

**DETERMINANTS OF CAPITAL STRUCTURE OF TEXTILE SECTOR OF
PAKISTAN**

By

Amir Nawaz

25008

A thesis presented to the Department of Management Sciences, Bahria
University Karachi Campus, in partial fulfillment of the requirements
of the MBA degree



Spring, 2015

Bahria University Karachi Campus



MBA Thesis
2nd Half-semester Progress Report & Thesis Approval Statement

Name	Amir Nawaz
Registration No	25008
Thesis Title	Determinants of Capital Structure of Textile Sector of Pakistan

Supervisor-Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
1				
2				
3				

APPROVAL FOR EXAMINATION

Candidate's Name: Amir Nawaz Registration No. 25008

Thesis Title: Determinants of Capital Structure of Textile Sector of Pakistan

I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 15% that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

Supervisor's Signature: _____ Date: _____

Name: Muhammad Faisal

HoD's Signature: _____ Date: _____

Declaration of Authentication

I, hereby, declare that no portion of the work referred to in this thesis has been submitted in support of any application for another degree or qualification of this university or any other institution of learning.

Signatures: _____

Name: _____

Date: _____

List of Tables & Matrices

Table 1: Regression Model Summary.....16

Table 2: ANOVA Test Model.....17

Table 3: Coefficient Model.....18

Table 4: Hypothesis Summary.....19

List of Figures

- Conceptual Framework..... 11

List of Abbreviations

POT	Pecking Order Theory
STT	Static Trade off Theory
KSE	Karachi Stock Exchange
IV	Independent Variable
EV	Earning Variability
APTAMA	All Pakistan Textile Mills Association
DV	Dependent Variable

First Page of Plagiarism Test Report

DETERMINANTS OF CAPITAL STRUCTURE OF TEXTILE SECTOR OF PAKISTAN

ORIGINALITY REPORT

15%

SIMILARITY INDEX

5%

INTERNET SOURCES

2%

PUBLICATIONS

11%

STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to Coventry University Student Paper	5%
2	Submitted to Higher Education Commission Pakistan Student Paper	3%
3	www.jceionline.org Internet Source	1%
4	aimspune.org Internet Source	1%
5	Submitted to Pondicherry University Student Paper	1%
6	Submitted to Iqra Uninversity, Gulshan Student Paper	1%
7	Submitted to Waterford Institute of Technology Student Paper	<1%
8	Submitted to South Bank University Student Paper	<1%

ACKNOWLEDGEMENT

I am thankful to Almighty Allah, the most merciful and the most gracious; only because of his blessings I was able to complete my dissertation well in time.

I owe my heartiest thanks to my project Coordinator, **Sir Muhammad Faisal** who guided me devotedly at every step by which I was able to prepare the entire dissertation. He was a source of inspiration for me throughout the thesis completion.

A very special thanks to my parents for giving me an opportunity to stand at first position in every step of my life, for educating me and supporting me and without their support this work would not have been possible.

ABSTRACT

Purpose –

The primary aim of the study is to determine the potential determinants of capital structure for the textile industry of Pakistan. Capital structure assessment is most critical and decisive part for any firm as they effect directly to the cost and value of firm. For this, the research will examine the different key factors that affect capital structure of firm.

Design/methodology/approach –

The thesis is “Quantitative” in nature, where the findings and discussion would be based on scientific calculations of the selected variables. The thesis has exploited the Multiple Regression Analysis, using the SPSS software to determine the relationship between the dependent variable (leverage) with the independent variables (sales, tangibility of fixed assets, firm size, profitability, taxation, financing cost and number of shares).

Findings –

Result of the study shows that there is insignificant relation between leverage (dependent variable) and firm size, number of shares, sales, and taxation (independent variable) of the textile sector of Pakistan. While Leverage (dependent variable) and total assets, financial cost and profit (independent variable) has significant relation in textile sector of Pakistan.

Practical implications –

The factors argued and outcome of the study helped to fascinate and develop base of determinants of optimal capital structure and that may assist to textile sector companies in Pakistan to take effective and precise decision linked to capital structure needs. Moreover, this study and its finding may help the decision makers better adjust themselves in implementing and considering dexterous ways of managing capital structure of textile sector.

Keywords –

Capital Structure, Textile Sector of Pakistan, Financial Leverage

TABLE OF CONTENTS

2 ND Half-semester Progress Report & Thesis Approval.....	ii
Declaration of Authentication.....	iii
List of Tables & Matrices.....	iv
List of Figures.....	v
List of Abbreviations	vi
First Page of Plagiarism Test Report.....	vii
Acknowledgement.....	viii
Abstract	ix
Table of Contents.....	x
CHAPTER 1: INTRODUCTION	1
1.1 Background of Study.....	1
1.2 Significance of Study	3
1.3 Problem Statement	2
1.4 Research Questions	2
1.5 Scope.....	3
1.6 Limitation.....	3
CHAPTER 2 : LITERATURE REVIEW.....	4
2.1 Miller & Modigliani Theory of Irrelevance	4
2.2 Static Trade off Theory	4
2.3 Pecking Order Theory	4
2.4 Agency Theory.....	5
2.5 Global Literature	5
2.6 Literature from Pakistan.....	7
2.7 Conceptual Framework	11
2.8 Hypotheses	12
CHAPTER 3 : RESEARCH METHODOLOGY.....	14
3.1 Methodology	14
3.2 Research Purpose	14

3.3	Research design.....	14
3.4	Sources of Data	14
3.5	Treatment of Data	15
3.6	Sampling Design	15
CHAPTER 4 : DATA ANALYSIS		16
4.1.	Testing of hypothesis	15
CHAPTER 5 : DISCUSSION		20
5.1.	Critical Review.....	20
CHAPTER 6 : CONCLUSION & RECOMMENDATIONS		23
6.1.	Conclusion.....	23
6.2.	Recommendations	24
REFERENCES.....		26
APPENDICES		28

CHAPTER 1

INTRODUCTION

1.1 Background of Study

Miller and Modigliani (1958) have presented the pioneering work in elaborating the principle and implications of capital structure. The contemporary followed theories of trade-off and pecking order also take roots from the “irrelevancy theory of capital structure”, proposed by Miller and Modigliani. According to the irrelevancy theory, the capital structure of a firm is irrelevant to the performance and market value of the firm. This would suggest that the choice of a firm of issuing stock or selling debt does not affect the market standing and stock shares of the firm. However, this theory has been presented on the assumptions that there are no taxes, bankruptcy cost, and asymmetric information.

On the contrary, a discernible degree of variance has been found in the empirical evidence of a number of firms operating globally. Thus, the practical standing of the irrelevancy theory can be questioned. This basically indicates that firm having more proportion of debt financing achieves the optimal capital structure but certainly this statement is denied by other financial experts. This debate leads to the open questions that to what the capital structure could affect the standing of the firm, and whether or not there is an optimal point in capital structure after which a change in its value does not affect the market value of the firm. For answering this question, it is imperative to determine potential determinants of leverage of a firm, which have the tendency to affect the capital structure.

Shah and Hijazi (2004) were the first to study the influence of capital structure on a firm’s standing in Pakistan. Furthermore, Akbar, Ali & Tariq (2009) were the first to study the determinants of capital structure in Pakistan from the mirror of the textile sector of the country.

There is abundant data present on the determinants of capital structure in the textile sector of Pakistan. The reason for conducting another research in this sector is to take into account

new data, and refine the results made by previous studies. “Leverage” is the single dependent variable used in the study, which will be examined through a number of independent variables. This will allow the researcher to lay focus on all potential variables that are closely related to the future standing and anticipated returns of the firm.

1.2 Significance of Study

Capital structure of a company basically refers to the strategy opted by the financing department to fund the assets of the company. It can be done through exploiting debts, equity, or a hybrid of both. The term “structure” means that how a company manages its channels of funds in order to grow the company’s size and profitability. The prime objective of a company is to minimize the cost of the capital and increase the revenue generated by it. For this, two common paths of levered or unlevered can be travelled by the company. Companies having no debt financing is said to be unlevered while companies having debt financing is said to be levered. In the current run, the majority of the multinational and large-sized firms operate through both the levered and unlevered channels.

