: 1095 shifts)	(Kgs.)	6 713 370	5 766 526
<b>Weaving</b>			
100 % plant capacity at 60 picks based on 3 shifts per day for 1095 shifts (2013: 1095 shifts)	(Sq.Mtr.)	18 712 577	18 712 577
Actual production converted to 60 picks based on 3 shifts per day for 1095 shifts (2013: 1095 shifts)	(Sq.Mtr.)	16 115 289	15 602 622

**32.1 REASON FOR LOW PRODUCTION**

Under utilization of available capacity of Weaving segment is mainly due to gas supply shut down and normal maintenance.

**33. SEGMENT INFORMATION**

	Spinning		Weaving		Elimination of Inter-segment transactions		Total - Company	
	2014	2013	2014	2013	2014	2013	2014	2013
..... (RUPEES IN THOUSAND) .....								
Sales	2,034,648	1,779,173	292,388	213,587	(44,390)	(10,886)	2,282,646	1,981,874
Cost of sales	(1,932,160)	(1,626,091)	(238,125)	(190,980)	44,390	10,886	(2,125,895)	(1,806,185)
Gross profit	102,488	153,082	54,263	22,607	-	-	156,751	175,689
Distribution cost	(13,436)	(16,344)	(5,450)	(4,049)	-	-	(18,886)	(20,393)
Administrative expenses	(58,770)	(47,491)	(21,185)	(18,914)	-	-	(79,955)	(66,405)
	(72,206)	(63,835)	(26,635)	(22,963)	-	-	(98,841)	(86,798)
	30,282	89,247	27,628	(356)	-	-	57,910	88,891
Other income	268	596	119	840	-	-	387	1,436
Finance cost	(36,567)	(36,981)	(3,968)	(5,839)	-	-	(40,535)	(42,820)
(Loss) / profit before taxation and unallocated expenses	(6,017)	52,862	23,779	(5,355)	-	-	17,762	47,507
Unallocated expenses:								
Other expenses							(1,040)	(2,482)
Taxation							(12,540)	(14,060)
Profit after taxation							4,182	30,965

**33.1 Reconciliation of reportable segment assets and liabilities**

	Spinning		Weaving		Total - Company	
	2014	2013	2014	2013	2014	2013
..... (RUPEES IN THOUSAND) .....						
Total assets for reportable segments	670,611	581,651	324,200	305,302	994,811	886,953
Total liabilities for reportable segments	427,658	348,456	216,141	189,492	643,799	537,948
Unallocated liabilities:						
Deferred income tax liability					92,205	91,883
Total liabilities as per balance sheet					736,004	629,831

**33.2 Geographical Information**

The Company's revenue from external customers by geographical locations is detailed below:

	2014	2013
	(RUPEES IN THOUSAND)	
Belgium	60,984	47,494
Portugal	11,099	-
United Arab Emirates	-	3,543
Pakistan	2,210,563	1,930,837
	2,282,646	1,981,874

33.3 All non-current assets of the Company as at reporting date are located and operating in Pakistan.

**33.4 Revenue from major customers**

There was no major customer of both of the segments of the Company during the year (2013: Nil).



**34. FINANCIAL RISK MANAGEMENT****34.1 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 minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved 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, liquidity risk, investment of excess liquidity and use of non-derivative financial instruments.

**(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 has no receivable / payable balance in foreign currency as at 30 June 2014. The Company's exposure to currency risk was as follows:

	2014	2013
Trade debts - USD	-	2,180

Following exchange rates were applied during the year:

**Rupees per US Dollar**

Average rate	102.70	96.78
Reporting date rate	98.55	98.60

**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 Nil higher / lower (2013: Rupees 0.010 million higher / lower), mainly as a result of exchange gain / loss on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

**(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.

**(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 interest-bearing assets except for bank balances in saving accounts. The Company's interest rate risk arises from long term financing, short term borrowings and bank balances in saving accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

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

	2014	2013
	(RUPEES IN THOUSAND)	
<b>Floating rate instruments</b>		
<b>Financial assets</b>		
Bank balances - saving accounts	35	19,303
<b>Financial liabilities</b>		
Long term financing	76,532	42,769
Short term borrowings	214,449	172,146

**Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect 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 2.709 million (2013: Rupees 1.858 million) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at balance sheet date 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:

