



SALFI TEXTILE MILLS LIMITED

**Condensed Interim Financial Information
For The Six - Month Period Ended December 31, 2014**

SALFI TEXTILE MILLS LIMITED

CONTENTS

1	COMPANY INFORMATION	01
2	DIRECTORS' REPORT	02
3	AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION	03
4	CONDENSED INTERIM BALANCE SHEET	04
5	CONDENSED INTERIM PROFIT AND LOSS ACCOUNTS (UN-AUDITED)	05
6	CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)	06
7	CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)	07
8	SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)	09

SALFI TEXTILE MILLS LIMITED**01****COMPANY INFORMATION****BOARD OF DIRECTORS****CHAIRMAN:**

Mr. Anwar Ahmed Tata

CHIEF EXECUTIVE:

Mr. Adeel Shahid Anwar

DIRECTORS:Mr. Shahid Anwar Tata
Mr. Aijaz Ahmed Tariq
Mr. Bilal Shahid Anwar
Mr. Muhammad Naseem
Sheikh Kausar Ejaz**AUDIT COMMITTEE****CHAIRMAN:**

Mr. Muhammad Naseem

MEMBERS:Mr. Bilal Shahid Anwar
Sheikh Kausar Ejaz**SECRETARY**

Mr. Owais Ahmed Abbasi

**HUMAN RESOURCE &
REMUNERATION COMMITTEE
CHAIRMAN:**

Mr. Muhammad Naseem

MEMBERS:Mr. Adeel Shahid Anwar
Mr. Bilal Shahid Anwar**SECRETARY**

Mr. Umar Khawajah

**COMPANY SECRETARY &
CHIEF FINANCIAL OFFICER:**

Mr. Farooq Advani

BANKERS:Dubai Islamic Bank (Pakistan) Limited
Bank Alfalah Limited
Meezan Bank Limited
Habib Metropolitan Bank Limited
The Bank of Punjab
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Allied Bank Limited
Bank Islami Pakistan Limited
JS Bank Limited
Askari Bank Limited**AUDITORS:**M/s. M. Yousuf Adil Saleem & Co.
Chartered Accountants**LEGAL ADVISOR:**

Ameen Bandukda & Co. Advocates

SHARE REGISTRAR:Central Depository Company of Pakistan Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal
Tel# (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053**REGISTERED OFFICE:**6th Floor Textile Plaza,
M.A Jinnah Road Karachi.
Tel# 32412955-3 Lines 32426761-2-4
Fax# 32417710**WEB SITE ADDRESS:**

www.tatatex.com

E- MAIL ADDRESS:

stm.corporate@tatatex.com

MILLS:

HX-1, Landhi Industrial Area, Landhi, Karachi

DIRECTORS' REPORT**Assalam-o-Alaikum**

The Financial Statements of the Company for the half year ended December 31, 2014, is being presented to you.

During this Quarter the Company has made a pretax profit of Rs.22.854 million, but due to carried forward losses from the last quarter, the overall loss for the period is Rs.24.276 million, however, this Quarter has been much better as compared to the last Quarter. Globally, the commodity prices have kept on declining, like oil, gold and other commodities so Cotton prices have also followed the trend and prices have been on the decline so the Cotton Inventory that we normally carry to see us through the Cotton season was thus devalued and the losses suffered was on account of cotton prices coming down.

Cotton Situation

Globally declining trend of commodity prices continuously during the last 6 months have fallen to a considerable level. Our strategy for cotton purchase has been to keep buying Cotton scaled down and Alhamdulillah we are able to purchase cotton at reasonably good prices and the inventory that we carry, hopefully, will result in profit for us during the next 6 months.

Normally we procure cotton till August end but this year we have confined our purchases till end June / till mid-July, as we feel that things are still very uncertain and we really do not know if some major global development takes place. As far as Cotton is concerned, globally there is a very large surplus, however, if we consider the situation other than China, that is, rest of the world then supplies are not so bearish and market in our opinion will stabilize or improve from these levels.

Power Availability

The Oil Prices have reduced globally but unfortunately we are not getting any benefit on the same as the Tariff cost of power from Grid has not been reduced and SSGC curtails Gas once a week which effects the overall production.

Wage Increase

We support the Government incentive for increase of Wages and keeping in view the rise in present inflation, the Management has increased the Wages, in spite of the fact that our Textile Industry is facing high costs when we compare regionally with India, Sri Lanka, Bangladesh and Vietnam.

