ANNUAL REPORT AND ACCOUNTS 2014

DATA
QUALITY SEED

DATA AGRO LIMITED

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COMPANY INFORMATION

Chief Executive:	Mr. Faaiz Rahim Khan
Directors:	Mr. Asad Rahim Khan Mr. Hamid Jamshed Mr. Muhammad Ayub Khan Mr. Asif Rahim Khan Mr. Anwar-ul-Haq Mrs. Badar Hussain
Company Secretary:	Mr. Suhail Mehmood
Audit Committee:	Mr. Hamid Jamshed (Chairman) Mr. Anwar-ul-Haq (Member) Mr. Muhammad Ayub Khan (Member)
Auditors:	M/s. Rafaqat Mansha Mohsin Dossani Masoom & Co. Chartered Accountants 3rd Floor, Sharjah Centre, 62-Shadman Market, Lahore.
Bankers:	Habib Bank Limited Allied Bank Limited The Bank of Punjab MCB Bank Limited NIB Bank Ltd.
Legal Advisor:	Ashtar Ali & Co. Advocates and Corporate Consultants
Share Registrar:	Hameed Majeed Associates (Pvt.) Ltd. H.M. House, 7-Bank Square, Lahore.
Registered Office:	3-A, Race View, Jail Road, Lahore.
Factory:	Khanewal -Kabirwala Road, District Khanewal.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual Meeting of the shareholders of Data Agro Limited will be held on Friday October 31, 2014 at 11.30 A.M at the registered office of the Company at 3-A, Race view , Jail Road, Lahore to transact the following business.

1. To confirm the minutes of the 21st Annual General Meeting held on October 31, 2013.

2. To receive and adopt the Audited Accounts of the Company along with Director's and Auditor's reports thereon, for the period ended June 30, 2014.

3. To appoint Auditors of the company for the year ended June 30, 2015 and to fix their remuneration. The retiring Auditors M/s Rafaqat Mansha Mohsin Dossani Masoom & Co. Chartered Accountants, being eligible has offered themselves for re-appointment.

4. Any other business with the permission of the chair.

BY ORDER OF THE BOARD
(SUHAIL MEHMOOD)
Company Secretary

Lahore
October 09, 2014.

NOTES:

a) The share transfer books of the company will remain closed from October 24, 2014 to October 31, 2014 (both days inclusive).

b) A member entitled to attend and vote at the above meeting may appoint another as proxy. Proxies in order to be effective must be received at the Registered Office of the Company not later than forty eight hours before the time of meeting and must be duly stamped, signed and witnessed.

c) Members are requested to notify the Company of the any change in their addressed, if any to the Company's Share Registrar M/s Hameed Majeed Associates (Pvt.) Ltd at H.M House 7-Bank Square, Lahore.

d) SECP through its Notification SRO 787 (I)/2014 dated September 8, 2014 has allowed the circulation of Audited Financial Statements along with Notice of Annual General Meeting to the members of the Company through e-mail. Therefore, all members of the Company who which to receive soft copy of Annual Reports are requested to send their e-mail address. The consent form for electronic transmission could be downloaded from the Company's website: www.dataagrolimited.com.

e) The Company shall, however, provide hard copy of the Audited Financial Statement to its shareholders, on request, free of cost, within seven days of receipt of such request.

f) Attested copies of CNIC of the passport of the beneficial owner and the proxy shall be furnished with the proxy form.

g) In case of corporate entity, the board of Directors resolution /power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.

h) The proxy shall produce his original CNIC or original passport at the time of the meeting.

For Attending the Meeting:

i. In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his identity by showing his original national identity card or original passport at the time of attending the meeting.

ii. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has provided earlier) at the time of the meeting.

For Appointing Proxies:

i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per above requirement.

ii. Two persons whose names, addresses and NIC number shall be mentioned on the proxy form to witness the same.

iii. Attested copies of NIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his original NIC or original passport at the time of the meeting.

v. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.

DIRECTOR'S REPORT

The Directors of your Company are please to present the 22ndannual report along with the audited accounts for the year ended June 30, 2014.

Performance Review

This year the company has processed seeds of Cotton, Wheat and produced Hybrid Corn. We are actively involved in changing the focus of the company to Hybrid Corn production. We faced the downward effect of the cotton crop in general and cotton seed in specific as growers were reluctant to cultivate in cotton. Therefore results show a decrease in third party processing which is 3,383 Metric Tons (2013: 3,132 Metric Tons) of seed of other parties.

	2014 (M.Ton)	**2013** (M.Ton)
Production	156	144

Financial Results

The summary of financial results is being furnished hereunder for a quick glance.

	2014 (Rupees)	**2013** (Rupees)
Sales	66,028,119	55,841,057
Cost of sales	54,850,083	60,311,639
Gross profit	**11,178,037**	**(4,470,582)**
Operating expenses	9,828,369	8,945,559
Finance & other charges	597,684	632,281
Other income	276,481	581,047
Profit / (Loss) before taxation	**1,028,465**	**(13,467,375)**
Taxation	(2,451,330)	1,908,425
Profit / (Loss) after taxation	**3,479,795**	**(15,375,800)**

The results for the current year are very promising. The company has incurred a Gross profit of Rs. 11.178 million in comparison to a Gross loss of Rs. 4.470 million last year. Last year the major reason of loss was the timing and intensity of fluctuating rainfall, particularly during the seed production season.

We continue to invest heavily in R&D of Hybrid Corn and other seeds. This has lowered our profit margins but we consider it a worthwhile investment. However we are hopeful that the coming quarter will produce good results from Hybrid Corn sales. Yield results are according to our expectations. Our sale of cotton seed in both fuzzy and delinted form has maintained high standards of quality.

The management has done extremely well in controlling administrative costs. Distribution has been made more effective while maintaining strict financial checks. The company meets all Prudential Regulations/Ratios of State Bank of Pakistan. We have the option of raising funds from banks but as a policy are not taking any loans.

Corporate Governance

Please note that your company is fully complaint to the provisions of the Code of Corporate Governance as incorporated in Listing Rules of the stock Exchange;

The following are statements on corporate and financial reporting frame work;

1. The financial statement, prepared by the management of the company, present fairly its state of Affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of accounts have been maintained by the company.
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 accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements.

5. The system of internal control is sound and is continuously reviewed by internal audit and other such procedures. The process of review will continue with the objective to improvefurther.
6. The company has followed the best practices of Corporate Governance, as detailed in the listing regulations wherever possible.
7. There are no doubts upon the company's ability to continue as going concern.
8. The company has not declared any dividend due to the accumulated losses.

Board Audit Committee
The board has constituted an audit committee, consisting of three non-executive directors.

Key Operating and Financial Data
A statement summarizing key operating and financial data for six years including current year is annexed.

Vision/Mission
The statement reflecting the Vision/Mission of the company is annexed.

Ethics and Business Practices
The statement outlining the Ethics and Business Practices of the company is annexed.

Board Meeting
During the financial year under consideration six meetings were held and the attendance by respective directors was as follows:

Name of Directors	Number of Board Meetings Attended	Leave Granted
Mr. Faaiz Rahim Khan	6	1
Mr. Asif Rahim Khan	3	3
Mr. HamidJamshed	6	-
Mr. MuhammadAyub Khan	3	3
Mrs. Badar Hussain	4	2
Mr. Anwar-ul-Haq	6	-
Mr. Asad Rahim Khan	6	1

Pattern of Shareholdings
The pattern of Shareholdings is on page No.35.

Future Outlook
In the future we shall concentrate on Hybrid Corn seed but also try to slowly make our range of seeds more comprehensive. In the coming year we shall add at least two new crops with one of them being peas. This will increase our capacity utilization further while maintaining our high standards of quality.

Auditors
The present Auditors M/S.Rafaqat Mansha Mohsin Dossani Masoom & Company, Chartered Accountants, retired and being eligible,offer themselves for re-appointmentas auditors for the year ending June 30, 2015.

Acknowledgment
I want to thank our employees, customers, and suppliers for their continued support and faith in the company. All our shareholders must closely examine the results and see that we are making progress in the right directions. I would like to express our gratitude to our shareholders for support and encouragement.

LAHORE
October 09, 2014

FAAIZ RAHIM KHAN
Chief Executive

VISION/MISSION STATEMENT

a. Vision Statement

Our Vision is;

* A leading producer of agro products (seeds, chemicals) by providing the highest quality of products and services to its customers/growers by making an efficient use of the sciences of modern genetics, biotechnology and plant nutrition.

* To strive for excellence through commitment , integrity, honesty and team work.

* Highly ethical company and be respected corporate citizen to continue playing due role in the social and environmental sectors of the country.

* To develop an extremely motivated and professional trained work force, which would drive growth through innovation and renovation.

* Sustained growth in earning in real terms.

b. Mission Statement

* Our mission is to be dynamic, profitable and growth oriented company by providing good return on investment to its shareholders and investors, quality products to its customers/growers and a secure and friendly environment place of work to its employees and to project Paksitan's image in the National and International agro Market.

