

Company Information

Board of Directors

Sh. Faisal Tauheed (Chief Executive)
Sh. Kashif Tauheed
Mrs. Samira Faisal
Mrs. Tahira Kashif
Mr. Yasir Munir (Independent)
Mrs. Amna Kamran (Chairman)
Mrs. Sadia Kamran

Board Audit Committee

Mr. Yasir Munir (Chairman)
Mrs. Amna Kamran
Mrs. Sadia Kamran

Board Human Resource and Remuneration Committee

Mrs. Sadia Kamran (Chairman)
Mrs. Amna Kamran
Mr. Yasir Munir

Management Team

Sh. Faisal Tauheed Puri (Chief Executive)
Muhammad Islam Haider (Chief Financial Officer)
Imran Zafar (Company Secretary)
Qaiser Ali Faheem (Internal Auditor)

Auditors

Amin Mudassar and Company
Chartered Accountants

Bankers

National Bank of Pakistan
The Bank of Punjab
Bank Alfalah Limited
Habib Metropolitan Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
MCB Limited
Meezan Bank Limited

Registered Office

4th Floor, I.E.P. Building,
97-B/D-1, Gulberg III, Lahore.

Factory

Dhuddiwala, Jaranwala Road, Faisalabad.

Share Registrar

Orient Software & Management Services (Pvt) Ltd;
35-Z, Ameer Plaza, Opposite Mughid Hospital,
Commercial Centre, Madina Town, Faisalabad.

Legal Advisor

Sahibzada Muhammad Arif
Advocate High Court,
Chamber No.52, District Courts,
Faisalabad.

Directors Report

The directors of your company are pleased to present the Quarterly Accounts for the period ended September 30, 2014.

Business Overview:

By the blessing of Allah Al Mighty, company earned profit of Rs.4,642,206/- during the first three month ended on September 30, 2014. The operating results are as under:-

Operating Results	September 30, 2014	September 30, 2013
Sales	155,874,792	125,102,622
Profit before taxation	4,642,206	3,777,421
Taxation	3,402,956	2,764,261
Profit after taxation	1,239,250	1,013,160

The Management is trying their best for improving the quality of processing of cloth and hopes that the refined quality would fetch better prices of our output. Consequently, the Company's Management anticipates better financial results in remaining period of the financial year.

Appreciation

We would like to thank all of our staff members for the way they have responded to challenges of the year. Their hard work and commitment is greatly appreciated and is reflected in these results.

We are also thankful for the encouragement and support which we received from our suppliers, shareholders, bankers and financial institutions.

LAHORE:
October 30, 2014

Sh. Faisal Tauheed
Chief Executive

Condensed Interim Balance Sheet

AS AT SEPTEMBER 30 2014

		Note	Sep 30, 2014 Un-audited Rupees	June 30, 2014 Audited Rupees	ASSETS	Note	Sep 30, 2014 Un-audited Rupees	June 30, 2014 Audited Rupees
EQUITY AND LIABILITIES								
SHARE CAPITAL AND RESERVES								
Authorised capital			204,000,000	204,000,000	NON CURRENT ASSETS	8	356,621,521	355,486,469
Issued, subscribed and paid-up capital	4		155,531,740	155,531,740	Property, plant and equipment		10,969,141	10,969,141
Unappropriated profit	5		25,888,034	25,021,743	Long term deposits		367,590,662	366,455,610
SURPLUS ON REVALUATION OF FIXED ASSETS			181,419,774	180,553,483				
DEFERRED INCOME			176,329,091	176,329,091				
			11,060,840	11,060,840				
NON CURRENT LIABILITIES								
Liabilities against assets subject to finance lease		6	28,428,081	30,790,807				
Deferred liabilities			25,133,389	22,372,808				
			53,561,470	53,163,615				
CURRENT LIABILITIES					CURRENT ASSETS			
Trade and other payables			84,829,936	93,418,825	Stores, spares and loose tools		215,314	146,642
Short term borrowings- Secured			63,112,900	59,825,764	Stock in trade		36,161,227	47,968,942
Accrued interest and markup			958,836	930,526	Trade debts		39,730,506	46,409,638
Current portion of lease liabilities			8,907,104	8,556,313	Loans and advances		45,144,259	48,596,180
Provision for taxation-income tax			-	-	Trade deposits , short term prepayments and current account balances with statutory authorities		26,335,606	20,722,871
					Accrued interest		5,577	11,494
					Due from Government		48,172,916	40,448,270
					Cash and bank balances		16,823,884	13,078,810
			157,808,776	162,731,428			212,589,289	217,382,847
CONTINGENCIES AND COMMITMENTS	7							
			580,179,951	583,838,457				

