



Shadman

Cotton Mills Ltd.

**HALF YEARLY REPORT
DECEMBER 31, 2014**

COMPANY INFORMATION

BOARD OF DIRECTORS	:	MR. SHAHID MAZHAR (Chief Executive / Chairman) MR. AHMED BIN SHAHID MRS. GHAZALA SHAHID MRS. NAUREEN REHAN MR. MUHAMMAD AKHTAR MR. FIDA HUSSAIN MR. ABDUL RAZZAQ
AUDITORS	:	M/S RAHMAN SARFRAZ RAHIM IQBAL RAFIQ CHARTERED ACCOUNTANTS
LEGAL ADVISOR	:	MR. FAZAL MAHMOOD (ADVOCATE)
AUDIT COMMITTEE	:	MRS. NAUREEN REHAN (Chairperson) MRS. GHAZALA SHAHID (Member) MR. MUHAMMAD AKHTAR (Member)
H.R. ADD REMUNERATION COMMITTEE	:	MR. AHMED BIN SHAHID (Chairman) MR. SHAHID MAZHAR (Member) MR. MUHAMMAD AKHTAR (Member)
CHIEF FINANCIAL OFFICER/ COMPANY SECRETARY	:	MR. FIDA HUSSAIN FCMA
BANKERS	:	ALLIED BANK LIMITED SONERI BANK LIMITED THE BANK OF PUNJAB HABIB BANK LIMITED HABIB METROPOLITAN BANK LTD. MEEZAN BANK LTD.
REGISTERED OFFICE	:	2/E, BLOCK-G, MUSHTAQ AHMED GURMANI ROAD, GULBERG-II, LAHORE- PAKISTAN TEL: 042-35959121-26 FAX: 042-35959120
HEAD OFFICE	:	2/E, BLOCK-G, MUSHTAQ AHMED GURMANI ROAD, GULBERG-II, LAHORE- PAKISTAN TEL: 042-35959121-26 FAX: 042-35959120
SHARE REGISTRAR	:	M/S TECHNOLOGY TRADE (PVT) LTD. 241-C, BLOCK-2, P.E.C.H.S., KARACHI.
MILLS	:	KOT SHAH MOHAMMAD, WARBURTON ROAD, FEROZ WATOAN, TEHSIL & DISTRICT : NANKANA SAHIB.
URL	:	www.shadman.com.pk

DIRECTORS REPORT

Dear Shareholders,

The Directors of your Company are pleased to present their report along with the Auditor's Reviewed Financial Statements of the Company for the half year ended December 31, 2014.

OVERVIEW

The operational results of the first half of current financial year are behind the target. The Company managed to bear gross Loss of Rs. 48.53 as compared to profit of Rs. 95.21 million during the corresponding period of last year. The sales during the period under review are of Rs. 678 million as compared to Rs. 1,802 million during the comparative period of last year.

FINANCIAL RESULTS

The Company made a pre-tax loss of Rs. 87.3 million and after tax loss of Rs. 94.2 million during the period as compared to pre-tax profit of Rs. 22.9 million and after tax profit of Rs. 3.9 million of corresponding period of last year.

EARNING PER SHARE

Earning/(loss) per share for the period is Rs. (5.34) as compared to EPS of Rs. 0.22 of the corresponding period of last year.

EXPANSION AND MODERNIZATION

The Company is not carrying out any major BMR program due to liquidity constraints.

CURRENT AND FUTURE SUMMARY AND PROSPECTS

Our major exports are in China. The dwindled down yarn market in China since last year and enormous competition from other countries has resulted in selling pressure on the local market. Accordingly we have to face low selling rates in local market and high production costs.

Over that the scheduled and unscheduled load shedding of electricity and gas has caused disruption in productions and our considerable production capacity remained idle during the last six months. All these factors have ended to us with negative financial results.

ACKNOWLEDGMENT

Your Directors are pleased to acknowledge the Company's Bankers, Customers, Suppliers, Shareholders and Government Authorities and its employees for their cooperation.

Lahore:

Dated: February 27, 2015



SHAHID MAZHAR
Chief Executive

**Auditors' Report to the Members
on Review of Interim Financial Information**

Plot No. 180, Block-A, S.M.C.H.S.,
Karachi-74400, PAKISTAN.
Tel. No. : (021) 34549345-9
Fax No. : (021) 34548210
E-mail : info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Islamabad

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Shadman Cotton Mills Limited** as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes to the accounts for the six-month period 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 approved accounting standards as applicable in Pakistan for interim financial reporting. 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 quarter ended December 31, 2014 have not been reviewed as we are required to review only cumulative figures for the half year ended on that date.

