بسم الله الرحمن الرحيم

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS:	
CHIEF EXECUTIVE:	MR. ZAHID ANWAR
DIRECTORS:	MRS. RUKHSANA BEGUM
	MR. IMRAN ZAHID
	MS. QURATUL AIN ZAHID
	CH. GHULAM MURTAZA BUTTAR
	MR. UMER FAROOQ
	MR. ALI RAZA ZAFAR
AUDIT COMMITTEE:	
CHAIRMAN:	CH. GHULAM MURTAZA BUTTAR
MEMBER:	MS. QURATUL AIN ZAHID
MEMBER:	MR. UMER FAROOQ
HUMAN RESOURCES & REMUNERATION COMMITTEE:	
CHAIRMAN:	MR. UMER FAROOQ
MEMBER:	MR. ALI RAZA ZAFAR
MEMBER:	CH. GHULAM MURTAZA BUTTAR
COMPANY SECRETARY:	MR. ALLAH DITTAH
CHIEF FINANCIAL OFFICER:	MR. ABRAR MOHSIN
HEAD OF INTERNAL AUDIT:	MR. NASEEM ABBAS
AUDITORS:	KRESTION HYDER BHIMJI & COMPANY CHARTERED ACCOUNTANTS
BANKS:	AL BARAKA BANK (PAKISTAN) LIMITED JS BANK LIMITED NATIONAL BANK OF PAKISTAN UNITED BANK LIMITED DUBAI ISLAMIC BANK HABIB BANK LIMITED
LEGAL ADVISOR:	MR. ZIA-UL-HAQ (ADVOCATE)
REGISTERED OFFICE:	JK HOUSE, 32-W, SUSAN ROAD, MADINA TOWN, FAISALABAD
SHARE REGISTRAR OFFICE:	NATIONAL BIZ MANAGEMENT (PVT) LTD. PLOT NO. 2-C, MEZZANINE FLOOR, BADAR COMMERCIAL AREA, STREET NO. 9, PHASE-V (Ext.), D. H. A., KARACHI
MILLS:	32-KM, SHEIKHUPURA ROAD, FAISALABAD
WEB SITE:	www.asimtextile.com

VISION

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

MISSION

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the members of Asim Textile Mills Limited will be held at registered office, JK House, 32 -W, Susan Road, Madina Town, Faisalabad at 9:30 AM on 31.10.2015 to transact the following business : -

1. To confirm the minutes of the Extra Ordinary General Meeting held on 31.03.2015.

2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2015 together with the Directors' and Auditor's reports thereon.

3. To appoint auditors for the year ending June 30, 2016 and fix their remuneration, the company received a notice to appoint M/S Arshad Raheem & Co. Chartered Accountants for ap pointment as auditors of the company for the next year.

4. To transact any other business with the permission of the chair.

FOR AND ON BEHALF OF THE BOARD

FAISALABAD: 08.10.2015

(Company Secretary)

NOTES:

1. The share transfer books of the company will remain closed from 24.10.2015 to 31.10.2015 (both days inclusive).

2. A member entitled to attend and vote at the general meeting is entitled to appoint another member as proxy. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time for the meeting.

3. CDC shareholders are requested to bring with them their National Identification Cards along with participants ID and their account number at the time of Annual General Meeting in order to facilitate identification. In case of a corporate entity, a certified copy of the resolution passed by the Board of Directors/valid power of attorney with the specimen signatures of the nominee be produced at the time of meeting.

4. Members are requested to immediately notify the change in their addresses, if any.

DIRECTORS' REPORT TO THE MEMBERS

Your directors feel pleasure in presenting the 26th annual report with audited financial statements of the Company for the year ended June 30, 2015.

OPERATING RESULTS:

	[Rupees in Million] Year ended June 30, 2015	Year ended June 30, 2014
(Loss) / Profit before taxation	13.435	70.475
Taxation	4.163	41.828
(Loss) / Profit after taxation	(17.598)	28.647
(Loss) / Earnings per share – basic (Rupee)	(1.16)	1.89

Synopsis of financial year 2015:

- Gross earnings decreased to 0.451 million from 87.458 million during last year due to increase prices of raw material and decrease in price of sale.
- Operational costs increased by 9.59% (Increased from 27.803 million to 30.470 million during the year under review).
- Sales revenue decreased by 14.06% due to decrease in price of sales.

FUTURE OUTLOOK:

The Company is steadfast on its stated strategic initiatives aimed at enhancing margins by drastically improving operations and affecting across the board cost reductions through efficiency in manufacturing.

Steps are taken to improve the financial health of the company by overhauling plant and machinery to improve product quality and performance. During the current year your company has opened letters of credit of rupees 60 million for acquiring new machinery for modernization of drawing and auto cone department. Despite of the very challenging business conditions and decrease in sale prices, we are immensely hopeful for positive prospects in future and following steps are taken to capture worse market conditions and decrease in sale price by technological advancement and new markets search that will ensure better out come in coming years.

1- An investment of Rs. 60 million has been made in for modernization of autocone and drawing departments.
2- Additions of two automatic winder process coner in autocone department will shift the products to entirely new market.
3- These advancements in technology will result in improved and refined quality of products.
4- Management is optimistic that modernization of plant and machinery will surely result in decrease in production cost.
5- Refined quality products and significant decrease in production cost will bring competitive advantage to the company to overcome the adverse influence of existing market conditions.

Your management looks forward optimistically to counter all challenges and is confidently devoted to deliver optimal results in future and will continue to meet our objectives and goals.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company is a responsible corporate citizen and fully recognizes its responsibility towards community, employees and environment.

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

ISO 9001:2008	Quality Management Systems

HUMAN RESOURCE AND INDUSTRIAL RELATIONS:

Your company has defined documented criteria to recruit and hire people consistent with national and international standards. This is demonstrated at all level beyond any racism, cast, sex or religion and respects human rights, ethics and standards.

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

EARNINGS PER SHARE:

The loss per share for the company for the year ended 30th June, 2015 is Rs. (1.16) per share.

DIVIDEND:

Due to circumstances discussed above, the board of directors does not recommend dividend for the year ended 30th June, 2015.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

As required by the Code of Corporate Governance and the Companies Ordinance, 1984, your directors are pleased to report as under :

1. The financial statements prepared by the management of your Company present fairly and accurately the state of its affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of accounts of the company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
5. The system of internal control is sound in design and has been effectively implemented and being monitored continuously. Ongoing review will continue in future for further improvement in controls.
6. The Board is satisfied that there are no significant doubts upon the company's ability to continue as a going concern.
7. There is a material uncertainty about Company's ability to continue as a going concern; however these financial statements have been prepared on going concern assumption for reasons more extensively disclosed in note 1.2 of the financial statements.
8. Key operating and financial data of last six years in summarized form is annexed.
9. There are no outstanding statutory payments on account of taxes, duties, levies and charges as on 30th June, 2015 except for those disclosed in the financial statements.
10. The value of Employees Provident Fund investment as at 30th June, 2015 was Rs. 13,021,821/-.
11. Company has arranged in-house training program for its Directors.
12. There has been no material departure from the best practices of corporate governance as detailed in the listing regulations of the stock exchanges.
13. Statement of compliance with the Best Practice of Corporate Governance is annexed.

