

REGENT TEXTILE INDUSTRIES LIMITED

**FIFTY FOURTH ANNUAL REPORT
FOR THE YEAR ENDED,
30th JUNE 2015.**

REGENT TEXTILE INDUSTRIES LIMITED

BOARD OF DIRECTORS

Board of Directors

Chairman

Mr. Nizam A. Hashwani

Chief Executive/ Directors

Mr. Amin A. Hashwani
Mr. Abdullah A. Hashwani
Mrs. Sultana A. Hashwani
Mrs. Farieha A. Hashwani
Mrs. Shahrina A. Hashwani
Mr. Aziz

Company Secretary

Syed Muhammed. Yousuf

Auditors

Daudally, Lalani & Co
Chartered Accountants

Registered Office

A-66, Site Monghopir Road, Karachi.

REGENT TEXTILE INDUSTRIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty Fourth Annual General Meeting of the Company will be held on Wednesday 28th October 2015, at 02:30 P.m at Regent textile Industries Limited, 1st Floor Cotton 1Exchange Building I.I. Chundrigger Road , Karachi, to transact the following business:

1. To confirm the minutes of the Fifty Third Annual General meeting held on 30th October 2014.
2. To receive and adopt the audited account for the year ended 30th June 2015, together with the Auditors and Directors report thereon.
3. To appoint Auditors for the year ended 30th June 2016, and to fix their remuneration. The retiring auditors M/S. Daudally, Lalani & Co, Chartered Accountants being eligible have offered themselves for re-appointment.
4. To transact any other business with the permission of Chairman.

By Order of the Board

Karachi.01st October 2015.

Syed Mohammad. Yousuf
Company Secretary

NOTES:

1. The share Transfer Books of the Company will remain closed from 22-10-2015 to 28-10-2015 (Both days inclusive).
2. All members should bring their Original National Identity Cards for their identification purpose.
3. The form of the proxies must be submitted with the Company within the stipulated time, duly witnessed by person whose name , address and NIC number must be mentioned on the form along with attested copies of the NIC of the beneficial owner and the proxy.
4. Proxies in order to be effective must be received at the Registered office of the Company duly stamped, signed and witness not late then 48 hours before the time for holding the meeting during working hours.
5. The members are requested to immediately notify the change of address, if any and also to supply a copy of NIC for record of the Company.

REGENT TEXTILE INDUSTRIES LIMITED

DIRECTOR'S REPORT

The Board of Directors of your company is pleased to present Fifty Fourth Annual report together with Audited financial statements of the company along with Auditors Report thereon for the year ended 30th June 2015.

The Company has earned net profit after tax amounting to Rs.1.710 million , the results are summarized below;

	30.06.2015	30.06.2014
	Rupees	Rupees
Sales revenue	524,134,541	495,060,626
Cost of Sales	(576,015,946)	(509,614,285)
Gross (Loss)	(51,881,405)	(14,553,659)
Operating expenses	(16,298,419)	(5,790,178)
Other Income	1,325,642	1,232,805
Profit / (Loss) before Taxation	(66,854,182)	(19,111,032)
Profit / (Loss) after Taxation	(49,341,637)	(17,335,083)
Profit / (Loss) per shares	(10.37)	(3.64)

The Textile Industry in Pakistan is the largest Manufacturing sector and a huge contributor to the nation revenue . However the current year has been one of the most difficult years for Textile Industry in Pakistan. The country's share in the global market has declined due to rising cost of doing business rising energy cost , labour cost, deprivation of gas and power and security issues. Due to all these factors company has suffered losses . In spite of these circumstances, the management is putting its best efforts to ensure continued growth, operational efficiency and optimum results for the Company for ultimate benefit of its valued stakeholders.

At present Pakistan may not achieve cotton production target for the year 2015-2016, owing to multiple factors including reduction in production yield and long spell of hot weather during the growing period of cotton crop.

Energy shortage continued to hard recovery and production this year. We are hopeful that the government will take these power related issues very seriously to address the short fall in energy sector.

The Directors have not recommended any dividend for the year ended 30th June 2015, because of the losses and cash flow position.

Referring to the Auditor's observation for raising doubts of going concern on account of negative equity, the reasons highlighted at Note No.1.3 of the accounts are self explanatory and that with the support of associated persons the operational activity of the company would continue to be intact and the auditors observation about the doubt as a going concern can not sustain keeping in view the continuous operational activity of the unit over two decades. .

REGENT TEXTILE INDUSTRIES LIMITED

SOCIAL COMPLIANCE AND HUMAN RESOURCES:

The Company's human resources policy has been based on the values of fairness, merit, equal opportunity and social responsibility. In complying of this policy, the company does not employ any child labour and we endeavor to keep healthy working condition,

TAXATION

Provision for taxation has been provided. Tax liability as highlighted at Notes # 25.2 ,of the Accounts is a matter of record..

AUDITORS

In accordance with the guidelines provided under the Code of Corporate Governance , the board of directors have recommended the name M/S. Daudally, Ialani & Co, Chartered Accountants for appointment of Auditors, as required u/s, 253 of the Companies Ordinance 1984, as the retiring Auditors being eligible have offered themselves for appointment as auditors..

RELATED PARTY TRANSACTION

The Board of Directors has approved the policy for transaction between company and its related parties on an arm length bases and relevant rates determined as per the Comparable un controlled price method.

The pattern of share holding as required under section 234 of the Companies Ordinance 1984, for the period ended 30th June 2015, annexed.

ACKNOWLEDGEMENT

We take pleasure in expressing appreciation and thank all the employees and excellent team efforts , devotion and loyalty throughout the year. We would also like to acknowledge the support and cooperation received from valued customers, banks, leasing company for their confidence and support during the period.