The selection of Textile Industry of Pakistan for studying the determinants of capital structure bears the rationale that it is one of the largest and leading industries of the country. The revenue generated by this industry accounts for more than 52% of the total revenue of the country. This huge figure places the industry in the high percentile, making the factors of capital structure and funds optimization of significant imperativeness.

1.3 Problem Statement

To determine the potential determinants of capital structure for the textile industry of Pakistan and to study how different factors firm size, number of shares, total assets, sales, financial cost, profit and taxation impact capital structure of sector.

1.4 Research Questions

- What is the relationship between firm size and leverage of the textile companies?
- What is the relationship between the number of shares and leverage of the textile companies?

- What is the relationship between total assets and leverage of the textile companies?
- What is the relationship between sales and leverage of the textile companies?
- What is the relationship between financial cost and leverage of the textile companies?
- What is the relationship between profit and leverage of the textile companies?
- What is the relationship between taxation and leverage of the textile companies?

1.5 Scope

Capital Structure applies differently to different industries, sectors and it has varied implications based on the nature, current market status, growth rate of the industry. The current study is based on the investigation of determination of capital structure of textile sector of Pakistan. Pakistan the chosen country for research and data on firm performances has been collected from textile companies operating in Pakistan, therefore the thesis result could vary with the other type of industry and also with the country. For this reason, the research scope is limited to the exploration of potential factors that influence/ impact the capital structure of textile sector of Pakistan.

1.6 Limitation

This study has used most accredited factors of firm size, no of shares, total assets, sales, financial cost, profit, taxation and i worked to elaborate few more attributes that were used in researches but due to unavailability of data, I couldn't test them.

CHAPTER 2

LITERATURE REVIEW

2.1. Miller & Modigliani Theory of Irrelevance

The theory states that the performance of the company and the market worth of any organization are independent to its capital structure. It is irrelevant for the company w.r.t to its efficiency or result that it is financed by debt or by shares - Miller and Modigliani (1958). The theory is applicable on specific market condition which is tax free, there is no agency cost, transaction cost and similar information is timely available to all the organization; under such condition it is meaning less for the organization to take decision about the financing as the cost of any mean of finance would be same. This theory has set the basis for the future researchers for thinking on the capital structure if the specific conditions are removed. Miller theory of irrelevance is based on the hypothetical world which is tax free.

2.2. Static Trade off Theory

Myers (1984) presented trade off theory on the capital structure of any organization. Myers said that company choses a balance of debt and share financing in order to maximize the benefits and minimize the cost of both the means of financing. This lead to minimizing the dead weight cost of bankruptcy and tax saving from the debt. According to static trade off theory an organization first obey the debt to equity ratio and then decide for the efficient means of financing. The decision of the organization is dependent on the taxes and cost of financial distress.

2.3 Pecking Order Theory (POT)

Donaldson's (1961) presented pecking order theory which was modified further by Myers and Majluf (1984). This theory explained the hierarchy of financing modes available for the organization. Organizations have three mode of financing. One is of internal sources, second is of external debt financing and third last mode is of external equity financing. For organization highly favorable and prior method is of using internal source of financing.

Internal source of financing are of financing from retained earnings, statutory reserves, employee stock scheme, internal debt from employees or directors etc. The second favorable mode is of external debt from different institutions like banks, development institutions etc. The last mode available for organization is of equity financing. The pecking order theory argued that organizations know how much they are in need of financing and which method will be more suitable for organization in terms of financing cost.

2.4 Agency Theory

Another explanation for the capital structure of an organization is given by Jensen & Meckling (1976). They identified the difference in the approach of thought of manager and shareholders from the financing point of view. Managers are in the management of the company whose responsibility is to increase the worth of the company for the benefit of the shareholders whose money is engaged in the organization. Managers use free cash flow for the financing of their need for the investment purpose however the return on the free cash flow could be greater if it is involved in the operations of the company. Managers thought if they would go for the external financing it would be negative sign for them or they have to bear more responsibilities of the loan contract and managing the terms of the loan so managers preference is financing from the free cash flows which would be better available and utilized for the operation to increase the sales of the company. There is lack of ownership by the managers that's why their preference for the capital structure is different and least effective. This also creates the agency problems as there is conflict of the interest of the shareholders and the managers. Jensen suggest that resolving the agency problem is necessary for the shareholders so that the managers also reach like the shareholders with the ownership sense. Managers could be made as the shareholders of the company or sharing profit or motivated by other appropriate means to resolve the agency issue.

2.5 Global Literature

Céspedes et al. 2008 researched that financial leverage has a greater level on the capital structure decisions of a firm. The research is conducted in order to what are the major variables and determinants that directly or indirectly affects or influence the decision of

capital structure. In order to have a broader level and significant results the research is conducted on a sample of 806 firms. All these firms are non-financial firms belong to Latin America. The sample size for this research is 1996 to 2005. The sample is carried out on the basis of availability of data year on year basis. The study concludes that, there seems to be a significant relationship among Leverage and the company ownership. The research also suggest that, most of the companies didn't go for floatation of shares and attracting equity just because of the reason that their ownership structure could be diluted even. This has been a point where company needs to be rational about the decision.

Another research conducted by Jean Laurent Viviane et al., 2008 on the vine industry in France. Wine business is among the most growing and lucrative businesses in the world specifically, France. Researchers have witnessed that, the wine industry majorly depends upon Debt as well as, on equity for the purpose of financing too. The main aim of carrying this research is what is the major variable that affects the decision of capitals structure.

The findings from the study suggest that, profitability and non-tax debt and age seems to have a negative kind of relationship with the leverage of the firm. On the other hand, the researcher has found out that profitability and growth have significant positive relationship. The research also determines that, the firm size didn't have that kind of significant relationship in wine industry. The possible reason is the nature of the study is like that. The analysis from the capital structure of these wine industries shows that, debt being the cheaper source is quite formally used in these industries.

Jacelly et al.2008 studied the impact of organization type on the financial leverage of the organization. For this researcher studied 806 non-financial American Latin companies from 1996 to 2005. Researcher came to the conclusion that there is a positive relation between the ownership and leverage of the company. The company which is more ownership focused like single partner or partnership or selected shareholders do not prefer to go for the equity finance as this will reduce their ownership and control over the management of the company so they prefer debt financing that increase the financial leverage. Thus there is a direct relation between the organizations with high ownership statue with the financial leverage of

the company. Jecelly also explained that firm sizes, profitability, tangibility of assets are having significant impact over the leverage of the organizations working in America.

Akhtar et al. (2004) performed a study on determining the capital structure of local and multinational companies situated in Australia. The study carried out a sample of 43 companies elected on the basis of availability of data for the research. The main aim of this research is What is the capital structure variables. The findings from the research conclude that, profitability, firm size and growth have significant positive kind of impact on the leverage in Australian firms.

2.6 Literature from Pakistan

Ahmed (2011), capital structure is a critical decision in deciding the future of a firm. Ahmed (2011) conducted a study in order to determine the capital structure decision in manufacturing industries of Pakistan. The findings from the study suggest that, most of the manufacturing firms are leveraged with debt whereas; they are surviving because of having strong cash flows. It has also been witnessed that, high leverage ratio will lead firms towards situation of default. Additionally Ahmed (2011) has identified that the major reason why a company uses more debt is because of its tax related benefits.

Nadeem (2011) conducted a study in order to determine the determinants of capital structure in manufacturing firms of Pakistan. The study was carried out on a sample of 160 firms all are listed in KSE. The financial data of 5 years has been selected to determine the factors and their effect on capital structure. The independent variables of the research include profitability, liquidity, EV, and tangibility while the dependent one is debt ratio. The findings from the research suggest that, all the independent variables of research seems to have negative impact on debt ratio except, firm size which has positive relationship with debt ratio. Additionally it has concluded from the research that, the theory follows the postulates of pecking order and agency theory (Nadeem, 2011).