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

CHIEF EXECUTIVE

DIRECTOR

Condensed Interim Profit and Loss Account (un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Note	QUARTER ENDED JULY TO SEPTEMBER	
		2014	2013
		RUPEES	RUPEES
Sales- net	9	155,874,792	125,102,622
Cost of sales		141,099,519	114,064,017
Gross profit		14,775,273	11,038,605
Distribution cost		379,655	99,000
Administrative expenses		7,614,149	6,785,706
Other operating expenses		244,327	198,812
		8,238,131	7,083,518
		6,537,142	3,955,087
Other operating income	10	320,182	553,690
		6,857,324	4,508,777
Finance cost		2,215,118	731,356
Profit before taxation		4,642,206	3,777,421
Taxation :			
Current :			
For the year		1,558,748	1,253,563
Deferred		1,844,208	1,510,698
		3,402,956	2,764,261
Profit after taxation		1,239,250	1,013,160
Earning per share- Basic and Diluted		0.01	0.91

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

CHIEF EXECUTIVE

DIRECTOR

Condensed Interim Statement of Comprehensive Income (un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	September 30, 2014 Rupees	September 30, 2013 Rupees
Profit after taxation	1,239,250	1,013,160
Other comprehensive income-net of taxation	(372,959)	-
Total comprehensive income for the year-net of tax	866,291	1,013,160

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

CHIEF EXECUTIVE

DIRECTOR

Condensed Interim Cash Flow Statement (un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Note	September 30, 2014 Rupees	September 30, 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	A	13,076,373	7,193,996
Taxes paid		(2,807,152)	(1,144,927)
Finance cost paid		(2,186,808)	(1,054,475)
Gratuity paid		(22,416)	(1,094,440)
Net cash flows from operating activities		8,059,997	3,900,154
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(5,590,124)	(3,948,500)
Sale proceeds of fixed assets		-	1,200,000
Net cash flows from investing activities		(5,590,124)	(2,748,500)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans		-	3,450,000
Repayment of lease finance liabilities		(2,011,935)	-
Net cash flows from financing activities		(2,011,935)	3,450,000
Net (Decrease) in cash and cash equivalents		457,938	4,601,654
Cash and Cash Equivalents at the Beginning of the Year		(16,146,954)	(14,020,861)
Cash and Cash Equivalents at the End of the Year	B	(15,689,016)	(9,419,207)

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

CHIEF EXECUTIVE

DIRECTOR

Notes to the Condensed Interim Cash Flow Statement (un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	Note	September 30, 2014 Rupees	September 30, 2013 Rupees
A - CASH GENERATED FROM OPERATIONS			
Profit before taxation		4,642,206	3,777,421
Adjustment of non cash and other items:			
Provision for gratuity		565,830	495,810
Depreciation		4,455,072	3,924,481
Profit on disposal of fixed assets		-	(294,902)
Finance cost		2,215,118	731,355
		7,236,020	4,856,744
Cash flows before working capital changes		11,878,226	8,634,165
EFFECT ON CASH FLOWS OF WORKING CAPITAL CHANGES			
(Increase)/Decrease in current assets			
Stores, spares and loose tools		(68,672)	152,455
Stocks in trade		11,807,715	(4,712,186)
Stock in transit		-	1,732,705
Trade debts		6,679,132	4,048,683
Loan and advances		3,451,921	(2,211,730)
Trade deposit and short term prepayments		(4,364,331)	(1,336,548)
Due from Government		(7,724,646)	(5,620,995)
Accrued interest		5,917	5,147
Increase/(Decrease) in current liabilities			
Trade and other payables		(8,588,889)	6,502,300
		1,198,147	(1,440,169)
		13,076,373	7,193,996
B - CASH AND CASH EQUIVALENTS			
Cash and bank balances		16,823,884	4,904,478
Short term borrowings		(32,512,900)	(14,323,684)
		(15,689,016)	(9,419,206)