Karachi: 01/10/2015

By Order of the Board

AMIN A. HASHWANI
Chief Executive

REGENT TEXTILE INDUSTRIES LIMITED

PATTERN OF SHARE HOLDING
FOR THE YEAR ENDED 30TH JUNE 2015

NOS OF SHARE HOLDERS		SHARE HOLDERS		NOS OF SHARE HOLDERS	
	FROM	1 TO			
23		100		1,041	
37		101		500	13,296
9		501		1,000	6,550
13		1,001		5,000	31,115
2		5,001		25,000	18,612
2		25,001		1,200,000	330,876
3		1,200,001		1,600,000	4,358,373
					4,758,663
				89	

CATEGORIES OF SHARE HOLDER	NOS OF SHARE HOLDERS	NO OF SHARES	% OF SHARE HOLD
INDIVIDUALS	80	4,747,512	99.77
INVESTMENT COMPANIE	4	4,450	0.09
INSURANCE COMP	2	500	0.01
FINANCIAL INSTIT	1	6,100	0.13
OTHERS	2	101	0.00
	89	4,758,663	100


Mr. Abdullah A. Hashwani
Director


Mr. Arjun A. Hashwani
Chief Executive

REGENT TEXTILE INDUSTRIES LIMITED

DETAIL OF CATEGORIES OF SHARES
AS AT 30th JUNE 2015

SERIAL #	NAME OF DIRECTORS		NUMBER OF SHARES
1	NIZAM A HASHWANI	DIRECTOR	1,108,394
2	ABDULLAH A HASHWANI	DIRECTOR	1,122,928
3	AMIN A HASHWANI	DIRECTOR	1,137,597
4	MRS. SHAHRINA HASHWANI	DIRECTOR	1,415
5	MRS. SULTANA A HASHWANI	DIRECTOR	500
6	MRS FARIEHA A HASHWANI	DIRECTOR	500
7	MR AZIZ	DIRECTOR	500
	AKBERALI HASHWANI	LATE(EX DIRECTOR)	1,320,700
	SHARES HELD BY DFI, INSURANCE, CO ETC		7,851
	INDIVIDUALS		58,278
	SHARES HELD BY RELATIVES & ASSOCIATES		NIL

4,758,663

X
Mr. Abdullah A. Hashwani
Director

Mr. Amin A. Hashwani
Chief Executive

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **REGENT TEXTILE INDUSTRIES LIMITED** as at June 30, 2015 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;
 - (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 June 30, 2015 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and

AUDALLY, LALANI & CO.

CHARTERED ACCOUNTANTS

(-2-)

- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Without qualifying our opinion we draw attention to the fact that the Company has accumulated losses of Rs. 189,255,644 (2014: Rs. 139,962,777) thereby making the equity negative by Rs. 140,760,837 (2014: Rs. 91,467,970). However, for the reasons more explained in note 1.3, the annexed financial statements of the company have been prepared on going concern basis, without making any adjustments for realization of its assets and settlement of its liabilities.



CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER: SOHAIL LALANI

KARACHI 01 OCT 2015

REGENT TEXTILE INDUSTRIES LIMITED
BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	192,994,422	190,701,560
Capital work in progress - plant & machinery		1,943,875	1,254,345
Long term investments	5	6,351,246	5,101,246
Deferred taxation - net	6	33,523,275	10,769,385
		<u>234,812,818</u>	<u>207,826,536</u>
CURRENT ASSETS			
Stores and spares		2,237,801	2,833,091
Stock in trade	7	26,209,013	96,060,630
Trade debtors	8	4,207,262	2,072,284
Advances, prepayments and other receivables	9	10,582,418	11,520,624
Advance income tax	10	4,350,666	4,660,923
Due from associated undertaking	11	38,946,714	11,251,120
Due from directors		4,503	-
Current portion of long term investment and profit	5	5,700,444	10,581,842
Cash and bank balances	12	17,090,720	2,872,251
		<u>109,329,541</u>	<u>141,852,765</u>
TOTAL ASSETS		<u>344,142,359</u>	<u>349,679,301</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
7,500,000 (2014 7,500,000) ordinary shares of Rs. 10 each		<u>75,000,000</u>	<u>75,000,000</u>
Issued, subscribed and paid up capital	13	47,586,630	47,586,630
Special reserve	14	908,177	908,177
Accumulated loss		(189,255,644)	(139,962,777)
		(140,760,837)	(91,467,970)
Surplus on revaluation of property, plant and equipment	15	86,862,750	86,911,521
		(53,898,086)	(4,556,449)
NON-CURRENT LIABILITIES			
Subordinate loan	16	155,000,000	155,000,000
CURRENT LIABILITIES			
Short term borrowing	17	4,090,500	43,197,730
Creditors, accrued and other liabilities	18	16,413,387	17,828,148
Due to associated undertaking	19	217,275,912	132,758,270
Due to directors (unsecured, non-interest bearing)		-	481,695
Provision for taxation		5,241,345	4,950,606
Unclaimed dividend		19,301	19,301
		<u>243,040,445</u>	<u>199,235,750</u>
COMMITMENTS	26	-	-
TOTAL EQUITY AND LIABILITIES		<u>344,142,359</u>	<u>349,679,301</u>

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

Chief Executive

Director

REGENT TEXTILE INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Sales	20	524,134,541	495,060,626
Cost of sales	21	(576,015,946)	(509,614,285)
Gross loss		<u>(51,881,405)</u>	<u>(14,553,659)</u>
Operating expenses			
Administrative	22	5,017,465	4,854,688
Selling		290,829	106,197
Financial	23	10,990,125	829,293
Workers profit participation fund		-	-
		<u>(16,298,419)</u>	<u>(5,790,178)</u>
		<u>(68,179,824)</u>	<u>(20,343,837)</u>
Other income	24	1,325,642	1,232,805
Loss before taxation		<u>(66,854,182)</u>	<u>(19,111,032)</u>
Taxation			
Current		(5,241,345)	(4,950,606)
Prior		-	329,485
Deferred		22,753,890	6,397,070
		<u>17,512,545</u>	<u>1,775,949</u>
Loss after taxation		<u>(49,341,637)</u>	<u>(17,335,083)</u>
Loss per share	27	<u>(10.37)</u>	<u>(3.64)</u>