Aurangzeb and Anwar ul Haq, (2012) conducted a study on knowing the determinants of the capital structure in the textile industry of Pakistan which are listed at Karachi Stock Exchange. Researcher said that textile industry of Pakistan is one of the major sources of local and foreign revenue of Pakistan. Pakistan is an emerging country having landed aggregation is their main business for the majority of the people in rural areas. Cotton is the premium quality production of Pakistan. The cheap labor, fine government policies and high quality of the production of cotton are the reasons for the high ranked textile industry in Pakistan. There are numerous textile industries, small, medium and large scale in Pakistan which is meeting the demand of local and international buyers. Researcher worked on the variables like Firm Size, Tangibility of Assets, Profitability, and Sales Growth over the financial leverage of the textile company. Researcher concluded that only sales growth has negative impact over the financial leverage of the textile companies as due to the increase in sales the textile owners meet their need from the internal source. Also the textile companies in Pakistan are highly leverage and the banks are reluctant to provide more loans to the highly leverage companies like textile companies.

Chhapra (2012), determine the optimal capital structure for the textile sector in Karachi includes a number of elements. In order to ascertain the growth and financing behavior. Researcher believes that the capital structure plays an important role in the financial and operational decision of the company. Capital structure is also important for the external stakeholders because their various decisions are based on the modes of the financing of the company. So it is critical to ascertain the financing behavior of the textile sector in Pakistan. Researchers gather the data of 90 textile companies which are listed in Karachi, Lahore and Islamabad Stock Exchange from 2005 to 2012. Researcher analyzed the data through correlation and regression. F test is also performed for knowing the fitness of overall model. Researcher classified the textile companies into three units which are spinning units, composite units and weaving units. Size of the firm (capital), profitability, fixed assets structure and taxes have negative relation with the leverage of textile sector.

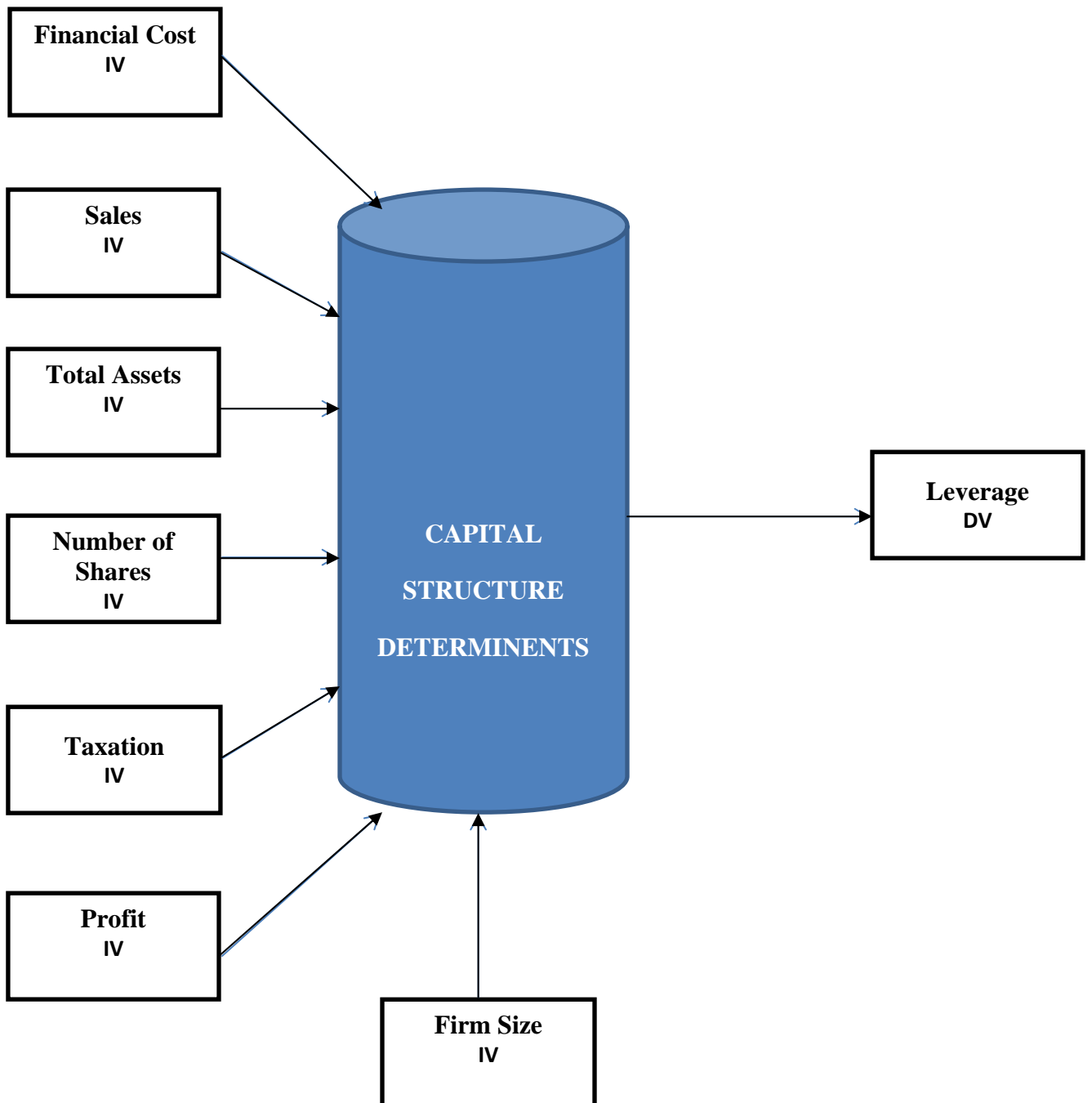
Akhtar, (2009) research said that spinning sector is one of the better performing sectors of Pakistan. The researchers analyzed the spinning sector of textile companies in Pakistan. Researcher worked on known the determinants of the spinning sector of textile companies which are comparatively small worth but present in large numbers in overall Pakistan. Researchers find out the impact of the profitability, sales growth, tangibility of the assets and taxes over the capital structure of the spinning sector. The data is analyzed through descriptive and inferential analysis. In inferential analyses regression and correlation have been performed. The result concluded that the independent variables have insignificant impact over the capital structure of the spinning sector in Pakistan. Spinning sector in textile companies are small companies and they prefer to meet their need from the internal source (Akhtar, 2009).

Naseer et al., (2012) capital structure of textile sector in Pakistan seems to be a complex decision. The researcher studied the data of decade from 2003 to 2013. Researcher tried to find out the relation of profit before taxation, number of outstanding shares of the company and sales of the textile companies over the capital changes of the textile sector in Pakistan. researcher also find out the empirical result over the years from 2003 to 2013 and tried to understand the pattern of the changes occur in the capital structure of various companies with respect of the selected variables as discussed above. Research also find out how the total assets, total equity and paid up capital act with the passage of time over the capital structure and decisions related to capital structure of textile sector of Pakistan. Researcher also concluded that the growth of textile sector in Pakistan is positive but in decreasing trend in spite of various potential in the sector.

Fozia Memon et al., (2012) textile companies in Pakistan are highly levered firms. They conducted a study and analyzed the data of 147 textile companies in Pakistan. The result for inquiring the features of the capital structure of textile companies are same as the theories however, researchers found that textile companies are unable to take benefit of economies of scale. They presented a theoretical model of how which the textile companies if combine in a single model or in a chain can achieve the economies of scale. Researcher brought the

concept of the intercompany loan transfer at the nominal or market rate. The internal source of fund can be easily explored if the textile companies which are currently present in separation with clusters are combined through any channel. The enterprise resource model for the textile companies can also assist in exploiting their internal strength. Researcher concluded that the textile companies in Pakistan are highly leverage which is a negative sign for the economy as the textile sector do reflect the approx. 60% of the business of economy, this concludes that 60% of the business of a country is leverage with the financial charges. Researchers recommended that the policy makers should need to take persistent measure for the remedy of textile sector of Pakistan.