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

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

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

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

Category	**Names**
Executive Directors	Faaiz Rahim Khan
Non-Executive Directors	i. Mr. Asif Rahim Khan
	ii. Mr. Anwar-ul-Haq
	iii. Mrs.BadarHussain
	iv. Mr. M. Ayub Khan
	v. Mr. Asad Rahim Khan
	vi. Mr. Hamid Jamshed

2. All the directors of the companies are registered as taxpayers except where such person is a non resident and none of them has defaulted in payment of any loan to a banking company, DFI, or an NBFI or, being a member of a Stock Exchange, has been declared as a defaulter by that Stock Exchange.
3. The company has developed a “Statement of Ethics and Business Practices” which has been signed by all directors and employees of the company.
4. The board has developed a “Vision /Mission Statement” over all corporate strategy and significant policies of the company.
5. All the powers of the board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the board.
6. The meetings of the board where presided over by the chairman and the board met at least once every quarter, written notices of the board meetings , along with the agenda and working papers, were normally circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
7. The board is in the process of arranging orientation courses for its directors to further appraise them of their duties and responsibilities.
8. The board has approved appointment of CFO and Company Secretary including their remuneration and terms and conditions of employment as determined by CEO.
9. The director’s report for the year has been prepared in compliance with the requirements of the code and fully described the salient matters required to be disclosed.
10. The financial statements of the company were duly endorsed by the CEO and CFO before approval of the board.
11. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholdings.
12. The company has complied with all the corporate and financial reporting requirements of the Code.
13. The board has formed an audit committee. It comprises of three members, of which all are non-executive directors including the chairman of the committee.
14. The meeting of the committee were held at least once every quarter prior to the approval of interim and final result of the company as required by the Code.
15. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality controlled review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partner of the firm, their spouses and the minor children do not hold shares of the company and the firms and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of ethics and adopted by Institute of Chartered Accountants of Pakistan.
16. The statutory auditors or the persons associated with them have 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.
17. We confirm that all other material principals contained in the Code of Corporate Governance have been complied with.
18. There was no party related transaction during the year.

Place: Lahore.
Date: October 09, 2014

FAAIZ RAHIM KHAN
Chief Executive

STATEMENT OF ETHICS AND BUSINESS PRACTICES

Data Agro Limited was established with an aim of producing quality delinted cotton seed for its customers. The following core values have been incorporated in our system to promote ethical business practices while producing quality products.

THE QUALITY OF PRODUCT

We strive to produce the best quality delinted cotton seed for our customers. We continuously update ourselves with technological advancements in cotton seed delinting technology and strive to implement these changes in our company. We maintain all relevant technical and professional standards to be compatible with the requirements of the trade.

EMPLOYEES

Recruitment of personnel on merit offering training and career development, equal opportunities of growth, no discrimination or harassment and reward for achievements. Improved working conditions, ensuring safety and health. Terminal benefits as per policy on retirement or redundancy.

Employees shall not use company information and assets for their personal advantage. Conflict of interest shall be avoided and disclosed where it exists and guidance sought.

CUSTOMER RELATION

Ensure customer satisfaction by providing quality products at competitive prices and ensuring after sale service and advice. Prompt, efficient attention to complaints is integral to our client care commitment.

SHARE HOLDERS, FINANCIAL INSTITUTIONS & CREDITORS

Protection of investment made in the company. We focus on maximizing long term share holder's value through strong financial performance and returns, disciplined and profitable expansion. A commitment to accurate and timely communication on achievements and prospects.

SUPPLIERS

Prompt settling of bills, co-operation to achieve quality and efficiency, no bribery or excess hospitality accepted or given.

SOCIETY/COMMUNITY

Compliance with the spirit of laws. Timely payment of all Government taxes and dues. Eliminate the release of substance that may cause environmental damage. Financial assistance for promoting education and social activities including games and donations charity to deserving.

GENERAL

The company shall neither support any political party nor contribute funds to groups or associations whose activities promote political interest through trade association.

IMPLEMENTATION

Company board to ensure implementation of these codes, regular monitoring, review for modification / amendment where necessary.

KEY OPERATING AND FINANCIAL DATA FOR THE LAST SIX YEARS

BALANCE SHEET

Capital & Liabilities	2014 Rupees	2013 Rupees	2012 Rupees	2011 Rupees	2010 Rupees	2009 Rupees
Share Capital & Reserves						
Authorised Capital						
5,000,000 Ordinary Shares of Rs. 10 each	**50,000,000**	**50,000,000**	**50,000,000**	**50,000,000**	**50,000,000**	**50,000,000**
Issued, Subscribed and Paidup capital						
4,000,000 (2008: 4,000,000) ordinary shares of Rs. 10 each fully paid in cash	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Accumulated (Losses)	(19,318,166)	(26,090,955)	(15,093,664)	(9,541,051)	(11,798,618)	(14,604,533)
	20,681,834	13,905,045	24,906,336	30,458,949	28,201,382	25,395,467
Surplus on Revaluation of Property, Plant and Equipment	36,113,587	39,406,581	43,785,090	20,417,401	22,587,486	24,998,691
NON-CURRENT LIABILITIES						
Long Term Finance	-	40,378,943	40,378,943	40,378,943	40,378,943	40,378,943
Liabilities against assets subject to finance lease	-	244,724	701,090	762,113	-	-
Deferred liabilities	19,437,831	21,881,787	18,576,437	10,581,866	11,228,318	9,978,232
	19,437,831	**62,505,454**	**59,656,470**	**51,722,922**	**51,607,261**	**50,357,175**
CURRENT LIABILITIES						
Short term borrowings	32,378,943	-	-	-	-	-
Trade and other payables	13,155,462	7,996,221	6,323,189	5,422,515	4,877,886	4,043,640
Current maturity of long term liabilities	244,724	451,113	836,583	496,753	-	-
Provision for taxation	1,327,624	946,548	1,415,565	1,003,038	294,073	-
	47,106,753	9,393,883	8,575,337	6,922,306	5,171,959	4,043,640
	123,340,004	**125,214,962**	**136,923,233**	**109,521,578**	**107,568,088**	**104,794,974**
NON CURRENT ASSETS						
Property, plant & equipment	64,435,279	70,853,899	78,172,011	49,987,978	52,952,194	58,064,279
CURRENT ASSETS						
Stores, spares & loose tools	2,759,544	5,510,576	2,499,696	2,374,286	2,721,825	2,628,733
Stocks in trade	19,485,429	12,935,552	19,115,889	24,256,349	20,630,048	12,181,986
Trade debts	18,387,392	22,139,643	22,119,915	16,530,056	16,440,282	17,356,442
Loans, advances, deposits and prepayments, tax refund	6,368,593	8,220,527	10,162,798	8,834,061	7,438,410	5,840,646
Trade deposits and short term prepayments	4,296,586	2,943,127	1,961,274	4,498,005	2,992,281	1,372,445
Cash & bank balances	7,141,622	2,611,638	2,891,650	3,040,843	4,393,048	6,884,883
	58,904,725	54,361,063	58,751,222	59,533,600	54,615,894	46,730,694
	123,340,004	**125,214,962**	**136,923,233**	**109,521,578**	**107,568,088**	**104,794,974**

PROFIT AND LOSS ACCOUNT

	2014 Rupees	2013 Rupees	2012 Rupees	2011 Rupees	2010 Rupees	2009 Rupees
Turnover	66,028,119	55,841,057	74,822,218	70,896,526	58,814,583	51,466,254
Cost of sales	54,850,083	60,311,639	68,076,466	59,706,325	47,326,546	43,701,782
Gross profit	**11,178,037**	**(4,470,582)**	**6,745,752**	**11,190,201**	**11,488,037**	**7,764,472**
Operating Expenses						
Administrative & general expenses	6,200,119	5,402,443	8,733,439	7,198,120	6,001,777	4,653,740
Selling & distribution expenses	3,628,250	3,543,116	3,765,601	4,812,724	3,985,562	3,063,445
	9,828,369	8,945,559	12,499,040	12,010,844	9,987,339	7,717,185
Operating profit/ (loss)	**1,349,668**	**(13,416,141)**	**(5,753,289)**	**(820,643)**	**1,500,698**	**47,287**
Finance cost	597,684	632,281	540,551	624,438	391,676	322,487
Other income	276,481	581,047	-	620,825	84,960	393,193
Profit / (loss) before taxation	**1,028,465**	**(14,048,422)**	**(6,293,840)**	**(824,256)**	**1,193,982**	**117,993**
Taxation	(2,451,330)	1,908,425	1,434,534	(911,738)	799,274	1,324,815
Profit/(loss) for the year after taxation	**3,479,795**	**(15,375,800)**	**(7,728,373)**	**87,482**	**394,708**	**(1,206,823)**
Unappropriated profit/(loss) brought forward	(26,090,955)	(15,093,664)	(9,541,051)	(11,798,618)	(14,604,533)	(16,076,827)
	(22,611,160)	(30,469,464)	(17,269,424)	(11,711,136)	(14,209,824)	(17,383,640)
Transfer from surplus on revaluation of fixed assets	3,292,994	4,378,509	2,175,760	2,170,085	2,411,205	2,679,117
Accumulated losses transferred to balance sheet	**(19,318,166)**	**(26,090,955)**	**(15,093,664)**	**(9,541,051)**	**(11,798,618)**	**(14,604,533)**

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 **Data Agro Limited ("the Company")** to comply with the Listing Regulation No. 37 of the Karachi, Lahore and Islamabad Stock Exchanges.

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 have not carried out any special review of the internal control 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, Sub- Regulation (Xiii) of Listing Regulation No. 35 (previously Regulation No. 37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee.

We are only required and have ensured compliance of requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken 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 reflects the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2014.