Global Textile Situation

The Indian Government is offering number of subsidies to its Textile Industry, in shape of Power Cost, Interest Subsidy and various incentives, like Exemption in Duties, with minimum Tariff barriers and also rebates on export and freight subsidies, which has put a negative impact on Pakistan Textile Industry in the form of import of Indian Yarn, resulting in shrinkage of our Textile Market share, locally as well as Internationally.

Going Forward

We are in the process of finalization BMR Plan so that our Plant and Machinery are always kept at optimum level and updated according to latest technology available so we remain one of the top Mills in Pakistan.

Acknowledgement

In the end, it is of utmost important to mention the untiring endeavors of our team members engaged in upholding their commitment for the company's success and growth. We also thank our bankers, vendors agents and clients for their consistent trust and support.

On behalf of the Board of Directors



ADEEL SHAHID ANWAR
Chief Executive

Karachi:
Date: February 25, 2015

Deloitte.

M. Yousuf Adil Saleem & Co
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350
Pakistan
Phone: +92 (0) 21 34546494-7
Fax: +92 (0) 21- 34541314
Web: www.deloitte.com

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION**Introduction**

We have reviewed the accompanying condensed interim balance sheet of **SALFI TEXTILE MILLS LIMITED** (the Company) as at December 31, 2014 the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed 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 six-month period 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the six-month period ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for the interim financial reporting.

Chartered Accountants**Engagement Partner**

Mushtaq Ali Hirani

Dated: February 25, 2015
Karachi

Member of
Deloitte Touche Tohmatsu Ltd.

SALFI TEXTILE MILLS LIMITED**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2014**December 31,
2014June 30,
2014

Note

(Unaudited)

(Audited)

.....Rupees in '000'

ASSETS**NON-CURRENT ASSETS**

Property, plant and equipment
Intangible assets
Long-term investments
Long-term deposits

5

2,641,533
3,672
640
1,012
2,646,857

2,520,999
4,359
609
1,012
2,526,979

CURRENT ASSETS

Stores, spares and loose tools
Stock-in-trade
Trade debts
Loans and advances
Trade deposits and short-term prepayments
Other receivables
Other financial assets
Sales tax refundable
Cash and bank balances

47,877
1,725,821
343,894
162,531
3,986
708
21,036
38,074
134,532
2,478,459

36,067
849,720
245,653
130,201
1,409
1,345
4,135
16,101
36,298
1,320,929

TOTAL ASSETS

5,125,316

3,847,908

EQUITY AND LIABILITIES

Share capital and reserves

6

1,027,491

1,069,953

Surplus on revaluation of
property, plant and equipment

1,106,795

1,120,752

NON-CURRENT LIABILITIES

Long-term finance
Deferred liabilities

7

560,451
60,125

538,656
54,138

CURRENT LIABILITIES

Trade and other payables
Accrued interest / mark-up on borrowings
Short-term borrowings
Current portion of long-term finance
Taxation - income tax

7

483,547
32,089
1,696,075
133,854
24,889
2,370,454

390,143
24,799
499,909
121,554
28,004
1,064,409

Contingencies and commitments

8

TOTAL EQUITY AND LIABILITIES

5,125,316

3,847,908

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.



ADEEL SHAHID ANWAR
Chief Executive


ANWAR AHMED TATA
Chairman/Director

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2014

Note	Six-month period ended		Three-month period ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
.....Rupees in '000'.....				
Sales	2,627,926	1,995,986	1,218,875	839,338
Cost of goods sold	9 (2,474,778)	(1,698,854)	(1,111,405)	(737,945)
Gross profit	153,148	297,132	107,470	101,393
Distribution cost	(74,670)	(73,126)	(36,752)	(32,086)
Administrative expenses	(42,914)	(39,114)	(19,126)	(21,688)
Other operating expenses	(1,894)	(13,315)	3,472	4,583
Finance cost	(61,825)	(80,131)	(34,728)	(42,999)
	(181,303)	(205,686)	(87,134)	(92,190)
Other income	3,879	9,860	2,518	8,291
(Loss) / profit before taxation	(24,276)	101,306	22,854	17,494
Provision for taxation	10 (27,160)	(11,089)	(13,655)	(4,331)
(Loss) / profit for the period	(51,436)	90,217	9,199	13,163
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Unrealised gain / (loss) on remeasurement of investment - available for sale	31	14	(63)	24
Total comprehensive income for the period	(51,405)	90,231	9,136	13,187
(Loss) / earnings per share - Basic and diluted (Rupees)	(15.39)	26.99	2.75	3.94

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


ADEEL SHAHID ANWAR
 Chief Executive


ANWAR AHMED TATA
 Chairman/Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2014