2.7 Conceptual Framework



2.8 Hypotheses

H₀₁: There is an insignificant relation between firm size and leverage of the textile companies.

H_{a1}: There is a significant relation between firm size and leverage of the textile companies

H₀₂: There is an insignificant relation between the number of shares and leverage of the textile companies.

H_{a2}: There is a significant relation between the number of shares and leverage of the textile companies.

H₀₃: There is an insignificant relation between total assets and the leverage of the textile companies.

H_{a3}: There is a significant relation between total assets and the leverage of the textile companies.

H₀₄: There is an insignificant relation between the sales and leverage of the textile companies.

H_{a4}: There is a significant relation between the sales and leverage of the textile companies.

H₀₅: There is an insignificant relation between the financial cost and leverage of the textile companies.

H_{a5}: There is a significant relation between the financial cost and leverage of the textile companies.

H₀₆: There is an insignificant relation between the taxation and leverage of the textile companies.

H_{a6}: There is a significant relation between the taxation and leverage of the textile companies.

H_{07} : There is an insignificant relation between the profit and the leverage of the textile companies.

H_{a7} : There is a significant relation between the profit and the leverage of the textile companies.

CHAPTER 3

RESEARCH METHODOLOGY

3.1. Methodology

The main aim of this research is to identify the capital structure decisions in textile industries. The scope of the research determines that the study would be based on identifying the relationships among the variables through statistical tests. The tests help in determining the strength of relationships among the variables. The statistical tests include Multiple Regression analysis. Thus the research is quantitative in nature and provides quantifiable and measureable results at the end. The research is descriptive in nature.

3.2. Research Purpose

The main purpose of this study is to determine the potential determinants of capital structure of textile sector of Pakistan. In order to highlight those key factors, relationship between firm sizes, number of shares, total assets, sales, financial cost, profit, taxation and leverage is determined using statistical tool.

3.3. Research design

The research is organized in a way that it completes all requirements of the study. Through research designing procedure, it is made sure that it should be consistent with the main purpose of the study for which the whole process of research is being made. For this some other factors like taxation and financial cost are also considered in study to support the research outcomes.

3.4.Sources of Data

The main source for the data of the thesis is the financial statement of the selected companies, which provides data on the financial standing and sales growth of the major textile groups of the country. The publication is available online by the name of “Financial

Statements Analysis Of Companies (Non-Financial) Listed at KSE". The annual reports of the selected companies were also used for data completion and verification.

3.5.Treatment of Data

The thesis has exploited the Multiple Regression Analysis, using the SPSS software to determine the relationship between the dependent variable (leverage) with the independent variables (sales, tangibility of fixed assets, firm size, profitability, taxation, financing cost, and number of shares).

3.6.Sampling Design

A total data of 129 textile companies which are listed in the Karachi Stock Exchange as on 30 June 2014 has been gathered. This is the most current data available while making this research. The comprehensive data of one year is collected with the thought that all the companies in one year has passed through the same economic condition like the selling price, inflation, taxation rates and other laws and regulations, so it is objective to analyze the data collected of one year with full population rather than selection of few companies and taking its data from a range of year in which the economic condition is not the same.

CHAPTER 4

DATA ANALYSIS

4.1 Testing of Hypotheses

Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682 ^a	.558	.555	1.042

a. Predictors: (Constant),

The model summary table provides the R and R^2 values which helps in determining the variance. The R value represents the simple correlation and is 0.682 (the "**R**" Column), which indicates a moderate positive correlation between dependent variable leverage and independent variables, Firm Size, Number of shares, Total Assets, Sales, Financial Cost, Taxation and Profit.

The R^2 value (the "**R Square**" column) indicates how much of the total variation in the dependent variable, Leverage of textile firm, can be explained by the independent variables, Firm Size, Number of shares, Total Assets, Sales, Financial Cost, Taxation and Profit. In this case, .558 or 55.5% (if standard error included) can be explained, which is Moderate.

ANOVA TEST

Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	46.806	3	15.602	100.658	.000
	Residual	53.983	347	0.155		
	Total	100.744	350			

- a. Dependent Variable: Leverage
- b. Predictors: (Constant), Number of Shareholders, Taxation, Profit, Financial Cost, Number of Shares, Total Assets, Sales, Firm Size

The ANOVA test is performed in order to determine the statistical significance of the regression model. This table indicates that the regression model predicts the dependent variable in a significant manner. This can be easily evident from the "**Regression**" row and the "**Sig.**" column. This indicates the statistical significance of the regression model that was run. Here, $p < 0.000$, which is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data).

COEFFICIENTS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	33.422	13.584		2.460	.043
	Firm Size	3.340	.773	.527	4.320	.642
	Number of Shares	2.942	.665	.552	4.424	.334
	Total Assets	.211	.053	.558	3.981	.003
	Sales	.094	.021	.518	4.476	.442
	Financial cost	.214	.143	.501	1.468	.004
	Taxation	.344	.125	.496	2.752	.337
	Profit	.235	.198	.546	1.186	.002

a. Dependent Variable: Leverage

The table allows us to specify multiple models in a single **regression** command. The **Coefficients** table provides us with the necessary information to predict Leverage relationship from the independent variables, as well as determine whether Leverage contributes statistically significantly to the model (by looking at the "**Sig.**" column). Furthermore, we can use the values in the "**B**" column under the "**Unstandardized Coefficients**" column, as shown below. The variables whose significance value is greater than 0.05 suggest that they are insignificant, while the variables whose value is less than 0.05 suggest that they are significant.

Firm size, Number of shares, Sales and Taxation sigma value is greater than 0.05 which suggest that they are insignificant to the leverage of the textile firms in Pakistan. Total assets, Financial cost and Profit sigma value is less than 0.05 which shows they are significant to the leverage.

Hypothesis	Criteria	Decision
Firm size and leverage of the textile companies.	> 0.05	Rejected
Number of shares and leverage of the textile companies.	> 0.05	Rejected
Total assets and the leverage of the textile companies.	< 0.05	Accepted
Sales and leverage of the textile companies.	> 0.05	Rejected
Financial cost and leverage of the textile companies.	< 0.05	Accepted
Taxation and leverage of the textile companies.	> 0.05	Rejected
Profit and the leverage of the textile companies.	< 0.05	Accepted

From the coefficients table the following equation can be sorted out:

Regression Equation for Leverage

$$Y = a + b_1(x_1) + b_2(x_2) + b_3(x_3) + b_4(x_4) + e$$

$$\text{Leverage} = 33.422 + 3.340 (\text{FS}) + 2.942 (\text{NS}) + .211 (\text{TA}) + .094 (\text{SL}) + .214 (\text{FC}) + .344 (\text{TX}) + .235 (\text{PR})$$

CHAPTER 5

DISCUSSION

5.1. Critical Review

The main aim of this research is what is the determinants of capital structure in the textile industry of Pakistan. The textile industry of Pakistan is the major stakeholder in the annual GDP. According to Hijazi (2006) the textile industry of Pakistan has a huge contribution in the annual GDP therefore; the elements of capital structure are required to be critically examined.

The results from our research suggest that, there is a strong positive relationship between the firm size and leverage but the relationship is insignificant. The results from our research also shows consistency with the research carried out by Ahmed (2012). Ahmed (2012) conducted a research to determine the impact of capital structure decision and find out a similar kind of result however, the results shows non-consistency with the results of Hijazi (2006) and Afza&Hussain (2011). The results from both the research suggest that, there exist a significant strong positive relationship among firm size and Leverage specific to textile firms in Pakistan. There is clear evidence that, firms in textile industry mostly bear more amounts in debt from financial institutions and thus, it is irrelevant of size because, it now becomes the norm of the industry thus, some huge number of bankruptcies has been noted in the last 08 years (Afza&Hussain, 2011).