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

Chief Executive




Director



REGENT TEXTILE INDUSTRIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015

	2,015 Rupees	2,014 Rupees
Loss after taxation	(49,341,637)	(17,335,083)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(49,341,637)</u>	<u>(17,335,083)</u>

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


 Chief Executive


 Director

REGENT TEXTILE INDUSTRIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before taxation	(66,854,182)	(19,111,032)
Adjustment for non cash charges & other items		
Depreciation	10,926,757	8,556,113
Financial charges	10,990,125	829,293
	21,916,882	9,385,406
Operating cash flows before working capital changes	(44,937,300)	(9,725,626)
Working capital changes		
Stores & spares	595,290	4,085,415
Stock in trade	69,851,617	(60,093,252)
Trade debts	(2,134,978)	2,260,916
Advances and other receivables	938,206	2,530,761
Due from associated undertaking	(27,695,594)	(10,951,120)
Due from directors	(4,503)	-
Creditors, accrued & other liabilities	(1,414,761)	2,379,249
	40,135,277	(59,788,031)
Net cash used in operations	(4,802,023)	(69,513,657)
Financial charges paid	(10,990,125)	(829,293)
Workers' profit participation fund paid	-	(328,289)
Income tax paid	(4,640,350)	(3,337,928)
	(15,630,475)	(4,495,510)
Net cash used in operating activities	(20,432,498)	(74,009,167)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant & equipment	(13,219,619)	(35,543,838)
Capital work in progress	(689,530)	(1,254,345)
Long term investments	3,949,845	(6,954,438)
Profit receivable on long term investments	(318,447)	118,764
Net cash used in investing activities	(10,277,750)	(43,633,857)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to associated undertaking	84,517,642	72,001,610
Due to directors	(481,695)	(1,173)
Net cash flow from financing activities	84,035,947	72,000,437
Net increase / (decrease) in cash and cash equivalents	53,325,699	(45,642,587)
Cash and cash equivalents at the beginning of the year.	(40,325,479)	5,317,108
Cash and cash equivalents at the end of the year.	13,000,220	(40,325,479)

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

Chief Executive

Director

REGENT TEXTILE INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

	Issued, subscribed & paid up capital	Revenue Reserve		Total
		Special Reserve	Accumulated Loss	
-----Rupees-----				
Balance as at June 30, 2013	47,586,630	908,177	(122,681,884)	(74,187,077)
Total comprehensive loss for the year ended June 30, 2014	-	-	(17,335,083)	(17,335,083)
Transferred from surplus on revaluation of property, plant & equipment on account of incremental depreciation charged	-	-	54,190	54,190
Balance as at June 30, 2014	47,586,630	908,177	(139,962,777)	(91,467,970)
Total comprehensive loss for the year ended June 30, 2015	-	-	(49,341,637)	(49,341,637)
Transferred from surplus on revaluation of property, plant & equipment on account of incremental depreciation charged	-	-	48,771	48,771
Balance as at June 30, 2015	47,586,630	908,177	(189,255,644)	(140,760,837)

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

Chief Executive

Director

REGENT TEXTILE INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

1 NATURE AND STATUS OF THE COMPANY

- 1.1 The company was incorporated in 1961 under the Companies Act 1913 (now Companies Ordinance, 1984) in Pakistan as a public limited company and previously remained listed on Karachi Stock Exchange. The company is principally engaged in manufacturing and sale of cotton yarn under the brand name of "TEXTURE". Its registered office is at A-66 Manghopir Road, S.I.T.E Karachi.

Upon request of the company for delisting and for buy-back of shares by its sponsors at price agreed with the Karachi Stock Exchange, the company was delisted by the Exchange effective May 25, 2012.

- 1.2 The company has under taking of spinning units comprising 12,960 spindles and was a sick unit. The present management of the company had, with the negotiation of Industrial and Development Bank of Pakistan taken over in 1988 and managed to run the project for healthy growth for economy and the contribution towards the national economy.
- 1.3 The company has sustained accumulated losses of Rs. 189,255,644 (2014: Rs.139,962,777), resulting in negative equity of Rs. 140,760,837 (2014: Rs.91,467,970). However, these financial statements have been prepared under a going concern assumption without taking any adjustments because management anticipates continued support from its associated undertakings.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise Accounting and Financial Reporting Standards for Medium Size Entities (MSEs) issued by The Institute of Chartered Accountants of Pakistan as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2 Accounting convention

These financial statements have been prepared on the basis of historical cost convention except certain items of property, plant & equipment which are stated at their revalued amounts.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are summarized below:

3.1 Property, plant and equipment

Owned

These are stated at cost less accumulated depreciation except leasehold land and old building which are stated at revalued amount.

The company is charging depreciation from the month of purchase in case of additions while no depreciation is charged for the month in which asset is disposed off.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains and losses on disposal of assets are taken to current profit and loss account.

3.2 Stores

Stores are valued at average cost.

3.3 Stock in trade

Stock in trade comprises raw cotton, work in process, finished goods and packing material. Stock-in-trade is valued at lower of cost and net realizable value. Cost signifies average cost. Net realizable value signifies the selling price less cost necessarily to be incurred to make the sale.

3.4 Revenue recognition

Revenue from sale of goods is recognized on dispatch of goods to customers. Profit / mark-up on deposits and investments are accounted on accrual basis.

3.5 Taxation

Current

Provision for current taxation is based on current rates of tax after taking into account tax credits and rebates available (if any).

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

3.6 Foreign currency transaction

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

3.7 Provision

A provision is recognized in the balance sheet when the company has legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.8 Financial instruments

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the company loses control of the contractual right that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss account, currently.