	December 31, 2014	December 31, 2013
Rupees in '000'.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(24,276)	101,306
Adjustments for		
Depreciation	51,299	47,463
Amortisation	688	655
Provision for staff gratuity	10,747	6,991
Provision for compensated absences	2,081	1,451
Finance cost	61,825	80,131
Exchange loss on forward contracts	-	3,203
(Gain) / loss on disposal of property, plant and equipment	(904)	1,849
Operating cash flows before working capital changes	101,460	243,049
(Increase) / decrease in current assets		
Stores, spares and loose tools	(11,810)	(1,260)
Stock-in-trade	(876,101)	(938,532)
Trade debts	(98,241)	(44,255)
Loans and advances	(27,692)	(11,167)
Trade deposits and short-term prepayments	(2,577)	(3,281)
Other financial assets	(16,901)	(963)
Other receivables	637	2,236
Sales tax refundable	(21,973)	(5,699)
Increase in current liabilities Trade and other payables	93,290	144,767
Cash used in operations	(859,908)	(615,107)
Finance cost paid	(54,535)	(77,956)
Income tax paid	(34,913)	(19,586)
Staff gratuity and compensated absences paid	(6,841)	(5,038)
Net cash used in operating activities	(956,197)	(717,686)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(173,462)	(105,634)
Proceeds from disposal of property, plant and equipment	2,533	3,174
Purchase of intangible assets	-	(182)
Net cash used in investing activities	(170,929)	(102,642)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finance obtained	87,427	-
Repayment of long-term finance	(53,332)	(9,302)
Short-term borrowings obtained / (repaid) -net	662,179	(90,024)
Dividend paid	(4,901)	(6,519)
Net cash generated from / (used) in financing activities	691,373	(105,845)
Net decrease in cash and cash equivalents (A+B+C)	(435,753)	(926,174)
Cash and cash equivalents at July 01	36,298	(299,111)
Cash and cash equivalents at December 31	(399,455)	(1,225,285)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	134,532	52,940
Short term running finance	(533,987)	(1,278,225)
	(399,455)	(1,225,285)

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


ADEEL SHAHID ANWAR
 Chief Executive


ANWAR AHMED TATA
 Chairman/Director


**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2014**

	Reserve					Total
	Capital	General reserve	Other reserve	Unrealized (loss)/gain on remeasurement of investment available for-sale	Unappropriated profit	
	Issued, subscribed and paid-up Capital					
.....Rupees in '000'.....						
Balance at July 01, 2013 - restated	33,426	750,000	5,996	(390)	221,868	1,010,900
Total comprehensive income						
Profit after taxation for the six month period ended December 31, 2013	-	-	-	-	90,217	90,217
Other comprehensive income - net of tax	-	-	-	14	-	14
Total comprehensive income for the period	-	-	-	14	90,217	90,231
Transferred from surplus on revaluation of property, plant and equipment on account of:						
- incremental depreciation - net of deferred tax	-	-	-	-	12,874	12,874
- disposal - net of deferred tax	-	-	-	-	1,917	1,917
	-	-	-	-	14,791	14,791
Transactions with owners						
Final cash dividend for the year ended June 30, 2013 @ Rs. 2 per share	-	-	-	-	(6,685)	(6,685)
Balance at December 31, 2013	33,426	750,000	5,996	(376)	320,191	1,109,237
Total comprehensive income						
Loss after taxation for the six month period ended June 30, 2014	-	-	-	-	(55,395)	(55,395)
Other comprehensive income - net of tax	-	-	-	178	(2,457)	(2,279)
Total comprehensive income for the period	-	-	-	178	(57,852)	(57,674)

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2014**

	Reserve					Total
	Capital	General reserve	Other reserve	Revenue	Unrealized (loss)/gain on remeasurement of investment available for-sale	
	Issued, subscribed and paid-up Capital				Unappropriated profit	
.....Rupees in '000'.....						
Transferred from surplus on revaluation of property, plant and equipment on account of						
- incremental depreciation - net of deferred tax	-	-	-	-	16,129	16,129
- disposal - net of deferred tax	-	-	-	-	2,261	2,261
	-	-	-	-	18,390	18,390
Balance at June 30, 2014	33,426	750,000	5,996	(198)	280,729	1,069,953
Total comprehensive income						
Loss after taxation for the six month period ended December 31, 2014	-	-	-	-	(51,436)	(51,436)
Other comprehensive income - net of tax	-	-	-	31	-	31
Total comprehensive income for the period	-	-	-	31	(51,436)	(51,405)
Transferred from surplus on revaluation of property, plant and equipment on account of						
- incremental depreciation - net of deferred tax	-	-	-	-	13,933	13,933
- disposal - net of deferred tax	-	-	-	-	24	24
	-	-	-	-	13,957	13,957
Transactions with owners						
Final cash dividend for the year ended June 30, 2014 @ Rs. 1.5 per share	-	-	-	-	(5,014)	(5,014)
Balance at December 31, 2014	33,426	750,000	5,996	(167)	238,236	1,027,491