There are also the firms which have floated their equity in the market to attract more capital. The results from our research show that, there exist an insignificant and an average level of relationship number of shares with leverage. The results from our research are found similar to the results of (Ahmed & Hanif, 2011). The researchers also carried out their study what is the capital structure decision in the textile firms of Pakistan. However, the results of our research are found to be inconsistent with the study carried out by Hijazi (2004). This shows that, the relationship between leverage and number of shares are inconsistent because, textile firms can opt for both kind of financing and they are less reliant on the equity financing and

floating greater number of shares in the market in order to secure the dilution in their ownerships (Ahmed & Hanif, 2011)

The textile firms bear a huge number of assets ranging from machinery to land. These assets are mandatory for the textile to carry on their business yet they are costly too and require huge amount of financing (Akhtar, 2004). The results from our research show that, there exists a significant strong positive relationship between Leverage and total assets. The relationship seems to be strong because most of the firms finance their assets thorough leverage however, greater leverage make the firm highly geared but according to Ahmed (2012) this is the phenomenon in textile business. He results from our research shows strong consistency with the research carried out by (Ashraf & Rasool, 2013) & (Akhtar, 2004). Both the researches are carried out in Pakistani context and are from textile and Automobile sector. The study concludes enough evidence that there is strong positive relationship between leverage and total assets.

Sales revenue is the life blood for any organization however in textile firms huge sales revenue is generated from local sales as well as from export. The results of our research show that, there exist an insignificant but strong positive relationship between sales and leverage. The results from our research also show consistency with the results of (Mazhar & Nasr, 2010). This means that, sales revenue seems to be independent of the leverage usage. Naseer, Buttar, Mateen, (2012) study also shows consistency with the results from our research and determines that, sales revenue is independent from leverage (Naseer, Buttar, Mateen, 2012).

Textile firms are keen about their financial costs. The results from our research also suggest that, there is strong positive relationship exists among leverage and the financial cost. The results from our research also shows consistency with the studies carried out by Memon, Bhutto, Abbas, (2012) & Hijazi (2004). The financial cost is important for textile firms because they bear loans and have to pay huge interest costs. The financial cost is important because it depicts the price of a product and to be in the competition the price of a product should also be competitive (Shah & Hijazi, 2004).

Taxation is an important determinant that has an effect over other financial affairs. Debt bearing firms can possess tax advantages. The result from our research shows consistency with the results of study carried out by Zaheer (2011) & Ilyas (2008). According to these researchers, taxation and leverage have insignificant and a weak relationship. Additionally, Naseer (2012) carried out a study on textile sector and shows similar kind of results.

Profitability is one of the major determinants of a capital structure decisions. The results from our research show that, profitability has a significant strong relationship with leverage in Textile firms. The results from our research also shows strong level of agreement with the research carried out by Hijazi & Tariq, (2006) & Mazhar & Nasr, (2010). There are other researches too which gives a strong evidence to suggest the relationship i.e. Chhapra & Asim, (2012). Moreover, the results shows that, in order to increase their profit margin and decrease the dividend payout ratio they adopt external loan so that the money received may be used in the operations so as to generate the profit, thus gross profit margin increase. Debt leads to high interest expense which decreases the retained earnings and taxes to be given to shareholders and government Chhapra & Asim, (2012).

CHAPTER 6

CONCLUSION & RECOMMENDATIONS

6.1 Conclusion

The research is carried out with an aim to identify the determinants of capital structure in textile industry of Pakistan. The capital structure decisions are of critical importance for any firm however, the scope of our research is limited to textile industries. Capital structure decision is important because it provides the direction for future. The literature reveals that, textile firms in Pakistan are mostly family owned businesses and are mainly financed through debt sources. Research suggests that, the main determinants of capital structure include size, growth, tangibility, profitability, taxation and floatation of shares.

The research is quantitative in nature with a sample size of 29 firms of which the financial data is collected through secondary sources. The main aim of this research is What is the relationship among the variables thus; the variables are identified as (Size, Profitability, sales growth, taxation and share capital as independent and (Leverage) as dependent variable. The relationship among the determinants is examined with the help of Regression testing. Each of the variables is critically examined in order to have conclusive results.

The results from the research show that, Total Assets, Financial Cost and Profit possess significant positive relationship with Leverage. While on the other hand; Number of shareholders, taxation, sales, number of shares, Firm Size is insignificant correlated with the leverage of a firm. For most of the textile firms

The results from the research are found to be significant with the previous researchers carried out in the same domain of textile firm. Additionally, the findings from the research suggest that, Textile firms in Pakistan are highly leveraged with debt however; some of them have also issues equity in the market to attract capital. It has also been witnessed during the course of this research that, textile firms are majorly family owned businesses therefore; they didn't

prefer to go for equity financing option because of the dilution in ownership however, from the debt financing them also possess some advantages like taxation.

6.2 Recommendation

Some recommendation based on the findings is as follows:

- The Financial manager needs to inculcate the culture of defining an optimum capital structure in firms. This would help them in identifying a better mix of financing. Relying on a single option is more risky and increasing the debt has chances of bankruptcy too. The firms which have shown bankruptcy in the last decade are those whose are highly geared. This can also be witnessed in American financial industry that there were 470 firms that shows default because of being highly leveraged by debt (REUTERS, 2014).
- The designing of capital structure is important thus, the structure need to be flexible so that, it can be adjusted in accordance with the business climate.
- The financial managers of textile firms need to revisit their decisions regarding capital structure in textile firms. The literature shows that, the textile firms are highly leveraged and are required to push more equity holdings in these firms. This would not only save the interest costs as well as, this helps in reducing costs. Flotation of shares could aid in injecting equity in the company which provides survival to those who are facing cash crunches.
- In current business environment Debt becomes cheaper but on the other hand, an optimal mix is required to be defined. This proper mix of debt and equity will enable smooth performance of the textile firms. The literature suggests that, most of the textile companies are drowned and closing down their operation due to higher interest payment and debt crisis. However, this situation can be handled with help of including more equity. Although there is a trade-off between the two i.e. reducing the ownership and adding more equity but this would become a solution to safeguard the firms.

- The textile firms are facing huge level of distress due to non-availability of electric power resources for days and weeks. To combat this situation the textile mills have taken initiative and purchase huge generators. On one hand, the problem of electricity is addressed but on the other hand, the cost of production has increased many times reducing the profits. In this situation the APTAMA board needs to visit Government and request them to make the electricity available 24/7 and on the other hand, it has also been requested to reduce the tariff by at least 3%.

In future the scope of this research could be broadening in the near future as well as, a comparative study could also be conducted by adding more variables and can also include more companies. In future the study can be broadening to more sectors as well as, the period of research could also be enhanced to more than 10 years.