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

CHIEF EXECUTIVE

DIRECTOR

Condensed Interim Statement of Changes in Equity (un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	SHARE CAPITAL	UN- APPROPRIATED PROFIT	TOTAL
	----- R u p e e s -----		
Balance as at June 30, 2013	11,109,410	18,969,456	30,078,866
Final dividend @ Rs.1/- per share for the year ended June 30, 2013	-	(1,110,941)	(1,110,941)
Issue of right shares during the year	144,422,330	-	144,422,330
Right shares issue cost	-	(370,007)	(370,007)
Total transactions with owners	144,422,330	(1,480,948)	142,941,382
Profit for the year	-	8,980,538	8,980,538
Other comprehensive income	-	(1,447,303)	(1,447,303)
Total comprehensive profit	-	7,533,235	7,533,235
Balance as at June 30, 2014	155,531,740	25,021,743	180,553,483
Profit for the period ended September 30, 2014	-	1,239,250	1,239,250
Other comprehensive income	-	(372,959)	(372,959)
Total comprehensive profit	-	866,291	866,291
Balance as at September 30, 2014	155,531,740	25,888,034	181,419,774

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

CHIEF EXECUTIVE

DIRECTOR

Notes to the Condensed Interim Financial Information (un-audited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

1 THE COMPANY AND NATURE OF ITS BUSINESS

The Company is a Public Limited Company, incorporated under the Companies Ordinance 1984. The Company is quoted on Lahore & Karachi Stock Exchanges. The principal activity of the company is dyeing, bleaching, finishing and embroidery of textile materials. The registered office of the company is situated at 4th Floor, IEP Building, 97-B/D-I, Main Boulevard, Gulberg-III, Lahore.

2 BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all of the information and disclosures required for full annual financial statement, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2014.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the financial statements for the year ended June 30, 2014.

- 3.1** New standards, amendments to approved accounting standards and new interpretations which became effective during the three months period ended September 30, 2014; and new standards, amendments to approved accounting standards and new interpretations that are not yet effective and have not been early adopted by the company.

There were certain new standards, amendments to the approved accounting standards and new interpretation issued by the international Financial Reporting Interpretations Committee (IFRIC) which became effective during the period but are considered not to be relevant or have any significant effect on the company's operations and are, therefore, not disclosed in these financial statements.

There are certain new amendments to the approved accounting standards that are mandatory for accounting periods beginning after July 1, 2013, but are considered not to be relevant or have any significant effect on the company's operations and are, therefore, not disclosed in these financial statements.

3.1.1 Estimates

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

3.2 Taxation

3.2.1 Current

Company's export sales fall under final tax regime under Section 154 of the Income Tax Ordinance, 2001. Charge for the current taxation other than export is based on taxable income at the current rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances available, if any, or one percent of turnover, whichever is higher.

3.2.2 Deferred

Deferred tax asset / liability on the deductible / taxable temporary differences has been recognized at prevailing rate being the rate substantively enacted at the balance sheet date and is expected to apply to the periods when the asset is realized or the liability is settled.

