



TATA TEXTILE MILLS LIMITED

**Condensed Interim Financial Information
For The Six - Month Period Ended December 31, 2013**

TATA TEXTILE MILLS LIMITED

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TATA TEXTILE MILLS LIMITED

01

COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN:	Mr. Anwar Ahmed Tata
CHIEF EXECUTIVE:	Mr. Shahid Anwar Tata
DIRECTORS:	Mr. Adeel Shahid Anwar Mr. Bilal Shahid Anwar Mr. Farooq Advani Mr. Muhammad Salman H. Chawala (NIT) Mr. Muhammad Naseem

AUDIT COMMITTEE

CHAIRMAN:	Mr. Muhammad Naseem
MEMBERS:	Mr. Adeel Shahid Anwar Mr. Bilal Shahid Anwar

HUMAN RESOURCE & REMUNERATION COMMITTEE

CHAIRMAN:	Mr. Muhammad Naseem
MEMBERS:	Mr. Shahid Anwar Tata Mr. Bilal Shahid Anwar

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER:

Mr. Farooq Advani

BANKERS:

Faysal Bank Limited
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

AUDITORS:

M/s. M. Yousuf Adil Saleem & Co.
Chartered Accountants

LEGAL ADVISOR:

Muhammad Afzal Awan Advocates

SHARE REGISTRAR:

Central Depository Company of Pakistan Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal, Karachi.
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:

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MILLS:

10th K.M. M.M. Road
Khanpur-Baggasher,
District Muzaffargarh

DIRECTORS' REPORT

It is a source of immense pleasure for us to present to you the half yearly financial information (un-audited) of the company for the period ended on 31st December 2013.

Alhamdulillah, the company has performed well during the period under review and has made a pre-tax profit Rs. 273.805 million of in comparison to a pre-tax profit of Rs. 142.802 million during the corresponding period of last year.

The major contributing factor to the profitability is that we had good opening inventory of cotton available to us at reasonable prices; however it seems that the coming six months will not be easy.

Power availability issue still exists but here we must appreciate the government for synchronizing grid and gas power availability due to which more power was available to the mills for use, around 10% more than the last year.

The unprecedented hike in power tariffs during the last six months has also become a serious issue for the industry, as it has significantly added to the cost of production. Increase in salary, wages and other benefits plus various Inflationary pressures will also contribute to the low profitability. In addition to that, poor law and order situation is also one of the impediments.

Uncertainty exists about the China's future cotton policy leading to uncertain cotton prices in the world. China strategy on disposal of large cotton inventory and China's decision about the cotton procurement plan will be a major factor in deciding the prices of cotton.

Besides that, China remains the only major buyer of yarn in the world, However, China has its own large cotton reserves; the country is buying yarn from other countries up till now but in future, if there is any change in policies of cotton yarn imports or domestic sales of cotton by China, it will greatly affect the cotton yarn industry.

Overcapacity is apparent in the spinning sector in the world specially India. India has been giving us tough competition in yarn from quite some time and the competition has now somewhat increased more, since Indian government is providing quite a large number of subsidies to its farmers and Indian yarn has been imported locally according to SAFTA (South Asian Free Trade Area) trade agreement.

GSP Plus (Generalized System of Preferences) status given by European Union at this crucial time would speed up the economic development in the country and hopefully textile industry will also have a positive impact, the results of which should be evident at the end of this year.

In the coming six months, we may face some tough times, due to huge built up of inventories, slow down in global economy, price wars, and the China factor, since it no more remains an aggressive buyer.

It will be completely unjustified if we do not acknowledge the role of our hard working team members, they are our real assets and we value the commitment they have shown over all these years. We sincerely thank our bankers, brokers, suppliers, agents and specially our customers for their unshakable trust and confidence in our products thus paving the way for the organization's growth.

On behalf of the Board of Directors



ADEEL SHAHID ANWAR

Director

Karachi:

Date: February 22, 2014

Deloitte.

