

# Half Yearly Accounts

DECEMBER 31, 2014

(UN-AUDITED)



## Mahmood Textile Mills Ltd.









## Company Information

### Board Of Directors:

Khawaja Muhammad Masood	Chairman
Khawaja Muhammad Iqbal	Chief Executive Officer
Khawaja Muhammad Ilyas	Director
Khawaja Muhammad Younus	Director
Jalal-ud-din Roomi	Director
Mst. Khadija Qureshi	Director
Muhammad Muzaffar Iqbal	Director

### Chief Financial Officer/Company Secretary:

Muhammad Amin Pal  
F.C.A.

### Auditors:

Hameed Chaudhri & Co.  
Chartered Accountants  
H.M. House, 7-Bank Square, Lahore.

### Audit Committee

Khawaja Muhammad Ilyas	Chairman
Khawaja Muhammad Younus	Member
Muhammad Muzafar Iqbal	Member

### Stock Exchange Listing

The Mahmood Textile Mills Limited is a listed Company and its shares are traded on Karachi Stock Exchange in Pakistan.

### Bankers

MCB Bank Limited  
United Bank Limited  
Habib Bank Limited  
Allied Bank Limited  
Bank Al-Habib Limited  
Meezan Bank Limited  
National Bank of Pakistan Limited  
Bank Al-Falah Limited

### Mills

Mahmoodabad, Multan Road,  
Muzaffargarh.

Masoodabad, D.G. Khan Road,  
Muzaffargarh.

Chowk Sarwar Shaheed  
Distt. Muzaffargarh

### Registered Office

Mehr Manzil, Lohari Gate, Multan.  
Tel: 061-111-181-181  
Fax: 061-4511262  
E-mail: [info@mahmoodgroup.com](mailto:info@mahmoodgroup.com)

### Share Registrar

Hameed Majeed Associates (Pvt) Ltd.  
H M House, 7-Bank Square,  
Lahore

[www.mahmoodgroup.com](http://www.mahmoodgroup.com)

## Directors' Review

### IN THE NAME OF ALLAH THE MOST BENEFICENT & MOST MERCIFUL.

Your Directors are pleased to present half yearly accounts of the Company for the period ended December 31, 2014 duly reviewed by the Statutory Auditor of the Company. With the Blessings of Almighty Allah, the Company during the half year after providing depreciation of Rs. 154,099,271 earned a net profit of Rs.138,431,985 as compared to Rs. 296,503,749 earned during the corresponding period.

Future results of the industry seems pessimistic because international as well as local yarn & fabrics markets are under pressure, where as cotton rates are stable. Moreover, for an export based industry the devaluation of currency turning into revaluation is also a challenge. The Company is making efforts to face this uphill task. Further Govt should also take steps on war footing to end the energy crises.

Regarding observation of the Auditor, it is stated that as per Company's policy, valuation of investment in the Associated Companies is not made on equity basis in any interim accounts due to non-availability of audited financial statement of the concerned Companies. However, this method of valuation is adopted in the Annual Audited Accounts of the Company to comply with the requirement of IAS 28.

The detail of production of yarn, fabrics and their local and export sale of reporting period is tabulated as under:

#### PRODUCTION:

Production of Yarn (Converted into 20 Count)	Kgs	18,152,514
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Production of Cloth (Converted into 60 Picks)	Sq. Mtrs	15,785,824
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#### SALES:

Sales Export (Net)	Rs.	5,780	(Million)
Sales Local (Net)	Rs.	1,269	(Million)
Total Sales (Net)	Rs.	7,049	(Million)

On Behalf of Board of Directors.

Dated: February 27, 2015  
MULTAN

Khawaja Muhammad Masood  
Chairman

# Auditors' Report To The Members On Review Of Interim Financial Information

## Introduction

We have reviewed the accompanying condensed interim balance sheet of MAHMOOD TEXTILE MILLS LIMITED (the Company) as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half-year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half-year ended December 31, 2014.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Basis of Qualified Conclusion

Carrying values of investments in the Associated Companies as at December 31, 2014 have not been accounted for using the equity method as required by IAS 28 (Investments in Associates and Joint Ventures) as detailed in note 7.