3.9 Off setting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.10 Trade debts

Trade debts originated by the company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts, if any. An estimate for doubtful debt is made when collection of full amount is no longer probable. Bad debts are written off as incurred.

3.11 Trade and other payables

Short term liabilities for trade and other payables are carried at cost.

3.12 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at original cost less repayments, while the difference between the cost (reduced for periodic payments) and redemption value is recognized into the profit and loss account over the period of the borrowings on an effective mark-up basis.

3.13 Other receivables

Other receivables are recognized at their original value.

3.14 Contingent assets

A contingent asset is disclosed where an inflow of economic benefits is probable.

3.15 Contingent liabilities

A contingent liability is disclosed in the financial statements unless the possibility of an out flow of resources embodying economic benefits is remote.

3.16 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances and short term borrowing. The cash and cash equivalents are subject to insignificant changes in value.

3.17 Impairment of assets

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of the impairment loss, if any. Impairment losses are recognized as an expense in the profit and loss account.

3.18 Transactions with related parties

The company enters into transactions with related parties at arm's length prices determined in accordance with the methods approved by the board of directors.

3.19 Dividends and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

3.20 Investments

Investments with fixed or determinable payments and fixed maturity that the company has the positive intent and ability to hold to maturity are treated as held to maturity and are initially recognized at cost. Subsequently, these investments are valued at amortized cost.

3.21 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the company operates. The financial statements of the company are presented in Pak Rupees, which is the company's functional and presentation currency.

3.22 Critical accounting estimates and judgments

The preparation of financial statements in conformity with 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, including expectation 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 discussed in note 31.

4 PROPERTY, PLANT & EQUIPMENT

Particulars	Net carrying value basis year ended June 30, 2015			Gross carrying value basis as at June 30, 2015				
	Opening Net book value (NBV)	Addition (at cost)	Depre- ciation charge	Closing Net Book value	Cost	Accumulated Depreciation	Net book value	Rate %
Rupees								
Company owned								
Lease hold land	87,250,000	-	-	87,250,000	87,250,000	-	87,250,000	-
Factory building mill	5,149,207	26,000	(517,304)	4,657,903	25,500,629	(20,842,726)	4,657,903	10
Factory labour colony	1,473,741	-	(147,374)	1,326,367	6,054,800	(4,728,433)	1,326,367	10
Plant & machinery	48,678,364	5,503,596	(5,060,628)	49,121,332	183,802,754	(134,681,422)	49,121,332	10
Laboratory equipment	707,422	-	(70,742)	636,680	6,458,712	(5,822,033)	636,679	10
Air conditioning equipment	12,283,815	1,259,320	(1,228,382)	12,314,753	19,657,946	(7,343,193)	12,314,753	10
Power house machinery	23,090,748	793,768	(2,315,690)	21,568,826	77,063,176	(55,494,350)	21,568,826	10
Work shop equipment	17,238	-	(1,724)	15,514	210,802	(195,288)	15,514	10
Fire fighting equipment	2,009	-	(201)	1,808	24,625	(22,817)	1,808	10
Scales & measuring equipment	17,929	-	(1,793)	16,136	219,000	(202,864)	16,136	10
Office equipment	255,345	108,000	(29,134)	334,211	514,513	(180,302)	334,211	10
Electric & gas equipment	8,925,512	4,594,235	(969,121)	12,550,626	13,889,372	(1,338,746)	12,550,626	10
Furniture and fixture	78,051	-	(7,805)	70,246	744,138	(673,892)	70,246	10
Gas installation	20,205	-	(2,020)	18,185	251,691	(233,506)	18,185	10
Computer equipment	5,142	43,700	(7,558)	41,284	451,305	(410,021)	41,284	30
Fans & air conditioners	384,179	46,000	(41,485)	388,694	680,475	(291,780)	388,695	10
Telephone installation	30,682	-	(3,068)	27,614	198,158	(170,544)	27,614	10
Vehicle/motor cycle	2,331,975	845,000	(522,728)	2,654,247	5,574,350	(2,920,103)	2,654,247	20
	190,701,560	13,219,619	(10,926,757)	192,994,422	428,546,446	(235,552,024)	192,994,422	
June 30, 2015								

Land and building have been mortgaged to the extent of Rs. 491 Million (2014: Rs. 491 Million) with Faysal Bank Limited in respect of finance facility availed from associated concerns, Messrs Hassan Ali Rice Export Company and Syndicate Mineral Export Company.

4 PROPERTY, PLANT & EQUIPMENT

Particulars	Net carrying value basis year ended June 30, 2014			Gross carrying value basis as at June 30, 2014		
	Opening Net book value (NBV)	Addition (at cost)	Depre- ciation charge	Closing Net Book value	Cost	Accumulated Depreciation
Rupees						
Company owned						
Lease hold land	87,250,000	-	-	87,250,000	87,250,000	-
Factory building mill	4,580,219	1,035,640	(466,652)	5,149,207	25,474,629	(20,325,422)
Factory labour colony	1,533,174	99,700	(159,133)	1,473,741	6,054,800	(4,581,059)
Plant & machinery	29,278,435	22,451,199	(3,051,271)	48,678,364	178,299,158	(129,620,794)
Laboratory equipment	786,024	-	(78,602)	707,422	6,458,712	(5,751,291)
Air conditioning equipment	13,648,684	-	(1,364,868)	12,283,815	18,398,626	(6,114,811)
Power house machinery	24,296,710	1,276,914	(2,482,876)	23,090,748	76,269,408	(53,178,660)
Work shop equipment	19,153	-	(1,915)	17,238	210,802	(193,564)
Fire fighting equipment	2,232	-	(223)	2,009	24,625	(22,616)
Scales & measuring equipment	19,921	-	(1,992)	17,929	219,000	(201,071)
Office equipment	115,170	167,000	(26,825)	255,345	406,513	(151,168)
Electric & gas equipment	138,451	9,104,385	(317,324)	8,925,512	9,295,137	(369,625)
Furniture and fixture	86,723	-	(8,672)	78,051	744,138	(666,087)
Gas installation	22,450	-	(2,245)	20,205	251,691	(231,486)
Computer equipment	7,346	-	(2,204)	5,142	407,605	(402,463)
Fans & air conditioners	312,273	104,000	(32,094)	384,179	634,475	(250,295)
Telephone installation	34,091	-	(3,409)	30,682	198,158	(167,476)
Vehicle/motor cycle	1,582,781	1,305,000	(555,806)	2,331,975	4,729,350	(2,397,375)
June 30, 2014	163,713,835	35,543,838	(8,556,113)	190,701,560	415,326,827	(224,625,267)
						190,701,560