M. Yousuf Adil Saleem & Co
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350
Pakistan
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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION**Introduction**

We have reviewed the accompanying condensed interim balance sheet of **TATA TEXTILE MILLS LIMITED** (the Company) as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information 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 the 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, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2013.

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, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Chartered Accountants**Engagement partner**

Mushtaq Ali Hirani

Dated: 22-02-2014

Karachi


Member of
Deloitte Touche Tohmatsu Ltd.


TATA TEXTILE MILLS LIMITED**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2013**

	Notes	December 31, 2013 (Unaudited)Rupees in '000'	June 30, 2013 Restated (Audited)
SHARE CAPITAL AND RESERVES	6	1,720,595	1,472,252
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		915,439	936,597
NON-CURRENT LIABILITIES			
Long-term finances	7	324,325	267,399
Deferred liabilities		60,428	59,191
		384,753	326,590
CURRENT LIABILITIES			
Trade and other payables		426,306	290,583
Accrued interest / mark-up		59,033	31,904
Short-term borrowings		2,745,194	1,270,876
Current portion of long- term finances	7	45,403	74,290
Taxation - income tax		24,572	26,811
		3,300,508	1,694,464
Contingencies and commitments	8	6,321,295	4,429,903
NON-CURRENT ASSETS			
Property, plant and equipment	9	2,451,673	2,454,098
Intangible assets		5,880	6,530
Long-term deposits		1,964	1,964
CURRENT ASSETS			
Stores, spares and loose tools		50,154	44,130
Stock-in-trade		3,130,474	1,486,943
Trade debts		391,842	187,118
Loans and advances		105,289	105,138
Trade deposits and short term prepayments		5,521	2,672
Other receivables		3,553	1,304
Other financial assets		14,258	5,352
Sales tax refundable		30,581	22,961
Cash and bank balances		130,106	111,693
		3,861,778	1,967,311
		6,321,295	4,429,903

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

Note: As required under section 241(2) of the Companies Ordinance, 1984, the condensed interim financial information has been signed by two Directors of the Company in the absence of the Chief Executive of the Company, who is for the time being out of Pakistan.


ADEEL SHAHID ANWAR
Director



ANWAR AHMED TATA
Chairman/Director


TATA TEXTILE MILLS LIMITED
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**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2013**

Notes	Six-month period ended		Three-month period ended	
	December 31, 2013	December 31, 2012 (Restated)	December 31, 2013	December 31, 2012
.....Rupees in '000'.....				
Sales	2,625,725	2,326,615	1,197,202	1,177,489
Cost of goods sold	10 (2,093,623)	(1,930,650)	(945,600)	(965,040)
Gross profit	532,102	395,965	251,602	212,449
Distribution cost	(116,842)	(108,893)	(55,249)	(58,848)
Administrative expenses	(55,346)	(44,921)	(30,157)	(23,571)
Other operating expenses	(20,070)	(30,438)	(9,238)	(18,312)
Other income	53,804	875	25,499	608
Finance cost	(119,843)	(69,786)	(70,034)	(33,125)
Profit before taxation	273,805	142,802	112,424	79,201
Provision for taxation	5 (11,970)	(22,029)	(1,785)	(11,055)
Profit for the period	261,835	120,773	110,639	68,146
Other comprehensive income				
Items that will not be reclassified subsequently through profit and loss account Remeasurements of defined benefit liability	3.1	- (699)	-	-
Impact of deferred tax		- (9)	-	-
Total items that will not be reclassified to profit and loss account		- (708)	-	-
Total comprehensive income for the period	261,835	120,065	110,639	68,146
Earnings per share				
- Basic and diluted (Rupees)	15.11	6.97	6.39	3.93

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

Note: As required under section 241(2) of the Companies Ordinance, 1984, the condensed interim financial information has been signed by two Directors of the Company in the absence of the Chief Executive of the Company, who is for the time being out of Pakistan.