BOARD OF DIRECTORS MEETINGS:

During the year six meetings of the Board were held and following were in attendance:

Name of Director	Attendance
Mr. Zahid Anwar (CEO)	6
Mrs. Rukhsana Begum	6
Mr. Imran Zahid	5
Ms. Quratul Ain Zahid	5
Ch. Ghulam Murtaza Buttar	6
Mr. Umer Farooq	4
Mr. Ali Raza Zafar	4

AUDIT COMMITTEE MEETING:

During the year four meetings of the committee were held and following were in attendance:

Name of Director	Attendance
Ch. Ghulam Murtaza Buttar	4
Ms. Quratul Ain Zahid	2
Mr. Umer Farooq	4

HUMAN RESOURCES & REMUNERATION COMMITTEE:

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

Name of Director	Attendance
Mr. Umer Farooq	1
Mr. Ali Raza Zafar	1
Ch. Ghulam Murtaza Buttar	1

COURT CASES:

The company has instituted a suit in the Honorable Lahore High Court, Lahore against Faysal Bank Limited claiming damages on account of acquisition of un-remunerative agricultural land on the advice of FIBL for not providing timely cash finance facilities despite written commitments and for charging illegal profits against the principles of Islamic Banking and in contravention of the objective clause of its Memorandum of Association, Articles of Association and against circulars issued by the State Bank of Pakistan. The amount claimed for the first two counts is

Rs.141.831 million (including claims of Central Excise Duty), whereas the amount of last count has been left for the Court to determine.

The counter suit filed by the Faysal Bank for recovery of Rs. 454.502 million along with costs and cost of funds before the Honorable Lahore High Court (Single Judge), Lahore has been adjudicated on 04.06.2015 against the company. The company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A. No. 1372/2015 on various grounds including the company being condemned unheard.

However, in this regard directors' and the management of the company are confident that these cases are based and being contested on strong legal grounds and are likely to be decided in Company's favor.

AUDITOR'S OBSERVATIONS:

The auditors have expressed adverse opinion in their audit report about the Company's ability to continue as a going concern due the net loss of Rs.17.598 million and accumulated loss of Rs.297.86 million against the paid up share capital of Rs. 151.77 million and the provision for cost of fund has not been accounted for in the Financial Statements in line with the decision of Lahore High Court, Lahore in counter suit filed by Faisal bank Limited as described in paragraphs (A) & (B) of the auditors' report to the members.

In this regard the management of the company is optimistic that there are no significant doubts about the company's ability to continue as a going concern as described in Note. 1.2 Of these Financial Statements .

The management has filed an appeal in the Lahore High Court, Lahore (D.B) vide R.F.A. No. 1372/2015 on various grounds including the company being condemned unheard. The management of the company is of the opinion that this case is based and being contested on strong legal grounds and is likely to be decided in Company's favor. Therefore, no provision for cost of funds is accrued.

APPOITMENT OF AUDITORS:

The company has received a notice to appoint M/s Arshad Raheem & Co. Chartered Accountants as auditors for the next year. The Audit Committee has also recommended their appointment as External Auditors for the next financial year 2015-2016.

SUBSEQUENT EVENTS:

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.

RELATED PARTY TRANSACTIONS:

Transaction undertaken with related parties during the financial year have been ratified by the Audit Committee and approved by the Board.

SHAREHOLDING PATTERN:

Pattern of shareholding as on 30th June, 2015 is annexed.

ACKNOWLEDGEMENT:

The Board takes this opportunity to thank the company's valued shareholders and customers and like to place on record its deep appreciation for their continuous support and expect to get the same cooperation in the future. The Board greatly appreciates hard work and dedication of all the employees of the Company.

Dated : October 08, 2015
Faisalabad.

On behalf of the Board

Chief Exccutive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

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

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

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

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.

3. All the director of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the board during the period under consideration.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive and non-executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Orientation course has been arranged during the year.

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

11. The directors' report for this year has been prepared in compliance with the requirement of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an audit committee. It comprises of three members, all are non-executive directors and the chairman of the committee is independent director .

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises three members, all are non-executive directors and the chairman of the committee is independent director.

18. The Board has set-up an effective internal audit function. The audit staff are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants

(IFAC) guidelines on code of ethics as adopted by institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to directors, employees and stock exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

Dated: October 0 8, 2015
Faisalabad

Zahid Anwar
Chief executive

KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS

Particulars	2014	2013	2012	2011	2010	2009
Financial Position						
Paid up capital	151.770	151.770	151.770	151.770	151.770	151.770
Fixed assets (cost)	490.816	475.479	257.248	630.916	610.699	594.997
Accumulated depreciation	321.381	310.154	271.458	251.802	231.829	212.158
Current assets	358.601	303.484	201.542	165.402	122.441	82.109
Current liabilities	650.398	232.427	242.552	244.174	236.019	229.507
Income						
Sales	1,314.143	1,130.026	1,054.932	1,094.821	832.727	650.364
Other income	10.820	6.792	8.676	1.940	1.251	1.455
Pre tax profit/(loss)	70.475	104.064	36.776	44.574	27.161	(33.877)
Taxation charge/(credit)	41.828	2.656	7.539	6.049	0.332	(4.025)
Statistics & Ratios						
Pre tax profit/(loss) to sales %	5.36	9.21	3.49	4.07	3.26	(5.21)
Pre tax profit/(loss) to capital %	46.44	68.57	24.23	29.37	17.9	(22.32)
Current ratio	1: 1.55	1: 1.30	1: 0.83	1: 0.68	1 : 0.52	1 : 0.36
Paid up value per share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Earnings/(loss) after tax per share (Rs.)	1.89	6.68	1.93	2.54	1.77	(1.97)
Cash dividend%	-	-	-	-	-	-
Break up value per share (Rs.)	(8.83)	(11.15)	(18.27)	(20.74)	(23.76)	(26.00)

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

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

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

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before audit committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions, distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2015.

Kreston Hyder Bhimji

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Khan Muhammad

DATE: October 08, 2015
FAISALABAD

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **ASIM TEXTILE MILLS LIMITED** ("the Company") 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) Note 1.2 to the financial statements indicates that Company has incurred net loss of Rs. 17.598 million during the current year and its accumulated loss stands at Rs. 297.86 million against the paid up share capital of Rs.151.770 million as at June 30, 2015 and as of that date, the Company's current liabilities exceeded its current assets by Rs.291.93 million. This situation would have further worsened had the company accounted for the cost of funds as decided by the honorable High Court as stated in para (B) below. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to discharge its liabilities and realize its assets in the normal course of business, for which no adjustments has been incorporated in these financial statements.

