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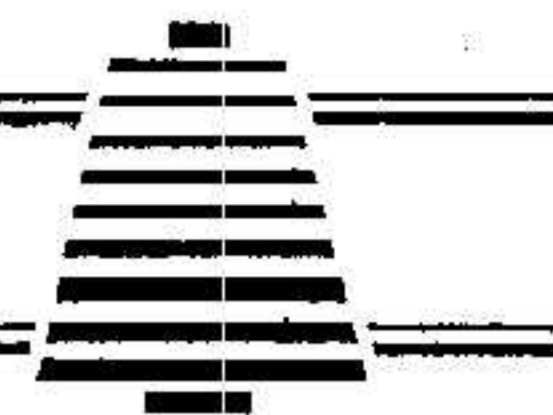
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FORTY EIGHT ANNUAL REPORT
FOR THE YEAR ENDED
30th JUNE 2009

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BOARD OF DIRECTORS

Board of Director : *Mr. Akbar Ali Hashwani* (Chairman)
: *Mr. Amin A. Hashwani* (Chief Executive)
: *Mrs. Sultana A. Hashwani*
: *Mrs. Farieha A. Hashwani*
: *Mr. Abdullah A. Hashwani*
: *Mr. Nizam A. Hashwani*
: *Mr. Aziz*

*Company Secretary &
Chief Financial Officer* : *Syed Muhammad Yousuf*

Auditors : *Daudally, Lalani & Co.*
Chartered Accountants

Bankers : *Muslim Commercial Bank Limited*
Bank Al Habib Limited
Metropolitan Bank Limited
Bank Al-Falah

Registered Office : *A-66, Manghopir Road, S.I.T.E., Karachi.*

Audit Committee : *Mr. Akbar Ali Hashwani* (Chairman)
: *Mr. Abdullah A. Hashwani*
: *Mr. Nizam A. Hashwani*

Share Registration Office : *Your Secretary (Pvt) Ltd.*
Suit # 1020, 10th Floor,
Uni Plaza, I.I. Chundrigar Road, Karachi.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Eight Annual General Meeting of the Company will be held on Friday 30th October 2009, at 06:00 pm at Regent Textile Industries limited, 1st floor Cotton Exchange Building, I.I Chundriger Road Karachi to transact the following business :

1. To confirm the minutes of the Forty seventh Annual General Meeting held on 28th October 2008.
2. To receive and adopt the audited accounts for the year ended 30th June 2009, together with the Auditors and Directors Report thereon .
3. To appoint Auditors for the year ending 30th June 2010, 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 tansact any other business with the permission of the Chairman.

By Order of the Board

Syed Mohammad Yousuf
Company Secretary

Karachi. 8th October, 2009.

NOTES:

1. The share transfer Books of the Company will remain closed from 24-10-2009 to 30-10-2009. (Both days inclusive)
2. All members should bring their Original National Identity cards for their identification purpose.
3. All beneficial owners of the share registered in their names to Central Depository Company (CDC) and / or their proxies are required to produce their original National Identity Card for identification purpose at the time of attending the meeting. The form of the proxy 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 than 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's Share Register M/s. Your Secretary (Pvt) Ltd.



DIRECTORS REPORT-PART

The Board of Directors of your company is pleased to present Forty Eight Annual Report together with Audited financial statements of the company along with Auditors Report thereon for the year ended 30th June 2009.

Due to challenging market situation of high cotton prices and low prices of yarn, your company suffered an after tax loss of Rs. 18,199,286 based on the following results:-

	30.06.2009 Rupees	30.06.2008 Rupees
Sales Revenue	274,758,166	281,285,880
Cost of sales	283,097,778	264,966,879
Gross Profit / Loss	(8,339,612)	16,319,001
Operating expenses	13,893,793	14,022,575
Other income	1,458,966	1,349,575
Profit / (Loss) before taxation	(21,011,733)	3,475,567
Profit / (Loss) after taxation	(18,199,286)	492,722
Earning per share	(3.82)	0.10

However, cost effective measures and switching of the high count yarn production, the Sales Revenue as compared to previous year is gone down and that due to inflationary costs and higher prices of cotton the cost of sales increased and the cause of losses was beyond the anticipated and targeted prices of input costs and yarn prices. Thus resulting in increase in accumulated losses of Rs. 120,273,923 as compared to previous year's figure of Rs. 102,166,407. Hence, the Directors have not recommended any dividend for year ended 30th June, 2009.

Considering the over all economic situation, your directors are anticipating that the prices of yarn would improve with the global recovery of economy and Pakistan is expected to have a crop of approximately 134 Million Bales. Despite looming energy crisis and rising fuel prices, your directors are expecting a better year for the textile Industry and for our company as well on account of improvements in the positive market trend.

Referring to the Auditors opinion for raising doubts of going concern on account of negative equity, the reasons highlighted at Note 3.1 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.

Corporate Governance

Your Company has been complying with the rules & regulations of securities & Exchange Commission of Pakistan and has implemented better internal control policies with more rigorous checks and balance.

Audit Committee

The meetings of the Audit Committee of the Board of Directors were held during the period as per the requirements of the Code of Corporate Governance. The Audit Committee thoroughly review all financial statements before presenting to the Board.

The Board of Directors through out the period under Review complied with the Code of Corporate Governance as per Listing Regulations of Stock Exchange and confirm that:-

- The Financial statements prepared by the Company present fair state of affairs, the result of its operations, cash flows and changes.
- Proper books of accounts of the Company have been maintained.

- Appropriate accounting policies have been adhered-to in preparation of financial statements based on reasonable and prudent practices.
- International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- The internal control system has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as going concern.
- There has been no trading during the year in the shares of the Company carried out by the Directors, CEO, CFO, Company Secretary and their spouse and minor children.
- None of the directors of the Company are serving on the Board of 10 or more listed companies.
- All of the Directors of the Company are registered as tax payers and none of the companies directors are in default of payment of any dues to a banking company, DFI, NBFIs and Stock Exchange.
- There has been no material departure from the best practice of Corporate governance.
- During the year the meeting of the Board of Directors held, attended by each Directors is as follows:-

No of Meeting Attended

1.	Mr. Akber Ali Hashwani	(4)
2.	Mr. Amin A. Hashwani	(4)
3.	Mr. Abdullah A Hashwani	(4)
4.	Mr. Nizam A. Hashwani	(4)
5.	Mrs. Sultana A. Hashwani	(3)
6.	Mrs. Farieha A. Hashwani	(2)
7.	Mr. Aziz	(3)

(Leave of absence at the request was granted in case the directors who could not attend the Board meetings due to other un-avoidable engagements).

Auditors

In accordance with the guidelines provided under the code of corporate governance, the board of directors have recommended the name of retiring Auditors M/s. Daudally Lalani & Co., Chartered Accountants for appointment as Auditors, as required u/s, 253 of the Companies Ordinance 1984.