ADEEL SHAHID ANWAR
Director


ANWAR AHMED TATA
Chairman/Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2013

	December 31, 2013	December 31, 2012
Rupees in '000'.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	273,805	142,802
Adjustments for:		
Depreciation on property, plant and equipment	63,035	62,434
Amortization on intangible assets	832	779
Unrealized (gain) / loss on forward contracts	(8,406)	9,278
Provision for staff gratuity and compensated absences	12,318	6,983
Finance cost	119,843	69,786
Gain on disposal of property, plant and equipment	-	(538)
Operating cash flows before working capital changes	461,426	291,524
Decrease / (increase) in current assets		
Stores, spares and loose tools	(6,024)	552
Stock-in-trade	(1,643,531)	(204,217)
Trade debts	(204,724)	(184,488)
Loans and advances	1,338	(16,008)
Trade deposits and short-term prepayments	(2,849)	(2,938)
Other receivables	(2,249)	33,716
Other financial assets	(500)	3,802
Sales tax refundable	(7,620)	(363)
Increase in current liabilities		
Trade and other payables	134,840	95,176
Cash (used in) / generated from operations	(1,269,893)	16,757
Finance cost paid	(92,714)	(84,014)
Income tax paid	(20,699)	(18,308)
Staff gratuity and compensated absences paid	(6,079)	(2,935)
Net cash used in operating activities	(1,389,385)	(88,499)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(60,610)	(177,308)
Proceeds on disposal of property, plant and equipment	-	840
Purchase of intangible assets	(182)	-
Net cash used in investing activities	(60,792)	(176,468)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term financing	69,153	68,909
Repayments of long term financing	(41,115)	-
Repayment of short-term borrowings	(214,766)	(163,434)
Dividend paid	(33,767)	(16,998)
Net cash used in financing activities	(220,494)	(111,522)
Net decrease in cash and cash equivalents (A+B+C)	(1,670,671)	(376,490)
Cash and cash equivalents at July 01	(675,483)	(601,214)
Cash and cash equivalents at December 31	(2,346,154)	(977,704)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	130,106	59,189
Short-term running finance	(2,476,260)	(1,036,893)
	(2,346,154)	(977,704)

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

Note: As required under section 241(2) of the Companies Ordinance, 1984, the condensed interim financial information has been signed by two Directors of the Company in the absence of the Chief Executive of the Company, who is for the time being out of Pakistan.


ADEEL SHAHID ANWAR
 Director


ANWAR AHMED TATA
 Chairman/Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2013**

	Issued subscribed & paid up Capital	General Reserve	Revenue Reserve Unappropriated Profit (Restated)	Total
	Rupees in 000			
Balance at July 01, 2012 as previously reported	173,248	-	946,390	1,119,638
Impact of change in accounting policy - note 3.1	-	-	(5,144)	(5,144)
Balance at July 01, 2012 - restated	173,248	-	941,246	1,114,494
Comprehensive income				
Profit after taxation for the six months ended December 31, 2012	-	-	120,773	120,773
Total other comprehensive income for the period - note 3.1	-	-	(708)	(708)
Total comprehensive income for the period - restated	-	-	120,065	120,065
Transferred from surplus on revaluation of property, plant and equipment on account of: - incremental depreciation	-	-	22,138	22,138
Transactions with owners				
Final cash dividend for the year ended June 30, 2012 @ Re 1 per share	-	-	(17,325)	(17,325)
Balance at December 31, 2012 - restated	173,248	-	1,066,124	1,239,372
Comprehensive income				
Profit after taxation for the six months ended June 30, 2013	-	-	207,731	207,731
Other comprehensive income - net of tax	-	-	(708)	(708)
	-	-	207,023	207,023
Transferred from surplus on revaluation of property, plant and equipment on account of: - incremental depreciation	-	-	22,419	22,419
- disposal of property, plant and equipment	-	-	3,437	3,437
	-	-	25,856	25,856
Transfer to general reserve	-	1,000,000	(1,000,000)	-
Balance at June 30, 2013 - restated	173,248	1,000,000	299,004	1,472,252
Comprehensive income				
Profit after taxation for the six months ended December 31, 2013	-	-	261,835	261,835
Other comprehensive income - net of tax	-	-	-	-
	-	-	261,835	261,835
Transferred from surplus on revaluation of property, plant and equipment on account of: - incremental depreciation	-	-	21,158	21,158
Transactions with owners				
Final cash dividend for the year ended June 30, 2013 @ Rs 2 per share	-	-	(34,650)	(34,650)
Balance at December 31, 2013	173,248	1,000,000	547,347	1,720,595

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

Note: As required under section 241(2) of the Companies Ordinance, 1984, the condensed interim financial information has been signed by two Directors of the Company in the absence of the Chief Executive of the Company, who is for the time being out of Pakistan.