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


ADEEL SHAHID ANWAR
Chief Executive


ANWAR AHMED TATA
Chairman/Director

**SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2014****1. LEGAL STATUS AND NATURE OF BUSINESS**

Salfi Textile Mills Limited (the Company) was incorporated in Pakistan on January 05, 1968 as a public limited company under the Companies Act, 1913 as repealed by the Companies Ordinance, 1984 and is listed on Karachi Stock Exchange. The registered office of the Company is situated at 6th floor Textile Plaza, M.A. Jinnah Road, Karachi in the province of Sindh. The principal activity of the Company is manufacturing and sale of yarn. The Company's manufacturing facilities are located at Landhi Industrial Estate, Karachi in the province of Sindh.

2. BASIS OF PREPARATION

- 2.1** This condensed interim financial information of the Company for the six month period ended December 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where 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 required for the full financial information and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2014.
- 2.2** This condensed interim financial information has been prepared under 'historical cost convention' modified by:
- certain items of property, plant and equipment have been included at the revalued amounts;
 - financial instruments at fair value; and
 - recognition of certain staff retirement benefits at present value.
- 2.3** This condensed interim financial information are presented in Pakistan Rupees which is also the Company's functional currency and figures presented in this condensed interim financial information has been rounded off to the nearest thousand rupee.
- 2.4** This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of clause (xix) of the Code of Corporate Governance and they have issued their review report thereon. This condensed interim financial information is being submitted to the shareholders as required by section 245 of Companies Ordinance, 1984.
- 2.5** The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2014, whereas comparative condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity are stated from unaudited condensed interim financial information for the six month ended December 31, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates, judgments and methods of computation followed in the preparation of this condensed interim financial information are the same as those applied in the preparation of the published annual audited financial statements for the year ended June 30, 2014.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2014.

SALFI TEXTILE MILLS LIMITED

	Note	December 31, 2014 (Unaudited) ...Rupees in '000'...	June 30, 2014 (Audited)
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	2,420,935	2,302,931
Capital work-in-progress		220,598	218,068
		<u>2,641,533</u>	<u>2,520,999</u>
5.1 Following additions and disposals in operating fixed assets were made.			
	Additions	Disposal (W.D.V)	Sales Proceeds
Rupees in '000'.....		
During the period ended December 31, 2014 (Unaudited)			
Building on leasehold land - Mills	11,216	-	-
Plant and machinery	152,959	993	304
Factory equipment	5,670	-	-
Furniture and fixtures	222	-	-
Office equipment	590	-	-
Vehicles	276	636	2,229
	<u>170,933</u>	<u>1,629</u>	<u>2,533</u>
During the year ended June 30, 2014 (Audited)			
Building on leasehold land - Mills	11,476	-	-
Plant and machinery	33,100	6,203	2,666
Factory equipment	5,679	-	-
Furniture and fixtures	292	-	-
Office equipment	5,299	-	-
Vehicles	41,765	1,082	1,235
	<u>97,611</u>	<u>7,285</u>	<u>3,901</u>
		December 31, 2014 (Unaudited) ...Rupees in '000'...	June 30, 2014 (Audited)
6. SHARE CAPITAL AND RESERVES			
Authorized capital			
5,000,000 ordinary shares of Rs.10 each		<u>50,000</u>	<u>50,000</u>
Issued, subscribed and paid-up			
3,342,570 ordinary shares of Rs. 10 each		<u>33,426</u>	<u>33,426</u>
Capital reserve			
-General reserve		750,000	750,000
-Other reserve		5,996	5,996
Revenue reserve			
-Unrealized loss in value of investments available for sale		(167)	(198)
-Unappropriated profit		<u>238,236</u>	<u>280,729</u>
		<u>1,027,491</u>	<u>1,069,953</u>
7. LONG TERM FINANCE			
From banking companies - secured			
Term finance		693,444	657,780
Car finance		861	1,275
Export oriented projects		-	1,155
		<u>694,305</u>	<u>660,210</u>
Less: Current portion			
Term finance		(133,173)	(119,652)
Car finance		(681)	(747)
Export oriented projects		-	(1,155)
		<u>(133,854)</u>	<u>(121,554)</u>
		<u>560,451</u>	<u>538,656</u>

- 7.1 These finances are secured against first/ joint pari passu charge on all present and future fixed assets and specific charge over imported machinery of the Company, vehicles acquired from vehicle loans and guarantee of the Company. These finances carry mark-up at the rates ranging from 9.3% to 11.48% per annum (June 30, 2014: 9.7% to 13% per annum).