Loans and advances	1,597	2,078
Deposits	2,539	2,539
Trade debts	77,640	50,974
Other receivables	175	2,620
Bank balances	31,482	51,055
	<u>113,433</u>	<u>109,266</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			2014	2013
Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
ed A1+	AAA	PACRA	52	119
A1	A	PACRA	2,154	19,832
A-1+	AA	JCR-VIS	303	1,641
A1+	AA+	PACRA	5,223	16,333
A1+	AAA	PACRA	3,012	1,477
A1+	AA+	PACRA	222	268
A-1+	AA+	JCR-VIS	712	33
A1+	AA	PACRA	40	62
A-1+	AAA	JCR-VIS	187	323
A-1+	AAA	JCR-VIS	1,237	2,747
A1+	AA	PACRA	2,695	92
A1+	AA	PACRA	7,375	26
A1+	AA+	PACRA	4	3
A1+	AA-	PACRA	8,208	5,166
A3	BBB	PACRA	17	18
F1+	AA-	Fitch	-	123
A1+	AA-	PACRA	14	1,546
A1	A	PACRA	27	1,246
			31,482	51,055

The Company's exposure to credit risk related to trade debts is disclosed in Note 15.

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 counterparties on their obligations to the Company. Accordingly the credit risk is minimal.



**(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 30 June 2014, the Company had Rupees 405.551 million (2013: Rupees 497.854 million) available borrowing limits from financial institutions and Rupees 32.206 million (2013: Rupees 51.693 million) cash and bank balances. Management believes the liquidity risk to be low. Followings are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 June 2014:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
<b>RUPEES IN THOUSAND</b>						
<b>Non-derivative financial liabilities:</b>						
Long term financing	249,297	264,253	15,811	39,522	172,804	36,116
Trade and other payables	124,965	124,965	124,965	-	-	-
Accrued mark-up	9,170	9,170	9,170	-	-	-
Short term borrowings	214,449	241,936	132,404	109,532	-	-
	<u>597,881</u>	<u>640,324</u>	<u>282,350</u>	<u>149,054</u>	<u>172,804</u>	<u>36,116</u>

Contractual maturities of financial liabilities as at 30 June 2013:

<b>Non-derivative financial liabilities:</b>						
Long term financing	206,034	204,387	20,154	13,469	170,764	5,140
Trade and other payables	94,190	94,190	94,190	-	-	-
Accrued mark-up	8,984	8,984	8,984	-	-	-
Short term borrowings	197,887	209,466	209,466	-	-	-
	<u>507,095</u>	<u>517,027</u>	<u>332,794</u>	<u>13,469</u>	<u>170,764</u>	<u>5,140</u>

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 30 June. The rates of interest / mark up have been disclosed in Note 3 and Note 8 to these financial statements.

Carrying amount of long term financing as at 30 June 2014 includes overdue installments of principal amounting to Rupees 6.492 million (2013: Rupees 4.593 million).

**34.2 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.

**34.3 Financial instruments by categories**

Assets as per balance sheet	Loans and receivables	
	2014	2013
	(RUPEES IN THOUSAND)	
Loans and advances	1,597	2,078
Deposits	2,539	2,539
Trade debts	77,640	50,974
Other receivables	175	2,620
Cash and bank balances	32,206	51,693
	<u>114,157</u>	<u>109,904</u>

## Liabilities as per balance sheet

 Financial liabilities at  
 amortized cost  
 2014 2013  
 (RUPEES IN THOUSAND)

Long term financing	249,297	206,034
Trade and other payables	124,965	94,190
Accrued mark-up	9,170	8,984
Short term borrowings	214,449	197,887
	<u>597,881</u>	<u>507,095</u>

## 34.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders 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 for current year represents long term financing and short term borrowings (2013: long term financing and short term borrowings excluding directors' loan subordinated to bank borrowings) obtained by the Company as referred to in Note 3 and Note 8 respectively. Equity represents 'total equity' as shown in the balance sheet (2013: total equity as shown in the balance sheet and directors' loan subordinated to bank borrowings). Total capital employed includes 'equity' plus 'borrowings'.

		2014	2013
Borrowings	(Rupees in thousand)	463,746	250,221
Total equity	(Rupees in thousand)	258,807	410,822
Total capital employed	(Rupees in thousand)	<u>722,553</u>	<u>661,043</u>
Gearing ratio	(Percentage)	<u>64.18</u>	<u>37.85</u>

The increase in the gearing ratio resulted primarily from increase in borrowings of the Company and elimination of the effect of subordination of directors' loan.

## 35. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on October 3, 2014 by the Board of Directors of the Company.

## 36. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made except for the classification of experience adjustment in defined benefit plan and its related deferred income tax effect which was previously shown in salaries, wages and other benefits of cost of sales and in taxation respectively have now been shown separately in statement of comprehensive income. This classification was made due to change in accounting policy as mentioned in Note 2.7 (a) to these financial statements.