ADEEL SHAHID ANWAR
Director


ANWAR AHMED TATA
Chairman/Director

**SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2013**

1. STATUS AND NATURE OF BUSINESS

Tata Textile Mills Limited (the Company) was incorporated in Pakistan on April 15, 1987 as a public limited company under the Companies Ordinance, 1984 and is listed on Karachi and Lahore Stock Exchanges. 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 District of Muzaffargarh in the province of Punjab.

2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the six-month period ended December 31, 2013 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 the information required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2013.

2.2 This condensed interim financial information has been prepared under historical cost convention modified by:

- revaluation of certain property, plant and equipment
- recognition of certain staff retirement benefits at fair value
- financial instruments at fair value

2.3 This condensed interim financial information is presented in Pak Rupee 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.

2.5 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2013, whereas comparative condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity are stated from the unaudited condensed interim financial information for the six month ended December 31, 2012.

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, 2013 except for adoption of IAS-19, as more described in note 3.1 below.

3.1 Change in accounting policy for employee benefits - defined benefit plan

IAS 19 (revised) 'Employee benefits' amends the accounting for employment benefits which became effective to the Company from July 1, 2013. The changes introduced by the IAS 19 (revised) are as follows:

- (a) The standard requires past service cost to be recognised immediately in profit and loss account;
- (b) The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit assets or liability and the discount rate, measured at the beginning of the year;
- (c) There is new term "remeasurement". This is made up of actuarial gains and losses, the differences between actual investment returns and return implied by the net interest cost; and
- (d) The amendment requires an entity to recognise remeasurements immediately in other comprehensive income. Actuarial gains or losses beyond corridor limits were previously amortised over the expected future services of the employees.

The management believes that the effects of these changes would not have significant effect on this condensed interim financial information except for the changes referred to in (d) above that has been accounted for retrospectively in accordance with International Accounting Standard - 8 "Accounting Policies, Changes in Accounting Estimates and Errors", resulting in restatement of financial statements of prior periods.

As a result of the above mentioned changes, the cumulative balance for un-recognised actuarial losses that existed as at July 1, 2012 has been presented and disclosed as part of the statement of changes in equity, while the corresponding period adjustment through other comprehensive income is re-stated and disclosed as part of the profit and loss account. The balance sheet also presents the prior year numbers as restated, due to the above said change.

The effect of the change in accounting policy has been demonstrated below:

	June 30, 2013	July 1, 2012
	...Rupees in '000'...	
Effect on balance sheet		
<i>Unappropriated profit</i>		
As previously reported	305,563	946,390
Effect of change in accounting policy	(6,559)	(5,144)
As restated	<u>299,004</u>	<u>941,246</u>
<i>Staff gratuity</i>		
As previously reported	37,318	30,149
Effect of change in accounting policy	6,641	5,244
As restated	<u>43,959</u>	<u>35,393</u>
<i>Deferred taxation</i>		
As previously reported	12,236	28,926
Effect of change in accounting policy	(82)	(100)
As restated	<u>12,154</u>	<u>28,826</u>
	Six month period ended December 31, 2012	Prior to July 1, 2012
Effect on Other Comprehensive Income	...Rupees in '000'...	
Remeasurement of defined benefit liability recognised in		
other comprehensive income (decrease)	(699)	(5,244)
Recognition of deferred tax	(9)	100
	<u>(708)</u>	<u>(5,144)</u>

The effect on respective expenditure account due to lapse of corridor approach in the current and prior period being immaterial has not been presented. After carrying out actuarial valuation for the whole year, management will determine the effect of this change, if any, to the amount to be recognized through comprehensive income for the year ending June 30, 2014.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2013.