(B) Short term borrowing includes Morabaha finance obtained from the Faysal Bank Limited amounting to Rs. 415.05 million on 31st October 1999 in respect of which the company had filed a suit against the bank for charging illegal profits against the principles of Islamic Banking and in contravention of the objective clause of its Memorandum of Association, Articles of Association and against circulars issued by the State Bank of Pakistan. Faysal Bank Limited filed a counter suit which has been adjudicated on 04.06.2015 against the company (Note 19 & 20.1.1) as a result of which the company has to settle the loan along with profit and cost of funds. Profit on these loans amounting to Rs. 194.16 million have already been provided for; however, as the litigation is decided against the company, further provision for cost of funds has not been accounted for, having been undeterminable at this stage, by the management as the company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A. No. 1372/2015 based on infield favorable judgments of Honorable Lahore High Court, Lahore.

Except for the effects on the financial statements of the matter stated above,

(a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with the accounting policies consistently applied;

(ii) the expenditure incurred during the year was for the purpose of the Company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with notes forming part thereof conform with approved accounting standards as applicable in Pakistan, give the information required by the Companies Ordinance, 1984, in the manner so required, and because of the significance of the matters stated in paragraph (A) and (B) above, respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the loss, its comprehensive income, cash flows and changes in equity for the year then ended; and

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

Kreston Hyder Bhimji
KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Khan Muhammad

DATE: October 08, 2015
FAISALABAD

BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	352,103,702	366,961,037
Advance for capital expenditures	6	-	10,191,707
Long term deposits	7	11,046,184	11,046,184
		363,149,886	388,198,928
CURRENT ASSETS			
Stores and spares	8	11,126,872	12,238,304
Stock in trade	9	66,505,345	91,991,046
Trade debts	10	34,448,211	29,111,463
Advances, prepayment and other receivable	11	44,211,535	11,730,958
Short term investment	12	10,933,276	10,097,291
Tax refunds due from Government	13	6,475,229	8,875,646
Cash and bank balances	14	183,897,187	194,556,030
		357,597,655	358,600,738
TOTAL ASSETS		720,747,541	746,799,666
SHARE CAPITAL AND RESERVES			
Authorized capital			
17,500,000 ordinary shares of Rs.10 each		175,000,000	175,000,000
Issued, subscribed and paid up capital			
15,177,000 ordinary shares of Rs. 10 each, fully paid in cash		151,770,000	151,770,000
Accumulated loss		(297,860,948)	(285,811,747)
		(146,090,948)	(134,041,747)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	15	134,881,714	140,430,714
NON CURRENT LIABILITIES			
Deferred liabilities	16	82,428,481	90,011,806
CURRENT LIABILITIES			
Trade and other payables	17	37,499,263	38,646,764
Accrued mark up	18	194,161,422	194,161,422
Short term borrowings	19	417,590,707	417,590,707
Provision for taxation		276,902	-
		649,528,294	650,398,893
CONTINGENCIES AND COMMITMENTS	20	-	-
TOTAL EQUITY AND LIABILITIES		720,747,541	746,799,666

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

CHIEF EXECUTIVE

DIRECTOR

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

	Note	2015 Rupees	2014 Rupees
Sales - net	21	1,129,413,986	1,314,143,237
Cost of sales	22	1,128,873,347	1,226,685,538
Gross profit		540,639	87,457,699
Operating expenses			
Distribution cost	23	2,346,789	-
Administrative expenses	24	27,575,535	23,535,581
Other operating expenses	25	-	3,709,203
Finance cost	26	547,505	558,291
		30,469,829	27,803,075
Operating (loss) / profit		(29,929,190)	59,654,624
Other income	27	16,494,354	10,820,236
(Loss)/profit before taxation		(13,434,836)	70,474,860
Taxation	28	4,163,257	41,827,589
(Loss)/ profit for the year		(17,598,093)	28,647,271
(Loss)/ earnings per share - basic and diluted	29	(1.16)	1.89

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

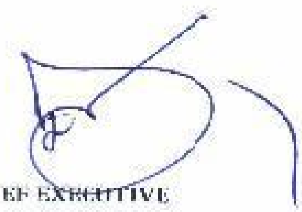
CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015

	2015 Rupees	2014 Rupees
(Loss)/ profit for the year	**(17,598,093)**	28,647,271
Other comprehensive (loss) / income:		
Items that will not be reclassified subsequently to profit or loss		
Unrealized (loss)/ income on changes in fair value of investment	**(108)**	758,993
Total comprehensive (loss)/ income for the year	**(17,598,201)**	29,406,264

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


CHIEF EXECUTIVE


DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(13,434,836)**	70,474,860
Adjustments for non cash and other items:			
Depreciation		19,323,535	19,796,629
Profit on deposit accounts		(11,641,746)	(9,813,198)
Profit on deposit with SNGPL		(413,303)	(1,007,038)
Balances written off		(1,554,673)	-
Workers' profit participation fund		-	3,709,203
Finance cost		547,505	558,291
Operating cash (used in)/generated from before changes in working capital		**(7,173,518)**	83,718,747
Changes in working capital			
(Increase)/decrease in current assets			
Stores and spares		1,111,432	(2,612,091)
Stock in trade		25,485,701	3,100,312
Trade debts		(4,720,669)	(25,237,549)
Advances, prepayment and other receivable		(22,288,927)	(2,884,344)
Tax refunds due from Government		1,476,303	2,069,162
Increase/(decrease) in current liabilities			
Trade and other payables		3,979,026	4,214,523
		5,042,866	(21,349,987)
Cash (used in)/generated from operations		**(2,130,652)**	62,368,760
Finance cost paid		(139,928)	(79,561)
Taxes paid		(10,202,363)	(13,219,063)
Staff retirement gratuity paid		(343,203)	(28,775)
Workers' profit participation fund Paid		(4,595,510)	(5,477,068)
Net cash (used in)/generated from operating activities		**(17,411,656)**	43,564,293
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(4,466,200)	(15,391,352)
Advance for capital expenditures		-	(10,191,707)
Sale proceeds from the disposal of electric equipments		-	53,137
Capital gain on short term investment reinvested		(836,093)	-
Profit on deposits		12,055,106	10,992,484
Net cash generated from/(used in) operating activities		6,752,813	(14,537,438)
Net (decrease)/ increase in cash and cash equivalents	(a+b)	**(10,658,843)**	29,026,855
Cash and cash equivalents at the beginning of the year		194,556,030	165,529,175
Cash and cash equivalents at the end of the year	14	183,897,187	194,556,030