Land and building have been mortgaged to the extent of Rs. 491 Million (2013: Rs. 491 Million) with Faysal Bank Limited in respect of finance facility availed from associated concerns, Messrs Hassan Ali Rice Export Company and Syndicate Mineral Export Company.

5 LONG TERM INVESTMENTS

		2015 Rupees	2014 Rupees
Held to maturity			
Defence saving certificates	(Note 5.1)	1,615,000	1,615,000
Fixed deposits	(Note 5.2)	4,909,593	8,859,438
		6,524,593	10,474,438
Add: Profit accrued upto June 30,		5,527,097	5,208,650
		<u>12,051,690</u>	<u>15,683,088</u>
Less: Current portion of principal		(173,347)	(5,373,192)
Profit on the above		(5,527,097)	(5,208,650)
		(5,700,444)	(10,581,842)
		<u>6,351,246</u>	<u>5,101,246</u>

5.1 These certificates are held by Habib Bank Limited (which were issued for ten years from the year 2001) against guarantee now aggregating Rs.6,282,800 (2014: Rs. 5,032,000), issued to Messrs Sui Southern Gas Company Limited. These certificates are in the name of the Company's director.

5.2 These deposits with Habib Metropolitan Bank Limited are held by Habib Bank Limited against guarantee mentioned at note 5.1 above. These carry interest @ 11% to 15% per annum (2014: 11% to 15% per annum).

6 DEFERRED TAXATION - Net

	2015 Rupees	2014 Rupees
Deferred tax asset recognised on unabsorbed tax losses	33,759,627	11,031,998
Deferred tax liability recognised on surplus on revaluation of property, plant & equipment (Note # 15)	(236,352)	(262,613)
	<u>33,523,275</u>	<u>10,769,385</u>

7 STOCK IN TRADE

Raw cotton	12,054,183	41,830,770
Work in process	5,151,243	5,902,712
Finished goods	8,732,997	47,960,660
Packing material	270,590	366,488
	<u>26,209,013</u>	<u>96,060,630</u>

8 TRADE DEBTORS

Unsecured, considered good	4,207,262	2,072,284
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2015
Rupees

2014
Rupees

9 ADVANCES, PREPAYMENTS & OTHER RECEIVABLES

Unsecured, considered good

Advances

to suppliers

to staff

527,134

2,269,757

2,796,891

1,391,705

1,969,811

3,361,516

Prepayments

86,150

8,932

Other receivables

Sales tax

1,832,866

2,305,466

Insurance claim

5,866,511

5,844,710

10,582,418

11,520,624

10 ADVANCE INCOME TAX

Advance income tax

4,340,666

4,650,923

Income tax refundable - Tax year 2013

10,000

10,000

4,350,666

4,660,923

11 DUE FROM ASSOCIATED UNDERTAKING

Unsecured, interest free

38,946,714

11,251,120

12 CASH & BANK BALANCES

Cash in hand

243,843

58,907

Cash at banks in current accounts

16,846,877

2,813,344

17,090,720

2,872,251

13 ISSUED, SUBSCRIBED & PAID UP CAPITAL

2015

2014

2015
Rupees

2014
Rupees

264,373

264,373

Ordinary shares of Rs. 10/- each
issued for cash

2,643,730

2,643,730

4,494,290

4,494,290

Ordinary shares of Rs. 10/- each
issued as right shares for cash

44,942,900

44,942,900

4,758,663

4,758,663

47,586,630

47,586,630

	2015 Rupees	2014 Rupees
14 SPECIAL RESERVE		
Under Section 15bb of Income Tax Act, 1922	<u>908,177</u>	<u>908,177</u>
15 SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT		
Balance as on July 01,	87,174,134	87,257,503
Less: Transferred to retained earnings on account of incremental depreciation charged for the year - net off deferred tax	48,771	54,190
Related deferred tax liability	26,261	29,179
	75,032	83,369
Surplus on revaluation of operating property, plant & equipment as at June 30	<u>87,099,102</u>	<u>87,174,134</u>
Less: Related deferred tax liability:		
Balance as at July 01,	262,613	291,792
Incremental depreciation charged during the year transferred to profit and loss account	(26,261)	(29,179)
	236,352	262,613
Balance as on June 30 ,	<u>86,862,750</u>	<u>86,911,521</u>

15.1 The revaluation of building and land was carried out by Messrs G.B. Potts & Co. Limited, on September 15, 1986 resulting in surplus of Rs. 22,327,969. A further revaluation of land was carried out by Messrs Iqbal Nanjee & Co. on September 30, 2000 resulting in surplus of Rs. 94,835,969. The revaluation surplus of Rs. 94,835,969 was credited to surplus on revaluation of fixed assets account. Its' present account balance is net of incremental depreciation transferred to retained earnings.

15.2 Under section 235 of the Companies Ordinance, 1984:

- Depreciation on assets which were revalued was determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year has been taken to the profit and loss account.
- An amount equal to incremental depreciation for the year has been transferred from "surplus on revaluation of property, plant & equipment account" to "accumulated loss" through statement of changes in equity to adjust surplus to the extent of the incremental depreciation charged during the year.