## Qualified Conclusion

Based on our review, except for the matter referred to in the preceding paragraph and the extent to which this may affect the annexed interim financial information, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half-year ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Dated: February 27, 2015  
LAHORE

**HAMEED CHAUDHRI & CO.,**  
CHARTERED ACCOUNTANTS  
Engagement Partner: Nafees ud din

# Condensed Interim Balance Sheet

AS AT DECEMBER 31, 2014

	Note	Un-audited December 31, 2014 Rupees	Audited June 30, 2014 Rupees
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	6	2,896,804,251	3,034,662,399
Long term investments	7	1,212,505,442	1,212,505,442
Loan to an executive		2,518,311	3,851,500
Long term deposits		8,732,521	8,732,521
		4,120,560,525	4,259,751,862
<b>Current Assets</b>			
Stores, spares and loose tools		304,856,108	176,239,846
Stock-in-trade	8	5,492,088,126	2,667,620,149
Trade debts		738,741,536	604,766,242
Loans and advances	9	814,720,113	87,118,897
Short term investments	10	916,005,771	765,596,206
Prepayments and other receivables	11	109,570,186	66,265,873
Tax refunds due from the Government		304,822,705	485,938,610
Cash and bank balances		17,371,709	8,772,845
		8,698,176,254	4,862,318,668
<b>Total Assets</b>		<b>12,818,736,779</b>	<b>9,122,070,530</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Authorized capital		300,000,000	300,000,000
Issued, subscribed and paid up capital		150,000,000	150,000,000
Capital reserve		7,120,600	7,120,600
Unappropriated profit		4,279,734,940	4,291,302,955
		4,436,855,540	4,448,423,555
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Long term financing	12	877,499,843	1,040,264,812
Deferred taxation		115,243,874	115,243,874
		992,743,717	1,155,508,686
<b>Current Liabilities</b>			
Trade and other payables	13	1,526,045,062	527,519,259
Accrued mark-up		110,906,483	92,266,478
Short term borrowings		5,343,175,347	2,423,900,484
Current maturity of long term financing	12	327,510,630	323,527,068
Taxation		81,500,000	150,925,000
		7,389,137,522	3,518,138,289
<b>Total liabilities</b>		<b>8,381,881,239</b>	<b>4,673,646,975</b>
<b>Contingencies and Commitments</b>	14		
<b>Total Equity and Liabilities</b>		<b>12,818,736,779</b>	<b>9,122,070,530</b>

The annexed notes form an integral part of this condensed interim financial information.

sd/-  
(KH. MUHAMMAD MASOOD)  
Chairman

sd/-  
(KH. MUHAMMAD IQBAL)  
Chief Executive Officer

sd/-  
(KH. MUHAMMAD YOUNUS)  
Director

sd/-  
(MUHAMMAD AMIN PAL)  
Chief Financial Officer

# Condensed Interim Profit & Loss Account (un-audited)

FOR THE QUARTER AND HALF-YEAR ENDED DECEMBER 31, 2014

Note	For the 2nd quarter		Cumulative	
	Oct. - Dec. 2014	Oct. - Dec. 2013	Jul - Dec. 2014	Jul - Dec. 2013
----- Rupees -----				
Sales - net	3,749,774,396	3,863,240,337	7,048,617,199	7,583,147,687
Cost Of Sales	3,464,922,715	3,408,296,485	6,454,208,770	6,654,049,746
Gross Profit	284,851,681	454,943,852	594,408,429	929,097,941
Distribution Cost	115,069,356	133,025,231	214,812,918	210,804,173
Administrative Expenses	59,563,426	54,478,918	128,275,389	117,345,918
Other Expenses	4,045,165	3,685,506	4,123,717	9,948,192
Other Income	(183,146,961)	(41,597,929)	(185,947,315)	(42,203,727)
	(4,469,014)	149,591,726	161,264,709	295,894,556
Profit from Operations	289,320,695	305,352,126	433,143,720	633,203,385
Finance Cost	113,168,241	155,948,362	211,778,606	256,685,080
Profit before Taxation	176,152,454	149,403,764	221,365,114	376,518,305
<b>TAXATION</b>				
- Current	47,500,000	43,000,000	81,500,000	80,000,000
- Prior year	1,433,129	14,556	1,433,129	14,556
	48,933,129	43,014,556	82,933,129	80,014,556
Profit After Taxation	127,219,325	106,389,208	138,431,985	296,503,749
Other Comprehensive Income	0	0	0	0
Total Comprehensive Income	127,219,325	106,389,208	138,431,985	296,503,749
Earnings Per Share	8.48	7.09	9.23	19.77

The annexed notes form an integral part of this condensed interim financial information.