Date: October 09, 2014
Place: Lahore

RAFAQAT MANSHA MOHSIN DOSSANI MASOOM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Mohsin Nadeem (FCA)

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **DATA AGRO LIMITED** as at June 30, 2014 and the related profit and loss account, statement of changes in equity and cash flow statement 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 purpose 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 account and are further in accordance with accounting policies consistently applied;

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

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company.

c) in our opinion and to the best of our information and according to the explanations given to us, balance sheet, profit and loss account, statement of changes in equity and cash flow statement 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, 2014 and of the profit, its changes in equity and cash flows for the year then ended; and

in our opinion, no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980.

Date: October 09, 2014
Place: Lahore.

RAFAQAT MANSHA MOHSIN DOSSANI MASOOM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Mohsin Nadeem (FCA)

BALANCE SHEET AS

	Notes	2014 Rupees	2013 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Share capital	4	40,000,000	40,000,000
Revenue Reserves		(19,318,166)	(26,090,955)
		20,681,834	13,909,045
SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT	5	36,113,587	39,406,581
NON-CURRENT LIABILITIES			
Long term financing	6	-	40,378,943
Liabilities against assets subject to finance lease	7	-	244,724
Deferred liabilities	8	19,437,831	21,881,786
		19,437,831	62,505,453
CURRENT LIABILITIES			
Short term borrowings	9	32,378,943	-
Trade and other payables	10	13,155,462	7,996,221
Current maturity of long term liabilities	7	244,724	451,113
Provision for taxation	11	1,327,624	946,548
		47,106,753	9,393,883
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		**123,340,004**	**125,214,962**

The annexed notes from 1 to 33 form an integral part of these financial statements.

(FAAIZ RAHIM KHAN)
Chief Executive

(ASIF RAHIM KHAN)
Director

AT JUNE 30, 2014

	Notes	2014 Rupees	2013 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	64,435,279	70,853,899
CURRENT ASSETS			
Stores, spares, parts and loose tools	14	2,759,544	5,510,576
Stock in trade	15	19,485,429	12,935,552
Trade debts	16	18,387,392	22,139,643
Loans and advances	17	6,368,593	8,220,527
Trade deposits and short term prepayments	18	4,296,586	2,477,568
Tax refund due from the Government		465,559	465,559
Cash and bank balances	19	7,141,622	2,611,638
		58,904,725	54,361,063
TOTAL ASSETS		**123,340,004**	**125,214,962**

The annexed notes from 1 to 33 form an integral part of these financial statements.

(FAAIZ RAHIM KHAN)
Chief Executive

(ASIF RAHIM KHAN)
Director

PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2014

	Notes	2014 Rupees	2013 Rupees
Turnover	20	66,028,119	55,841,057
Cost of sales	21	54,850,083	60,311,639
Gross profit		**11,178,037**	**(4,470,582)**
Administrative expenses	22	6,200,119	5,402,443
Distribution cost	23	3,628,250	3,543,116
		9,828,369	8,945,559
Operating profit / (loss)		**1,349,668**	**(13,416,141)**
Finance cost	24	597,684	632,281
		751,984	(14,048,422)
Other income	25	276,481	581,047
Profit / (loss) before taxation		**1,028,465**	**(13,467,375)**
Taxation	26	(2,451,330)	1,908,425
Profit / (loss) after taxation		**3,479,795**	**(15,375,800)**
Other Comprehensive Income-Net of taxation		-	-
Total comprehensive income / (Loss) for the year		**3,479,795**	**(15,375,800)**
Earning per share-Basic and diluted	27	**0.87**	**(3.84)**

The appropriations from profits are set out in the statement of changes in equity.

The annexed notes from 1 to 33 form an integral part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2014

	Notes	2014 Rupees	2013 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		1,028,465	(13,467,375)
Adjustments for:			
Depreciation		6,530,118	7,318,112
Financial charges		597,684	632,281
Provision for Doubtful debts		-	102,896
Provision for gratuity		1,119,156	1,243,323
		9,275,423	**(4,170,763)**
Operating Profit/(loss) before working capital changes			
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		2,751,032	(3,010,880)
Stock in trade		(6,549,877)	6,180,337
Trade debts		3,752,251	(19,728)
Loan and advances		1,794,815	1,070,717
Trade deposits and short term prepayments		(1,819,018)	(516,294)
Increase /(decrease) in current liabilities		**(70,797)**	**3,704,152**
Trade and other payables		4,794,342	1,356,547
Cash generated from/(utilized in) operations	**A**	**13,998,968**	**889,936**
Financial charges paid		(232,785)	(315,796)
Gratuity paid		(451,500)	(31,500)
Income Tax paid		(222,286)	(342,227)
		(906,370)	(689,523)
Net cash flow from/(utilized in) operating activities	**B**	**13,092,598**	**200,413**
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed Capital expenditure		(111,500)	-
Net cash flow from/(utilized in) investing activities	**C**	**(111,500)**	**-**
CASH FLOW FROM FINANCING ACTIVITIES			
Short term borrowings		(8,000,000)	
Lease liability paid		(451,113)	(841,836)
Net cash flow from/(utilized in) financing activities		**(8,451,113)**	**(841,836)**
Net increase / (decrease) in cash and cash equivalents	**A+B+C**	4,529,984	(280,011)
Cash and cash equivalents at the beginning of the year		2,611,638	2,891,650
Cash and cash equivalents at the end of the year		**7,141,622**	**2,611,638**
Cash & cash equivalents are			
Cash in hand		106,286	168,722
Cash at bank		7,035,336	2,442,916
		7,141,622	**2,611,638**

(FAAIZ RAHIM KHAN)
Chief Executive

(ASIF RAHIM KHAN)
Director

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

DESCRIPTION	SHARE CAPITAL Rs.	Revenue Reserves Rs.	TOTAL Rs.	Surplus on revaluation of Property, plant and equipment Rs.	TOTAL Rs.
Balance as at June 30, 2012	40,000,000	(15,093,664)	24,906,336	43,785,090	68,691,426
Total Comprehensive Income / (Loss) for the year	-	(15,375,800)	(15,375,800)	-	(15,375,800)
Surplus on revaluation of fixed assets	-	-	-	-	-
Transferred from surplus on revaluation to unappropriated profit/(loss) due to incremental depreciation	-	4,378,509	4,378,509	(4,378,509)	-
Prior	-	-	-	-	-
Current	-	-	-	-	-
Balance as at June 30, 2013	**40,000,000**	**(26,090,955)**	**13,909,045**	**39,406,581**	**53,315,626**
Total Comprehensive Income / (Loss) for the year from July 01, 2013 to Jun3 30, 2014	-	3,479,795	3,479,795	-	3,479,795
Surplus on revaluation of Fixed assets	-	-	-	-	-
Transferred from surplus on revaluation to unappropriated profit/(loss) due to incremental depreciation surplus related to deferred tax	-	3,292,994	3,292,994	(3,292,994)	-
Prior	-	-	-	-	-
Current	-	-	-	-	-
Balance as at June 30, 2014	**40,000,000**	**(19,318,166)**	**20,681,834**	**36,113,587**	**56,795,421**

The annexed notes from 1 to 33 form an integral part of these financial statements.

(FAAIZ RAHIM KHAN)
Chief Executive

(ASIF RAHIM KHAN)
Director

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

1. STATUS AND NATURE OF BUSINESS

The company was initially incorporated as a private limited company in Pakistan under the Companies Ordinance, 1984 on November 10, 1992 and was converted into a public limited company on March 06, 1994. The company is listed on Lahore and Karachi Stock Exchanges. The principal activity of the company is production, processing and grading of agro seeds. The registered office of the company is situated at 3-A, Race View, Jail road, Lahore, Punjab, Pakistan and principal place of business is at 8-Km khanewal road, Kabirwala.

2 BASIS OF PREPARATION

2.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention without any adjustment for the effect of inflation or reference to current values, except to the extent that land, building and certain plant and machinery have been included at revalued amounts, staff retirement benefits recognized at present value and financial assets has been measured and recorded at fair value.

2.2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) as notify under the provision of the Companies Ordinance, 1984. However, the requirements of the Companies Ordinance, 1984 or the requirements of the SECP directives shall take precedent or be followed where the requirements of these standards are in consistent with the requirements of the Companies Ordinance,1984 or the requirements of directives issued by the Securities and Exchange Commission of Pakistan (SECP).

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presented currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupees.

2.4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made.

Significant management estimates in these financial statements relate to the useful life and residual value of property, plant and equipment, provision for doubtful receivables, slow moving inventory , defined benefits plans, accrued liabilities, taxation etc. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in the financial statements.

2.5 INITIAL APPLICATION OF A STANDARD, AMENDMENT OR AN INTERPRETATION TO AN EXISTING STANDARD AND FORTHCOMING REQUIREMENTS.