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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.


Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1.1 to the interim financial information which indicates that the company incurred net loss of Rs. 94,256,288/- during the six months ended December 31, 2014 and, as of that date, the company's current liabilities exceeded its current assets by Rs. 644,386,523/-. These conditions, along with other matters as set forth in note 1.1 indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Other Matters

The financial statements for the year ended June 30, 2014 were audited by another firm of Chartered Accountants who issued report dated October 31, 2014. The aforesaid auditors' report expressed a qualified opinion regarding matter of recognition of income against write off referred to in note 7.1 and gave matter of emphasis on going concern assumption used.

Karachi.
Dated: February 27, 2015

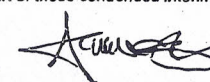

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: Muhammad Waseem

SHADMAN COTTON MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2014

		(Un-audited)	(Audited)
	Note	December 31, 2014 Rupees	June 30, 2014 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	1,347,119,870	1,380,998,221
Capital Work in progress		3,353,359	3,353,359
Long term deposits		21,422,915	15,572,915
		1,371,896,144	1,399,924,495
CURRENT ASSETS			
Stores, spares and loose tools		80,337,039	80,516,944
Stock in trade		255,677,468	233,301,350
Trade debts		103,282,722	90,869,831
Loans and advances		51,400,135	26,752,575
Other receivables		13,339,839	12,326,880
Tax due from Government		33,934,989	57,940,551
Other financial assets		1,225,250	1,031,250
Cash and bank balances		1,324,358	6,134,400
		540,521,800	508,873,781
TOTAL ASSETS		1,912,417,944	1,908,798,276
EQUITY AND LIABILITIES			
Capital and Reserves			
Authorised capital			
18,000,000 (30 June 2014: 18,000,000) ordinary shares of Rs. 10 each		180,000,000	180,000,000
Issued, subscribed and paid up capital	6	176,367,190	176,367,190
Capital Reserves		53,218,752	53,218,752
Accumulated loss		(350,082,600)	(271,427,657)
Shareholders' Equity		(120,496,658)	(41,841,715)
Surplus on revaluation of property, plant and equipment		638,623,272	654,224,618
Deferred income		2,696,812	4,045,217
NON CURRENT LIABILITIES			
Long term financings	7	97,082,836	88,388,162
Liabilities against assets subject to finance lease		-	7,672,001
Deferred liabilities		109,603,359	109,195,910
		206,686,195	205,256,073
CURRENT LIABILITIES			
Trade and other payables		396,029,976	269,094,197
Accrued Interest / mark-up on loans		264,706,189	260,747,752
Short term borrowings		364,589,298	364,745,189
Current portion of:			
Long term financings		9,333,332	23,333,330
Overdue bank liabilities		116,403,268	112,299,032
Liabilities against assets subject to finance lease		22,361,190	28,637,031
Provision for taxation		11,485,070	28,257,552
		1,184,908,323	1,087,114,083
Contingencies and Commitments	8		
TOTAL EQUITY AND LIABILITIES		1,912,417,944	1,908,798,276

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.

Lahore:
Dated: February 27, 2015


Chief Executive



Director

SHADMAN COTTON MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

Note	Half Year Ended		Quarter Ended	
	31-Dec-14 Rupees	31-Dec-13 Rupees	31-Dec-14 Rupees	31-Dec-13 Rupees
Sales and services	678,223,365	1,801,995,957	274,142,110	904,243,883
Cost of sales and services	(726,755,160)	(1,706,785,803)	(308,531,877)	(858,207,478)
Gross profit / (Loss)	(48,531,795)	95,210,154	(34,389,767)	46,036,405
Other income	26,539,957	6,469,120	25,339,225	1,061,469
Distribution cost	(6,167,065)	(11,249,546)	(3,067,652)	(5,992,913)
Administrative expenses	(25,411,943)	(25,874,873)	(12,441,280)	(10,414,058)
Other operating expenses	(348,368)	(2,108,652)	6,250	(2,108,652)
Finance Cost	(33,467,797)	(39,499,885)	(16,490,750)	(20,297,134)
	(38,855,216)	(72,263,836)	(6,654,207)	(37,751,348)
(Loss) / Profit before taxation	(87,387,011)	22,946,318	(41,043,974)	8,285,057
Taxation:				
Current year	(6,869,277)	(18,994,517)	(2,755,357)	(10,826,045)
Prior year	-	-	-	-
Deferred tax	-	-	-	-
	(6,869,277)	(18,994,517)	(2,755,357)	(10,826,045)
(Loss) / Profit for the period	(94,256,288)	3,951,801	(43,799,331)	(2,540,988)
(Loss) / Earnings per share - basic and diluted	(5.34)	0.22	(2.50)	(0.14)

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.