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Chairman

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Chief Executive Officer

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(KH. MUHAMMAD YOUNUS)  
Director

sd/-  
(MUHAMMAD AMIN PAL)  
Chief Financial Officer

# Condensed Interim Cash Flow Statement (un-audited)

FOR THE HALF-YEAR ENDED DECEMBER 31, 2014

	Half year ended	
	31 December, 2014 Rupees	31 December, 2013 Rupees
<b>Cash flow from operating activities</b>		
Profit for the period - before taxation	221,365,114	376,518,305
Adjustments for non-cash charges and other items:		
Depreciation	154,099,271	155,981,009
Gain on sale of operating fixed assets - net	(961,552)	(631,379)
Gain on re-measurement of short term investments	(89,058,494)	0
Gain on sale of short term investments	(94,983,049)	(1,712,215)
Return on bank deposits	(23,838)	(15,833)
Finance cost	211,778,606	256,685,080
<b>Profit for the period before working capital changes</b>	<b>402,216,058</b>	<b>786,824,967</b>
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(128,616,262)	(16,744,417)
Stock-in-trade	(2,824,467,977)	(1,907,239,645)
Trade debts	(133,975,294)	(17,586,520)
Loans and advances	(727,601,216)	(364,923,901)
Prepayments and other receivables	(43,304,313)	(46,341,099)
Sales tax refundable	86,097,938	(37,593,471)
Increase / (decrease) in trade and other payables	876,502,092	(309,674,637)
	(2,895,365,032)	(2,700,103,690)
<b>Cash used in operations</b>	<b>(2,493,148,974)</b>	<b>(1,913,278,723)</b>
Income tax paid	(57,340,163)	(61,733,314)
<b>Net cash used in operating activities</b>	<b>(2,550,489,137)</b>	<b>(1,975,012,037)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(20,621,565)	(200,242,546)
Sale proceeds of operating fixed assets	5,341,994	18,499,999
Short term investments - net	33,631,978	(344,431,696)
Loan to an executive - net	1,333,189	600,000
Long term deposits	0	(226,250)
Return on bank deposits	23,838	15,833
<b>Net cash generated from (used in) investing activities</b>	<b>19,709,434</b>	<b>(525,784,660)</b>
<b>Cash flow from financing activities</b>		
Long term financing - obtained	0	92,351,445
Long term financing - repaid	(158,781,407)	(125,042,265)
Short term borrowings - net	2,919,274,863	2,789,672,712
Finance cost paid	(193,138,601)	(224,026,427)
Dividend paid	(27,976,288)	(36,859,253)
<b>Net cash generated from financing activities</b>	<b>2,539,378,567</b>	<b>2,496,096,212</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>8,598,864</b>	<b>(4,700,485)</b>
<b>Cash and cash equivalents - At beginning of the period</b>	<b>8,772,845</b>	<b>13,845,947</b>
<b>Cash and cash equivalents - At end of the period</b>	<b>17,371,709</b>	<b>9,145,462</b>

The annexed notes form an integral part of this condensed interim financial information.

sd/-  
(KH. MUHAMMAD MASOOD)  
Chairman

sd/-  
(KH. MUHAMMAD IQBAL)  
Chief Executive Officer

sd/-  
(KH. MUHAMMAD YOUNUS)  
Director

sd/-  
(MUHAMMAD AMIN PAL)  
Chief Financial Officer

# Condensed Interim Statement Of Changes In Equity (un-audited)

FOR THE HALF-YEAR ENDED DECEMBER 31, 2014

	Share capital	Capital reserve	Unappropriated profit	Total
	----- Rupees -----			
Balance as at June 30, 2014 (audited)	150,000,000	7,120,600	4,291,302,955	4,448,423,555
Transactions with owners:				
Final cash dividend for the year ended June 30, 2014 @ Rs. 10 per share	0	0	(150,000,000)	(150,000,000)
Total comprehensive income for the half-year ended December 31, 2014	0	0	138,431,985	138,431,985
Balance as at December 31, 2014 (un-audited)	150,000,000	7,120,600	4,279,734,940	4,436,855,540
Balance as at June 30, 2013 (audited)	150,000,000	7,120,600	3,969,603,114	4,126,723,714
Transactions with owners:				
Final cash dividend for the year ended June 30, 2013 @ Rs. 10 per share	0	0	(150,000,000)	(150,000,000)
Total comprehensive income for the half-year ended December 31, 2013	0	0	296,503,749	296,503,749
Balance as at December 31, 2013 (un-audited)	150,000,000	7,120,600	4,116,106,863	4,273,227,463

The annexed notes form an integral part of this interim financial information.