Initial Application:	Effective for periods beginning on or after
IAS1- Presentation of Financial Statements (Revised)	January 01, 2010
IAS7- Cash Flow Statement (Revised)	January 01, 2010
IAS17- Leases (Revised)	January 01, 2010
IAS 32- Financial Instruments (Amended)	January 01, 2010
IAS 36- Impairment of Assets	January 01, 2010
IAS 39- Financial Instruments: Recognition and Measurement (Amended)	January 01, 2010
IFRS 1- First Time Adoption of International Reporting Standards	January 01, 2010
IFRS 2- Share-based Payment (Amended)	January 01, 2010
IFRS 5- Non Current Held for Sale and Discontinued Operations	January 01, 2010
IFRS 8- Operating Segments	January 01, 2010
Forthcoming Requirements:	
IAS1- Presentation of Financial Statements	July 01, 2012
IAS12- Income Taxes	January 01, 2012
IAS19- Employee Benefits	January 01, 2013
IAS24- Related Party Disclosures	January 01, 2011
IAS27- Consolidated and Separate Financial Statements	January 01, 2013
IAS28- Investments in Associates	January 01, 2013
IFRS 1- First Time Adoption of International Reporting Standards	July 01, 2011
IFRS 7- Financial Instruments Disclosures (Amendments)	July 01, 2011
IFRS 9- Financial Instruments - Classification and Measurement	January 01, 2013
IFRIC 14- The Limit on defined Benefit Asset, Minimum Funding Requirements and their Interaction	January 01, 2011

The Company expects that the adoption of the above standards and interpretations will not have any material impact on the Company's financial statements in the period of initial application except for certain changes and / or enhancements in the presentation and disclosure of financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 PROPERTY, PLANT AND EQUIPMENTS

OWNED ASSETS

Property, plant and equipment are stated at historical cost or revalued amount less accumulated depreciation and impairment in value.

Cost of property, plant and equipment consists of purchase price/ construction cost (after trade discount and rebates, refundable taxes/duties) and relevant directly attributable cost for bringing the property, plant and equipment into its intended use. Pre-production and trial run operating results are charged to income.

Depreciation is charged on diminishing balance method at the rates specified in Note 13. Full month's depreciation is charged on addition, while no depreciation is charged in the month of disposal of assets and also no depreciation is charged if the assets residual value exceeds its carrying value, or in the pre-operation period.

Surplus on revaluation of building, plant and equipment due to incremental depreciation is directly charged to unappropriated profit and loss in accordance with section 235(2) of the Companies Ordinance, 1984 read with SRO 45(1)/2003 dated January 13, 2003 issued by the Securities and Exchange Commission of Pakistan.

Residual values and useful lives are reviewed at each balance sheet date and adjusted if expectations differ significantly from previous estimates. The management estimates that the financial impact of changes in the residual values and the useful lives during the year ended June 30, 2014 is immaterial.

Residual values are determined by the management as the amount expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of the life based on the prevailing market prices of the similar assets already at the end of its useful lives.

Normal repair & maintenance costs are charged to the profit and loss account in the year in which these are incurred. Major renewals, improvements, cost or expenditure incurred on the property, plant equipment subsequent to their initial reorganization is capitalized when it increases the future economic lives of the relevant assets and it is probable that future economic benefits embodied within the item of addition will flow to the company and its cost can be measured reliably.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

LEASED ASSETS

The leases, where all the risks and rewards incidental to ownership of the leased assets have been transferred to the company are classified as finance leases. Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets less accumulated depreciation and accumulated impairment losses, if any.

The related rental obligations, net of finance charges, are included in liabilities against assets subject to finance leases. The liabilities are classified as current and long term depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance charges so as to produce a constant periodic rate of interest on the balance outstanding. The interest element of the rental is charged to income over the lease term.

Assets acquired under a finance lease are depreciated over the useful life of assets on reducing balance method at the same rates that are applicable to the owned assets. Depreciation of lease assets is charged to profit and loss account.

Full depreciation on additions in leased assets is charged when an asset is acquired while no depreciation is charged in the year in which the asset is disposed off/ transferred to own assets.

CAPITAL WORK IN PROGRESS

Capital work in progress is stated at cost less any identifiable impairment loss and includes the expenditure on material, labour and appropriate overheads directly relating to the project. These costs are transferred to fixed assets as and when assets are available for intended use.

3.2 INTANGIBLE ASSETS

Intangible asset is an identifiable non-monetary item without physical substance.

Intangible assets are recognized when it is probable the expected future economic benefit will flow to the entity and the cost of the asset can be measured reliably.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight line method.

Useful lives of intangible operating assets are reviewed, at each balance sheet date and adjusted if the impact of amortization is significant.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

3.3 IMPAIRMENT

The carrying amount of the company's assets are reviewed at each balance sheet date to determine whether there are any indications of impairment. If any such indication exist, the asset's recoverable amount is estimated and impairment losses are recognized in the profit and loss account. The recoverable amount is the higher of an assets fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income

3.4 STOCK, STORES AND SPARES

Inventories are valued at lower of cost and net realizable value as per requirements of IAS 2. Cost of major stock items is determined as follows;

- Stores, spares and loose tools	At moving average cost
- Raw material	At annual average cost
- Finished goods	Comprised of direct material, labour, and appropriate manufacturing overheads.
-Waste	At net realizable value.
-Material in transit	Are stated at invoice value plus other charges incurred thereon.

Net realizable value signifies the estimates selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

3.5 LOANS AND ADVANCES

Loans and advances are recognized initially at cost and subsequently measured at amortized cost.

3.6 CASH AND CASH EQUIVALENTS.

For the purpose of cash flow statement ,Cash and cash equivalents comprise of cash in hand and balance with banks on current and deposit accounts.

3.7 STAFF RETIREMENT BENEFITS

Defined benefit plan

The company operates an unfunded gratuity scheme covering for all its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity. Provisions are made periodically on the basis of actuarial valuations for the gratuity scheme. Actuarial gains and losses in excess of corridor limit (10% of the higher of value of plan assets and present value of obligations) are amortized over the expected remaining working lives of the employees. Vested past service cost is recognized immediately, whereas non-vested past service cost is recognized over the period in which it becomes vested.

THE PRINCIPAL ACTUARIAL ASSUMPTION USED IN THE VALUATION ARE AS FOLLOWS:

	2014	2013
Discount rate	13.25%	10.5%
Expected rate of increase in salaries	12.25%	9.5%
Expected mortality rate	EFU (61-66) mortality table	EFU (61-66) mortality table
Actuarial valuation method	Projected Unit Credit	Projected Unit Credit
Average expected remaining life of the employees	6 Years	6 Years

Actuarial valuations are conducted annually and the last valuations were conducted as on September 10, 2014 by Nauman Associates based on the ''projected unit credit method''

3.8 TRADE DEBTS AND OTHER RECEIVABLES

Trade debts and other receivables are carried at original invoice amount less an estimates made for doubtful debts, if any, base on the review of all outstanding amounts at the year end. Debts considered irrecoverable, are written off, as and when identified.

3.9 REVENUE RECOGNITION

Revenue from sale of goods is measured at the fair value of consideration received or receivable and recognized on delivery of goods to customers when significant risks and rewards are transferred to the buyers.

Income from processing and harvesting services is recognized on accrual basis in accordance with the terms and conditions of the agreement with customers to the extent services are actually rendered and associated costs and outcomes of the transaction involving the rendering of such services can be measured reliably.

3.10 EXPENSE RECOGNITION

Expenses are recognized on accrual basis, or otherwise, as stated..

3.11 BORROWINGS

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on accrual basis and are included in interest / mark-up payables on loans and other payables to the extent of amount remaining unpaid, if any.

3.12 BORROWING COST

Borrowing costs are recognized as an expense in the year in which these are incurred.

3.13 TRADE AND OTHER PAYABLES

Liabilities for trade and other amounts payable 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.

3.14 RELATED PARTY TRANSACTIONS

Transactions and contracts with related parties (if any) are carried out at arm's length price determined in accordance with comparable uncontrolled price method.

3.15 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 instruments. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and receivable respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred. The company the has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when they are extinguished i.e. when the obligations are discharged , cancelled or expired.

A financial asset and a financial liability is set off and the net amount is reported in the financial statements if the company has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the income for the year in which it arises.

3.16 CONTINGENT LIABILITIES

Contingent liabilities are disclosed when there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company; or there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.17 TAXATION

CURRENT

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and tax rebates available, if any.

DEFERRED

Deferred tax is recognized using the liability method, on all temporary differences at the balance sheet date calculated at the prevailing rates, between the tax bases of assets and liabilities and their carrying costs for the purposes of financial reporting. Deferred tax liabilities are recognized for all taxable temporary differences to the extent that such differences will reverse in the due future and taxable income will be available for deducting temporary differences.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled based on the tax rates that have been enacted currently or subsequently at the balance sheet date.

Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it becomes probable future taxable profits will allow deferred tax asset to be recovered.

3.18 PROVISIONS

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

3.19 RESEARCH AND DEVELOPMENT COST

Research and development cost are recognized in the year in which these are incurred.

3.20 OFF SETTING:

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

3.21 EARNING PER SHARE

The company presents basic and diluted earning per share (EPS) for its ordinary shares. Basis EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects for all dilutive potential ordinary shares.

		2014 Rupees	2013 Rupees
4-	**SHARE CAPITAL**		
	Authorized		
	5,000,000 (2013: 5,000,000) ordinary shares of Rs. 10 each	**50,000,000**	**50,000,000**
	Issued, subscribed and paid-up		
	4,000,000 (2013: 4,000,000) ordinary shares of Rs. 10 each fully paid for cash consideration	**40,000,000**	**40,000,000**
	Shares held by Associates	**Number of Shares**	**Number of Shares**
	Data Enterprises (Pvt.) Ltd		
	Percentage of equity held 9.87% (2013: 9.87%)	**394,900**	**394,900**

4.1- The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

4.2- There is no movement in share capital during the year

5- SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT

Opening balance:		
Land freehold	6,476,638	6,476,638
Building freehold	12,590,540	13,989,488
Plant & machinery	20,987,067	23,318,963
	39,406,582	**43,785,090**
Addition: during the year		
Land freehold	-	-
Building freehold	-	-
Plant & machinery	-	-
	-	-
	39,406,582	**43,785,090**
Less: Transferred to unappropriated profit/(loss) due to incremental depreciation net of deferred taxation	3,292,994	4,378,509
Surplus related to deferred tax:		
- Prior	-	-
- Current	-	-
	-	-
	36,113,589	**39,406,582**

6- LONG TERM FINANCING

Loan from Others	**-**	**40,378,943**

6.1 The above loan was borrowed from ex- director, free of interest/ mark-up and not payable in next 12 months. The repayment period was fallen with in next 20 months subject to availability of funds and position of working capital of the company.Agreement with this party has been revised and accounted for accordingly in short term borrowings.

7- LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Present value of minimum lease payments	244,724	695,837
Less: Current portion shown under current liabilities payable during the period	244,724	451,113
	-	**244,724**

The future payments and the period in which these will be due are as follows:

GROSS MINIMUM LEASE PAYMENTS		
Not later than one year	259,830	514,007
Later than one year but not later than five years	-	259,830
	259,830	**773,837**
LESS: FINANCE CHARGES ALLOCATED TO FUTURE PERIOD		
Not later than one year	15,106	62,894
Later than one year but not later than five years	-	15,106
	15,106	**78,000**
PRESENT VALUE OF MINIMUM LEASE PAYMENTS		
Not later than one year	244,724	451,113
Later than one year but not later than five years	-	244,724
	244,724	**695,837**
Less: Current portion of liabilities against assets subject to finance lease	244,724	451,113
	-	**244,724**

This represents vehicles acquired under lease arrangements from Bank Alfalah Limited. The liability under the leasing arrangement was payable in 36 equal monthly installments by 17-03-2015. The present value of minimum lease payments was discounted at implicit rates ranging from 14.58% and 17.01% per annum.

The liabilities are secured by way of charge over the leased assets and also secured against the personal guarantees of the directors and chief executive.

In case of default of any payment, additional charges are payable as per Bank's prevalent schedule of charges on all sums unpaid .

In case of early termination of lease agreements the company shall deliver vehicle to lesser along with the payment of agreed loss value as per lease agreement.

The company intends to exercise its option to purchase the leased vehicles at the residual value of the vehicles upon completion of lease period.

Taxes, repairs, replacements and insurance costs are to be borne by the lessee.

	Notes	2014 Rupees	2013 Rupees
8- DEFERRED LIABILITIES			
Deferred tax - net	8.1	13,425,535	16,537,146
Gratuity	8.2	6,012,296	5,344,640
		19,437,831	**21,881,786**
8.1- DEFERRED TAX - NET			
Deferred tax liabilities/(assets) arising due to;			
Accelerated tax depreciation		(309,585)	(473,713)
Provision for workers welfare fund		(4,124)	(4,124)
Provision for workers fund		(837,240)	(709,525)
Provision for gratuity		(2,104,304)	(1,870,624)
Provision for doubtful debts		(860,997)	(860,997)
Finance lease arrangements		116,843	367,977
		(3,999,406)	(3,551,006)
Surplus on revaluation of property plant and equipment		18,935,604	20,088,152
Unused losses and depreciation		(1,510,663)	-
		13,425,535	**16,537,146**
8.2- Employees Retirement benefits (gratuity unfunded)			
Present value of defined benefits		6,052,530	5,303,978
Benefits payable		66,000	66,000
Unrecognized actuarial gain/(loss)	8.2.1	(80,896)	(25,338)
		6,037,634	**5,344,640**
Movement in present value of obligations			
Present value of defined benefits obligation at the beginning of year		5,303,978	4,445,520
Current service cost for the year		585,942	665,405
Interest cost for the year		533,214	577,918
Acturial (gain) / loss on PVDBO		80,896	(353,365)
Benefits paid during the year		(451,500)	(31,500)
Benefits due but not paid		-	-
Liability at the end of the year		**6,052,530**	**5,303,978**
8.2.1-Movement in Actuarial gains/(losses)			
Unrecognized gain/(loss) at the beginning of the year		(25,338)	(378,703)
Gain/(loss) recognized during the year		(80,896)	353,365
(Gain)/loss charged to P&L during the year		-	-
Unrecognized gain/(loss) at the end of the year		**(106,234)**	**(25,338)**
8.3- Apportionment of staff retirement benefits			
The expenses recognized in the income statement under following heads:			
Cost of goods sold		727,451	841,270
Administrative and general expenses		268,597	281,920
Selling and distribution expenses		123,107	120,134
		1,119,156	**1,243,324**

	Notes	2014 Rupees	2013 Rupees
9- SHORT TERM BORROWINGS-unsecured			
Opening balance		40,378,943	-
Less: Payments made during the year		(8,000,000)	-
Closing balance		32,378,943	-

This represents the loan given by ex-director free of interest. According to revised agreement loan has been transferred from long term financing, as it shall be paid within next 12 months. The payment is subject to availability of funds and position of working capital of the company.

10- TRADE AND OTHER PAYABLES			
Creditors		-	-
Accrued liabilities		5,859,145	3,663,942
Advances and deposits		4,833,394	2,252,078
Workers' Welfare Fund	10.1	11,783	11,783
Worker's Profit Participation Fund	10.2	2,392,114	2,027,215
Tax deducted at source		59,026	41,203
		13,155,462	**7,996,221**
10.1- Workers Welfare Fund			
Balance as at beginning		11,783	11,783
Contribution for the year		-	-
		11,783	11,783
Payment made during the year		-	-
		11,783	**11,783**
10.2- Reconciliation of Workers Profit Participation Fund			
Balance as at beginning		2,027,215	1,710,730
Return on funds utilized by the company		364,899	316,485
Contribution for the year		-	-
		2,392,114	2,027,215
Payment made during the year		-	-
		2,392,114	**2,027,215**

Return on fund utilized by the company is computed at the rate 2.5% above the bank rate .

11. PROVISION FOR TAXATION			
Opening balance		946,548	1,415,565
Add: Provision for the year		660,281	279,205
		1,606,829	1,694,770
Less: Adjustment against completed assessments		(279,205)	(748,222)
		1,327,624	**946,548**

Provision for taxation for the current year has been made on the basis of minimum tax liability under section 113 of the Income Tax Ordinance 2001 due to assessed business losses and unabsorbed depreciation except previous year. Assessment up to tax year 2013 has been completed by virtue of a provision of section 120 of the Income Tax Ordinance, 2001. There is no pending litigation with tax department on issue of taxes payable.

12- CONTINGENCIES AND COMMITMENTS		-	-
13- PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	13.1	63,856,719	69,106,699
Leased assets	13.1	578,560	1,747,200
		64,435,279	**70,853,899**

13.1.1- OPERATING FIXED ASSETS

Rupees

	Owned assets									Total	Leased asset	Total
	Freehold land	Building on freehold land	Plant and machinery	Electrical Equipment	Furniture and fittings	Agricultural equipment	Office Equipment	Harvesting equipment	Vehicles		Vehicles	
Year ended June 30,2013												
Opening net book value	8,600,000	22,048,801	43,358,576	91,691	168,614	22,901	295,217	337,286	1,064,924	75,988,010	2,184,000	78,172,010
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charged for the year	-	2,204,880	4,335,858	9,169	16,861	4,580	29,522	67,457	212,985	6,881,312	436,800	7,318,112
Closing net book value	**8,600,000**	**19,843,921**	**39,022,718**	**82,522**	**151,753**	**18,321**	**265,695**	**269,829**	**851,939**	**69,106,698**	**1,747,200**	**70,853,898**
At June 30,2013												
Cost	**8,600,000**	44,864,384	133,239,218	115,199	646,248	58,750	1,008,937	7,669,000	3,877,129	200,078,865	3,130,000	203,208,865
Accumulated depreciation	-	25,020,463	94,216,498	32,677	494,497	40,430	743,242	7,399,171	3,025,190	130,972,168	1,382,800	132,354,968
Net book value	**8,600,000**	**19,843,921**	**39,022,720**	**82,522**	**151,751**	**18,320**	**265,695**	**269,829**	**851,939**	**69,106,697**	**1,747,200**	**70,853,897**
Year ended June 30, 2014												
Opening net book value	**8,600,000**	19,843,921	39,022,720	82,522	151,751	18,320	265,695	269,829	851,939	69,106,697	1,747,200	70,853,897
Additions / (deletion)	-	-	-	-	-	80,000	31,500	-	974,624	1,086,124	(974,624)	111,500
Surplus on revaluation of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charged for the year	-	1,984,392	3,902,272	8,252	15,175	19,664	26,570	53,966	325,812	6,336,103	194,016	6,530,118
Closing net book value	**8,600,000**	**17,859,529**	**35,120,448**	**74,270**	**136,576**	**78,656**	**270,626**	**215,863**	**1,500,751**	**63,856,719**	**578,560**	**64,435,279**
At June 30,2014												
Cost	8,600,000	44,864,384	133,239,218	115,199	646,248	138,750	1,040,437	7,669,000	3,877,129	200,190,365	2,155,376	202,345,741
Accumulated depreciation	-	27,004,855	98,118,770	40,929	509,672	60,094	769,812	7,453,137	3,351,002	137,308,270	1,576,816	138,885,086
Net book value	**8,600,000**	**17,859,529**	**35,120,448**	**74,270**	**136,576**	**78,656**	**270,626**	**215,863**	**526,127**	**62,882,095**	**578,560**	**63,460,655**

Depreciation on operating fixed assets is charged at the following rates:

	Annual rate of depreciation (%)		Annual rate of depreciation (%)
Building on free hold area	10	Vehicles	20
Plant and machinery	10	Office equipment	10
Electrical Equipment	10	Harvesting equipment	20
Furniture and fittings	10	Agricultural equipment	20

Note: The carrying amount of the revalued assets that would have been included in the financial statements had these assets being carried at its cost less accumulated depreciation and accumulated impairment losses is shown as under:

Description	Carrying Value as at 30-06-2014			Carrying Value as at 30-06-2013		
	Inclusive of surplus	Surplus	Exclusive of surplus	Inclusive of surplus	Surplus	Exclusive of surplus
Land freehold	8,600,000	6,954,059	1,645,941	8,600,000	6,954,059	1,645,941
Building on freehold land	17,859,529	14,760,683	3,098,846	19,843,921	16,400,759	3,443,162
Plant and machinery	35,120,448	31,042,175	4,078,273	39,022,718	34,491,306	4,531,412
	61,579,977	**52,756,918**	**8,823,059**	**67,466,639**	**57,846,124**	**9,620,515**

First Revaluation was made on 30-06-1996 of land, building and plant and machinery and was carried out by independent valuer M/s.Haseeb Associates and certified by M/s. Anjum Asim Shahid & Co. Chartered Accountant, and revaluation surplus was amounting to Rs. 32.959 Million. Second revaluation was made on May 22, 2006 of aforesaid assets by the independent valuer M/s. Mughal Associates and certified by M/s. Khalid Majid Rehman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants and revaluation surplus was determined at Rs. 46,026,266/- on that date and third revaluation was made on June 25, 2012 of aforesaid assets by the independent valuer M/s. Mughal Associates and revaluation surplus was determined at Rs. 32,312,096/-

BASIS OF REVALUATION

Land freehold	Inspection and market inquiry was conducted to determine the value of land and fair value was determined mainly with reference to price of similar properties in the locality.
Building on freehold land	Survey of the building was conducted and fair value was determined keeping in view the type of construction, existing condition, life lived, aging effect of super structure, expected future life and residual factor.
Plant and Machinery	Fair value determined after conducting investigation, examining current condition, specification, technical data, year of manufacturing, working efficiency, useful life, capacity utilization, maintenance schedule, useful and expected future life, current market value and replacement of plant and machinery.

		2014	2013
13.2- The depreciation for the year has been allocated as follows:			
Cost of goods sold		5,886,664	6,540,738
Administrative expenses		643,454	777,374
		6,530,118	**7,318,112**
Total Depreciation			
-Normal Depreciation			
-Owned assets		1,466,615	1,641,643
-Leased assets		194,016	436,800
-Incremental Depreciation		4,869,487	5,239,669
		6,530,118	**7,318,112**
14. STORES, SPARES PARTS AND LOOSE TOOLS			
Stores and spares parts	14.1	2,541,808	5,292,840
Loose tools		217,736	211,423
		2,759,544	**5,504,263**

14.1.- Store and spare parts are interchangeable and it is not practicable to distinguish from each other.

15. STOCK IN TRADE		
Raw material	7,341,040	2,996,442
Finished goods	12,181,347	9,939,110
	19,522,387	**12,935,552**
16. TRADE DEBTS -UNSECURED		
Considered good	18,387,392	22,242,539
Considered doubtful	2,459,990	2,357,094
	20,847,382	**24,599,633**
Less: Provision for doubtful debts	2,459,990	2,459,990
	18,387,392	**22,139,643**

	Notes	2014 Rupees	2013 Rupees
17. LOAN AND ADVANCES			
Advances to executive staff:			
Considered good	17.1	1,312,440	1,273,031
Advances to other employees:			
Considered good		1,418,070	2,205,209
Advances to suppliers:			
Considered good		2,580,031	3,627,116
Other advances			
Advance income tax	17.2	1,058,052	1,114,971
		6,368,593	**8,220,527**

Advances to employees are provided to meet business expenses and are settled as an when the expenses are incurred

17.1 MOVEMENT OF ADVANCES TO EXECUTIVE STAFF

Opening balance	1,273,031	1,228,031
Advance during the year	405,701	267,635
	1,678,732	1,495,666
Received/transferred during the year	(366,292)	261,129
Closing balance	**1,312,440**	**1,273,031**

The maximum aggregate amount due from executive staff at the end of any month during the year was Rs.1,298,337/- (2013: Rs. 1,286,650/-).

17.2 ADVANCE INCOME TAX

Opening balance	1,114,971	1,520,966
Tax deducted/paid during the year	222,286	271,192
	1,337,257	1,792,158
Adjustment during the year	(279,205)	(677,187)
	1,058,052	**1,114,971**

18. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Security deposits with statutory authorities		102,850	102,850
Prepayments	18.1	4,193,736	2,374,718
		4,296,586	**2,477,568**

18.1- PREPAYMENTS

Prepaid insurance - Vehicles	84,281	65,674
Prepaid lease charges - Farms	4,109,455	2,309,044
Prepaid consultancy charges - Generator	-	-
	4,193,736	**2,374,718**

19. CASH AND BANK BALANCES

Cash in hand		
-Head office	55,206	138,819
-Factory	51,080	29,903
	106,286	168,722
Cash at bank:		
-Current accounts	7,035,336	2,442,916
	7,141,622	**2,611,638**

	Notes	2014 Rupees	2013 Rupees
20. TURNOVER			
Gross Turnover	**20.1**	66,680,442	56,148,590
Less: Trade discounts		652,323	307,533
Sale return		-	-
		66,028,119	**55,841,057**
20.1 Gross Tunover			
Sale of goods	**20.1.1**	32,737,008	25,261,850
Sale of services	**20.1.2**	33,943,434	30,886,740
		66,680,442	**56,148,590**
20.1.1 Sale of Goods			
Hybrid corn seed		22,367,080	9,706,555
Cotton seed		1,978,885	2,471,348
Vegetable seed		-	-
Okra seed		2,386,125	322,200
Wheat seed		660,400	3,094,147
S.S.G		269,400	905,200
Sale of Paddy		18,000	1,054,911
Micronutrient		2,662,830	2,403,167
Other seeds		1,402,490	1,552,188
Sale of lint		586,423	1,033,934
Sale of Vanda		405,375	2,718,200
		32,737,008	**25,261,850**
20.1.2 Sale of Services			
Seed processing		33,729,764	30,411,940
Cleaning and drying		213,670	474,800
		33,943,434	**30,886,740**
21. COST OF SALES			
Raw material consumed	**21.1**	14,317,816	25,101,889
Chemicals, stores and others		4,191,341	2,866,954
Salaries, wages & benefits	**21.2**	7,610,250	7,596,995
Fuel and powers		13,807,229	8,608,587
Repair and maintenance (Plant & machinery)		431,320	446,729
Repair and maintenance (Building)		34,216	156,387
Repair and maintenance (Electrical)		181,355	190,192
Processing expenses		2,231,158	2,280,701
Research and development expenses		5,846,290	3,305,151
Micronutrient expenses		1,892,545	1,726,176
Vehicle repair and maintenance		66,100	99,525
Laboratory expenses		58,273	65,413
Entertainment		243,148	200,553
Telephone charges		136,193	112,332
Germination claims		-	19,350
Kappa's Ginning charges		-	28,720
Traveling and conveyance		4,570	7,306
Depreciation		5,886,664	6,540,738
Miscellaneous charges		153,851	130,999
		57,092,320	59,484,696
Adjustments of finished goods			
- Opening		9,939,110	10,766,053
- Pre-paid expenses		-	-
- Closing		(12,181,347)	(9,939,110)
		(2,242,237)	826,943
		54,850,083	**60,311,639**

21.1 RAW MATERIAL CONSUMED	Notes	2014 Rupees	2013 Rupees
Raw material consumed - Fuzzy seed	21.1.1	391,900	391,463
Raw material consumed - Wheat	21.1.2	257,538	3,440,898
Raw material consumed - Hybrid Corn seed	21.1.3	9,981,720	15,732,227
Raw material consumed - Okra seed	21.1.4	2,414,855	515,690
Raw material consumed - Delinted Cotton seed	21.1.5	1,096,186	785,311
Raw material consumed - S.S.G seed	21.1.6	45,254	911,454
Raw material consumed - Soyabean	21.1.7	746	275,157
Raw material consumed - Rice / Paddy	21.1.8	41,950	971,166
Raw material consumed - Javi	21.1.9	-	344,157
Raw material consumed - Venda	21.1.10	87,667	1,734,366
		14,317,816	**25,101,889**

21.1.1 RAW MATERIAL CONSUMED - FUZZY SEED

Opening stocks - 01-07-2013	-	110,181
Add: Purchases	391,900	281,282
Add: Expenses on production - own farms	-	-
	391,900	391,463
Closing stock 30-06-2014	-	-
Consumed for own farm production	**391,900**	**391,463**

21.1.2 RAW MATERIAL CONSUMED - WHEAT SEED

Opening stocks - 01-07-2013	494,100	3,294,445
Add: Purchases	23,700	46,600
Add: Expenses on production - own farms	355,278	593,953
	873,078	3,934,998
Closing stock 30-06-2014	(615,540)	(494,100)
Consumed for own farm production	**257,538**	**3,440,898**

21.1.3 RAW MATERIAL CONSUMED - HYBRID CORN

Opening stocks - 01-07-2013	584,442	4,276,160
Add: Purchases	-	-
Add: Expenses on production - own farms	16,100,278	12,040,509
	16,684,720	16,316,669
Closing stock 30-06-2014	(6,703,000)	(584,442)
Consumed for own farm production	**9,981,720**	**15,732,227**