Lahore:
Dated: February 27, 2015


Chief Executive



Director

SHADMAN COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half Year Ended		Quarter Ended	
	31-Dec-14 Rupees	31-Dec-13 Rupees	31-Dec-14 Rupees	31-Dec-13 Rupees
(Loss) / Profit for the period	(94,256,288)	3,951,801	(50,456,957)	(2,540,988)
Other comprehensive (loss) / income for the period	-	-	-	-
Items that will not be reclassified to profit & loss account	-	-	-	-
Items that will be reclassified to profit & loss account	-	-	-	-
Total comprehensive (loss) / income for the period	(94,256,288)	3,951,801	(50,456,957)	(2,540,988)

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.

Lahore:
Dated: February 27, 2015


Chief Executive



Director


SHADMAN COTTON MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Note	31-Dec-14 Rupees	31-Dec-13 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated From Operations	9	23,099,546	87,214,237
Finance cost paid		(5,587,668)	(8,656,517)
Staff retirement benefits - gratuity paid		(2,545,550)	(4,844,250)
Income tax		(2,226,317)	(17,287,227)
		(10,359,535)	(30,787,994)
Cash flows from operating activities		12,740,011	56,426,243
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(145,232)	(27,562,205)
Proceeds from disposal of property, plant and equipment		3,750,000	-
Long term deposit		(5,850,000)	-
Cash used in investing activities		(2,245,232)	(27,562,205)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of short term borrowings - net		(155,891)	(13,317,777)
Repayment of liabilities against assets subject to finance lease		(9,843,606)	(6,320,702)
Repayment of long term finances		(5,305,324)	-
Cash used in financing activities		(15,304,821)	(19,638,479)
Net (decrease) / increase in cash and cash equivalents		(4,810,042)	9,225,559
Cash and cash equivalents at the beginning of the period		6,134,400	28,852,374
Cash and cash equivalents at the end of the period		1,324,358	38,077,933

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.

Lahore:
Dated: February 27, 2015

Chief Executive



Director

SHADMAN COTTON MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Share Capital	Reserves			Total Equity
		Capital reserves	Accumulated Loss	Sub Total	
Rupees					
Balance as at July 01, 2013	176,367,190	53,218,752	(238,007,847)	(184,789,095)	(8,421,905)
Total comprehensive income for the half year ended December 31, 2013	-	-	3,951,801	3,951,801	3,951,801
Transfer from surplus on revaluation on account of incremental depreciation charge on revalued assets	-	-	16,476,420	16,476,420	16,476,420
Balance as at December 31, 2013	176,367,190	53,218,752	(217,579,626)	(164,360,874)	12,006,316
Total comprehensive income for the six months (January 2014 to June 2014)	-	-	(70,324,465)	(70,324,465)	(70,324,465)
Transfer from surplus on revaluation on account of incremental depreciation charge on revalued assets	-	-	16,476,434	16,476,434	16,476,434
Balance as at June 30, 2014	176,367,190	53,218,752	(271,427,657)	(218,208,905)	(41,841,715)
Total comprehensive income for the half year ended December 31, 2014	-	-	(94,256,288)	(94,256,288)	(94,256,288)
Transfer from surplus on revaluation on account of incremental depreciation charge on revalued assets	-	-	15,601,345	15,601,345	15,601,345
Balance as at December 31, 2014	176,367,190	53,218,752	(350,082,600)	(296,863,848)	(120,496,658)

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.