## 37. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

  
 AMJAD SAEED  
 CHIEF EXECUTIVE OFFICER

  
 OMER SAEED  
 DIRECTOR



**PATTERN OF SHAREHOLDINGS  
AS ON 30-06-2014**

TYPE OF SHARE HOLDERS		NUMBER OF SHARE HOLDERS	TOTAL SHARES HELD
1	100	607	52657
101	500	669	294919
501	1000	91	86468
1001	5000	101	252878
5001	10000	15	117500
10001	20000	7	103806
25001	30000	2	57500
30001	40000	2	76774
40001	45000	2	81000
45001	55000	1	52000
60001	65000	1	60176
85001	115000	2	212200
160001	175000	1	174678
310001	660000	3	1595042
660001	770000	3	2131500
840001	840000	5	4570902
<b>TOTAL ==&gt;&gt;</b>		<b>1,512</b>	<b>9,920,000</b>



**IDEAL SPINNING MILLS LTD**  
**Categories of Shareholding**  
 As at June 30, 2014

Categories of Shareholding	Numbers	Shares held	Percentage (%)
<b>Associated companies, Undertakings and Related Parties</b>			
<b>NIT and ICP</b>	6	721684	7.28
<b>Directors, Chief Executive &amp; their S</b>			
<b>Spouse and Adult Children</b>			
Mr. Muhammad Saeed Sheikh (Chairman)	2	936646	9.44
Spouse and Adult Children	2	212200	2.14
Mr. Amjad Saeed (Chief Executive)	2	936878	9.44
Adult Children	1	931300	9.39
Mrs. Rubina Amjad (Director)	2	930000	9.38
Mr. Umar Saeed (Director)	2	935000	9.43
Mr. Khizar Saeed (Director)	1	935000	9.43
Mr. Ahsan Saeed (Director)	1	930876	9.38
<b>Executives</b>			
<b>Public Sector Companies and Corporations</b>			
Banks, Development Finance Institutions,	1	369	0.00
Non - Banking Finance Institutions,			
Joint Stock Companies	8	32911	0.33
Insurance Companies, Modaraba and Mutual Funds			
Individuals	1484	2417136	24.37
Others			
<b>Total</b>	<b>1512</b>	<b>9920000</b>	<b>100.00</b>

Statement showing shares bought and sold by directors, CEO, CFO,  
 Company secretary and the minor family members  
 from 01 July 2013 to 30 June 2014