Related party Tan section

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 2009, annexed.

Key Operating And Financial Data:-

An statement reflecting the key operating and financial data of last six years is attached to the Annual Report.

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: 07-10-2009

By Order of the Board

AMIN A. HASHWANI
Chief Executive

**FINANCIAL HIGHLIGHTS**

PARTICULARS	2009	2008	2007	2006	9-Months 2005	2004
ASSETS EMPLOYED						
Fixed Assets (Book Value)	347,358	346,298	350,229	329,389	303,231	307,378
Long Term Investment	5,910	5,184	4,554	3,765	1,615	1,615
Long Term Deposits	3,052	3,052	3,052	2,512	-	-
Deferred Taxation	6,909	4,045	5,206	-	-	-
Net Current Assets	3,733	3,493	7,662	12,641	10,366	(994)
Total Assets Employed	366,962	362,072	370,703	348,307	315,212	307,999
FINANCED BY						
Issued, Subscribed & Paid Up Capital	47,587	47,587	47,587	47,587	47,587	47,587
Reserve & Surplus on Revaluation	87,250	87,341	87,443	88,167	88,361	88,518
Un appropriated (Loss)	(120,274)	(102,166)	(102,761)	(118,204)	(133,704)	(138,254)
Shareholder Equity	14,563	32,362	32,269	17,550	2,244	(2,149)
Long Term Liabilities	166,416	151,649	164,719	165,792	56,715	152,351
Total Capital Employed	180,979	184,011	196,988	183,342	158,959	150,351
OTHER DATA						
Net Sales	274,758	281,286	233,537	202,171	64,612	67,021
Profit (Loss) before Taxation	(21,012)	3,476	13,060	16,317	4,730	(2,777)
Profit & Loss after Taxation	(18,199)	493	17,709	15,306	4,393	(3,177)
Return on equity before tax %	(4.42)	2.73	2.74	3.43	0.99	(5.84)
Return on equity after tax %	(3.82)	0.10	3.72	3.22	0.92	(6.55)



**DETAIL OF PATTERN OF SHAREHOLDING
AS PER REQUIREMENT OF CODE OF
CORPORATE GOVERNANCE**

INVESTMENT COMPANIES

National Investment Trust	100
Investment Corporation of Pakistan	550

DIRECTORS, CEO, THEIR SPOUSE AND MINOR CHILDREN

Mr. Akberali Hashwani	Chairman	1,320,700
Mr. Amin A. Hashwani	Chief Executive	1,137,597
Mr. Abdullah A. Hashwani	Director	1,104,350
Mr. Nizam A. Hashwani	Director	1,087,300
Mr. Aziz	Director	500
Mrs. Sultana A. Hashwani	Director	500
Mrs. Farieha A. Hashwani	Director	500

Executives	None
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INDIVIDUALS	87,150
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BANKS, DEVELOPMENT FINANCE INSTITUTES, NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES AND MUTUAL FUNDS	19,416
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SHAREHOLDERS HOLDING 10% OR MORE

Mr. Akberali Hashwani	1,320,700
Mr. Amin A. Hashwani	1,137,597
Mr. Abdullah A. Hashwani	1,104,350
Mr. Nizam A. Hashwani	1,087,300



MISSION STATEMENTS

- To effect high value, economical and qualitative solutions to address the textile needs of a diverse range of customers.
- To seek long-term and good relations with our suppliers and customer satisfaction.
- To be totally customer oriented company and to achieve total customer satisfaction.
- To create a working environments, which motivates, recognizes and rewards achievements at all levels of the organization.
- To be contributing cooperative citizen for the betterment of society, and to exhibit a socially responsible behaviours.
- To conduct bsuiness with integrity and strive to the best.

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Regent Textile Industries Limited** to comply with the Listing Regulation of the Karachi Stock Exchange 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 system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, the listing regulations requires the Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevailed in arm's length transactions and transaction which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed the audit committee. We are only required and have ensured compliance of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price.

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, 2009.

Chartered Accountants
Karachi



STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the code of Corporate Governance contained in Regulation No. 37 of Listing Regulation of Karachi Stock Exchange for establishing of framework and good corporate governance , whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Company applies the principals contained in the Code in the following manner:-

- The Company has prepared an “Statement of Ethics and Business Practices” which would be signed by the directors and employees of the Company , once it has been approved by Board of Directors.
- The Company has also prepared the “MISSION STATEMENT” which is included in the Annual Report.
- All the major decisions are taken or ratified by the Board of Directors.
- The meeting of the Board are presided by the Chairman and Board meets at least once in every quarter.
- The Board arranges orientation courses for is directors during the year to apprise them of their duties and responsibilities
- The appointment of CFO and Company Secretary including their remuneration, term and condition were already approved by the Board of Directors.
- The Directors report for this year has been prepared keeping in mind the requirement of the code and fully describe the matters required to be disclosed.
- The financial statement of the company have been duly endorsed by CEO and CFO.
- The directors do not hold any interest in the shares of the Company other then already been disclosed, in the pattern of shareholding formate.
- An audit committee has formed and it will meet at least once every quarter prior to approval of quaterly and final results of the Company. The term of reference of the committee have been framed and advised to the committee.

Date : 07/10/2009

Place: Karachi

**Mr. Akberali Hashwani
CHAIRMAN**

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **REGENT TEXTILE INDUSTRIES LIMITED**, as at June 30, 2009 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

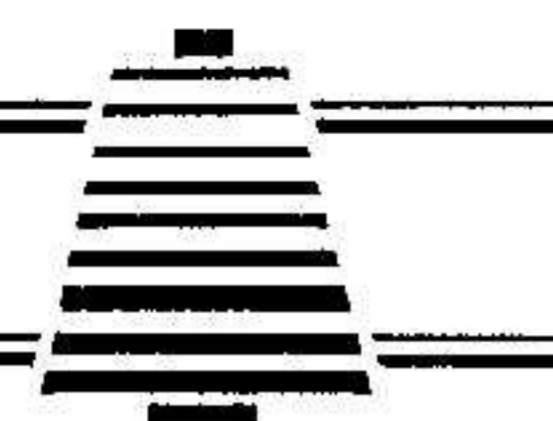
It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an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

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

- (a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, 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, 2008 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no zakat deductible at source under the Zakat and Ushr Ordinance, 1980.