Lahore:
Dated: February 27, 2015

Chief Executive


Director

SHADMAN COTTON MILLS LIMITED**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014****1 LEGAL STATUS AND NATURE OF BUSINESS**

Shadman Cotton Mills Limited (the Company) was incorporated in Pakistan on November 24, 1979 under the Companies Act, 1913 (Now the Companies Ordinance, 1984). The shares of the Company are listed on Karachi and Lahore Stock Exchanges. The registered office of the Company is located at 2/E, Block G, Mushtaq Ahmed Gurmani Road, Gulberg II, Lahore. (Previously 58, Alhamra Housing Society, Block 7/8, Tipu Sultan Road, off. Shaheed-e-Millat Road, Karachi) and its mills are located at Feroza Watwan. The Company is principally engaged in manufacturing and sale of yarn.

- 1.1** The company incurred a net loss after tax for the six month period ended 31 December 2014 of Rs.94,256,288/- (30 June 2014: Rs 67,781,384) and as on the said date its current liabilities exceeds its current assets by Rs.644,386,523/- and its accumulated loss increase to Rs.350,082,600/-. The loss is attributable mainly to the problem faced by textile units in Punjab due to lower production caused by power outages and low export orders due to dwindled yarn market in far east and China that have driven yarn prices downwards. The company has however met all its obligations to creditors and received support through sponsors loan as and when required.

The Bank of Punjab has also filed a suit against company for the recovery of amount of Rs. 577.391 million which is still pending before the Lahore High Court and similarly the company has also filed a suit against Bank of Punjab in Lahore High Court for recovery of Rs 744.348 million which is still pending. The sponsors awaits the outcome of the suits so that the liabilities are settled on such terms and conditions as their case merits.

These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

The management expects improvement in equity as a result of matter disclosed in note 7.1 and improved market condition due to favourable cotton prices. It expects increase production and sales in the remaining two quarters. The sponsors shall inject funds required for meeting working capital needs as and when required.

In view of the above the company has however prepared these interim financial information using going concern assumptions.

2 BASIS FOR PREPARATION**2.1 Statement of compliance**

This condensed interim financial information of the company for the six months 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.

The condensed interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2014.

This condensed interim financial information is being submitted the shareholders as required by the Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

This condensed interim financial information comprises of condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes for the half year ended December 31, 2014 which have been subjected to a review but not audited. The comparative figures as at June 30, 2014 in the condensed interim balance sheet and the related notes to the condensed interim financial information are based on audited financial statements. The comparative condensed interim profit & loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and related notes to the condensed interim financial information for the half year ended December 31, 2013 are based on un-audited/ reviewed condensed interim financial information. This condensed interim financial information also includes the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2014 & December 31, 2013 which are neither audited nor reviewed.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2014.
- 3.2** Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company. As otherwise disclosed.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1** The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements for the year ended June 30, 2014.

- 4.2** The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2014.

5 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	31-Dec-14	30-Jun-14
		Rupees	
Opening Written down value		1,380,998,220	1,408,043,568
Additions during the period - at cost	5.1	145,232	40,129,745
Disposals during the period - at WDV	5.1	(2,684,643)	(639,610)
Depreciation charged		(31,338,939)	(66,535,483)
		<u>1,347,119,870</u>	<u>1,380,998,220</u>

	(Un-audited)	(Audited)
	31-Dec-14	30-Jun-14
	Acquisition	Acquisition
	At Cost	At Cost
	Disposal	Disposal
	At WDV	At WDV
	Rupees	

5.1 Addition & Disposal**PROPERTY, PLANT & EQUIPMENT****Owned assets**

Land	-	-	24,717,500	-
Plant & machinery	-	-	12,410,077	-
Office equipment	-	-	360,861	-
Furniture & fittings	-	-	146,300	-
Vehicles	145,232	(2,684,643)	2,495,007	(639,610)
	<u>145,232</u>	<u>(2,684,643)</u>	<u>40,129,745</u>	<u>(639,610)</u>

6 SHARE CAPITAL

			(Un-audited)	(Audited)										
		Note	31-Dec-14	30-Jun-14										
			Rupees											
<table><tr><th colspan="2">Number of shares</th><th></th><th></th><th></th></tr><tr><th>31-Dec-14</th><th>30-Jun-14</th><th></th><th></th><th></th></tr></table>					Number of shares					31-Dec-14	30-Jun-14			
Number of shares														
31-Dec-14	30-Jun-14													
11,627,344	11,627,344	Ordinary Shares of Rs.10/- each allotted for consideration paid in cash	116,273,440	116,273,440										
6,009,375	6,009,375	Ordinary Shares of Rs.10/- each issued as bonus shares	60,093,750	60,093,750										
17,636,719	17,636,719		176,367,190	176,367,190										