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

CHIEF EXECUTIVE

DIRECTOR

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

	Share capital	Accumulated loss	Total
		[R U P E E S]	
Balance as at July 01, 2013	151,770,000	(320,958,821)	(169,188,821)
Total comprehensive income	-	29,406,264	29,406,264
Profit for the year	-	28,647,271	28,647,271
Other comprehensive income	-	758,993	758,993
Incremental depreciation on revalued property, plant and equipment for the year	-	8,568,373	8,568,373
Tax effect on incremental depreciation	-	(2,827,563)	(2,827,563)
Balance as at June 30, 2014	**151,770,000**	**(285,811,747)**	**(134,041,747)**
Total comprehensive loss	-	**(17,598,201)**	**(17,598,201)**
Loss for the year	-	**(17,598,093)**	**(17,598,093)**
Other comprehensive loss	-	**(108)**	**(108)**
Incremental depreciation on revalued property, plant and equipment for the year	-	**8,137,866**	**8,137,866**
Tax effect on incremental depreciation	-	**(2,588,866)**	**(2,588,866)**
Balance as at June 30, 2015	**151,770,000**	**(297,860,948)**	**(146,090,948)**

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

CHIEF EXECUTIVE

DIRECTOR

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

1. THE COMPANY AND ITS OPERATIONS

1.1 The Company is limited by shares and incorporated in Pakistan under the Companies Ordinance, 1984. Its shares are quoted at Karachi, Islamabad and Lahore stock exchanges. The principal business of the Company is manufacturing and sale of yarn. The Mill is situated at Tehsil Jaranwala, District Faisalabad in the Province of Punjab and the registered office of the Company is situated at JK House, 32-W, Susan Road, Madina Town, Faisalabad.

1.2 Goingconcernassumption

The Company has accumulated loss of Rs. 297.86 million (2014: Rs. 285.81 million) as against issued, subscribed and paid up capital of Rs. 151.77 million, thereby having a negative equity of Rs. 146.09 million (2014: Rs.134.04 million); and its current assets have been decreased from its current liabilities by Rs. 291.93 million (2014: Rs.291.8 million) as at June 30, 2015. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, and therefore the Company may be unable to discharge its liabilities and realize its assets in the normal course of business.

Inspite of the huge accumulated losses and negative equity, the management of the company is making strenuous efforts, optimal production strategies and effective cost controls to improve the profitability of the company. In view of the spirit, the company has planned an investment for modernization of production facility and for that purpose company has entered into agreements with its suppliers through its banks as referred to note 20.2. The management looks forward positively to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet its objectives and goals. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going concern basis.

2. STATEMENT OF COMPLIANCE

2.1 These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

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

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

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

	Effective date (annual reporting Periods beginning on or After)
IAS-16 Property, Plant and Equipment (Amendments)	January 01, 2016
IAS-38 Intangible Assets (Amendments)	January 01, 2016
IFRS 12 Disclosure of interests in other entities	January 01, 2015
IFRS 13 Fair value measurement	January 01, 2015

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

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

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

3. BASIS OF PREPARATION

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

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

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

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

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

4. SUMMERY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

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

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

Depreciation is charged to income applying the reducing balance method so as to write off the historical cost of the assets over their expected useful life at the rates mentioned in property, plant and equipment note - 5.

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

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

4.1.2 Capital work in progress

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

4.2 Stores and spares

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

4.3 Stock in trade

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

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

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

4.4 Trade and other receivables

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

4.5 Short term investment

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

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

4.6 Foreign currency translation

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

4.7 Cash and cash equivalents

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

4.8 Surplus on revaluation of property, plant and equipment

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

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

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

4.9 Staff retirement benefits

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

At present the Company operates an approved Provident Fund Scheme covering all its permanent employees. Equal monthly contributions are made, both by the Company, and the employees, to the fund at the rate of 8.33% of the basic salary. The Company's contribution to the fund is recognized as expense for the year.

4.10 Taxation

Current Taxation

Under normal law

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

Under presumptive tax regime

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

Deferred Taxation

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

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

4.11 Trade and other payables

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

4.12 Provisions

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

4.13 Contingencies

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

4.14 Related party transactions and transfer pricing

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

4.15 Borrowing costs

Borrowing costs to the extent of borrowing costs that are directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to profit and loss account in the period of incurrence.

4.16 Dividend and other appropriations

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

4.17 Financial Instruments

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

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

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

4.18 Impairment

The management assesses at each balance sheet date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the cash generating unit is reduced to its recoverable amount by charging the impairment loss against profit and loss account for the year.

4.19 Offsetting of financial assets and financial liabilities

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

4.20 Revenue recognition

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT

2015

DESCRIPTION	COST / REVALUED AMOUNT			DEPRECIATION				W.D.V	Rate
	As at July 01, 2014	Addition/ (deletion)	As at June 30, 2015	As at July 01, 2014	Adjustment	For the year	As at June 30, 2015	As at June 30, 2015	%
	[	R	U	P	E	E	S]		
Freehold land	39,206,400	-	39,206,400	-	-	-	-	39,206,400	-
Building on freehold land	100,136,763	-	100,136,763	31,108,221	-	3,451,427	34,559,648	65,577,115	5
Plant and machinery	495,239,573	1,175,000	496,414,573	258,232,857	-	11,865,024	270,097,881	226,316,692	5
Electric installations	16,211,996	1,907,500	18,119,496	10,280,363	-	733,709	11,014,072	7,105,424	10
Furniture and fittings	659,633	-	659,633	378,659	-	28,097	406,756	252,877	10
Office equipments	2,591,592	151,200	2,742,792	1,474,809	-	124,330	1,599,139	1,143,653	10
Vehicles	22,328,620	1,232,500	23,561,120	7,974,129	-	3,117,398	11,091,527	12,469,593	20
Factory Equipment	355,750	-	355,750	320,252	-	3,550	323,802	31,948	10
Total 2015	676,730,327	4,466,200	681,196,527	309,769,290	-	19,323,535	329,092,825	352,103,702	

2014

DESCRIPTION	COST / REVALUED AMOUNT			DEPRECIATION				W.D.V	Rate
	As at July 01, 2013	Addition/ (deletion)	As at June 30, 2014	As at July 01, 2013	Adjustment	For the year	As at June 30, 2014	As at June 30, 2014	%
	[	R	U	P	E	E	S]		
Freehold land	39,206,400	-	39,206,400	-	-	-	-	39,206,400	-
Building on freehold land	100,136,763	-	100,136,763	27,475,140	-	3,633,081	31,108,221	69,028,542	5
Plant and machinery	492,513,580	2,725,993	495,239,573	245,878,380	-	12,354,477	258,232,857	237,006,716	5
Electric installations	16,080,359	186,137	16,211,996	9,622,656	(1,363)	659,070	10,280,363	5,931,633	10
		(54,500)					-	-	
Furniture and fittings	659,633	-	659,633	347,440	-	31,219	378,659	280,974	10
Office equipments	2,567,992	23,600	2,591,592	1,352,606	-	122,203	1,474,809	1,116,783	10
Vehicles	9,872,998	12,455,622	22,328,620	4,981,494	-	2,992,635	7,974,129	14,354,491	20
Factory Equipment	355,750	-	355,750	316,308	-	3,944	320,252	35,498	10
Total 2014	661,393,475	15,336,852	676,730,327	289,974,024	(1363)	19,796,629	309,769,290	366,961,037	