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Chairman

sd/-  
(KH. MUHAMMAD IQBAL)  
Chief Executive Officer

sd/-  
(KH. MUHAMMAD YOUNUS)  
Director

sd/-  
(MUHAMMAD AMIN PAL)  
Chief Financial Officer

# Notes To The Interim Financial Information (un-audited)

FOR THE HALF-YEAR ENDED DECEMBER 31, 2014

## 1. Legal Status and Operations

Mahmood Textile Mills Ltd. (the Company) was incorporated in Pakistan on February 25, 1970 as a Public Company and its shares are quoted on Karachi Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of yarn, grey cloth and generation of electricity. The registered office of the Company is situated at Multan whereas the Mills are located at District Muzaffargarh, Dera Ghazi Khan Division, Punjab.

## 2. Basis of Preparation

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 (the Ordinance). It has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. The figures for the half-year ended December 31, 2014 have, however, been subjected to limited scope review by the external Auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and, therefore, should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2014.

## 3. Significant Accounting Policies

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2014.

## 4. Changes in Accounting Standards and Interpretations

### 4.1 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

The amendments to following standards have been adopted by the Company for the first time for financial year beginning on July 01, 2014:

- (a) IAS 32 (Amendment) 'Financial Instruments: Presentation', is applicable on accounting periods beginning on or after January 01, 2014. This amendment updates the application guidance in IAS 32 'Financial Instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet date. The Company has applied this amendment from July 01, 2014 and does not expect to have a material impact on its financial statements.
- (b) IAS 36 (Amendment) 'Impairment of Assets', is applicable on accounting periods beginning on or after January 01, 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The Company has applied this amendment from July 01, 2014 and this will only affect the disclosures in the Company's financial statements in the event of impairment.

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

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 01, 2014 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

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

The following are the new standards and amendments to existing approved accounting standards that will be effective for the periods beginning January 01, 2015 that may have an impact on the financial statements of the Company.

- (a) IFRS 12, 'Disclosure of Interests in Other Entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The standard will affect the disclosures in the financial statements of the Company.
- (b) IFRS 13, 'Fair Value Measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard will affect the determination of fair value and its related disclosures in the financial statements of the Company.

## 5. Accounting Estimates and Judgments

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended June 30, 2014.

		Un-audited December 31, 2014 Rupees	Audited June 30, 2014 Rupees
<b>6. Property, Plant and Equipment</b>	<b>Note</b>		
Operating fixed assets	6.1	2,896,804,251	3,019,422,708
Capital work-in-progress		0	15,239,691
		<b>2,896,804,251</b>	<b>3,034,662,399</b>
<b>6.1 Operating Fixed Assets</b>			
Book value at beginning of the period		3,019,422,708	
Additions during the period:			
- plant & machinery		20,292,616	
- vehicles		8,789,200	
- electric installations		6,084,995	
- computers and accessories		694,445	
		35,861,256	
Book value of operating fixed assets sold		(4,380,442)	
Depreciation charge for the period		(154,099,271)	
Book value at end of the period		<b>2,896,804,251</b>	

## 7. Long Term Investments

Carrying values of investments in Masood Spinning Mills Ltd. and Roomi Fabrics Ltd. (Associated Companies) as at December 31, 2014 have not been accounted for using the equity method as required by IAS 28 (Investments in Associates and Joint Ventures) due to non-availability of financial statements for the half-year ended December 31, 2014 of these Associated Companies. Further, adjustments for dividends aggregating Rs.14 million received from Associated Companies during the

period will be accounted for in the financial statements of the Company for the year ending June 30, 2015 as share of profits of these Associated Companies has also not been incorporated in this condensed interim financial information and will be accrued in the financial statements of the Company for the year ending June 30, 2015.

	Un-audited December 31, 2014 Rupees	Audited June 30, 2014 Rupees
<b>8. Stock-in-Trade</b>		
Raw materials including in-transit inventory valuing Rs. 294,087,802 (June 30, 2014: Rs. 86,995,633)	4,717,866,934	1,727,297,808
Work-in-process	101,431,210	108,940,362
<b>Finished goods</b>		
- own manufactured	672,789,982	829,719,104
- trading	0	1,662,875
	672,789,982	831,381,979
	5,492,088,126	2,667,620,149

**9. Loans and Advances**

Period-end balance includes advances made to suppliers and contractors aggregating Rs. 748.630 million (June 30, 2014: Rs. 35.731 million).