21.1.4 RAW MATERIAL CONSUMED - OKRA SEED

Opening stocks -01-07-2013	1,917,900	325,050
Add: Purchases	-	45,000
Add: Expenses on production - own farms	519,455	2,063,540
	2,437,355	2,433,590
Closing stock 30-06-2014	(22,500)	(1,917,900)
Consumed for own farm production	**2,414,855**	**515,690**

21.1.5 RAW MATERIAL CONSUMED - DELINTED COTTON SEED

Opening stocks - 01-07-2013	-	-
Add: Purchases	475,250	54,200
Add: Expense on production - own farms	620,936	731,111
	1,096,186	785,311
Closing stock 30-06-2014	-	-
Consumed for own farm production	**1,096,186**	**785,311**

		2014 Rupees	2013 Rupees
21.1.6	**RAW MATERIAL CONSUMED - S.S.G SEED**		
	Opening stock - 01-07-2013	-	-
	Add: Purchases	-	-
	Add: Expense on production - own farms	45,254	911,454
		45,254	911,454
	Closing stock 30-06-2014	-	-
	Consumed for own farm production	**45,254**	**911,454**
21.1.7	**RAW MATERIAL CONSUMED - Soyabean**		
	Opening stock - 01-07-2013	-	-
	Add: Purchases	-	-
	Add: Expense on production - own farms	746	275,157
		746	275,157
	Closing stock 30-06-2014	-	-
	Consumed for own farm production	**746**	**275,157**
21.1.8	**RAW MATERIAL CONSUMED - Rice/Paddy**		
	Opening stock - 01-07-2013	-	-
	Add: Purchases	-	-
	Add: Expense on production - own farms	41,950	971,166
		41,950	971,166
	Closing stock 30-06-2014	-	-
	Consumed for own farm production	**41,950**	**971,166**
21.1.9	**RAW MATERIAL CONSUMED - Javi**		
	Opening stock - 01-07-2013	-	344,000
	Add: Purchases	-	-
	Add: Expense on production - own farms	-	157
		-	344,157
	Closing stock 30-06-2014	-	-
	Consumed for own farm production	**-**	**344,157**
21.1.10	**RAW MATERIAL CONSUMED - Vanda**		
	Opening stock - 01-07-2013	-	-
	Add: Purchases	-	-
	Add: Expense on production - own farms	87,667	1,734,366
		87,667	1,734,366
	Closing stock 30-06-2014	-	-
	Consumed for own farm production	**87,667**	**1,734,366**

21.2 Salaries, wages and benefits include Rs.727,451 /- (2013: Rs 841,270 /-) in respect of staff retirement benefits-gratuity (Note # 8.3)

22. ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	**22.1**	2,772,154	2,545,845
Printing and stationery		173,873	269,515
Traveling and conveyance		93,885	57,845
Vehicle running and maintenance		48,130	62,122
Rent, rates and taxes		75,075	53,100
Postage and telegram		54,916	50,855
Electricity expenses		961,414	499,004
Telephone expenses		25,880	24,699
Entertainment		1,365	14,491
Newspaper and periodicals		5,705	5,028
Fee and subscription		131,730	64,440
Legal and professional charges		207,894	128,000
Auditors' remuneration	**22.2**	400,000	400,000
Canteen expenses		195,913	139,180
Repair & maintenance - office equipment		156,920	65,650
Charity & donation		53,535	50,037
Usher		-	-
Insurance expenses		192,135	188,178
Depreciation	**13.2**	643,454	777,374
Miscellaneous expenses		6,140	7,080
		6,200,119	**5,402,443**

22.1- Salaries, wages and benefits include Rs.268,597 /- (2013: Rs.281,920/-) in respect of staff retirement benefits - gratuity (Note # 8.3).

		Notes	2014 Rupees	2013 Rupees
22.2	**Auditor's remuneration**			
	Audit Fee		250,000	250,000
	Tax consultancy		150,000	150,000
			400,000	400,000
23.	**DISTRIBUTION COST**			
	Salaries, wages and benefits	**23.1**	1,308,865	1,084,855
	Telephone expenses		89,200	100,600
	Travelling and conveyance		14,710	44,460
	Entertainment		12,322	10,189
	Advertisement		100,130	49,011
	Repair & maintenance - Vehicles		1,524,528	1,618,316
	Freight & octroi		410,450	347,710
	Sale promotion expenses		156,245	165,950
	Residence expenses		600	-
	Doubtful debts		-	102,896
	Miscellaneous expenses		11,200	19,129
			3,628,250	**3,543,116**

23.1. Salaries, wages and benefits include Rs.123,107 /- (2013: Rs.120,134/-) in respect of staff retirement benefits - gratuity (Note # 8.3).

24.	**FINANCE AND OTHER COST**			
	Lease finance charges		71,808	180,030
	Bank Charges		64,102	52,953
	Stock exchange fees		96,875	82,813
	Other cost			
	Workers profit participation fund		364,899	316,485
	Workers welfare fund		-	-
			597,684	**632,281**
25.	**OTHER INCOME**			
	Income from non financial assets			
	Cleaning and drying		276,481	581,047
			276,481	**581,047**
26.	**TAXATION**			
	Current year		660,281	279,205
	Prior years		-	-
	DEFERRED		660,281	279,205
	Current year		(3,111,611)	1,629,220
	Prior years		-	-
			(3,111,611)	1,629,220
			(2,451,330)	**1,908,425**

26.1- NUMERICAL RECONCILIATION BETWEEN THE AVERAGE EFFECTIVE TAX RATE AND THE APPLICABLE TAX RATE.	%AGE	%AGE
Applicable tax rate	34.00%	35.00%
Tax effect of non deductible expenses	0.00%	0.00%
Tax effect of minimum tax liability	30.20%	-37.07%
Tax effect of prior year relating to revaluation surplus	0.00%	0.00%
Tax effect of prior year relating to wokers fund	0.00%	0.00%
Tax charge relating to prior year	0.00%	0.00%
Tax effect relating to deferred tax current year	-302.55%	-12.10%
Average effective tax rate		
Tax expense for the year divided by profit before tax	-238.35%	-14.17%

27. EARNING PER SHARE	Note	2014 Rupees	2013 Rupees
Net Profit/(loss) for the year after taxation		3,479,795	(15,375,800)
Number of ordinary shares issued and subscribed at the end of the year		4,000,000	4,000,000
		0.87	**(3.84)**
27.1. BASIC			
Earning per share		**0.87**	**(3.84)**

27.2. DILUTED

There is no dilution effect on the basic earning per share of the company as the company has no such commitments.

28. NUMBER OF EMPLOYEES (Average and year end)	**27 Nos.**	**29 Nos.**

29. REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

	WORKING DIRECTOR	
Managerial remuneration	2,319,972	2,319,972
Commission or bonus	-	-
Utilities	116,004	116,004
House rent	1,044,000	1,044,000
Medical	139,200	139,200
Pension, gratuity and contribution to other funds	-	-
Other perquisites and benefits	-	-
	3,619,176	3,619,176
Number of persons	**1**	**1**

Working director has been provided with free use of company's maintained car for official use only. No remuneration was paid to chief executive and directors during the year nor any meeting fees.

30. TRANSACTIONS WITH ASSOCIATED UNDERTAKING	**NIL**	**NIL**
Transactions / Services rendered / received		
31. CAPACITY AND PRODUCTION	**M.Tons**	**M.Tons**
Annual rated capacity (at 100% capacity) (Based on 50 Tons per day of 24 hours and 365 days a year)	**18,250**	**18,250**
Actual Production		
- Cotton seeds	131	50
- Other seeds	25	94
- Third party seed-processed	3,227	2,989
	3,383	**3,132**

31.1. The exact rated capacity of the plant can not be determined as it varies according to nature of seeds to be processed and also affected by various other associated factors.

31.2. Due to perishable nature of the product, the actual production is limited to market demand.

32. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

FINANCIAL RISK MANAGEMENT

The Company has exposure to the followings risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The board is also responsible for developing and monitoring the Company's risk management policies.

COMPANY RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through it's training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors and compliance with Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

31.1- Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted and arise principally from trade receivables, loans and advances and trade deposits. Out of the total financial assets of Rs. 32,466,016/-,(2013: Rs. 33,540,217) financial assets which are subject to credit risk amount to Rs. 24,266,342 /- (2013:Rs 29,596,218/-).

To manage exposure to credit risk in respect of trade receivables. Management maintains procedures covering the application for credit approvals, granting and renewal of counter parties limit taking into account the customer's financial position, past track record, credit rating and other factors. As a part of these processes, exposures of credit risk are regularly monitored, assessed and customer are persuaded for prompt recovery. In addition to this the company has established an allowances for impairment that is estimate of expected losses in respect of trade debts. This allowance is based on the management assessment of specific loss component that relate to significant exposures. Sales to customers are also made against advance payment to further prudently manage the credit risk.