		01-07-2013		31-03-2014		
S.NO	Name	Designation	Shares bought		Shares sold	
1	Mr. Nisar Ahmed Sheikh	Chairman	Retired-31-03-2014		525446 Shares Transfer to Family Members.	
2	Mr. Mohammad Saeed Sheikh	Chief Executive	Retired-31-03-2014		90000 Shares Received Form to Family Members.	
3	Mr. Muhammad Anshad	Director	Retired-31-03-2014		1098086 Shares Transfer to Family Members.	
4	Mr. Amjad Saeed	Director	Retired-31-03-2014		210000 Shares Received Form to Family Members.	
5	Mr. Shahzad Ahmed Sheikh	Director	Retired-31-03-2014		774600 Shares Transfer to Family Members. 290102 Shares Sale in Market	
6	Mr. Azeed Amir	Director	Retired-31-03-2014		99000 Shares Sale in Market	
7	Mrs. Parveen Akhtar	Family Members.			100000 Shares Transfer to Family Members.	
8	Mrs. Nadiyah Ahsan	Family Members.			121800 Shares Transfer to Family Members.	
9	Mrs. Asma Tanveer	Family Members.			90000 Shares Transfer to Family Members.	
10	Mrs. Fozia Imran	Family Members.			90000 Shares Transfer to Family Members.	
11	Mrs. Sadia Khalid	Family Members.			130000 Shares Transfer to Family Members.	
12	Mrs. Shahida Anshad	Family Members.			198500 Shares Transfer to Family Members. 139172 Shares Sale in Market	
13	Mrs. Ambreen Ali	Family Members.			115000 Shares Transfer to Family Members.	
14	Mrs. Sonia Anshad	Family Members.			95000 Shares Transfer to Family Members.	
15	Mrs. Kiran Anshad	Family Members.			92200 Shares Transfer to Family Members.	
16	Mrs. Uzma Nadeem	Family Members.			70000 Shares Transfer to Family Members.	
17	Mrs. Shazia Tanveer	Family Members.			72800 Shares Transfer to Family Members.	
18	Mrs. Naveen Shahzad	Family Members.			130000 Shares Transfer to Family Members.	
19	Mr. Shehryar Anshad	Family Members.			100000 Shares Sale in Market	
20	Mrs. Zameen Akhtar	Family Members.			349138 Shares Transfer to Family Members.	
21	Mrs. Nadiyah Amir	Family Members.			375866 Shares Transfer to Family Members.	
22	Mrs. Maimoonah Waseem	Family Members.			528366 Shares Transfer to Family Members. 100000 Shares Sale in Market	
23						
24	Mrs. Rubina Amjad		740726 Shares Received Form to Family Members. 39274 Shares Purchase Form Market			
25	Mr. Omar Saeed	Director			845000 Shares Received Form to Family Members.	
26	Mr. Ahsan Saeed	Director			840876 Shares Received Form to Family Members.	
27	Mr. Khizar Saeed	Director			840000 Shares Received Form to Family Members.	
28	Kanwal Saeed	Family Members.			780000 Shares Received Form to Family Members.	
29	Mr. Saad Ashraf	Director (N.I.T.)	Retired-31-03-2014			
30	Mr. M. Pervez Akhtar	Chief Financial Officer				
31	Mr. Muhammad Nadeem	Company Secretary				
		01-04-2014		30-06-2014		
S.NO	Name	Designation	Shares bought		Shares sold	
1	Mr. Mohammad Saeed Sheikh	Chairman	Appointed in E.O.G.M.			
	Mr. Amjad Saeed	Chief Executive	Appointed in E.O.G.M.			
	Mrs. Rubina Amjad	Director	Appointed in E.O.G.M.			
	Mr. Omar Saeed	Director	Appointed in E.O.G.M.			
	Mr. Ahsan Saeed	Director	Appointed in E.O.G.M.			
	Mr. Khizar Saeed	Director	Appointed in E.O.G.M.			
	Mr. Shahid Anwar	Director NIT	Appointed in E.O.G.M. Resigned 19-05-2014			
	Muhammad Asif	Director NIT	Appointed 29-05-2014			
	Mr. M. Pervez Akhtar	Chief Financial Officer				
	Mr. Muhammad Nadeem	Company Secretary				





**IDEAL SPINNING MILLS LIMITED**  
Room No.404-405, 4<sup>th</sup> Floor, Business Centre,  
Mumtaz Hassan Road, Karachi.

## PROXY FORM

I/We \_\_\_\_\_ of  
\_\_\_\_\_ being member(s) of IDEAL  
SPINNING MILLS LIMITED holding \_\_\_\_\_ ordinary shares as per Registered Folio  
No./CDC A/c No. (for members who have shares in CDS) \_\_\_\_\_  
hereby appoint Mr./Mrs./Miss \_\_\_\_\_ of  
(full address) \_\_\_\_\_ or failing  
him/her Mr./Mrs./Miss \_\_\_\_\_ of  
(full address) \_\_\_\_\_  
(being member of the Company) as my/our Proxy to attend, act and vote for me/us and  
on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held on  
October 31, 2014 and/or any adjournment thereof.

As witness my/our hand seal this \_\_\_\_\_ day of \_\_\_\_\_ 2014  
Signed by \_\_\_\_\_ in the  
presence of \_\_\_\_\_

Signature on  
Rs.5/-  
Revenue Stamps

(Signature must agree with the specimen  
signature registered with the Company)

### Notes:

1. This proxy form duly completed and signed, must be received at the Registered Office of the Company, 404-405, 4<sup>th</sup> Floor, Business Centre, Mumtaz Hassan Road, Karachi not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he/she himself/herself is a member of the Company, except that a Corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his/her National Identity Card with him/her to prove his/her identity, and in case of proxy, must enclose an attested copy of his/her National Identity Card. Representatives of Corporate members should bring the usual documents required for such purpose.



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2013-2014

1991-1992

Spinning Mills  
Weaving Mills  
Textile Mills  
Apparel Mills  
Footwear Mills  
Paper Mills  
Chemical Mills  
Food Mills  
Pharmaceutical Mills  
Automotive Mills  
Aerospace Mills  
Agriculture Mills  
Energy Mills  
Transportation Mills  
Healthcare Mills  
Education Mills  
Retail Mills  
Finance Mills  
Technology Mills  
Media Mills  
Telecommunications Mills  
Other Mills

Notes:

1. The company has been established in 1991-1992.  
2. The company has been established in 1992-1993.  
3. The company has been established in 1993-1994.  
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