	2015 Rupees	2014 Rupees

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

	2015 Rupees	2014 Rupees
Cost of sales	**16,053,710**	16,650,572
Administrative expenses	**3,269,825**	3,146,057
	19,323,535	19,796,629

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

	2015		
	Cost	Accumulated depreciation	Written down value
	[R U P E E S]		
Freehold land	4,062,000	-	4,062,000
Building on freehold land	40,631,000	32,206,789	8,424,211
Plant and machinery	405,614,390	276,050,188	129,564,202
Electric installations	17,655,522	10,888,335	6,767,187
	467,962,912	**319,145,312**	**148,817,600**

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

	Note	2015 Rupees	2014 Rupees
6. ADVANCE FOR CAPITAL EXPENDITURE			
Advance against purchase of land		-	10,191,707
7. LONG TERM DEPOSITS			
Security deposits			
- SNGPL	7.1	8,266,056	8,266,056
- FESCO		2,734,078	2,734,078
- WASA		8,550	8,550
- CDC		37,500	37,500
		11,046,184	11,046,184

7.1 This represents the security amount deposited with Sui Northern Gas Pipelines Limited (SNGPL) for supply of natural gas to the Company. The balance amount is subject to profit @ 5% p.a.

	Note	2015 Rupees	2014 Rupees
8. STORES AND SPARES			
Stores		6,411,136	5,068,768
Spares		4,715,736	7,169,536
		11,126,872	12,238,304
9. STOCK IN TRADE			
Raw material		49,545,447	40,469,254
Work in process		5,293,439	6,993,814
Finished goods		11,666,459	44,527,978
		66,505,345	91,991,046
10. TRADE DEBTS			
Considered good			
Foreign- secured		5,630,926	-
Local- unsecured	10.1	28,817,285	29,111,463
		34,448,211	29,111,463

10.1 This includes amount of Rs. 94,364/- (2014: Nill) receivable from J.A Textile Mills Limited on account of sale of cotton.

	Note	2015 Rupees	2014 Rupees
11. ADVANCES, PREPAYMENT AND OTHER RECEIVABLE			
Advances- considered good			
- Advances to employees		51,000	51,000
- Advances to suppliers		20,466,753	11,037,553
Letter of credit		1,953,676	
Prepaid insurance		312,281	218,449
Accrued profit		423,899	423,956
Other receivable	11.1	21,003,926	-
		44,211,535	11,730,958

11.1 The Company had made advance payment in installments of Rs. 21,003,926/- (2014: 10,191,707/-) against purchase of land of 10.22 acres valuing Rs. 67,856,882/- at M-3 Industrial Estate developed by Faisalabad Industrial Estate Development and Management Company (FIEDMC). Subsequently, the management decided to cancel the arrangement and the amount is now receivable from FIEDMC.

	Note	2015 Rupees	2014 Rupees
12. SHORT TERM INVESTMENT			
Available for sale			
NAFA Government Securities Liquid Fund	12.1	10,933,276	10,097,291

12.1 These have been valued by using published net asset value (NAV) as at 30th June, the number of units held by the Company are 1,077,987.8136 units (2014: 1,004,325.8445 units).

	Note	2015 Rupees	2014 Rupees
13. TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax		6,475,229	7,951,532
Income tax		-	924,114
		6,475,229	8,875,646
14. CASH AND BANK BALANCES			
Cash in hand		415,432	42,587,318
Cash at bank			
In current accounts	14.1	90,192,521	24,729,438
In deposit accounts	14.2	93,289,234	127,239,274
		183,481,755	151,968,712
		183,897,187	194,556,030

14.1 It includes US$. 1000/- (2014: US$.1000/-) and SAR. 2,461/- (2014: SAR.2,461/-)

14.2 Deposits with commercial banks yield profit at the rate of 5% to 9% (2014: 5% to 9%)

	Note	2015 Rupees	2014 Rupees
15. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Balance as on July 01,		140,430,714	146,171,524
Surplus on revaluation created during the year		-	-
		140,430,714	146,171,524
Incremental depreciation on revalued property, plant and equipment for the year		(8,137,866)	(8,568,373)
Related effect of deferred tax liability		2,588,866	2,827,563
		(5,549,000)	(5,740,810)
Balance as on June 30,		134,881,714	140,430,714

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

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

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

	Note	2015 Rupees	2014 Rupees
16. DEFERRED LIABILITIES			
Deferred taxation	16.1	81,230,122	88,470,244
Staff retirement gratuity	16.2	1,198,359	1,541,562
		82,428,481	90,011,806

16.1 DEFERRED TAXATION

	2015	2014
16.1.1 Balance as on July 01,	88,470,244	59,923,079
(Adjusted) / provided during the year	(7,240,122)	28,547,165
Balance as on June 30,	81,230,122	88,470,244

16.1.2 This comprise of following:

	2015	2014
Deferred tax liability:		
Taxable temporary differences relating to operating assets	28,850,338	32,680,646
Taxable temporary differences ralating to surplus on revaluation of property, plant and equipment	54,506,650	57,095,516
Deferred tax assets:		
Deductible temporary differences on tax losses	(1,745,637)	(797,203)
Staff retirement benefits	(381,229)	(508,715)
	81,230,122	88,470,244

16.1.3 The liability of deferred tax has been computed by applying the tax rate of 32% as reduced by the Finance Act 2015 from 33%.

16.1.4 Deferred tax debit balance is recognized on tax losses and staff retirement benefits.

16.2 STAFF RETIREMENT GRATUITY

	2015	2014
Balance as on July 01,	1,541,562	1,570,337
Paid during the year	(343,203)	(28,775)
Balance as on June 30,	1,198,359	1,541,562

	Note	2015	2014
17. TRADE AND OTHER PAYABLES			
Trade creditors		17,441,935	17,118,708
Accrued expenses		14,579,775	11,987,762
Advances from customers		3,009,399	3,043,568
Provident fund trust	17.1	616,023	532,964
Due to related parties	17.2	718,413	1,501,344
Withholding tax payable		89,610	62,220
Sale tax payable		1,044,108	212,265
Workers' profit participation fund	17.3	-	4,187,933
		37,499,263	38,646,764

17.1 This represents amount due to provident fund trust for the month of June - 2015 of which payment was made at July 13, 2015 (July 15, 2014).