Without qualifying our opinion we draw attention to the fact that the company has accumulated losses of Rs. 120,273,923 as at June 30, 2009 thereby making the equity negative by Rs. 71,779,116. This situation raises doubts about the company's status as a going concern. However, for the reasons mor fully 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



**BALANCE SHEET
AS AT JUNE 30, 2009**

	Note	2009 Rupees	2008 Rupees
EQUITY & LIABILITIES			
Authorized capital			
7,500,000 (2008 : 7,500,000) ordinary share of Rs. 10 each		<u>75,000,000</u>	<u>75,000,000</u>
Issued, subscribed & paid up capital	3	47,586,630	47,586,630
Special reserve	4	908,177	908,177
Accumulated loss		(102,273,923)	(102,166,407)
		(71,779,116)	(53,671,600)
Surplus on revaluation of property, plant & equipment	5	87,249,751	87,341,521
NON CURRENT LIABILITIES			
Subordinate loan	6	155,000,000	140,000,000
Liabilities against assets subject to finance lease	7	11,416,091	11,649,340
		166,416,091	151,649,340
CURRENT LIABILITIES			
Current maturity of liabilities against assets subject to finance lease	8	7,470,000	7,799,618
Creditors, accrued & other liabilities	9	33,202,428	20,304,601
Workers profit participation fund	10	-	191,896
Short term borrowing	11	12,263,504	53,184,910
Provision for taxation	26	52,000	1,407,397
Unclaimed dividend		19,301	19,301
		53,007,233	82,907,723
Total equity & liabilities		<u>234,893,959</u>	<u>268,226,984</u>

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive



	Note	2009 Rupees	2008 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant & equipment	12	162,282,105	169,545,267
Long term investments	13	5,910,082	5,183,616
Long term deposits	14	3,052,300	3,052,300
Deferred taxation	15	6,909,371	4,044,924
		178,153,858	181,826,107
CURRENT ASSETS			
Stores & spares		1,599,599	1,501,600
Stock in trade	16	3,398,403	27,432,532
Trade debtors	17	23,480,689	27,712,582
Advances, prepayments and other receivables	18	27,775,298	26,752,156
Cash and bank balances	19	486,112	3,002,007
		56,740,101	86,400,877
Total assets		<u>234,893,959</u>	<u>268,226,984</u>

Director



**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2009**

	Note	2009 Rupees	2008 Rupees
Sales	20	274,758,166	281,285,880
Cost of sales	21	283,097,778	264,966,879
Gross (loss) / profit		(8,339,612)	16,319,001
Operating expenses			
Administrative	22	3,094,800	2,956,026
Selling		131,780	77,090
Financial	23	10,667,213	10,797,563
Workers profit participation fund		-	191,896
		13,893,793	14,022,575
		(22,233,405)	2,296,426
Other income	24	1,458,966	1,349,575
		(20,774,439)	3,646,001
Other Charges	25	(237,294)	(170,434)
Net (loss) / profit before taxation		(21,011,733)	3,475,567
Taxation			
- Current	26	(52,000)	(1,407,397)
- Prior		-	(413,897)
- Deferred		2,864,447	(1,161,551)
		2,812,447	(2,982,845)
Net profit / (loss) after taxation		(18,199,286)	492,722
Earning per share	27	(3.82)	0.10

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009**

	Note	2009 Rupees	2008 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Net (loss) / profit before taxation		(21,011,733)	3,475,567
Adjustment for non cash charges & other items			
Depreciation		8,324,108	9,075,923
Loss / (gain) on disposal of fixed assets		-	170,434
Reversal of excess accrual of profit on investment		237,294	-
Provision for workers profit participation fund		-	191,896
Financial charges		10,667,213	10,797,563
		19,228,615	20,235,816
Operating (loss) / profit before working capital changes		(1,783,118)	23,711,383
Working capital changes			
Stores & spares		(97,999)	(100,924)
Stock in trade		24,034,129	2,805,397
Trade debts		4,231,893	(24,288,935)
Advances, prepayments and other receivables		(946,155)	9,468,949
Creditors, accrued & other liabilities		12,898,067	(11,549,915)
		40,119,935	(23,665,428)
Net cash generated from operations		38,336,817	45,955
Financial charges paid		(10,892,008)	(10,807,651)
Income tax paid		(1,484,624)	(1,913,384)
Workers profit participation fund paid		(191,896)	(641,409)
		(12,568,528)	(13,362,444)
Net cash flow from operating activities		25,768,289	(13,316,489)
CASH FLOW FROM INVESTING ACTIVITIES			
Sale proceeds of fixed assets		-	625,000
Purchase of fixed assets		(1,060,945)	(1,995,448)
Profit receivable on long term investments		(738,966)	(629,575)
Net cash flow from investing activities		(1,799,911)	(2,000,023)
CASH FLOW FROM FINANCING ACTIVITIES			
Liabilities against assets subject to finance lease		(562,867)	(5,663,859)
Subordinate loan		15,000,000	(9,000,000)
Net cash flow from financing activities		14,437,133	(14,663,859)
Net Increase / (decrease) in cash and cash equivalents		38,405,511	(29,980,371)
Cash and cash equivalents at the beginning of the year.		(50,182,903)	(20,202,532)
Cash and cash equivalents at the end of the year.	28	(11,777,392)	(50,182,903)

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

Director



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2009**

	Revenue Reserves			Total
	Issued, subscribed & paid-up capital	Special reserve	Accumulated (loss)	
	Rupees			
Balance as at June 30, 2007	47,586,630	908,177	(102,761,096)	(54,266,289)
Net profit for the year 2007-2008	-	-	492,722	492,722
Transferred from surplus on revaluation of property, plant & equipment on account of incremental depreciation charged	-	-	101,967	101,967
Balance as at June 30, 2008	47,586,630	908,177	(102,166,407)	(53,671,600)
Net (loss) for the year 2008-2009	-	-	(18,199,286)	(18,199,286)
Transferred from surplus on revaluation of property, plant & equipment on account of incremental depreciation charged - net of deferred taxation	-	-	91,770	91,770
Balance as at June 30, 2009	47,586,630	908,177	(120,273,923)	(71,779,116)

The annexed notes 1 to 36 form an integral part of these financial statements.

Chief Executive

Director

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2009

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 listed on Karachi Stock Exchange. The company is principally engaged in manufacturing and sale of cotton yarn under the brand name of "TEXTURE".
- 1.2 The company has under taking of spinning units comprising on-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 growths for economy and the contribution towards the national economy.
- 1.3 The company has sustained accumulated losses of Rs. 120,273,923 (2008: Rs. 102,166,407), resulting in negative equity of Rs. 71,779,116 (2008: R. 53,671,600). However, these financial statements have been prepared under a going concern assumption without taking any adjustments because management anticipates continued support from its associated undertaking.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are summarized below:

2.1 Accounting convention

These financial statements have been prepared on the basis of historical cost convention except certain fixed assets which are stated at their revalued amounts.