8. CONTINGENCIES AND COMMITMENTS	Note	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
		...Rupees in '000'...	

8.1 Contingencies

There is no contingency to report as at December 31, 2014 and June 30, 2014.

8.2 Commitments

Civil works and machinery		48,717	43,035
Letters of credit for			
- plant and machinery and stores		89,965	267,266
- raw material		175,286	-
Bank guarantees	8.2.1	109,466	109,466
Bills discounted		33,573	634,287
Outstanding sales contracts		69,827	32,783

- 8.2.1 This includes bank guarantee related to infrastructure cess amounting to Rs. 54.1 million (June 30, 2014: Rs. 54.1 million) for which provision amounting to Rs. 41.6 million (June 30, 2014: Rs. 41.1 million) has been made.

Note	Six-month period ended		Three-month period ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Unaudited.....			
Rupees in '000'.....			

9. COST OF GOODS SOLD

Opening finished goods		186,670	175,450	111,618	104,545
Cost of goods manufactured	9.1	2,181,774	1,871,378	1,028,058	981,375
		2,368,444	2,046,829	1,139,676	1,085,920
Closing finished goods	9.2	(85,888)	(347,975)	(85,888)	(347,975)
Cost of manufactured goods sold		2,282,556	1,698,854	1,053,788	737,945
Cost of raw material sold		192,222	-	57,617	-
		2,474,778	1,698,854	1,111,405	737,945

9.1 Cost of goods manufactured

Raw material	9.1.1	1,663,284	1,458,075	766,267	759,423
Packing material		44,988	30,336	20,957	16,165
Stores and spares		25,423	22,649	11,970	8,355
Salaries, wages and benefits		126,243	103,297	64,268	51,290
Fuel and power		233,705	191,674	117,232	110,745
Insurance		8,193	5,684	3,567	3,018
Repairs and maintenance		7,025	4,321	3,166	2,506
Depreciation		46,377	44,430	24,066	22,386
Other overheads		15,463	7,552	10,311	3,955
		2,170,701	1,868,018	1,021,804	977,843

Work-in-process

Opening stock	34,048	26,796	29,229	26,967
Closing stock	(22,975)	(23,435)	(22,975)	(23,435)
	11,073	3,361	6,254	3,532
	2,181,774	1,871,378	1,028,058	981,375

9.1.1 Raw material consumed

Opening stock	629,002	847,154	499,503	820,572
Purchases - net	2,651,240	2,227,444	1,883,722	1,555,374
	3,280,242	3,074,597	2,383,225	2,375,946
Closing stock	(1,616,958)	(1,616,523)	(1,616,958)	(1,616,523)
	1,663,284	1,458,075	766,267	759,423

- 9.2 Net realisable value of finished goods was lower than its cost, which resulted in write down of Rs. 0.54 million (Dec 31, 2013: Nil) charged to cost of sales.

10. TAXATION

The charged for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.


11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. Significant transactions with related parties are as follows:

		Six-month period ended	
		December 31, 2014	December 31, 2013
		(Unaudited)	
		...Rupees in '000'...	
Relationship with the party	Nature of transactions		
Associated undertakings	Share of expense received	2,001	5,531
	Share of expense paid	957	952
	Licensing fee received	2,124	2,138
	Purchase of raw material	42,088	-
	Purchase of power	215,119	191,483
	Dividend paid	549	733
	Sale of raw material	114,319	-
Directors	Meetings fee	60	55
	Short-term benefits	2,400	3,017
	Rent expense	1,814	1,814
Key management personnel	Short-term benefits	21,998	17,405

12. DATE OF AUTHORIZATION FOR ISSUE

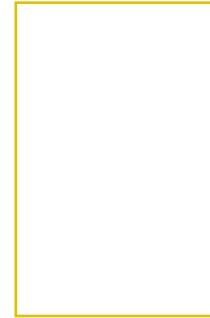
This condensed interim financial information was authorized for issue on February 25, 2015 by the Board of Directors of the Company.


ADEEL SHAHID ANWAR
Chief Executive


ANWAR AHMED TATA
Chairman/Director

BOOK POST

Printed Matter



If Undelivered please return to :

SALFI TEXTILE MILLS LIMITED

6th Floor, Textile Plaza,

M. A. Jinnah Road,

Karachi-74000