17.2 This represents directors current account balances maintained with the company.

	Note	2015 Rupees	2014 Rupees
17.3 Workers' profit participation fund			
Balance as on July 01,		4,187,933	5,477,068
Interest on funds utilized in the Company's business		407,577	478,730
		4,595,510	5,955,798
Allocation for the year		-	3,709,203
		4,595,510	9,665,001
Less: Amount paid for the year		(4,595,510)	(5,477,068)
		-	4,187,933

18. ACCRUED MARK UP

	Note	2015 Rupees	2014 Rupees
Accrued markup on secured morabaha finance	18.1	194,161,422	194,161,422

18.1 The company has ceased the payment of markup since July 01, 2006, as it has filed a suit against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The facts of the litigation are explained in note 20.1.1.

19. SHORT TERM BORROWINGS

	Note	2015 Rupees	2014 Rupees
From banking company			
Secured			
Morabaha I	19.1	340,901,898	340,901,898
Morabaha II- Secured	19.2	74,145,100	74,145,100
Unsecured			
Interest free bank overdraft		2,543,709	2,543,709
		417,590,707	417,590,707

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

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

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

19.4 The Company is not repaying the morabaha finances as it has filed a suit against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The bank has also filed a counter suit praying for a decree to be passed in its favor for a sum of Rs. 454.502 million against the defendants jointly and severally, with cost of funds at the rate of 20% or as certified by State Bank of Pakistan from date of default and 20% liquidated damages plus service charges and all costs, charges, expenses payable or to be incurred by the plaintiff bank till the final payment / realization of the afore-mentioned amount. The facts and status of the litigations are further explained in note 20.1.1.

19.5 The company has ceased the repayment of the overdraft, as it has filed a suite against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The facts of the litigation are explained in note 20.1.1.

19.6 Further to note 19.1 to 19.5 since these facilities are in default/subjudice, the recognition and measurement of these financial liabilities under IAS 39-Financial Instruments are required to be carried at amortized cost. These are carried at cost as their amortized costs are impractible to determine. Hence, these are reclassified from long term financing to short term borrowings for all the relevant periods, whether present or future and have accordingly been regrouped / reclassified.

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 The company has instituted a suit in the Honorable Lahore High Court, Lahore against Faysal Bank Limited claiming damages on account of acquisition of un-remunerative agricultural land on the advice of FIBL for not providing timely cash finance facilities despite written commitments and for charging illegal profits against the principles of Islamic Banking and in contravention of the objective clause of its Memorandum of Association, Articles of Association and against circulars issued by the State Bank of Pakistan. The amount claimed for the first two counts is Rs.141.831 million (including claims of Central Excise Duty), whereas the amount of last count has been left for the Court to determine.

The counter suite filed by the Faysal Bank for recovery of Rs. 454.502 million along with costs and cost of funds before the Honorable Lahore High Court (Single Judge), Lahore has been adjudicated on 04.06.2015 against the company. The company has filed an appeal in Honourable Lahore High Court, Lahore (Division Bench) vide R.F.A. No. 1372/2015 on various grounds including the company being condemned unheared. Due to litigations, the Bank is not responding and confirming the balance to the company. Having been undeterminable at this stage, provision for cost of funds has not been accounted for.

20.1.2 During the year, the Company has not acknowledged a liability amounting to Rs. 17,182/- (2014: Rs. 1,409,497/-) of Workers Welfare Fund in the light of the decision of Honorable Lahore High Court dated 24 August, 2011 whereby the Honorable Lahore High Court has struck down amendments regarding Workers Welfare Fund Ordinance, 1971 introduced through Finance Act 2006 and 2008 as being unconstitutional. However, the department has filed a review petition against the decision, which is still pending for adjudication.

20.2 Commitments

	2015 Rupees	2014 Rupees
Under letters of credit (Sight)	57,124,028	-

	Note	2015 Rupees	2014 Rupees
21. SALES - NET			
Local sales		1,124,176,481	1,340,453,954
Export sales		27,108,962	-
Gross sales		1,151,285,443	1,340,453,954
Less: Sales tax		(21,810,957)	(26,283,417)
Commission		(60,500)	(27,300)
		(21,871,457)	(26,310,717)
		1,129,413,986	1,314,143,237
22. COST OF SALES			
Raw material consumed	22.1	753,949,213	896,731,869
Stores and spares consumed		25,307,023	23,541,972
Packing material consumed		20,575,929	20,996,038
Salaries, wages and benefits		105,743,924	87,836,402
Provident fund contribution		3,048,842	2,809,978
Fuel and power		163,492,902	171,870,604
Repairs and maintenance		2,162,956	1,409,513
Insurance		2,887,535	3,074,140
Depreciation	5.1	16,053,710	16,650,572
General expenses		1,089,419	717,738
		1,094,311,453	1,225,638,826
Work in process			
Balance as on July 01,		6,993,814	7,693,160
Balance as on June 30,		(5,293,439)	(6,993,814)
		1,700,375	699,346
Cost of goods manufactured		1,096,011,828	1,226,338,172
Finished goods			
Balance as on July 01,		44,527,978	44,875,344
Balance as on June 30,		(11,666,459)	(44,527,978)
		32,861,519	347,366
		1,128,873,347	1,226,685,538
22.1 RAW MATERIAL CONSUMED			
Balance as on July 01,		40,469,254	42,522,854
Purchases		763,025,406	894,678,269
		803,494,660	937,201,123
Balance as on June 30,		(49,545,447)	(40,469,254)
		753,949,213	896,731,869
23. DISTRIBUTION COST			
Staff salaries and benefits		1,200,958	-
Clearing and forwarding		68,350	-
Freight charges		855,764	-
Export development surcharge		40,861	-
Insurance		50,614	-
Sampling charges		108,683	-
Others		21,559	-
		2,346,789	-
24. ADMINISTRATIVE EXPENSES			
Staff salaries and benefits		10,345,284	10,588,862
Provident fund contribution		465,150	284,440
Postage and telecommunication		446,620	444,156
Electricity, Fuel and water		771,633	846,980
Printing and stationary		110,899	71,006
Travelling and conveyance		681,308	100,670
Entertainment		569,108	456,609
Fees and subscription		1,931,580	963,984
Legal and professional		2,749,700	1,769,944
Rent, rate and taxes		343,494	254,217
Vehicle, running and maintenance		2,660,106	3,119,108
Auditors' remuneration	24.1	320,000	320,000
Insurance		955,202	942,807
Advertisement		21,090	10,260
Depreciation	5.1	3,269,825	3,146,057
Others		1,934,536	216,481
		27,575,535	23,535,581