2.2 Statement of compliance

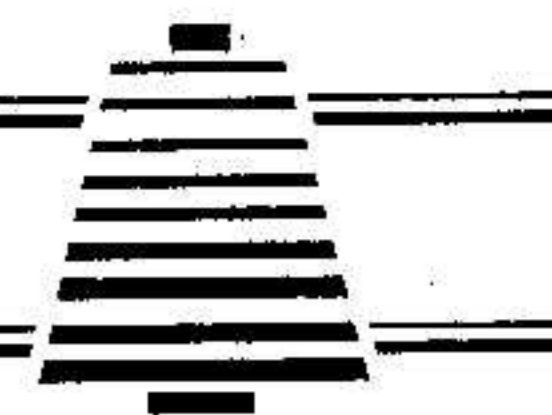
- Basis for preparation

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 of such International Financial Reporting Standards 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.

- Accounting standards not yet effective

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning from the date specified below:

IAS - 1 - Presentation of Financial Statement (Revised)	effective from January 01, 2009
IAS - 23 - Borrowing Costs (Revised March 2007)	effective from January 01, 2009
Amendments to IAS 27 (Revised) - Consolidated and Separate Financial Statements	effective from July 01, 2009



IAS - 32 - Financial Instruments (Amended)	effective from January 01, 2009
IAS - 39 - Financial Instruments: Recognition and Measurement (Amended)	effective from January 01, 2009
IFRS - 2 - Share-based Payment (Amended)	effective from January 01, 2009
IFRS - 3 (Revised) - Business Combinations	effective from July 01, 2009
IFRS - 8 Operating Segments	effective from January 01, 2009
IFRIC - 15 Agreements for the Construction of Real Estate	effective from January 01, 2009
IFRIC 17 - Distribution of Non-Cash Assets to Owners	effective from July 01, 2009
IFRIC 18 - Transfers of Assets from Customers	effective from July 01, 2009
IFAS 2 - Ijarah	effective from January 01, 2009

These standards are either not relevant to the company's operations or are not expected to have a material impact on the company's financial statements other than an increase in disclosures in certain cases.

2.3 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.

2.4 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.

- Leased

Assets held under finance leases are stated at lower of present value of minimum lease payments under the lease agreements and the fair value of the assets acquired on lease. The out standing obligation under finance leases less financial charges allocated to future periods are shown as liability. The financial charges to date is calculated at the interest rates implicit in the lease and is charged to profit and loss account.

The related obligation under the finance lease less financial charges, allocated maintenance and normal repairs are charged to income as and when incurred.

Depreciation is charged at the same rates as charged on company's owned assets.

2.5 Stores

Stores are valued at average cost.

2.6 Stock in trade

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

2.7 Revenue recognition

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

2.8 Foreign currency translation

Foreign currency translation 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.

2.9 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.

2.10 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 financials 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.

2.11 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.



2.12 Trade debts

Trade debts originated by the company are recognized and carried at original invoice amount less an allowances 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.

2.13 Trade and other payables

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

2.14 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.

2.15 Other receivables

Other receivables are recognized at their original value.

2.16 Contingent assets

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

2.17 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.

2.18 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.

2.19 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 in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as an expense in the profit and loss account.

2.20 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.

2.21 Dividends and appropriation to reserves

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

2.22 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 being valued at amortized cost.

2.23 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.

2.24 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards require 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 34.

3. ISSUED, SUBSCRIBED & PAID UP CAPITAL

2009	2008		2009 Rupees	2008 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
<u>4,758,663</u>	<u>4,758,663</u>		<u>47,586,630</u>	<u>47,586,630</u>

4. SPECIAL RESERVE

Under Section 15bb of Income Tax Act

908,177

908,177

5. SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT

Balance as on July 01,

87,835,671

87,992,544

Less: Transferred to retained earnings on
account of incremental depreciation charged for
the year - net off deferred tax

91,770

101,967

Related deferred tax liability

49,414

54,906

141,184

156,873

Surplus on revaluation of operating property, plant & equipment
as at June 30

87,694,487

87,835,671

Less: Related deferred tax liability:

Balance as at July 01,

494,150

549,056

Incremental depreciation charged during the year transferred
to profit and loss account

(49,414)

(54,906)

444,736

494,150

Balance as on June 30,

87,249,751

87,341,521

5.1 The revaluation of building and land has been carried out by Messers 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 Messers Iqbal Nanjee and Co. on September 30, 2000 resulting in surplus of Rs. 94,835,969. The revaluation surplus of Rs. 94,835,969 has been credited to surplus on revaluation of property, plant & equipment account.

5.2 Under section 235 of the Companies Ordinance, 1984:

- Depreciation on assets which were revalued has been 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 record realization of surplus to the extent of the incremental depreciation charged during the year.

		2009 Rupees	2008 Rupees
6. SUBORDINATE LOAN			
Associated undertaking			
Hassan Ali Rice Export Company	(Note 6.1)	140,000,000	140,000,000
Syndicate Minerals Export Company	(Note 6.2)	15,000,000	-
		155,000,000	140,000,000

6.1 The unsecured and interest free loan has been obtained vide an agreement dated September 30, 2000 (to cover the entire transaction); where by the company has, inter-alia, been allowed a grace period of five years so as to enable payments subsequent to the year end September 30, 2005. The loan has been obtained to strengthen / support the financial position of the company. To meet the working capital requirements of the company, the said loan has been enhanced to the tune of Rs. 150 Million vide a supplementary agreement dated September 30, 2003 which has been further extended to September 30, 2007. Subsequently, vide supplemental agreement of loan dated September 08, 2007, the company has been allowed a grace period of further two years for repayment of loan.

6.2 The unsecured and interest free loan having a limit of Rs. 25 million has been obtained, vide an agreement dated March 20, 2009. The loan has been obtained to strengthen / support the financial position of the company and is repayable after the full satisfaction of secured loans of creditors and within a period of seven years from the date of its reimbursement.

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2009		2008	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	7,470,000	5,397,472	9,898,604	7,799,619
After one year but not more than five years	11,970,000	10,436,319	9,510,720	8,597,040
Total minimum lease payments	19,440,000	15,833,791	19,409,324	16,396,659
Add-residual value at the end of lease periods	3,052,300	3,052,300	3,052,300	3,052,300
	22,492,300	18,886,091	22,461,624	19,448,959
Less: financial charges allocated to future periods	(3,606,209)	-	(3,012,665)	-
Present value of minimum lease values	18,886,091	18,886,091	19,448,959	19,448,959
Less: current maturities shown under current liabilities	(7,470,000)	(7,470,000)	(7,799,619)	(7,799,619)
	11,416,091	11,416,091	11,649,340	11,649,340

The company has entered into two separate lease agreement with Messers First Dawood Investment Bank Limited (FDIBL) to acquire generator and ring frames. The rentals under the lease agreements are payable in advance in monthly installments during the period from July 2005 to June 2013 and are inclusive of markup @ 6 months KIBOR + 5% per annum.