The Company limits its exposure to credit risk by following the polices and procedures of approval and continuous monitoring of loan and advances extended to staff and suppliers and maintain bank account only with counterparty that have high degree of credit rating. Advance tax is adjustable or recoverable from FBR which is a State authority and have high credit rating. Given these high credit ratings, management do not expect that any of these counterparty fail to meet its obligations.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date was:

	2014 Rupees	2013 Rupees
Trade debtors	18,387,392	22,139,643
Loan's and advances	6,834,152	8,686,086
Trade deposits	102,850	102,850
Cash and Bank balance	7,141,622	2,611,638
	32,466,016	**33,540,217**

The trade debts as at the balance sheet date are classified by Geographical area as follows:

Foreign	-	-
Domestic	18,387,392	22,139,643
	18,387,392	**22,139,643**

Impairment Losses

The aging of trade debts at the reporting date was:

	2014		2013	
	Gross debts	**Impaired**	**Gross debts**	**Impaired**
Not past due	1,877,929	-	4,303,946	-
Past due 0-30 days	8,204,228	-	304,180	-
Past due 30-60 days	767,075	-	69,580	-
Past due 60-90 days	141,168	-	1,142,277	-
Over 90 days	9,856,982	(2,459,990)	18,779,920	(2,459,990)
	20,847,382	**(2,459,990)**	**24,599,903**	**(2,459,990)**

The movement in the allowance for impairment in respect of trade debts during the year was as follows:

	2014 Rupees	2013 Rupees
Balance at the beginning of the year	2,459,990	2,357,094
Provision made during the year	-	102,896
Written off during the year	-	-
Balance at the end of the year	**2,459,990**	**2,459,990**

Based on past experience and practice, consideration of financial position, past track records and recoveries, the Company believes that trade debtors past due to 60 days do not require any impairment allowance and no impairment loss is necessary in respect of remaining portion of past due over 90 days other than amount provided. Trade debts are essentially due from corporate entities and farmers and the Company is actively pursuing for prompt recovery of debts and does not expect these counter parties to fail to meet their obligations.

The allowance accounts in respect of trade receivables, loans and advances are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible, at that point the amount considered irrecoverable is written off against the financial asset directly.

32.2- Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The maturity profile of the Company's financial liabilities based on the contractual amounts is as follows:

	2014		2013	
	Carrying amount	Contractual Cashflows	Carrying amount	Contractual Cashflows
Loans and other borrowings - Unsecured	32,378,943	-	40,378,943	-
Trade and other payables - Unsecured	13,155,462	13,155,462	7,996,221	7,996,221
	45,534,405	**13,155,462**	**48,375,164**	**7,996,221**

The Company is not materially exposed to liquidity risk as substantially all obligations, commitments of the company are of short term and routine in nature (Accrued expense) and are restricted to the extent of available liquidity except the long term unsecured interest free loan obtained from the directors redeemable on the option of the Company. As a part of liquidity risk management policy Company follows effective cash flow, planning, controlling and management procedures to ensure availability of funds through effective working capital management and to appropriate measures for new requirements.

32.3- Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will effect company's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market exposures within acceptable parameters, while optimizing the return on risk.

31.3.1- Foreign currency risk management

Foreign currency risk arises mainly where receivable and payables exist due to the transactions with foreign undertaking. Financial assets and financial liabilities of the company are not exposed to currency risk as a company has not entered into any transaction with any foreign undertakings.

31.3.2 - Interest rate risk management:

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company has no significant long term interest bearing financial assets and liabilities whose fair value or cash flows will fluctuate because of changes in market interest rates. As there is no interest bearing financial asset and liability therefore disclosure requirement of effective rate of interest not attracted.

31.3.3 - Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The company manage its capital structure by effective cash flow management to ensure availability of funds and by monitoring return on net assets and make adjustments thereto in the light of changes in economic conditions. Consistent with others in the industry, the company manage its capital risk by monitoring its debt levels and liquid assets and keeping in view future requirements and expectations of the shareholders. Debt is calculating as total borrowings. Total capital comprises shareholders equity as shown in the balance sheet under share capital and reserves. In order to maintain or adjust the capital structure, the company may also adjust the amount of dividends paid to shareholders or issue new shares.

31.3.4 - Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

32.4- Fair Value of financial assets and financial liabilities

The carrying value of financial assets and liabilities reflected in the financial statements approximate to their fair value.

33. DATE OF AUTHORIZATION FOR ISSUE

The financial statements have been authorized for issue on October 09, 2014 by the board of directors of the company.

(FAAIZ RAHIM KHAN)
Chief Executive

(ASIF RAHIM KHAN)
Director

DATA AGRO LIMITED FORM 34
The Companies Ordinance, 1984 (Section 236)
PATTERN OF SHARE HOLDINGS
AS AT JUNE 30, 2014

Number of ShareHolders	Shareholding		Number of Share Held	% of Capital
	From	To		
64	1	100	1,953	0.05
2534	101	500	1,263,200	31.58
60	501	1000	59,600	1.49
81	1001	5000	198,372	4.96
18	5001	10000	147,540	3.69
6	10001	15000	74,900	1.87
4	15001	20000	69,300	1.73
4	20001	25000	91,000	2.28
2	25001	30000	59,500	1.49
1	30001	35000	34,000	0.85
1	45001	50000	49,435	1.24
1	80001	85000	84,000	2.10
2	110001	115000	229,200	5.73
1	145001	150000	150,000	3.75
1	215001	220000	219,200	5.48
1	230001	235000	233,500	5.84
1	275001	280000	275,800	6.90
1	360001	365000	364,600	9.12
1	390001	395000	394,900	9.87
2,784	**<-----TOTAL----->**		**4,000,000**	**100.00**

CATEGORIES OF SHARE HOLDINGS
AS ON JUNE 30-06-2014

Sr #	Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
1	Directors/Chief Executive Officer and their Spouse and minor children.	12	1,266,100	31.65
2	Executives	-	-	-
3	Associated Companies, Undertakings and Public Sector Companies and Corporations	1	394,900	9.87
4	NIT and ICP NBP (Trustee Department) -------> 12,400 IDBP (ICP UNIT) ------> 34,000	2	46,400	1.16
5	Public Sector Companies and Corporations	-	-	-
6	Banks, Development Financial Institutions, Non-Banking Financial Institutions Insurance Companies Modarabas and Mutual Funds	2	49,500	1.24
7	Shareholding 5% or More (including in above category)	*5	*1,323,000	*33.08
8	Others	-	-	-
9	Individuals	2,767	2,243,100	56.08
	TOTAL : -	**2,784**	**4,000,000**	**100.00**

	CATEGORIES OF SHAREHOLDERS	TOTAL SHARES HELD	%
A)	**Directors/Chief Executive Officer and their spouse and minor Children**		
1	MR SOHAIL KHAN	500	0.01
2	MR. ANWAR-UL-HAQ	1,000	0.03
3	MR. ASAD RAHIM KHAN	233,500	5.84
4	MR HAIDER SADIK	219,200	5.48
5	MR MOHAMMAD AYUB KHAN	500	0.01
6	MR SHAMIM AHMAD KHAN	500	0.01
7	MRS FAAIZA FAAIZ KHAN	275,800	6.90
8	MR ASAD KHAN	150,000	3.75
9	MR SAAD RAHIM KHAN	364,600	9.12
10	MR FAAIZ RAHIM KHAN	10,000	0.25
11	MR ASIF RAHIM KHAN	10,000	0.25
12	MRS BADAR HUSSAIN	500	0.01
	TOTAL: -	**1,266,100**	**31.65**
B)	**Executives**		
-	-	-	-
C)	**Associated Companies, Undertakings and related parties**		
1	Data Enterprises (Pvt) Ltd	394,900	9.87
	TOTAL: -	**394,900**	**9.87**
D)	**NIT and IDBP (ICP UNIT)**		
1	N.B.P. TRUSTEE DEPARTMENT	12,400	0.31
2	IDBP (ICP UNIT)	34,000	0.85
	TOTAL: -	**46,400**	**1.16**
E)	**Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance companies, Modarabas and Mutual Funds**		
1	NATIONAL BANK OF PAKISTAN	65	0.00
2	NATIONAL BANK OF PAKISTAN	49,435	1.24
	-	**49,500**	**1.24**
F)	***Shareholding 5% or more**		
1	Mr. Asad Rahim Khan	233,100	5.83
2	Mrs Faaiza Khan	275,800	6.90
3	Mr Haider Sadik	219,200	5.48
4	Data Enterprises (Pvt) Ltd	394,900	9.87
5	N.B.P. Trustee Department	200,000	5.00
	TOTAL: -	***1,323,000**	***33.08**
G)	**Individuals**	**2,243,100**	**56.08**
	GRAND TOTAL :-	**4,000,000**	**100.00**

* Shareholders having 5% or above shares exist in other categories therefore not included in total.

DATA
QUALITY SEED

DATA AGRO LIMITED

FORM OF PROXY

I/We----------

of ----------being a member of **DATA AGRO LIMITED** and holding----------

- ordinary shares as per Share Register Folio No----------hereby appoint Mr.----------

---------- of ----------or failing him Mr.----------of -----

---------- 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 on 31st October, 2014 at 11:30 a.m at 3-A, Race View, Jail Road, Lahore and at any adjournment thereof.

Signed this ---------day of ----------2014.

Witnesses:

1. Signature: _____

   Name: _____

   Address: _____

   NIC or
   Passport No. _____

2. Signature: _____

   Name: _____

   Address: _____

   CNIC or
   Passport No. _____

Signature on Rupees Five Revenue Stamp

The Signature should agree with the specimen registered with the Company.

Note:

Proxies in order to be effective must be received at the Company's registered office not less than 48 hours before the meeting. No person shall be appointed a proxy who is not member of the Company qualified to vote except that a corporation being a member may appoint as proxy a per son who is not a member.

CDC Shareholders and their Proxies are each requested to attach an attested photocopy to their National Identity Card or Passport with this proxy form before submission to the Company.