**10. Short Term Investments - Quoted**

(at fair value through profit or loss)

Dawood Hercules Corporation Ltd.

5,809,500 (June 30, 2014: 4,200,000) shares of Rs.10 each

413,700,949

304,008,653

IGI Investment Bank Ltd.

5,351,000 (June 30, 2014: 4,405,000) shares of Rs. 10 each

8,084,434

8,293,533

Premier Insurance Ltd.

2,968,432 shares of Rs.10 each (June 30, 2014: 5,896,865 shares of Rs.5 each)

65,244,232

73,017,149

Soneri Bank Ltd.

Nil shares (June 30, 2014: 31,444,000 shares of Rs.10 each)

0

440,610,698

Faysal Bank Ltd.

11,117,500 shares of Rs.10 each

200,557,054

0

Power Cement Ltd.

811,000 shares of Rs.10 each

4,643,030

0

Lalpir Power Ltd.

4,563,500 shares of Rs.10 each

134,717,577

0

826,947,276

825,930,033

Adjustment on re-measurement to fair value

89,058,495

(60,333,827)

916,005,771

765,596,206

**11. Prepayments and Other Receivables**

As fully detailed in note 12.1 to the financial statements of the Company for the year ended June 30, 2014, the recovery proceedings in the Court of District Judge, Multan are still in progress. Mark-up aggregating Rs.57.953 million, on receivable balance from Three Star Hosiery Mills (Pvt.) Ltd. (TSHM) against sale of shares, has not been accrued in this interim financial information as the ultimate outcome of the matter depends upon judgment of the Court. The management, during the period, recovered an amount of Rs.601,111 from TSHM; no further shares were sold during the period.

	Note	Un-audited December 31, 2014 Rupees	Audited June 30, 2014 Rupees
<b>12. Long Term Financing - Secured</b>			
Habib Bank Ltd. (HBL)		277,943,067	334,201,218
MCB Bank Ltd. (MCB)		375,000,000	412,500,000
Meezan Bank Ltd. (MBL)		202,409,485	202,409,485
United Bank Ltd. (UBL)		349,657,921	414,681,177
Balance at end of the period / year		1,205,010,473	1,363,791,880
Less: current portion grouped under current liabilities:			
- HBL		109,983,102	112,516,302
- MCB		75,000,000	75,000,000
- MBL		24,702,125	7,025,574
- UBL		117,825,403	128,985,192
		327,510,630	323,527,068
		877,499,843	1,040,264,812
<b>13. Trade and Other Payables</b>			
Creditors		234,537,072	118,661,831
Bills payable - secured		229,247,982	35,443,299
Due to associated companies and an undertaking		47,589,791	18,604,658
Accrued expenses		827,154,259	282,882,002
Advances from customers		10,240,615	12,740,832
Tax deducted at source		4,778,719	1,719,745
Workers' (profit) participation fund (WPPF)		3,210	7,772,743
Workers' welfare fund (WWF)		39,155,252	39,155,252
Unclaimed dividends		123,094,608	1,070,896
Others		10,243,554	9,468,001
		1,526,045,062	527,519,259

#### 14. Contingencies and Commitments

- 14.1** There has been no significant change in the status of contingencies as reported in the audited financial statements of the Company for the year ended June 30, 2014.
- 14.2** Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated Rs.333.464 million as at December 31, 2014 (June 30, 2014: Rs.321.428 million).
- 14.3** Foreign bills discounted outstanding as at December 31, 2014 aggregated Rs.1,134.330 million (June 30, 2014: Rs.622.240 million).
- 14.4** Local bills discounted outstanding as at December 31, 2014 aggregated Rs.5.120 million (June 30, 2014: Rs.55.002 million).

	Un-audited December 31, 2014 Rupees in million	Audited June 30, 2014
<b>14.5</b> Commitments against irrevocable letters of credit were for:		
- capital expenditure	100.227	0
- others	152.133	24.392
	252.360	24.392

		Un-audited Half-year ended	
		December 31, 2014	December 31, 2013
15. Other Income	Note	Rupees	Rupees
<b>Income from financial assets</b>			
Fair value gain on re-measurement of short term investments	15.1	89,058,494	0
Realised gain on sale of short term investments at fair value through profit or loss		94,983,049	1,712,215
Return on bank deposits		23,838	15,833
Dividend	15.2	0	39,842,500
Exchange fluctuation gain - net		917,982	0
<b>Income from non-financial assets</b>			
Rent		2,400	1,800
Gain on sale of operating fixed assets - net		961,552	631,379
		185,947,315	42,203,727

15.1 Short term investments, as at December 31, 2013, were not re-measured to fair value thereby reducing profit for the corresponding period by Rs.175.641 million.