	2009 Rupees	2008 Rupees
8. CURRENT MATURITY OF LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Current	7,470,000	6,402,965
Overdue	-	1,396,653
	7,470,000	7,799,618
9. CREDITORS, ACCRUED AND OTHER LIABILITIES		
Creditors:		
- for goods	3,102,085	4,135,104
- for services and accrued expenses	1,612,281	1,756,496
	4,714,366	5,891,600
Accrued interest on long term loans and charges	2,161,802	2,161,801
Mark up payable on short term borrowings	1,697,542	2,534,872
Due to associated undertaking	22,283,404	7,150,675
Security deposit	1,000	1,000
Other liabilities (Note 9.1)	2,344,314	2,564,653
	33,202,428	20,304,601

9.1 It include excise duty payable amounted to Rs. 3,055 (2008: Rs. 3,055) and income tax payable amounted to Rs. 794,792 (2008: Rs. 760,109).

10. WORKERS' PROFIT PARTICIPATION FUND

Opening balance	191,896	641,409
Provision for the year	-	191,896
	191,896	833,305
Paid during the year	(191,896)	(641,409)
Closing balance	-	191,896
	-	191,896

11. SHORT TERM BORROWING

NIB Bank Limited		
Cash finance	(Note 11.1)	19,589,300
Running finance	(Note 11.2)	17,493,555
		10,988,609
		37,082,855
My Bank Limited		
Cash finance	(Note 11.3)	16,102,055
		12,263,504
		53,184,910

11.1 This facility having a limit of Rs. 25 Million (2008: Rs. 22 Million), carries markup of 3 months KIBOR plus 4.5% spread per annum. The facility is secured by way of personal guarantee of director and pledge of stock of cotton and has expired on March 31, 2009. Renewal process in progress.

11.2 This facility having a limit of Rs. 17.5 Million (2008: 15 Million), carries markup of 3 months KIBOR plus 4.5% spread per annum. The facility is secured by pledge of 285,000 shares of New Jubilee Insurance Company, held by the directors, pledge of stock of cotton and against subordinate loan amounted to Rs. 69 million. The facility has expired on March 31, 2009. Renewal process in progress.

11.3 This facility having a limit of Rs. 25 Million (2008: 25 Million), carries markup of 10% spread per annum. The facility is secured by way of pledge of raw cotton with 10% margin and personal guarantee of all the directors. Subsequently, the facility has been paid off and renewal process for further period of one year is in progress.

11.4 The company has also the following facilities available but remain unavailed as at balance sheet date:
- L/C sight upto Rs. 32 Million (2008: Rs. 35 Million)

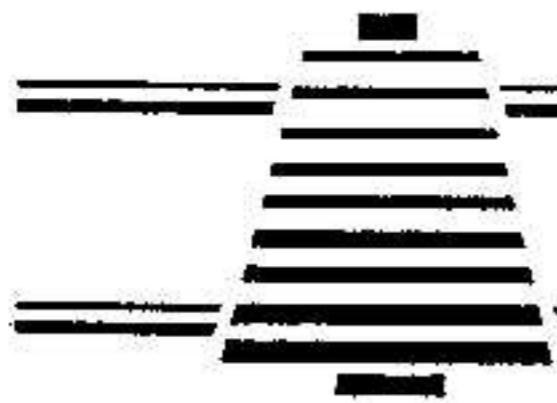


Regent Textile Industries Ltd.

12. PROPERTY, PLANT & EQUIPMENT

Particulars	COST			RATE %	DEPRECIATION			Written down value as on June 30, 2009
	As on July 01, 2008	Addition	Disposal		As on July 01, 2008	Adjustment on disposal	For the year	
OWNED								
Lease hold land	87,250,000	-	-	10	-	-	-	87,250,000
Factory building mill	21,721,782	-	-	10	17,555,611	-	416,617	17,972,228
Factory labour colony	4,741,630	-	-	10	3,841,279	-	90,035	3,931,314
Plants & machinery	139,304,215	1,046,945	-	10	110,088,967	-	3,000,046	113,089,013
Laboratory equipment	6,224,712	-	-	10	5,250,989	-	97,372	5,348,361
A/c equipment	3,731,982	-	-	10	2,972,097	-	75,989	3,048,086
Power house machinery	49,869,494	-	-	10	27,037,469	-	2,283,202	29,320,671
Work shop equipments	210,802	-	-	10	178,365	-	3,244	181,609
Fire fighting equipments	24,625	-	-	10	20,846	-	378	21,224
Scales & measuring equipment	219,000	-	-	10	185,264	-	3,374	188,638
Office equipments	128,513	-	-	10	107,798	-	2,071	109,869
Electric & gas equipment	50,752	-	-	10	39,544	-	1,121	40,665
Furniture and fixture	730,138	14,000	-	10	598,179	-	13,779	611,958
Gas installation	251,691	-	-	10	213,672	-	3,802	217,474
Computer equipments	407,605	-	-	30	363,901	-	13,111	377,012
Fans & air conditioners	237,075	-	-	10	161,528	-	7,555	169,083
Telephone installation	198,158	-	-	10	140,424	-	5,773	146,197
Vehicle/motor cycle	472,350	-	-	20	404,990	-	13,472	418,462
LEASED								
Plant & machinery (Ring Frames)	5,400,000	-	-	10	783,000	-	461,700	1,244,700
Generator	25,123,000	-	-	10	6,808,333	-	1,831,467	8,639,800
	30,523,000	-	-		7,591,333	-	2,293,167	9,884,500
Rupees 2009	346,297,524	1,060,945	-	-	176,752,256	-	8,324,108	185,076,364
Rupees 2008	350,228,881	1,995,448	(5,926,805)	-	172,807,705	(5,131,371)	9,075,923	176,752,257

Land and building have been mortgaged to the extent of Rs. 491 Million (2008 Rs. 491 Million) with Faysal Bank Limited in respect of finance facility availed from an associated concern, Messers Hassan Ali Rice Export Company.