16 SUBORDINATE LOAN**Associated undertakings**

		2015 Rupees	2014 Rupees
Hassan Ali Rice Export Company	(Note 16.1)	140,000,000	140,000,000
Syndicate Minerals Export Company	(Note 16.2)	15,000,000	15,000,000
		<u>155,000,000</u>	<u>155,000,000</u>

16.1 The unsecured and interest free loan was obtained from Messrs Hassan Ali Rice Export Company, an associated undertaking, and has been reclassified as a "Subordinated Loan", vide an agreement dated September 30, 2000 (to cover the entire transaction); whereby the company had, inter-alia, been allowed a grace period of five years to enable payments subsequent to the year end September 30, 2005. The interest free loan was obtained to strengthen / support the financial position of the company. Subsequently, to meet the working capital requirements of the company, the said loan was enhanced to the tune of Rs. 150 Million vide a supplementary agreement dated September 30, 2003 which was further extended to September 30, 2007. Later on, vide supplemental agreement of loan dated September 08, 2007, the company had been allowed a grace period of further two years for repayments from December 31, 2009, which was subsequently extended for a further period of two years. The grace period was then increased by further three years, i-e, upto December 31, 2014 and in current year it has been extended to December 31, 2017.

16.2 The unsecured and interest free loan having a limit of Rs.25 million has been obtained, vide an agreement dated March 20, 2009 and is repayable after the full satisfaction of secured loans of creditors and within a period of seven years from the date of its disbursement.

17 Short term borrowing

	2015 Rupees	2014 Rupees
Bank Islami Murabaha Account	<u>4,090,500</u>	<u>43,197,730</u>

The running finance facility available is upto Rs 75 million (2014: Rs 125 million) till November 30, 2015 to meet working capital requirements. The facility is secured against pledge of cotton and yarn with 10% margin to be kept in lock and personal guarantees of directors. Mark-up is payable @ KIBOR + 3% P.A.(2014: KIBOR + 3% P.A).

18 CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		
for goods	1,597,348	5,599,981
for services and accrued expenses	<u>11,215,894</u>	<u>8,768,787</u>
	12,813,242	14,368,768
Accrued interest on long term loans and charges	2,161,801	2,161,801
Security deposit	1,000	1,000
Other liabilities	1,437,344	1,296,579
	<u>16,413,387</u>	<u>17,828,148</u>

	2015 Rupees	2014 Rupees
19 DUE TO ASSOCIATED UNDERTAKING		
Unsecured, interest free	217,275,912	132,758,270
20 SALES		
Yarn-local	523,047,471	494,004,290
Waste	1,087,070	1,557,379
Gross Sales	524,134,541	495,561,669
Less: Sales commission	-	501,043
	524,134,541	495,060,626
21 COST OF SALES		
Raw material consumed		
Opening stock	41,830,770	23,498,075
Purchase - local raw material	224,038,404	296,550,486
- import	55,121,155	55,294,616
	279,159,559	351,845,102
	320,990,329	375,343,177
Less: closing stock	(12,054,183)	(41,830,770)
	308,936,146	333,512,407
Packing material consumed	5,739,449	3,752,887
Manufacturing overheads		
Salaries, wages & other benefits (Note 21.1)	84,523,203	73,708,652
Stores & spares consumed	3,873,680	6,798,117
Cotton incidental charges	7,007,525	6,829,455
Fuel, power & water	85,014,265	85,208,423
Repairs & maintenance	24,849,604	25,084,676
Depreciation	10,926,757	8,556,113
Vehicle running & maintenance	1,837,208	1,408,395
Traveling & conveyance	845,878	1,105,676
Insurance	473,634	627,501
Telephone	301,708	327,464
Printing & stationery	106,563	104,640
Other expenses	1,601,194	4,350,437
	221,361,219	214,109,549
	536,036,814	551,374,843
Work in process		
Opening	5,902,712	5,102,461
Closing	(5,151,243)	(5,902,712)
	751,469	(800,251)
Cost of goods manufactured	536,788,283	550,574,592
Finished goods		
Opening	47,960,660	7,000,353
Closing	(8,732,997)	(47,960,660)
	39,227,663	(40,960,307)
	576,015,946	509,614,285

21.1 This does not include any post retirement staff benefits since all the employees have been hired on contractual basis.

		2015 Rupees	2014 Rupees
22 ADMINISTRATIVE EXPENSES			
Staff salaries & allowances	(Note 22.1)	2,056,120	1,582,510
Director's remuneration	(Note 22.2)	960,137	980,000
Vehicle running and maintenance		147,215	47,050
Telephone		178,596	161,895
Auditors' remuneration	(Note 22.3)	125,100	118,430
Legal and professional		395,000	150,250
Entertainment		105,086	109,742
Fees and subscription		737,910	792,095
Traveling and conveyance		152,492	148,785
Computer running and maintenance		18,290	20,180
Repairs and maintenance		7,290	3,220
Charity and donations	(Note 22.4)	15,350	630,500
Printing and stationery		78,682	26,356
Miscellaneous		40,197	83,675
		<u>5,017,465</u>	<u>4,854,688</u>

22.1 This does not include any post retirement staff benefits since all the employees have been hired on contractual basis.

22.2 This comprises remuneration Rs.480,000 (2014:Rs.480,000) and housing utilities Rs.480,137 (2014: Rs.500,000) provided to him.

22.3 Auditors' remuneration

Audit fee	100,000	100,000
Out of pocket expenses	25,100	18,430
	<u>125,100</u>	<u>118,430</u>

22.4 No director or his spouse had any interest in above donated funds.

23 FINANCIAL EXPENSES

Bank charges and commission	10,619,827	242,493
Mark up on short term loan	370,298	586,800
	<u>10,990,125</u>	<u>829,293</u>

24 OTHER INCOME

Rental income	737,500	720,000
Profit on investments	588,142	512,805
	<u>1,325,642</u>	<u>1,232,805</u>

25 TAXATION

25.1 The income tax assessments of the company have been finalized upto tax year 2014.

25.2 In view of available carry forward tax losses, the provision for current year taxation is based on minimum tax @ 1% (2014: 1%) under Section 113 of the Income Tax Ordinance, 2001 and to the extent of final tax liability on rental income, if any. Accordingly, numerical reconciliation between the average effective rate and applicable tax rate has not been presented.