	Note	2015 Rupees	2014 Rupees
24.1 AUDITORS' REMUNERATION			
Statutory audit		**250,000**	250,000
Half yearly review		**50,000**	50,000
Out of pocket expenses		**20,000**	20,000
		320,000	320,000
25. OTHER OPERATING EXPENSES			
Workers' profit participation fund		-	3,709,203
26. FINANCE COST			
Interest on workers' profit participation fund		**407,577**	478,730
Bank charges and commission		**139,928**	79,561
		547,505	558,291
27. OTHER INCOME			
Income from financial assets			
Profit on deposit accounts		11,641,746	9,813,198
Realized gain on sale of short term investment		836,093	-
Exchange gain on foreign currency translation		2,048,539	-
Profit on deposit with SNGPL		413,303	1,007,038
Income from non financial assets			
Balances written off		1,554,673	-
		16,494,354	10,820,236
28. TAXATION			
Current	28.1	11,403,379	13,249,908
Deferred		(7,240,122)	28,547,165
Prior year		-	30,516
		4,163,257	41,827,589

28.1 The provision for current taxation is based on turnover under Section 113 of the Income Tax Ordinance, 2001 as tax liability on taxable income is low as compared to turnover tax.
Reconciliation of tax expense and product of accounting profit has not been presented in these financial statements due to the reason of trunover taxation.

29. (LOSS)/ EARNINGS PER SHARE-BASIC AND DILUTED	2015	2014
(Loss)/ profit for the year (Rupees)	**(17,598,093)**	28,647,271
Weighted average number of ordinary shares outstanding during the year	**15,177,000**	15,177,000
(Loss)/ earnings per share-basic and diluted (Rupees)	**(1.16)**	1.89

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

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	EXECUTIVES [RUPEES]	
	2015	**2014**
Salary	**3,140,000**	1,216,000
House rent allowance	**1,256,000**	486,400
Utilities allowance	**314,000**	592,006
Provident fund	**261,562**	-
Total	**4,971,562**	2,294,406
Number of persons	4	2

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

31. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and other key management personnel. Amounts due from and due to related parties, if any, are shown under relevant notes to financial statements. Remuneration of Chief Executive Officer, Directors and Executives is explained in Note 30. Transactions with related parties other than those specifically mention in relevant notes is as follows.

Party	Nature of relationship	Nature of transactions	2015 Rupees	2014 Rupees
Provident fund trust	Post employment benefit	Company's contribution to provident fund	7,027,984	6,188,836
CEO/directors/members	Related party	Expenses paid on behalf of CEO/directors/members	782,931	864,826
J.A. Textile Mills Limited	Associate	Sale of cotton	11,827,306	-

32. PLANT CAPACITY AND PRODUCTION

	2015	2014
Number of spindles installed	22,320	22,320
Number of spindles worked	22,320	22,320
Number of shifts worked per day	3	3
Installed capacity after conversion into 20/s count (Kgs)	9,964,261	9,964,261
Actual production of yarn after conversion into 20/s count (Kgs)	9,068,469	9,111,022

33. EMPLOYEES PROVIDENT FUND TRUST

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

	2015	2014
Size of the fund (Rupees)	12,715,227	12,385,879
Cost of investment made (Rupees)	12,208,248	11,029,390
Percentage of investment made (%)	96.01	89.05
Fair value of investment (Rupees)	13,021,821	11,808,341

33.1 The breakup of fair value of investments is:

	2015		2014	
	Rupees	% of total	Rupees	% of total
NAFA Govt. Securities	3,292,391	25.28	3,023,420	25.60
CDC Trustee UBL Fund	2,001,000	15.37	-	-
Bank balances	7,728,430	59.35	8,784,921	74.40
	13,021,821	100.00	11,808,341	100.00

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

34. NUMBER OF EMPLOYEES

The average number of employees for the year ended June 30, 2015 were 578 (2014: 571) and number of employees as at June 30, 2015 were 577 (2014: 574).

35 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

35.1 Financial assets and liabilities

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

	June 30, 2015						
	Interest/mark-up bearing			Non Interest/mark-up bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
	[R U P E E S]						
Financial assets							
At fair value through profit and loss							
- Investment (NAFA Government Securities)	10,933,276	-	10,933,276		-	-	10,933,276
Loans and receivables							
Long term deposits	-	8,266,056	8,266,056	-	2,780,128	2,780,128	11,046,184
Trade debts	5,630,926	-	5,630,926	28,817,285	-	28,817,285	34,448,211
Advances and other receivable	423,899	-	423,899	21,054,926	-	21,054,926	21,478,825
Cash and bank balances	93,289,234	-	93,289,234	90,607,953	-	90,607,953	183,897,187
	110,277,335	8,266,056	118,543,391	140,480,164	2,780,128	143,260,292	261,803,683
Financial liabilities							
At amortised cost							
Trade and other payables	-	-	-	33,356,146	-	33,356,146	33,356,146
Interest accrued on long term financing	-	-	-	194,161,422	-	194,161,422	194,161,422
Short term borrowing	415,046,998	-	415,046,998	2,543,709	-	2,543,709	417,590,707
	415,046,998	-	415,046,998	230,061,277	-	230,061,277	645,108,275
Excess of financial assets over financial liabilities	(304,769,663)	8,266,056	(296,503,607)	(89,581,113)	2,780,128	(86,800,985)	(383,304,592)

	June 30, 2014						
	Interest/mark-up bearing			Non Interest/mark-up bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
	[R U P E E S]						
Financial assets							
At fair value through profit and loss							
- Investment (NAFA Government Securities)	10,097,291	-	10,097,291		-	-	10,097,291
Loans and receivables							
Long term deposits	-	8,266,056	8,266,056	-	2,780,128	2,780,128	11,046,184
Trade debts	-	-	-	29,111,463	-	29,111,463	29,111,463
Advances and other receivable	423,956	-	423,956	51,000	-	51,000	474,956
Cash and bank balances	127,239,274	-	127,239,274	67,316,756	-	67,316,756	194,556,030
	137,760,521	8,266,056	146,026,577	96,479,219	2,780,128	99,259,347	245,285,924
Financial liabilities							
At amortised cost							
Trade and other payables	-	-	-	31,140,778	-	31,140,778	31,140,778
Interest accrued on long term financing	-	-	-	194,161,422	-	194,161,422	194,161,422
Short term borrowing	415,046,998	-	415,046,998	2,543,709	-	2,543,709	417,590,707
	415,046,998	-	415,046,998	227,845,909	-	227,845,909	642,892,907
Excess of financial assets over financial liabilities	(277,286,477)	8,266,056	(269,020,421)	(131,366,690)	2,780,128	(128,586,562)	(397,606,983)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

36.1 Market risk

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

36.1.1 Interest rate risk:

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

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

	2015 Rupees	2014 Rupees
Fixed rate instruments		
Financial liabilities		
Short term borrowings	**415,046,998**	415,046,998
Financial assets		
Security deposits with SNGPL	**8,266,056**	8,266,056
Floating rate instruments		
Financial assets		
Bank balances-deposit account	**93,289,234**	127,239,274

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 634,367/- (2014: Rupees 827,055/-) higher / lower. The analysis is prepared assuming the amounts of bank balances outstanding at the balance sheet date were outstanding for the whole year.