	2009 Rupees	2008 Rupees
13. LONG TERM INVESTMENTS		
Held to maturity		
Defence saving certificates	(Note 13.1) 1,615,000	1,615,000
Fixed deposits	(Note 13.2) 905,000	555,000
	2,520,000	2,170,000
Add: Profit accrued upto June 30,	3,390,082	3,013,616
	<u>5,910,082</u>	<u>5,183,616</u>
13.1	These represents those held by Habib Bank Limited (which were issued for ten years from the year 2001) in respect of guarantee issued to Messers Sui Southern Gas Company Limited. Certificates were issued in the name of the director of the company.	
13.2	These represents fixed deposits issued by Habib Metropolitan Bank Limited, held by Habib Bank Limited in respect of guarantee issued to Messers Sui Southern Gas Company Limited. Fixed deposits carries interest @ 14.5% to 15% per annum (2008: 14.5% per annum) Habib Bank Limited has issued a guarantee amounted to Rs. 255,000 (2008: Rs. 755,000) against these deposits.	
14. LONG TERM DEPOSITS		
Lease deposits	3,052,300	3,052,300
15. DEFERRED TAXATION - Net		
Deferred tax asset recognised on unabsorbed tax losses	7,354,107	4,539,074
Deferred tax liability recognised on surplus on revaluation of property, plant & equipment	(444,736)	(494,150)
	<u>6,909,371</u>	<u>4,044,924</u>
16. STOCK IN TRADE		
Raw Cotton	693,785	21,332,957
Work in process	801,090	2,513,720
Finished goods	1,789,590	3,425,393
Packing material	113,938	160,462
	<u>3,398,403</u>	<u>27,432,532</u>
17. TRADE DEBTORS		
Unsecured, considered good	23,480,689	27,712,582
18. ADVANCES, PREPAYMENTS & OTHER RECEIVABLES		
Advances		
Income tax	2,338,425	2,261,198
to suppliers - considered good, unsecured	22,815,574	22,612,408
to staff - considered good, unsecured	708,899	603,336
against capital expenditure	77,750	20,820
	25,940,648	25,497,762
Prepayments		
Bank guarantee margin	263,397	150,069
Due from directors	268,446	588,446
Sales tax	(Note 18.1) 690	2,309
	1,302,117	833,570
	<u>27,775,298</u>	<u>26,752,156</u>



	2009 Rupees	2008 Rupees
18.1 The maximum aggregate amount due from directors, at the end of any month during the year was Rs. 371,724 (2008: Rs. 46,632).		
19. CASH & BANK BALANCES		
Cash in hand	57,660	33,995
Cash at banks in current accounts	428,452	2,968,012
	<u>486,112</u>	<u>3,002,007</u>
20. SALES		
Yarn-local	273,872,663	280,436,700
Waste	1,165,742	1,042,659
	<u>275,038,405</u>	<u>281,479,359</u>
Less: sales commission	150,703	150,575
Sales return	-	42,904
Shortage	129,536	-
	<u>280,239</u>	<u>193,479</u>
	<u>274,758,166</u>	<u>281,285,880</u>
21. COST OF SALES		
Raw material consumed	21,332,957	25,321,176
Opening stock	155,154,272	128,555,501
Purchase - raw material	-	37,985,977
- Local	155,154,272	166,541,478
- Import	176,487,229	191,862,654
Less: closing stock	(693,785)	(21,332,957)
Cost of raw material consumed	<u>175,793,444</u>	<u>170,529,697</u>
Packing material consumed	4,138,848	4,039,764
Manufacturing overheads	32,336,584	29,538,188
Salaries, wages & other benefits	1,717,006	1,485,651
Stores & spares consumed	6,685,577	5,806,502
Cotton incidental charges	35,833,651	29,194,488
Fuel, power & water	1,795,550	1,392,598
Other expenses	140,002	209,509
Printing & stationery	11,520,325	13,645,195
Repairs & maintenance	8,324,108	9,075,924
Depreciation	336,200	332,849
Telephone	369,756	241,209
Insurance	484,241	407,632
Vehicle running & maintenance	244,053	279,401
Traveling & conveyance	<u>99,817,053</u>	<u>91,609,145</u>
	<u>279,749,345</u>	<u>266,178,606</u>

(Note 21.1)

	2009 Rupees	2008 Rupees
Work in process		
- Opening	2,513,720	1,471,468
- Closing	(801,090)	(2,513,720)
	<u>1,712,630</u>	<u>(1,042,252)</u>
Cost of goods manufactured	281,461,975	265,136,354
Finished goods		
- Opening	3,425,393	3,255,918
- Closing	(1,789,590)	(3,425,393)
	<u>1,635,803</u>	<u>(169,475)</u>
	<u>283,097,778</u>	<u>264,966,879</u>

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

22. ADMINISTRATIVE EXPENSES

Directors remuneration		240,000	240,000
Staff salaries & allowances	(Note 22.1)	1,111,751	896,405
Vehicle running and maintenance		48,544	97,872
Telephone and telegram		420,144	342,167
Auditors' remuneration	(Note 22.2)	223,325	113,183
Legal and professional		51,800	70,500
Entertainment		122,775	257,855
Fees and subscription		112,251	71,053
Printing and stationery		63,259	59,259
Traveling and conveyance		247,475	289,875
Computer running and maintenance		61,090	67,430
Repair and maintenance		70,227	38,940
Charity and donations	(Note 22.3)	199,932	164,462
Miscellaneous		122,227	247,025
		<u>3,094,800</u>	<u>2,956,026</u>

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

22.2 Auditors' remuneration

Annual audit	187,500	75,000
Half yearly review fee	20,000	20,000
Out of pocket expenses	15,825	18,183
	<u>223,325</u>	<u>113,183</u>

22.3 No director or his spouse had any interest in above donee funds.



	2009 Rupees	2008 Rupees
23. FINANCIAL EXPENSES		
Bank charges and commission	336,100	272,679
Financial charges on lease obligation	2,267,005	2,366,895
Markup on short term borrowing	8,064,108	8,157,989
	<u>10,667,213</u>	<u>10,797,563</u>
24. OTHER INCOME		
Rental income	720,000	720,000
Profit on investments	738,966	629,575
	<u>1,458,966</u>	<u>1,349,575</u>
25. OTHER CHARGES		
Loss on disposal of property, plant & equipment	-	170,434
Reversal of excess accrual of profit on investment	237,294	-
	<u>237,294</u>	<u>170,434</u>
26. TAXATION		
26.1 The income tax assessments of the company have been finalized upto tax year 2008.		
26.2 The company has incurred losses during the year therefore provision for taxation has been made to extent of final tax liability on rental income. Accordingly numerical reconciliation between the average effective rate and applicable tax rate has not been presented.		
27. EARNINGS PER SHARE		
Net profit / (loss) for the year	Rupees (18,199,286)	492,722
Weighted average number of ordinary shares in issue	<u>4,758,663</u>	<u>4,758,663</u>
Earnings per share (basic)	Rupees (3.82)	0.10
There is no dilutive effect on basic earning per share		
28. CASH AND CASH EQUIVALENTS		
Short term borrowing	(12,263,504)	(53,184,910)
Cash and bank balances	486,112	3,002,007
	<u>(11,777,392)</u>	<u>(50,182,903)</u>
29. PLANT CAPACITY & ACTUAL PRODUCTION		
a) Total number of spindles installed.	24,096	24,096
b) Total number of spindles worked.	22,237	24,096
c) Plant capacity of yarn converted into 20's (kgs.)	5,879,840	5,879,840
d) Actual production of yarn converted into 20's (kgs.) (Note 29.1)	5,363,363	5,811,635
e) Production of yarn average count.	43	43
f) Number of shifts worked per day.	3	3

29.1 Reason for short fall in production

To minimize costs due to economic recession, plant has been under utilized during the year.