REFERENCES

- Afza, T., Hussain, A., 2011. Determinants of Capital Structure across selected Manufacturing sectors of Pakistan. *Int. J. Humanit. Soc. Sci.* 1, 254–262.
- Ahmed, S., Hanif, M., 2011. Determinants of Capital Structure in Textile Sector of Pakistan. *Sci European Journal of Business and Mana. Ser. Data Rep.* 4
- Akhtar, S., Oliver, B., 2009. Determinants of capital structure. *Int. Rev. Finance* 3, 234–296.
- Akhtar, S., others, 2004. Australian multinational and domestic corporations capital structure determinants.
- Analysis of Food Sector Listed on Karachi Stock Exchange”, *International Journal of Multidisciplinary Consortium*, Vol. 1, No. 1, pp. 1-11.
- Ashraf, T., Rasool, S., 2013. Determinants of Leverage of Automobile Sector Firms Listed in Karachi Stock Exchange by Testing Packing Order Theory. *J. Bus. Stud. Q.* 4, 73.
- Bokhari, H. W., and Khan, M. A. (2013), “The impact of capital structure on frims’ performance (A case of Non-Financial Sector of Pakistan)”, *European Journal of Business and Management*, Vol. 5, No. 31, pp. 111-137.
- Céspedes, J., González, M., Molina, C., 2008. Ownership concentration and the determinants of capital structure in Latin America. *J. Bus. Res.* 63, 248–254.
- Chhapra, I.U., Asim, M., 2012. Determinants of capital structuring: an empirical study of growth and financing behavior of firms of textile sector in Pakistan.
- Chisti, K. A., Ali, K., and Sangmi, M. (2013), “Impact of Capital Structure on Profitability of Listed Companies (Evidence from Inida)”, *The USV ANNALS of Economics and Public Administration*, Vol. 13, No. 1, pp. 183-191.
- Ebaid, I. E. (2009), “The impact of capital structure choice on firm performance: empirical evidence from Egypt”, *The Journal of Risk Finance*, Vol. 10, No. 5, pp. 477-487.

- Frank, M. and Goyal, V. (2003), “Testing the pecking order theory of capital structure”, *Journal of Financial Economics*, Vol. 67, pp. 217-248.
- Gill, Amarjit, Biger, N., and Mathur, N. (2011), “The effect of capital structure on profitability: Evidence from the United States”, *International Journal of Management*, Vol. 28, No. 4, pp. 3-15.
- Hijazi, S.T., Tariq, Y.B., 2006. Determinants of capital structure: A case for Pakistani cement industry. *Lahore J. Econ.* 11, 63–80.
- Ilyas, J., 2008. The determinants of capital structure: Analysis of non-financial firms listed in Karachi stock exchange in Pakistan. *J. Manag. Sci.* 2, 279–307.
- Jean-Laurent, VIVIANI 2008..Capital Structure Determinants: An Empirical Study of French Companies_in the Wine Industry....ERFI ,,University of Montpellier 1
- Mazhar, A., Nasr, M., 2010. Determinants of capital structure decisions case of Pakistani government owned and private firms. *Int. Rev. Bus. Res. Pap.* 6, 40–46.
- Memon, F., Bhutto, N.A., Abbas, G., 2012. Capital structure and firm performance: a case of textile sector of Pakistan. *Asian J. Bus. Manag. Sci.* 1, 09–15.
- Naseer, A.B., Buttar, H., Mateen, A., 2012b. The Comprehensive Study of the Capital Structure of Textile Composite in Pakistan Over The Decade.
- Patrick Bauer (2004).pdf, n.d.
- Shah, A., Hijazi, T., Javed, A.Y., 2004. The Determinants of Capital Structure of Stock Exchange-listed Non-financial Firms in Pakistan [with Comments]. *Pak. Dev. Rev.* 605–618.
- Shah, A., Khan, S., 2007. Determinants of capital structure: Evidence from Pakistani panel data. *Int. Rev. Bus. Res. Pap.* 3, 265–282.
- ulHaq, A., others, 2012. Determinants of Capital Structure: A case from Textile Industry of Pakistan. *Int. J. Acad. Res. Bus. Soc. Sci.* 2, 408.
- Zaheer, Z., 2011. Determinants of Capital Structure: A Comprehensive Study of Textile Sector of Pakistan. *Int. J. Acad. Res.* 3.

APPENDICES

1	AHTM	Ahmad Hassan Textile Mills Limited
2	AWTX	Allawasaya Textile & Finishing Mills Limited
3	ALQT	Al-Qadir Textile Mills Limited
4	APOT	Apollo Textile Mills Limited
5	ADMM	Artistic Denim Mills Limited
6	ARUJ	Aruj Industries Limited
7	ASHT	Ashfaq Textile Mills Limited
8	ASTM	Asim Textile Mills Limited
9	AYTM	Ayesha Textile Mills Limited
10	ANL	Azgard Nine Limited
11	BCML	Babri Cotton Mills Limited
12	BNWM	BannuWoollen Mills Limited
13	BATA	Bata Pakistan Limited
14	BHAT	Bhanero Textile Mills Limited
15	BILF	Bilal Fibres Limited
16	BTL	Blessed Textile Mills Limited
17	BROT	Brothers Textile Mills Limited
18	CWSM	Chakwal Spinning Mills Limited
19	CHBL	Chenab Limited
20	COLG	Colgate - Palmolive (Pakistan) Limited
21	CML	Colony Mills Limited
22	CCM	Crescent Cotton Mills Limited
23	CFL	Crescent Fibres Limited
24	CJPL	Crescent Jute Products Limited
25	DMTX	D. M. Textile Mills Limited
26	DSIL	D. S. Industries Limited
27	DSML	Dar Es Salaam Textile Mills Limited
28	DLL	DawoodLawrencepur Limited
29	DFSM	DewanFarooque Spinning Mills Limited
30	DKTM	Dewan Khalid Textile Mills Limited
31	DMTM	DewanMushtaq Textile Mills Limited
32	DWTM	Dewan Textile Mills Limited
33	DINT	Din Textile Mills Limited
34	ELSM	Ellcot Spinning Mills Limited
35	FASM	Faisal Spinning Mills Limited
36	FIL	Fateh Industries Limited
37	FSWL	Fateh Sports Wear Limited
38	FZCM	Fazal Cloth Mills Limited

39	FZTM	Fazal Textile Mills Limited
40	GADT	Gadoon Textile Mills Limited
41	GFIL	Ghazi Fabrics International Limited
42	GLPL	Gillette Pakistan Limited
43	GLAT	Glamour Textile Mills Limited
44	GATM	Gul Ahmed Textile Mills Limited
45	GUSM	Gulistan Spinning Mills Limited
46	GUTM	Gulistan Textile Mills Limited
47	GSPM	Gulshan Spinning Mills Limited
48	HMIM	Haji Mohammad Ismail Mills Limited
49	HIRAT	Hira Textile Mills Limited
50	HAFL	Hafiz Limited
51	IBFL	Ibrahim Fibres Limited
52	ICCT	ICC Textiles Limited
53	IDSM	Ideal Spinning Mills Limited
54	IDRT	Idrees Textile Mills Limited
55	IDYM	Indus Dyeing & Manufacturing Company Limited
56	INKL	International Knitwear Limited
57	ISTM	Ishaq Textile Mills Limited
58	ILTM	Island Textile Mills Limited
59	JATM	J. A. Textile Mills Limited
60	JKSM	J. K. Spinning Mills Limited
61	JDMT	Janana De Malucho Textile Mills Limited
62	JUBS	Jubilee Spinning & Weaving Mills Limited
63	KSTM	Khalid Siraj Textile Mills Limited
64	KHYT	Khyber Textile Mills Limited
65	KOHTM	Kohat Textile Mills Limited
66	KOIL	Kohinoor Industries Limited
67	KML	Kohinoor Mills Limited
68	KOSM	Kohinoor Spinning Mills Limited
69	KTML	Kohinoor Textile Mills Limited
70	LMSM	Landmark Spinning Industries Limited
71	LEUL	Leather Up Limited
72	LIBT	Libaas Textile Limited
73	MEHT	Mahmood Textile Mills Limited
74	MQTM	Maqbool Textile Mills Limited
75	MSOT	Masood Textile Mills Limited
76	MTIL	Mian Textile Industries Limited
77	MFTM	Mohammed Farooq Textile Mills Limited
78	MOON	Moonlite (Pak) Limited