7 LONG TERM FINANCING**From Banks - Secured**

Allied Bank Limited - Demand Finance 2	7.1	39,334,154	53,334,152
Allied Bank Limited - Demand Finance 2 - frozen mark up	7.1	41,432,014	38,997,340
The Bank of Punjab - Demand finance -1 -LTF		17,863,256	17,863,256
The Bank of Punjab - Demand finance -2		80,000,000	80,000,000
Habib Bank Limited - Term finance		8,105,608	8,105,608

From related party - Unsecured

Directors		25,650,000	19,390,000
		212,385,032	217,690,356
Less: Current maturity shown under current liabilities		(9,333,332)	(23,333,330)
Less: Overdue installments		(105,968,864)	(105,968,864)
		97,082,836	88,388,162

7.1 This represents amount outstanding against Demand Finance-II as of balance sheet date that has been restructured and now the actual balance amount payable is Rs 9.3 million in four equal monthly installments of Rs 2.33 million each by April 2015. Subsequent to the balance sheet date the installment due in January, 2015 has been paid and the remaining three monthly installments shall be paid on due date by April 2015. The company shall then derecognize the remaining liability of Rs. 71.56 million to income. The company settled Demand Finance-I and Cash Finance in the manner agreed during the year ended 30 June 2014 and derecognized the remaining liability to income of Rs 106.158 million as per restructuring approved by Allied Bank of Pakistan.

8 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as reported in preceding annual audited financial statements as on June 30, 2014 except as disclosed in note 8.1.

	Note	(Un-audited) 31-Dec-14	(Audited) 30-Jun-14
		Rupees	
8.1 Contingencies:			
Post dated Cheques		3,861,024	
8.2 Commitments:			
Letters of Credit in respect of:			
- Raw material		5,200,091	3,526,494
		(Un-audited)	
	Note	31-Dec-14	31-Dec-13
		Rupees	

9 OTHER INCOME

Profit on Bank deposits		10,503	7,925
Gain on sale of fixed assets		1,065,357	-
Exchange Gain		-	4,650,000
Gain on Restatement of debtors		-	281,175
Mark-up written off	9.1	23,921,692	-
Rental Income		-	52,615
Gain on measurement of investment at fair value		194,000	129,000
Amortization of Deferred Income		1,348,405	1,348,406
		26,539,957	6,469,121

9.1 The company has written off outstanding mark up with the approval of Board of Directors as the aged balance is no more payable

(Un-audited)

Note	31-Dec-14	31-Dec-13
	Rupees	
10 CASH GENERATED FROM OPERATIONS		
Profit/(Loss) before taxation	(87,387,011)	22,946,318
Adjustments for non cash charges and other items:		
Depreciation on property, plant and equipment	31,338,939	33,142,251
Gain on disposal of property, plant and equipment	(1,065,357)	-
Gain on restatement of debtors	-	166,377
Fair value adjustment in value of investment	(194,000)	(129,000)
Provision for gratuity	2,953,000	3,680,500
Mark-up written off	(23,921,692)	-
Workers profit participation fund	-	974,157
Workers welfare fund	-	370,180
Deferred Income	(1,348,405)	(1,348,405)
Written off	-	(52,615)
Exchange gain / (loss) - net	-	316,763
Finance cost	33,467,797	39,499,885
	41,230,282	76,620,093
Operating profit before working capital changes	(46,156,729)	99,566,411
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares & loose tools	179,905	3,619,472
Trade debts	(12,412,891)	21,611,906
Loans and advances	(24,647,560)	(25,419,774)
Sales tax Refundable	2,590,119	(138,371)
Stock in Trade	(22,376,118)	(86,842,671)
Other receivables	(1,012,959)	103,750,692
	(57,679,504)	16,581,254
Increase / (decrease) in current liabilities		
Trade and other payables	126,935,779	(28,933,427)
	23,099,546	87,214,237
11 TRANSACTIONS WITH RELATED PARTIES		
The related parties comprise of associated companies, directors and key management personnel. Transactions with related parties are as under:		
	(Un-audited)	
	31-Dec-14	31-Dec-13
	Rupees	
Associates:		
Purchase of Land		23,000,000

12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was approved by the board of directors and authorised for issue on February 27, 2015.


13 GENERAL

Figures in these financial statements have been rounded off to the nearest rupee.

Lahore:
Dated: February 27, 2015



Chief Executive



Director