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements in respect of remuneration and benefits to the chief executive and directors are as follows:

Particulars	2009 Rupees		2008 Rupees	
	Chief Executive	Directors	Chief Executive	Directors
Remuneration	160,000	-	160,000	-
Housing / Utilities	80,000	-	80,000	-
Total	240,000	-	240,000	-
Number of persons	1	-	1	-

None of the employees fall under the definition of "executive" as provided in Fourth Schedule to the Companies Ordinance, 1984.

31. NUMBER OF EMPLOYEES

	2009	2008
Average number of employees during the year	327	383

32. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

32.1 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 follow:

	Total	2009							
		Interest / Markup Bearing			Total	Non-Interest Bearing			Total
		Less than one year	One to five years	More than five years			Less than one year	One to five years	
Financial assets									
Long term investments	5,910,082	-	5,910,082	-	5,910,082	-	-	-	-
Long term deposits	3,052,300	-	-	-	-	3,052,300	-	-	3,052,300
Trade debtors	23,480,689	-	-	-	-	23,480,689	-	-	23,480,689
Advances, prepayments and other receivables	23,871,599	-	-	-	-	23,871,599	-	-	23,871,599
Cash and bank balances	486,112	-	-	-	-	486,112	-	-	486,112
Rupees	56,800,782	-	5,910,082	-	5,910,082	50,890,700	-	-	50,890,700
Financial liabilities									
Subordinate loan	155,000,000	-	-	-	-	-	155,000,000	-	155,000,000
Liabilities against assets subject to lease finance	18,886,091	7,470,000	11,416,091	-	18,886,091	-	-	-	-
Creditors, accrued & other liabilities	32,404,821	-	-	-	-	32,404,821	-	-	32,404,821
Short term borrowing	12,263,504	12,263,504	-	-	12,263,504	-	-	-	-
Rupees	218,554,416	19,733,504	11,416,091	-	31,149,595	32,404,821	155,000,000	-	187,404,821
Net financial assets	(161,753,634)	(19,733,504)	(5,506,009)	-	(25,239,513)	18,485,879	(155,000,000)	-	(136,514,121)



2008

	Total	Interest / Markup Bearing				Non-Interest Bearing			
		Less than one year	One to five years	More than five years	Total	Less than one year	One to five years	More than five years	Total
Financial assets									
Long term investments	5,183,616	-	5,183,616	-	5,183,616	-	-	-	-
Long term deposits	3,052,300	-	-	-	-	3,052,300	-	-	3,052,300
Trade debtors	27,712,582	-	-	-	-	27,712,582	-	-	27,712,582
Advances, prepayments and other receivables	23,507,319	-	-	-	-	23,507,319	-	-	23,507,319
Cash and bank balances	3,002,007	-	-	-	-	3,002,007	-	-	3,002,007
Rupees	62,457,824	-	5,183,616	-	5,183,616	57,274,208	-	-	57,274,208
Financial liabilities									
Subordinate loan	140,000,000	-	-	-	-	-	140,000,000	-	140,000,000
Liabilities against assets subject to lease finance	19,448,958	7,799,618	11,649,340	-	19,448,958	-	-	-	-
Creditors, accrued & other liabilities	19,541,437	-	-	-	-	19,541,437	-	-	19,541,437
Workers profit participation fund	191,896	191,896	-	-	191,896	-	-	-	-
Short term borrowing	53,184,910	53,184,910	-	-	53,184,910	-	-	-	-
Rupees	232,367,201	61,176,424	11,649,340	-	72,825,764	19,541,437	140,000,000	-	159,541,437
Net financial assets	(169,909,377)	(61,176,424)	(6,465,724)	-	(67,642,148)	37,732,771	(140,000,000)	-	(102,267,229)

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

32.2 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 of geographic location.

The company is not materially exposed to credit risk.

32.3 Fair value 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 fair value estimates.

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 terms.

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:

	2009 Book Value	2009 Fair Value	2008 Book Value	2008 Fair Value
	Rupees			
Financial assets				
Long term investments	5,910,082	5,910,082	5,183,616	5,183,616
Long term deposits	3,052,300	3,052,300	3,052,300	3,052,300
Trade debtors	23,480,689	23,480,689	27,712,582	27,712,582
Advances, prepayments and other receivables	23,871,599	23,871,599	23,507,319	23,507,319
Cash and bank balances	486,112	486,112	3,002,007	3,002,007
	<u>56,800,782</u>	<u>56,800,782</u>	<u>62,457,824</u>	<u>62,457,824</u>
Financial Liabilities				
Subordinate loan	155,000,000	155,000,000	140,000,000	140,000,000
Liabilities against assets subject to finance lease	18,886,091	18,886,091	19,448,958	19,448,958
Creditors, accrued & other liabilities	32,404,821	32,404,821	19,541,437	19,541,437
Workers profit participation fund	-	-	191,896	191,896
Short term borrowing	12,263,504	12,263,504	53,184,910	53,184,910
	<u>218,554,416</u>	<u>218,554,416</u>	<u>232,367,201</u>	<u>232,367,201</u>

32.4 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.

32.5 Foreign exchange risk management

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

32.6 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.



	2009			
	Total	Upto one year	One year to five year	Over five years
Rupees				
Assets:				
Property, plant & equipment	162,282,105	-	-	162,282,105
Long term investments	5,910,082	-	5,910,082	-
Long term deposits	3,052,300	-	3,052,300	-
Deferred taxation	6,909,371	-	6,909,371	-
Stores & spares	1,599,599	1,599,599	-	-
Stock in trade	3,398,403	3,398,403	-	-
Trade debtors	23,480,689	23,480,689	-	-
Advances, prepayments and other receivables	27,775,298	27,775,298	-	-
Cash and bank balances	486,112	486,112	-	-
	234,894,959	56,740,101	15,871,753	162,282,105
Liabilities:				
Subordinate loan	155,000,000	-	155,000,000	-
Liability against assets subject to finance lease	18,886,091	7,470,000	11,416,091	-
Creditors, accrued & other liabilities	33,202,428	33,202,428	-	-
Short term borrowing	12,263,504	12,263,504	-	-
Provision for taxation	52,000	52,000	-	-
Unclaimed dividend	19,301	19,301	-	-
	219,423,324	53,007,233	166,416,091	-
Net assets	<u>15,470,635</u>	<u>3,732,868</u>	<u>(150,544,338)</u>	<u>162,282,105</u>
Represented by :				
Issued, subscribed & paid up capital	47,586,630			
Special reserve	908,177			
Accumulated loss	(120,273,923)			
Surplus on revaluation of property, plant & equipment	87,249,751			
	<u>15,470,635</u>			