79	MUBT	Mubarak Textile Mills Limited
80	NPSM	N. P. Spinning Mills Limited
81	NATM	Nadeem Textile Mills Limited
82	NAGC	Nagina Cotton Mills Limited
83	NCL	Nishat (Chunian) Limited
84	NML	Nishat Mills Limited
85	OLSM	Olympia Spinning & Weaving Mills Limited
86	OLTM	Olympia Textile Mills Limited
87	PSYL	Pakistan Synthetics Limited
88	PASM	Paramount Spinning Mills Limited
89	PRET	Premium Textile Mills Limited
90	PRWM	Prosperity Weaving Mills Limited
91	QUAT	Quality Textile Mills Limited
92	QUET	Quetta Textile Mills Limited
93	RAVT	Ravi Textile Mills Limited
94	REDCO	Redco Textiles Limited
95	RCML	Reliance Cotton Spinning Mills Limited
96	REWM	Reliance Weaving Mills Limited
97	REST	Resham Textile Industries Limited
98	RUBY	Ruby Textile Mills Limited
99	RUPL	Rupali Polyester Limited
100	SFAT	Safa Textiles Limited
101	SAIF	Saif Textile Mills Limited
102	SJTM	Sajjad Textile Mills Limited
103	SALT	Salfi Textile Mills Limited
104	SLYT	Sally Textile Mills Limited
105	SANE	Salman Noman Enterprises Limited
106	SMTM	Samin Textiles Limited
107	SNAI	Sana Industries Limited
108	SFL	Sapphire Fibres Limited
109	SAPT	Sapphire Textile Mills Limited
110	SRSM	Sargodha Spinning Mills Limited
111	SSML	Saritow Spinning Mills Limited
112	SRVI	Service Industries Limited
113	SHDT	Shadab Textile Mills Limited
114	STJT	Shahtaj Textile Limited
115	SZTM	Shahzad Textile Mills Limited
116	STML	Shams Textile Mills Limited
117	SCL	Shield Corporation Limited
118	SFTM	Sind Fine Textile Mills Limited

119	SUTM	Sunrays Textile Mills Limited
120	SURC	Suraj Cotton Mills Limited
121	THAS	Taha Spinning Mills Limited
122	TATM	Tata Textile Mills Limited
123	CRTM	The Crescent Textile Mills Limited
124	NSRM	The National Silk & Rayon Mills Limited
125	TREET	Treet Corporation Limited
126	UBDL	United Brands Limited
127	YOUW	Yousaf Weaving Mills Limited
128	ZAHT	Zahidjee Textile Mills Limited
129	ZTL	Zephyr Textiles Limited

Appendix1.1
Data Sample 2014

Name of Company	PAID-UP CAPITAL	Shares (No)	Total Assets	Debt	Sales / TI	Banks/ FC	Taxation	PAT	Shareholders
Ahmad Hassan Textile	144.082	14.408	3,282.057	2,462.155	4,015.813	85.757	38.261	143.999	749
Allawasaya Textile &	8.000	0.800	1,113.596	841.981	2,038.915	26.153	34.272	87.194	178
Al-Qadir Textile Mills	75.600	7.560	718.967	387.302	1,819.084	31.951	9.044	44.329	888
Apollo Textile Mills Limited	82.847	8.285	2,932.743	2,526.099	3,032.855	17.592	19.754	34.782	517
Artistic Denim Mills	840.000	84.000	5,976.468	1,915.753	6,136.793	149.713	29.646	757.386	716
Aruj Industries Limited	61.517	6.152	402.176	278.968	478.460	12.577	7.846	21.453	578
Ashfaq Textile Mills	262.388	26.239	746.152	279.022	795.248	12.344	7.403	68.501	665
Asim Textile Mills Limited	151.770	15.177	685.950	855.138	1,130.026	0.159	2.656	101.408	2,486
Ayesha Textile Mills	14.000	1.400	3,487.448	3,142.079	3,370.749	94.503	(19.531)	94.231	85
Azgard Nine Limited	4,493.494	449.349	20,675.719	19,413.434	13,719.626	2,101.750	137.540	963.945	7,311
Babri Cotton Mills Limited	36.522	3.652	1,806.071	1,215.005	2,064.442	45.824	86.948	215.388	1,642
BannuWoollen Mills	76.050	7.605	1,795.679	994.496	807.725	10.934	30.063	144.457	793
Bata Pakistan Limited	75.600	7.560	6,389.270	1,888.623	12,774.438	26.515	481.966	1,232.422	1,105
Bhanero Textile Mills	30.000	3.000	4,405.623	1,458.265	6,997.417	124.896	33.710	586.996	257
Bilal Fibres Limited	141.000	14.100	1,349.182	1,407.296	1,823.174	55.182	37.778	61.708	925
Blessed Textile Mills	64.320	6.432	4,149.522	1,728.300	5,765.770	138.293	44.978	394.614	491
Brothers Textile Mills	98.010	9.801	365.856	437.610	0.000	1.062	(0.072)	5.456	1,456
Chakwal Spinning Mills	200.000	40.000	1,653.857	1,254.779	2,741.832	36.160	21.925	116.373	609
Chenab Limited	1,150.000	115.000	15,045.669	19,474.129	2,171.725	105.703	5.290	(493.799)	1,624
Colgate - Palmolive	435.954	43.595	9,203.241	2,573.055	20,267.440	15.376	673.699	1,589.150	711
Colony Mills Limited	2,441.763	244.176	13,995.982	11,186.776	15,768.215	910.427	4.051	292.958	3,225
Crescent Cotton Mills	213.775	21.378	3,938.320	3,360.631	3,816.579	39.188	63.275	255.979	1,493
Crescent Fibres Limited	124.179	12.418	1,617.162	875.383	3,143.650	70.835	41.422	243.601	1,514
Crescent Jute Products	237.635	23.763	358.409	792.760	18.677	23.925	(2.906)	(63.693)	1,899
D. M. Textile Mills Limited	30.524	3.052	902.297	1,113.130	44.346	24.851	6.199	(33.692)	356
D. S. Industries Limited	600.000	60.000	776.928	1,126.845	1,085.828	33.568	(14.279)	142.028	1,919
Dar Es Salaam Textile Mills Limited	80.000	8.000	1,113.545	1,313.764	1,707.873	53.783	0.828	(37.509)	1,304
DawoodLawrencepur Limited	590.578	59.058	1,252.553	398.774	134.318	5.707	2.300	(340.166)	6,025
DewanFarooque Spinning Mills Limited	977.507	97.751	2,669.969	1,939.720	1,301.852	52.541	(25.959)	35.237	1,781
Dewan Khalid Textile Mills Limited	56.825	5.682	1,347.300	1,163.963	1,426.136	14.740	(7.306)	1.268	715
DewanMushtaq Textile Mills Limited	34.340	3.434	1,401.834	1,189.454	1,590.564	23.213	9.682	(13.571)	663
Dewan Textile Mills Limited	135.046	13.505	5,612.520	5,817.312	3,928.180	109.700	(4.303)	62.745	262
Din Textile Mills Limited	203.834	20.383	6,341.973	4,041.736	8,296.374	298.664	100.609	733.651	834
Ellicot Spinning Mills Limited	109.500	10.950	2,185.275	915.010	4,858.426	82.196	70.046	352.203	579