	2015 Rupees	2014 Rupees
26 COMMITMENTS		
Bank guarantees	<u>6,282,800</u>	<u>5,032,800</u>

These guarantees have been issued on behalf of the company as explained fully at sub-notes # 5.1 and 5.2.

27 LOSS PER SHARE

Net loss for the year	Rupees	<u>(49,341,637)</u>	<u>(17,335,083)</u>
Weighted average number of ordinary shares in issue		<u>4,758,663</u>	<u>4,758,663</u>
Loss per share (basic)	Rupees	<u>(10.37)</u>	<u>(3.64)</u>

There is no dilutive effect on basic earning per share.

	2015 Rupees	2014 Rupees
28 CASH AND CASH EQUIVALENTS		
Cash and bank balances (note 12)	17,090,720	2,872,251
Short term borrowings (note 17)	<u>(4,090,500)</u>	<u>(43,197,730)</u>
	<u>13,000,220</u>	<u>(40,325,479)</u>

29 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

29.1 Interest rate risk exposure

The company's exposure to interest rate risk and the effective rates on its financial assets and liabilities are summarised as follows:

2015

	Total	Interest / Markup Bearing			Non-Interest Bearing		
		Less than one year	One to five years	More than five years	Less than one year	One to five years	More than five years
Financial assets							
Long term investments	6,351,246	-	6,351,246	-	-	-	-
Current portion of long term investment and profit	5,700,444	5,700,444	-	-	-	-	-
Trade debtors	4,207,262	-	-	-	4,207,262	-	-
Advances and other receivables	5,866,511	-	-	-	5,866,511	-	-
Due from associated undertakings	38,946,714	-	-	-	38,946,714	-	-
Due from directors	4,503	-	-	-	4,503	-	-
Cash and bank balances	17,090,720	-	-	-	17,090,720	-	-
Rupees	78,167,400	5,700,444	6,351,246	-	66,115,710	-	-
Financial liabilities							
Subordinate loan	155,000,000	-	-	-	-	155,000,000	-
Short term borrowing	4,090,500	4,090,500	-	-	-	-	-
Creditors, accrued & other liabilities	16,413,387	-	-	-	16,413,387	-	-
Due to associated undertakings	217,275,912	-	-	-	217,275,912	-	-
Rupees	392,779,799	4,090,500	-	-	233,689,299	155,000,000	-
Net financial assets \ (liabilities)	(214,612,399)	1,609,944	6,351,246	-	(167,573,589)	(155,000,000)	-

2014

2014							
Total	Interest / Markup Bearing			Non-Interest Bearing			Total
	Less than one year	One to five years	More than five years	Less than one year	One to five years	More than five years	
Financial assets							
Long term investments	5,101,246	-	5,101,246	-	-	-	-
Current portion of long term investment and profit	10,581,842	1,905,000	-	-	8,676,842	-	8,676,842
Trade debtors	2,072,284	-	-	-	2,072,284	-	2,072,284
Advances and other receivables	5,844,710	-	-	-	5,844,710	-	5,844,710
Due from associated undertakings	11,251,120	-	-	-	11,251,120	-	11,251,120
Cash and bank balances	2,872,251	-	-	-	2,872,251	-	2,872,251
Rupees	37,723,453	1,905,000	5,101,246	-	30,717,207	-	30,717,207
Financial liabilities							
Subordinate loan	155,000,000	-	-	-	155,000,000	-	155,000,000
Short term borrowing	43,197,730	43,197,730	-	-	-	-	-
Creditors, accrued & other liabilities	17,828,148	-	-	-	17,828,148	-	17,828,148
Due to associated undertaking	132,758,270	-	-	-	132,758,270	-	132,758,270
Due to directors	481,695	-	-	-	481,695	-	481,695
Rupees	349,265,843	43,197,730	-	-	43,197,730	155,000,000	306,068,113
Net financial assets \	(811,542,390)	(41,292,730)	5,101,246	-	(36,191,484)	(120,350,906)	(275,350,906)
(liabilities)							

The effective interest / markup rate for each of the monetary financial instruments is given in respective notes.

29.2 Concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposures and limiting transactions with specific counterparties.

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the company performance to developments affecting a particular industry or geographic location.

The company is not materially exposed to credit risk.

29.3 Fair values of financial assets and financial liabilities

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the

Underlying the definition of fair value is the presumption that the company is a going concern with out any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as shown in these financial statements.

Fair value of financial assets and liabilities are as follows

	2015 Book Value	2015 Fair Value	2014 Book Value	2014 Fair Value
Rupees				
Financial assets				
Long term investments	6,351,246	6,351,246	5,101,246	5,101,246
Trade debtors	4,207,262	4,207,262	2,072,284	2,072,284
Advances, prepayments and other receivables	5,866,511	5,866,511	5,844,710	5,844,710
Due from associated undertakings	38,946,714	38,946,714	11,251,120	11,251,120
Due from directors	4,503	4,503	-	-
Current portion of long term investment and profit	5,700,444	5,700,444	10,581,842	10,581,842
Cash and bank balances	17,090,720	17,090,720	2,872,251	2,872,251
	78,167,400	78,167,400	37,723,453	37,723,453
Rupees				
	2015 Book Value	2015 Fair Value	2014 Book Value	2014 Fair Value
Financial liabilities				
Subordinate loan	155,000,000	155,000,000	155,000,000	155,000,000
Short term borrowings	4,090,500	4,090,500	43,197,730	43,197,730
Creditors, accrued & other liabilities	16,413,387	16,413,387	17,828,148	17,828,148
Due to directors	-	-	481,695	481,695
Due to associated undertaking	217,275,912	217,275,912	132,758,270	132,758,270
	392,779,799	392,779,799	349,265,843	349,265,843

29.4 Liquidity risk

Liquidity risk reflects the company's inability of raising funds to meet commitments. Management closely monitors the company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

29.5 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The company has no foreign currency transactions during the year. The Company has no foreign currency and foreign exchange risk as payment was made immediately when invoiced was received and LC at sight was opened.