	2008			
	Total	Upto one year	One year to five year	Over five years
	Rupees			
Assets:				
Property, plant & equipment	169,545,267	-	-	169,545,267
Long term investments	5,183,616	-	5,183,616	-
Long term deposits	3,052,300	-	3,052,300	-
Deferred taxation	4,044,924	-	4,044,924	-
Stores & spares	1,501,600	1,501,600	-	-
Stock in trade	27,432,532	27,432,532	-	-
Trade debtors	27,712,582	27,712,582	-	-
Advances, prepayments and other receivables	26,752,156	26,752,156	-	-
Cash and bank balances	3,002,007	3,002,007	-	-
	268,226,984	86,400,877	12,280,840	169,545,267
Liabilities:				
Subordinate loan	140,000,000	-	140,000,000	-
Liability against assets subject to finance lease	19,448,958	7,799,618	11,649,340	-
Creditors, accrued & other liabilities	20,304,601	20,304,601	-	-
Workers profit participation fund	191,896	191,896	-	-
Short term borrowing	53,184,910	53,184,910	-	-
Provision for taxation	1,407,397	1,407,397	-	-
Unclaimed dividend	19,301	19,301	-	-
	234,557,063	82,907,723	151,649,340	-
Net assets	33,669,921	3,493,154	(139,368,500)	169,545,267
Represented by :				
Issued, subscribed & paid up capital	47,586,630			
Special reserve	908,177			
Accumulated loss	(102,166,407)			
Surplus on revaluation of property, plant & equipment	87,341,521			
	33,669,921			



33. RELATED PARTY TRANSACTIONS

The related parties comprise of 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.

	2009 Rupees	2008 Rupees
Temporary financing		
Hassan Ali Rice Export Company	11,209,290	13,075,748
Cinnamon Coffee (Private) Limited	201,918	1,707,195
Syndicate Mineral Export	359,927	17,598,569
Micro Grind Minerals	3,563,752	-
Rental Income		
Syndicate Mineral Export	720,000	720,000

34. ACCOUNTING ESTIMATES AND JUDGMENTS

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 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 respecting carrying values and wherever required provision for NRV / impairment is made. The difference in provision, if any, is recognised in the future period.

35. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 7th October, 2009 by the board of directors of the company.

36. GENERAL

36.1 Comparative figures have been rearranged and reclassified wherever necessary, for the purpose of comparison.

36.2 Figures have been rounded off to the nearest rupee.

Chief Executive

Director

**PATTERN OF SHARE HOLDING
AS AT 30TH June, 2009**

NOS OF SHARE HOLDERS	SHARE HOLDING		NOS OF SHARE HOLDERS	
115	FROM	1	TO 100	6,816
61	FROM	101	500	19,731
14	FROM	501	1,000	10,807
19	FROM	1,001	5,000	54,405
2	FROM	5,001	25,000	18,027
1	FROM	25,001	30,000	30,000
1	FROM	45,001	50,000	50,000
1	FROM	230,001	235,000	235,000
1	FROM	865,001	870,000	866,300
1	FROM	1,005,001	1,010,000	1,009,350
1	FROM	1,135,001	1,140,000	1,137,527
1	FROM	1,320,001	1,325,000	1,320,700
<u>218</u>				<u>4,758,663</u>

CATEGORIES OF SHARE HOLDERS	NOS OF SHARE HOLDERS	NOS OF SHARES	% OF SHARE HOLDER
INDIVIDUALS	207	4,738,697	99.58
INVESTMENT COMPANIES	3	2,650	0.06
INSURANCE COMPANIES	3	5,500	0.12
FINANCIAL INSTITUTION	2	8,015	0.17
OTHERS	3	3,801	0.08
	<u>218</u>	<u>4,758,663</u>	<u>100.00</u>



NOTES:



FORM OF PROXY

I/We _____
of _____ being a member (s) of
REGENT TEXTILE INDUSTRIES LIMITED and a holder of _____ ordinary shares
as per Share Register Folio No. _____

(In case of Central Depository System Account Holder A/c No. _____

Participant I.D. No. _____) hereby appoint _____
of _____ another member of the Company as per
Register Folio No. _____ or failing him / her _____

of _____ (another member of the Company) as my / our
proxy to attend and vote for me / us and my / our behalf at Annual General Meeting of the Company, will be held
30 October 2009 (Friday at 6:00 p.m. at the 1st. Floor, Cotton Exchange Building I.I. Chundrigar Road, Karachi.

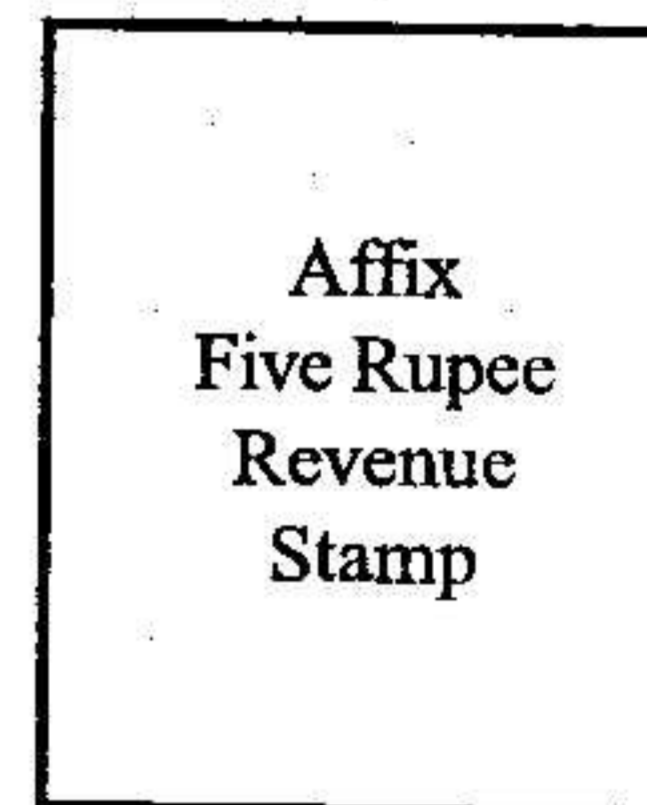
As witness my hand this _____ day of _____ 2009

signed by the said _____ in presence
of _____

Witness

Signature

Signature



NOTES:-

1. Proxies, in order to be effective, must be received at the company's Registered Office / Head not less than 48 hours before the meeting duly stamped, signed and witnessed.
2. Signature must agree with the specimen registered with the Company
3. CDC shareholders enlisted to attend and vote at this meeting must bring with them their National Identity Card/Passport in original to prove his/her identity and in case of proxy must enclose an attested copy of his/her NIC & passport.
4. No person shall act as proxy unless he is member of the Company.

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