	September 30, 2014 (Un-audited) Rupees	June 30, 2014 (Audited) Rupees
4 AUTHORIZED SHARE CAPITAL		
20,000,000 A - Class Ordinary shares of Rs. 10/- each.	200,000,000	200,000,000
400,000 B - Class Ordinary shares of Rs. 10/- each.	4,000,000	4,000,000
	<u>204,000,000</u>	<u>204,000,000</u>
5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
Issued for Cash		
15,051,267 A - Class Ordinary Shares of Rs. 10. each	150,512,670	150,512,670
320,100 B - Class Ordinary Shares of Rs. 10. each	3,201,000	3,201,000
	<u>153,713,670</u>	<u>153,713,670</u>
Issued as Bonus Shares		
181,807 Ordinary Shares of Rs. 10. each	1,818,070	1,818,070
	<u>155,531,740</u>	<u>155,531,740</u>
6 DEFERRED LIABILITIES		
Provision for staff gratuity	12,387,561	11,287,492
Deferred Taxation	12,745,828	11,085,316
	<u>25,133,389</u>	<u>22,372,808</u>
6.1 Deferred Taxation		
This is composed of the following:		
Deferred tax liability on taxable temporary differences arising in respect of:		
Accelerated tax depreciation	22,962,210	22,729,935
Excess of accounting book value of leased assets over liabilities	99,147	62,809
	<u>23,061,356</u>	<u>22,792,744</u>
Deferred tax asset on deductible temporary differences arising in respect of:		
Deferred debits arising in respect of staff gratuity	(4,211,771)	(3,950,622)
Deferred debits arising on brought forward losses	(6,103,757)	(7,756,806)
	<u>(10,315,528)</u>	<u>(11,707,428)</u>
	<u>12,745,828</u>	<u>11,085,316</u>
Balance as at July 01,	11,085,316	5,123,393
Add: Charged during the year		
Profit and loss account	1,844,208	6,741,240
Other comprehensive income	(183,696)	(779,317)
	<u>1,660,512</u>	<u>5,961,923</u>
	<u>12,745,828</u>	<u>11,085,316</u>

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

- Sui Northern Gas Pipelines Limited (SNGPL) has raised a demand amounting Rs.39.805 million (June 2014:Rs. 39.805 million), which has been contested by the Company as unsubstantiated and unjustified. During the year, aforesaid Committee has decided the case against the Company. The Company had filed appeal to Oil and Gas Regulatory Authority (OGRA). The Joint Executive Director (OGRA) has decided the case in favour of the Company. However, SNGPL has filed appeal to OGRA for review against the decision of Joint Executive Director (OGRA). OGRA has decided the case against the company. The company has filed writ petition against the decision of the OGRA. The Company is hopeful that the decision of OGRA in respect of appeal filed by SNGPL would be in favour of the company

7.2 Commitments

- Commitments in respect of letters of credit for capital expenditures were amounting to Rs. Nil million (June 30, 2014: Rs.Nil)
- Commitments in respect of letters of credits other than for capital expenditures were amounting Rs..33.270 million (June 30, 2014: Rs.38.105 million)

Other than the above mentioned matter, there is no material change in the contingent liabilities of the company since the last annual balance sheet as at June 30, 2014.

	Note	September 30, 2014 (Un-audited) Rupees	June 30, 2014 (Audited) Rupees
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	308,766,023	308,930,460
Assets subject to Finance lease		38,541,750	39,530,000
Capital work in progress (Building)		9,313,748	7,026,009
		<u>356,621,521</u>	<u>355,486,469</u>
8.1 OPERATING FIXED ASSETS			
Opening book value		308,930,460	328,757,412
Add: Additions during the period / year-cost		3,302,385	26,435,098
Less: Disposal during the period/ year-net book value		-	(35,973,575)
		<u>312,232,845</u>	<u>319,218,935</u>
Less: Depreciation charged for the period / year		<u>(3,466,822)</u>	<u>(10,288,475)</u>
		<u>308,766,023</u>	<u>308,930,460</u>

	September 30, 2014 Rupees	September 30, 2013 Rupees
9 SALES		
Exports	8,614,744	-
Processing receipts	147,260,048	125,102,622
	<u>155,874,792</u>	<u>125,102,622</u>
10 OTHER OPERATING INCOME		
Income from non financial assets		
Sale of scrap	314,605	253,645
Profit on disposal of fixed asset	-	294,905
Income from financial assets		
Profit on TDRs / Bank deposits	5,577	5,140
	<u>320,182</u>	<u>553,690</u>

11 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties have been disclosed in the relevant notes to the financial statements.

12 GENERAL

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

13 DATE OF AUTHORISATION

The condensed interim financial information was authorised for issued on October 30, 2014 by the Board of Directors of the Company .

14 FIGURES

- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant rearrangements or reclassifications have been made in this condensed interim financial information.
- Figures in this condensed interim financial information have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE

DIRECTOR