29.6 Maturities of assets and liabilities

Liquidity risk is the risk that an institution will be unable to meet its funding requirements.

The table below summarises the maturity profile of the company's assets and liabilities. The contractual maturities of assets and liabilities at the year end have been determined on the basis of the remaining period at the balance sheet date to the contractual maturities. Assets and liabilities not having a contractual maturity are assumed to mature on the expected date on which the assets liabilities will be realised / settled based on the past history of the company.

2015				
Total	Upto one year	One year to five years	Over five years	
Rupees				
Assets:				
Property, plant & equipment	192,994,422	-	-	192,994,422
Capital work in progress	1,943,875	1,943,875	-	-
Long term investments	6,351,246	-	6,351,246	-
Deferred taxation	33,523,275	-	33,523,275	-
Stores & spares	2,237,801	2,237,801	-	-
Stock in trade	26,209,013	26,209,013	-	-
Trade debtors	4,207,262	4,207,262	-	-
Advances, prepayments and other receivables	10,582,418	10,582,418	-	-
Advance income tax	4,350,666	4,350,666	-	-
Due from associated undertakings	38,946,714	300,000	-	-
Due from directors	4,503	4,503	-	-
Current portion of long term investment and profit	5,700,444	2,736,776	-	-
Cash and bank balances	17,090,720	17,090,720	-	-
	344,142,360	69,663,034	39,874,521	192,994,422
Liabilities :				
Subordinate loan	155,000,000	-	155,000,000	-
Short term borrowings	4,090,500	4,090,500	-	-
Creditors, accrued & other liabilities	16,413,387	16,413,387	-	-
Due to associated undertaking	217,275,912	217,275,912	-	-
Provision for taxation	5,241,345	5,241,345	-	-
Unclaimed dividend	19,301	19,301	-	-
	398,040,445	243,040,445	155,000,000	-
Net assets	(53,898,086)	(173,377,411)	(115,125,479)	192,994,422
Represented by :				
Issued, subscribed & paid up capital	47,586,630			
Special reserve	908,177			
Accumulated loss	(189,255,644)			
Surplus on revaluation of property, plant & equipment	86,862,750			
	(53,898,086)			

2014

Total	Upto one year	One year to five years	Over five years
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Rupees

Assets:

Property, plant & equipment	190,701,560	-	-	190,701,560
Capital work in progress	1,254,345	1,254,345	-	-
Long term investments	5,101,246	-	5,101,246	-
Deferred taxation	10,769,385	-	10,769,385	-
Stores & spares	2,833,091	2,833,091	-	-
Stock in trade	96,060,630	96,060,630	-	-
Trade debtors	2,072,284	2,072,284	-	-
Advances, prepayments and other receivables	11,520,624	11,520,624	-	-
Advance income tax	4,660,923	4,660,923	-	-
Due from associated undertaking	11,251,120	300,000	-	-
Current portion of long term investment and profit	10,581,842	2,736,776	-	-
Cash and bank balances	2,872,251	2,872,251	-	-
	349,679,301	124,310,924	15,870,631	190,701,560

Liabilities :

Subordinate loan	155,000,000	-	155,000,000	-
Short term borrowing	43,197,730	43,197,730	-	-
Creditors, accrued & other liabilities	17,828,148	17,828,148	-	-
Due to associated undertaking	132,758,270	132,758,270	-	-
Due to directors	481,695	481,695	-	-
Provision for taxation	4,950,606	4,950,606	-	-
Unclaimed dividend	19,301	19,301	-	-
	354,235,750	199,235,750	155,000,000	-

Net assets

(4,556,449)	(74,924,826)	(139,129,369)	190,701,560
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Represented by :

Issued, subscribed & paid up capital	47,586,630
Special reserve	908,177
Accumulated loss	(139,962,777)
Surplus on revaluation of property, plant & equipment	86,911,521
	(4,556,449)

30 RELATED PARTY TRANSACTIONS

The related parties comprise entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, directors and key management employees. The company has a policy whereby all transactions with related parties, are entered into at arm's length prices using the method as approved by the board of directors.

	2015 Rupees	2014 Rupees
Temporary financing received from associated concerns		
Hassan Ali Rice Export Company	<u>100,287,642</u>	<u>185,909,110</u>
Syndicate Mineral Export	<u>2,014,720</u>	<u>12,902,355</u>
Temporary financing from associated concerns refunded		
Hassan Ali Rice Export Company	<u>15,770,000</u>	<u>113,907,500</u>
Syndicate Mineral Export	<u>29,710,315</u>	<u>23,853,475</u>
Rental income from associated concern		
Syndicate Mineral Export	<u>737,500</u>	<u>720,000</u>

31 ACCOUNTING ESTIMATES AND JUDGEMENTS

Income Taxes

In making the estimates for income taxes currently payable by the company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

Property, plant and equipment

The company's management determines the estimated useful lives and related depreciation charge for its plant and equipment. The estimates for revalued amounts of different classes of property, plant and equipment, are based on revaluation performed by external professional valuers. Further, the company reviews the value of the assets for possible impairment on annual basis. Any change in the estimate in the future years might affect the carrying amounts of the respective item of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Stock in trade and stores and spares

The Company's management reviews the Net Realizable Value (NRV) and impairment of stock in trade and stores and spares to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment is made.

32 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on _____ by the board of directors of the company.

33 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive



Director