36.1.2 Currency risk / Foreign Exchange risk:

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

Financial assets include Rs. 5,801,134/- (2014: Rs. 163,230/-) which were subject to currency risk.

At June 30, 2015, had the currency been weakened/strengthened by 5% against the foreign currency with all other variables held constant, profit for the year and equity would have been Rs. 194,338/- (2014 : Rs.5,305/-) higher / lower, mainly as a result of foreign exchange gains / losses on translation of foreign currency denominated trade debts and foreign currency bank accounts.

36.1.3 Other price risk / Equity Price risk:

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

36.2 Credit risk and concentration of credit risk:

Credit risk is the risk representing accounting loss that would be recognized at the reporting date if one party to a financial instrument will fail to discharge an obligation or its failure to perform duties under the contract as contracted. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company is mainly exposed to credit risk on trade debts amounting to Rs. 28.831 million (2014: Rs. 29.111). Company seeks to minimize the credit risk exposure through having exposure only to customers and suppliers considered credit worthy and also by obtaining advance against sales from customers. The carrying values of financial assets which are neither past due nor impaired are as under:

FINANCIAL ASSETS	2015 Rupees	2014 Rupees
Long term deposits	11,046,184	11,046,184
Trade debts	34,448,211	29,111,463
Advances, deposits and other receivable	21,478,825	474,956
Cash and bank balances	183,897,187	194,556,030
	250,870,407	235,188,633

Credit quality of financial assets

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

	Rating			2015	2014
	Short term	Long term	Agency	Rupees	Rupees
Bank balances					
Al-Baraka Bank Limited	A-1	A	PACRA	840,950	718,478
Dubai Islamic Bank Limited	A-1	A+	JCR-VIS	10,442	37,173
Faysal Bank Limited	A1+	AA	PACRA	666	666
Habib Bank Limited	A-1+	AAA	JCR-VIS	25,253,836	24,220
JS Bank Limited	A1+	A+	PACRA	79,427,228	204,908
MCB Bank Limited	A1+	AAA	PACRA	10,981	26,955
Meezan Bank Limited	A-1+	AA	JCR-VIS	5,013,317	10,411
National Bank of Pakistan	A-1+	AAA	JCR-VIS	836,171	140,880
Samba Bank Limited	A-1	AA	JCR-VIS	10,981	10,981
United Bank Limited	A-1+	AA+	JCR-VIS	72,077,183	148,333,899
				183,481,755	149,508,571
Short term investment					
NAFA Government Securities Liquid Fund		AAA(f)	PACRA	10,933,276	10,097,291
Counterparties without external credit rating					

36.3 Liquidity risk

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

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

	Within 1 year	More than 1 year and up to 5 years	Total
	[R U P E E S]		
June 30, 2015			
Trade and other payables	**33,356,146**	-	**33,356,146**
Accrued mark up	**194,161,422**	-	**194,161,422**
Short term borrowings	**417,590,707**	-	**417,590,707**
	645,108,275	-	**645,108,275**
June 30, 2014			
Trade and other payables	31,140,778	-	31,140,778
Accrued mark up	194,161,422	-	194,161,422
Short term borrowings	417,590,707	-	417,590,707
	642,892,907	-	642,892,907

36.4 Fair value of financial instruments:

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

36.5 Capital risk Management:

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

37. CORRESPONDING FIGURES

37.1 Previous year figures have been rearranged and reclassified wherever necessary for the purpose of comparison. Major reclassification made in the corresponding figures for better presentation are as under:

	2014	Reclassification From	Reclassification To
From banking company- Secured			
Morabaha I	340,901,898	Long term financing	Short term borrowings
Morabaha II- Secured	74,145,100	Long term financing	Short term borrowings
Provident fund trust	532,964	Accrued expenses	Provident fund trust

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

38. DATE OF AUTHORIZATION FOR ISSUE

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

CHIEF EXECUTIVE

DIRECTOR

FORM - 34

PATTERN OF SHAREHOLDING AS ON 30 JUNE, 2015

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
110	1	100	10,100
86	101	200	17,200
50	201	300	15,000
86	301	400	34,400
1,522	401	500	761,000
69	501	1,000	66,127
94	1,001	5,000	245,195
14	5,001	10,000	107,341
9	10,001	20,000	120,300
4	20,001	50,000	112,500
4	50,001	100,000	261,100
4	100,001	300,000	744,800
3	550,001	1,000,000	2,428,937
3	1,100,001	1,600,000	4,176,600
1	2,050,001	2,100,000	2,088,100
1	3,980,001	3,990,000	3,988,300
2,060			**15,177,000**

NOTE: **The slabs not applicable have not been shown.**

(*) The shareholder holds 10% or more shares

Categories of Shareholders		Number of shareholders	Shares Held	Holding Percentage
Individuals.		2,045	4,835,550	31.86
N. I. T.		1	1,142,800	7.53
I. C. P.		1	23,500	0.15
(*) Mr. Zahid Anwar	(CEO/Director)	1	3,988,300	26.28
(*)Mrs. Rukhsana Begum	(Director)	1	2,088,100	13.76
Mr. Imran Zahid	(Director)	1	1,516,900	9.99
Miss. Quratul Ain Zahid	(Director)	1	869,150	5.73
Ch. Ghulam Murtaza Buttar	(Director)	1	500	0.00
Mr. Umer Farooq	(Director)	1	500	0.00
Mr. Ali Raza Zafar	(Director)	1	500	0.003
Inkage consultants(pvt)Ltd		1	500	0.003
N.H. Holding (pvt)Ltd		1	1,000	0.01
Faysal Bank Limited		1	10,500	0.07
Saudi Pak Ind & Inv (pvt)Ltd		1	12,700	0.08
National Bank of Pakistan		1	577,500	3.81
The Bank of Punjab		1	109,000	0.72
		2,060	**15,177,000**	**100.00**

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

Name	Designation		Shares	
			Bought	Sold
NIL	NIL		NIL	NIL

ANNUAL GENERAL MEETING

FORM OF PROXY

IMPORTANT

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

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

Please quote Registered Folio Number

I/We ____________________

of ____________________

being a member of the Asim Textile Mills Limited ____________________ and holder

of ____________________ ordinary shares, hereby appoint

____________________ of ____________________

who is also a member of the company as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at registered office of the Company, JK House, 32-W, Susan Road, Madina Town, Faisalabad, on 31.10.2015 at 9:30 a.m. or at any adjournment thereof.

As witness my/our hand this ____________________ day of ____________________ 2015

Signed by the said ____________________ in the presence of

____

Date:

(Member's Signature)

Place

(Witness's Signature)

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