15.2 Corresponding balance represented dividend received from Orient Power Company (Pvt.) Ltd.

## 16. Segment Information

Based on internal management reporting structure and products being produced and sold, the Company has been organised into three operating segments i.e. spinning, weaving and power. Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Information regarding the Company's reportable segments is presented below:

### Segment Analysis

	Spinning	Weaving	Power *	Total
	----- Rupees -----			
<b>Half-year ended December 31, 2014</b>				
Revenue	5,890,305,449	1,158,311,750	0	7,048,617,199
<b>Segment results</b>	324,174,933	(72,854,811)	0	251,320,122
<b>Half-year ended December 31, 2013</b>				
Revenue	6,319,102,238	1,264,045,449	0	7,583,147,687
<b>Segment results</b>	558,976,737	41,971,113	0	600,947,850

\* The Company, during the current and preceding periods, has self consumed all the electricity generated and no sales were made to MEPCO.

Reconciliation of segment results with profit before taxation:

	Un-audited Half-year ended	
	December 31, 2014	December 31, 2013
	Rupees	Rupees
Total results for reportable segments	251,320,122	600,947,850
Other expenses	(4,123,717)	(9,948,192)
Other income	185,947,315	42,203,727
Finance cost	(211,778,606)	(256,685,080)
Profit before taxation	221,365,114	376,518,305

Information on assets and liabilities by segment is as follows:

	Spinning	Weaving	Power	Total
	----- Rupees -----			
As at December 31, 2014				
Segment assets	11,293,117,891	1,086,533,989	376,469,457	12,756,121,337
Segment liabilities	6,841,436,401	1,270,586,132	136,055,684	8,248,078,217
As at June 30, 2014				
Segment assets	5,240,178,884	1,175,999,509	209,106,821	6,625,285,214
Segment liabilities	2,495,127,353	427,794,431	320,781	2,923,242,565

Reconciliation of segments assets and liabilities with totals in balance sheet is as follows:

	As at December 31, 2014		As at June 30, 2014	
	Assets	Liabilities	Assets	Liabilities
	----- Rupees -----			
Total for reportable segments	12,756,121,337	8,248,078,217	6,625,285,214	2,923,242,565
Unallocated assets / liabilities	62,615,442	133,803,022	2,496,785,316	1,750,404,410
Total as per balance sheet	12,818,736,779	8,381,881,239	9,122,070,530	4,673,646,975

- The Company's customer base is diverse with no single customer accounting for more than 10% of net revenues.

**Geographical Segments**

All segments of the Company are managed on nation-wide basis and operate manufacturing facilities and sale offices in Pakistan.

**17. Transactions With Related Parties**

17.1 Significant transactions executed with related parties during the period were as follows:

		Un-audited Half-year ended December 31,	
Relationship	Nature of transactions	2014 Rupees	2013 Rupees
Associated Companies	- sale of goods	706,033,927	1,323,096,050
	- purchase of goods	1,198,200,001	463,645,079
	- doubling charges	709,929	1,107,806
	- doubling revenue	8,132,373	11,278,186
Key management personnel	- remuneration and other benefits	11,823,504	11,230,302
		Un-audited December 31, 2014 Rupees	Audited June 30, 2014 Rupees
<b>17.2 Period / year-end balances</b>			
Trade and other payables		47,589,791	18,604,658
Loans and advances		36,435,838	0

## 18. Financial Risk Management

### 18.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. This condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements, and should therefore be read in conjunction with the Company's financial statements for the year ended June 30, 2014. There have been no significant changes in the risk management policies since the year-end.

### 18.2 Fair Value Estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

## 19. Date Of Authorisation For Issue

This condensed interim financial information was authorised for issue on February 27, 2015 by the Board of Directors of the Company.

## 20. Corresponding Figures

**20.1** In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the preceding financial year whereas the condensed interim profit & loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year.

**20.2** Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to this condensed interim financial information.

sd/-  
(KH. MUHAMMAD MASOOD)  
Chairman

sd/-  
(KH. MUHAMMAD IQBAL)  
Chief Executive Officer

sd/-  
(KH. MUHAMMAD YOUNUS)  
Director

sd/-  
(MUHAMMAD AMIN PAL)  
Chief Financial Officer





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