Faisal Spinning Mills Limited	100.000	10.000	5,090.569	2,079.275	8,488.787	154.786	77.715	798.232	709
Fateh Industries Limited	20.000	2.000	42.323	346.493	17.342	0.084	0.241	(112.089)	99
Fateh Sports Wear Limited	20.000	2.000	46.755	442.288	14.955	15.870	0.104	(319.430)	115
Fazal Cloth Mills Limited	250.000	25.000	23,402.333	17,276.832	20,558.588	1,059.121	311.201	1,151.122	1,379
Fazal Textile Mills Limited	61.875	6.188	7,437.335	5,287.770	5,909.410	89.656	21.677	436.246	705
Gadoon Textile Mills Limited	234.375	23.438	13,763.802	7,595.918	18,673.753	434.061	125.199	1,134.825	1,733
Ghazi Fabrics International Limited	326.356	32.636	2,946.349	2,916.534	5,381.510	138.961	1.233	55.681	5,124
Gillette Pakistan Limited	192.000	19.200	1,217.937	538.202	1,769.225	0.050	81.780	253.413	690
Glamour Textile Mills Limited	266.400	26.640	1,247.719	857.910	2,322.848	58.646	10.846	135.425	279
Gul Ahmed Textile Mills Limited	1,523.486	152.349	21,188.930	15,760.428	30,201.588	1,227.520	139.050	702.078	2,160
Gulistan Spinning Mills Limited	146.410	14.641	1,950.279	3,163.604	603.482	10.623	(13.147)	(105.233)	1,709
Gulistan Textile Mills Limited	189.839	18.984	7,848.957	15,342.572	2,678.374	43.084	(31.134)	(1,074.716)	1,064
Gulshan Spinning Mills Limited	222.250	22.225	5,199.946	6,993.452	1,319.221	40.996	29.280	(259.616)	3,503
Haji Mohammad Ismail Mills Limited	119.750	11.975	52.987	8.999	1.587	0.954	0.000	(38.809)	287
Hira Textile Mills Limited	715.520	71.552	4,443.263	2,814.150	3,985.373	298.442	(21.731)	172.000	399
Hafiz Limited	12.000	1.200	387.362	79.967	12.210	0.006	1.192	4.879	941
Ibrahim Fibres Limited	3,105.070	310.507	49,235.233	23,180.588	38,839.262	951.427	(1,159.559)	5,534.167	2,411
ICC Textiles Limited	300.011	30.001	1,240.314	1,476.242	1,728.459	75.048	1.257	2.984	1,560
Ideal Spinning Mills Limited	99.200	9.920	886.953	629.831	1,981.874	42.820	13.969	30.754	1,588
Idrees Textile Mills Limited	180.480	18.048	2,505.443	1,979.279	2,242.355	91.103	17.712	61.548	1,700
Indus Dyeing & Manufacturing Company Limited	180.737	18.074	11,315.251	2,898.324	17,612.016	277.200	(24.136)	2,333.606	1,496
International Knitwear Limited	32.250	3.225	93.455	60.010	105.441	1.809	0.626	(13.948)	1,183
Ishaq Textile Mills Limited	96.600	9.660	2,404.163	1,840.550	3,731.271	139.632	19.557	72.063	1,089
Island Textile Mills Limited	5.000	0.500	2,099.100	893.968	2,218.984	31.873	18.212	367.362	429
J. A. Textile Mills Limited	126.012	12.601	572.060	616.780	860.044	0.231	17.993	28.299	1,770
J. K. Spinning Mills Limited	609.033	60.903	5,462.892	3,062.845	8,918.973	216.220	51.137	599.355	223
Janana De Malucho Textile Mills Limited	47.848	4.785	3,346.165	2,488.432	2,714.679	104.604	83.052	234.581	1,130
Jubilee Spinning & Weaving Mills Limited	324.912	32.491	934.719	973.745	394.451	2.720	3.965	(13.481)	1,301
Khalid Siraj Textile Mills Limited	107.000	10.700	511.660	609.404	1,084.470	17.295	(7.634)	(30.892)	1,304
Khyber Textile Mills Limited	12.275	1.228	491.779	534.632	0.000	0.000	0.000	(1.587)	436
Kohat Textile Mills Limited	208.000	20.800	1,573.151	1,255.425	2,355.043	72.603	77.828	118.750	821
Kohinoor Industries Limited	303.025	30.303	778.099	1,106.608	0.000	0.008	16.808	(0.784)	2,504
Kohinoor Mills Limited	509.110	50.911	5,860.065	5,338.630	8,451.771	505.423	78.545	1,008.667	1,639
Kohinoor Spinning Mills Limited	650.000	130.000	3,719.137	2,673.735	6,230.120	238.489	44.170	265.524	309
Kohinoor Textile Mills Limited	2,455.262	245.526	15,320.597	10,321.328	14,250.439	640.543	313.903	484.532	5,112
Landmark Spinning Industries Limitedzs	121.237	12.124	241.279	293.338	0.000	0.001	0.000	(1.172)	429

Leather Up Limited	60.000	6.000	53.818	31.569	24.088	0.900	0.258	(2.080)	2,090
Libaas Textile Limited	40.000	4.000	6.236	5.983	0.000	0.003	0.000	2.329	388
Mahmood Textile Mills Limited	150.000	15.000	9,184.670	5,057.946	14,225.506	469.608	148.797	668.925	195
Maqbool Textile Mills Limited	168.000	16.800	2,155.435	1,617.722	4,554.284	89.120	62.814	173.557	740
Masood Textile Mills Limited	600.000	60.000	19,330.895	14,223.928	22,744.589	1,105.926	222.838	906.358	1,470
Mian Textile Industries Limited	221.052	22.105	647.129	1,061.799	233.662	10.760	1.194	(47.617)	1,785
Mohammed Farooq Textile Mills Limited	188.892	18.889	1,263.457	2,488.102	0.000	7.377	0.000	(16.384)	2,034
Moonlite (Pak) Limited	21.596	2.160	91.876	56.775	11.595	2.419	0.335	(68.706)	2,256
Mubarak Textile Mills Limited	54.000	5.400	43.032	82.555	0.000	3.796	0.793	(2.004)	638
N. P. Spinning Mills Limited	147.000	14.700	1,221.168	895.442	2,172.314	31.845	21.621	18.996	931
Nadeem Textile Mills	120.150	12.015	2,315.961	1,779.823	4,322.718	101.381	41.780	72.699	54
Nagina Cotton Mills	187.000	18.700	2,652.601	869.722	4,451.553	77.017	20.204	605.152	968
Nishat (Chunian) Limited	1,819.860	181.986	21,924.849	13,904.577	21,213.244	1,243.262	254.760	2,276.161	6,590
Nishat Mills Limited	3,515.999	351.600	80,634.594	21,717.559	52,426.030	1,617.581	510.000	5,846.853	11,743
Olympia Spinning & Weaving Mills Limited	120.000	12.000	2,514.989	3,360.140	2,634.363	148.677	21.917	(107.623)	407
Olympia Textile Mills Limited	108.040	10.804	644.058	815.976	61.548	1.218	(0.828)	(11.086)	861
Pakistan Synthetics Limited	560.400	56.040	3,101.092	1,983.843	5,123.546	116.394	23.147	43.896	1,448
Paramount Spinning Mills Limited	173.523	17.352	3,608.736	5,758.655	2,531.007	58.949	43.908	(499.123)	2,909
Premium Textile Mills Limited	61.630	6.163	4,095.115	2,867.852	4,932.271	164.588	15.247	493.200	783
Prosperity Weaving Mills Limited	184.800	18.480	1,773.559	916.358	6,600.175	82.942	52.898	342.573	567
Quality Textile Mills Limited	159.778	15.978	1,463.362	769.435	2,557.194	54.826	30.252	165.974	516
Quetta Textile Mills Limited	130.000	13.000	9,499.464	7,074.531	12,967.979	725.308	107.979	159.274	249
Ravi Textile Mills Limited	250.000	25.000	293.171	408.013	0.000	10.194	0.000	(30.674)	1,054
Redco Textiles Limited	492.926	49.293	1,590.182	1,170.934	2,438.127	13.573	10.380	20.763	765
Reliance Cotton Spinning Mills Limited	102.920	10.292	3,281.305	1,644.961	3,853.608	160.493	42.107	308.875	607
Reliance Weaving Mills Limited	308.109	30.811	8,131.650	6,023.207	9,514.177	431.571	(21.509)	570.147	1,718
Resham Textile Industries Limited	360.000	36.000	1,799.290	1,060.492	3,501.701	69.154	98.233	250.788	119
Ruby Textile Mills Limited	522.144	52.214	1,798.255	1,417.648	1,113.206	43.791	42.626	251.901	895
Rupali Polyester Limited	340.685	34.069	3,670.700	1,804.627	6,091.802	81.965	78.853	(436.600)	535
Safa Textiles Limited	40.000	4.000	299.344	241.061	771.762	18.447	7.820	1.127	185