5. TAXATION

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

6. SHARE CAPITAL AND RESERVES

Authorized

20,000,000 Ordinary shares of Rs.10/- each

December 31,
2013
(Unaudited)
June 30,
2013
Restated
(Audited)
...Rupees in '000'...

200,000 200,000

Issued, subscribed and paid-up

17,324,750 Ordinary shares of Rs.10/- each

173,248 173,248

General reserve

1,000,000 1,000,000

Unappropriated profit

547,347 299,004

1,720,595 1,472,252

December 31,
2013
(Unaudited)
June 30,
2013
(Audited)
...Rupees in '000'...

7. LONG TERM FINANCES

From financial institutions - secured

Demand finances

196,628 147,474

Term finances

48,990 53,025

Vehicle loans

3,534 4,570

Export oriented projects (EOP)

120,575 136,620

369,727 341,689

Less: Current portion

Demand finances

20,000 40,000

Term finance

8,070 8,070

Vehicle loans

1,674 1,925

Export oriented projects (EOP)

15,659 24,295

45,403 74,290

324,325 267,399

- 7.1 These finances are secured against first pari passu charge on all present and future fixed assets including land, building, property, plant and equipment of the Company, vehicles acquired from vehicle loans, specific charge over new machinery and personal guarantee of directors. These finances carry mark-up at the rates ranging from 7% to 13% per annum (2013: 7% to 13% per annum).

8. CONTINGENCIES AND COMMITMENTS**8.1 Contingencies**

There is no contingency to report as at December 31, 2013 and June 30, 2013.

8.2 Commitments

Letters of credit

	Notes	December 31, 2013 (Unaudited)	June 30, 2013 (Audited)
...Rupees in '000'...			
- plant and machinery		172,351	27,742
- stores and spares		27,615	10,691
- raw material		8,958	-

Bank guarantees issued on behalf of the Company	8.2.1	94,267	94,267
Foreign bills discounted		729,387	979,183
Local bills discounted		33,217	-
Forward contracts		171,703	-

8.2.1 This includes bank guarantee related to infrastructure cess amounting to Rs. 48.40 million (June 30, 2013: Rs.48.40 million) for which provision amounting to Rs. 48.46 million (June 2013 : Rs. 48.33 million) has been made.

9. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	9.1	2,406,406	2,429,349
Capital work-in-progress		45,267	24,749
		<u>2,451,673</u>	<u>2,454,098</u>

9.1 Following additions, transfers and disposals in operating fixed assets were made:

	Additions	Disposal (W.D.V)	Sales Proceeds
Rupees in '000'.....		
During the period ended			
December 31, 2013 (Unaudited)			
Building on free hold land	245	-	-
Plant and machinery	35,660	-	-
Mills and workshop equipment	1,305	-	-
Furniture and Fixtures	318	-	-
Office equipment	1,895	-	-
Vehicles	3,580	-	-
	<u>43,003</u>	<u>-</u>	<u>-</u>
During the year ended			
June 30, 2013 (Audited)			
Buildings on freehold land	3,552	-	-
Plant and machinery	169,644	17,209	22,667
Mills and workshop equipment	573	-	-
Furniture and fixtures	1,472	-	-
Office equipment	1,911	-	-
Vehicles	10,011	302	840
	<u>187,163</u>	<u>17,511</u>	<u>23,507</u>

Note	Six-month period ended		Three-month period ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Unaudited.....Rupees in '000'.....			
10. COST OF GOODS SOLD				
Opening finished goods	294,727	135,408	305,933	161,329
Cost of goods manufactured 10.2	<u>2,321,104</u>	<u>1,869,036</u>	<u>1,161,874</u>	<u>891,241</u>
	2,615,830	2,004,444	1,467,807	1,052,570
Closing finished goods	(522,207)	(87,530)	(522,207)	(87,530)
Cost of manufactured goods sold	<u>2,093,623</u>	<u>1,916,914</u>	<u>945,600</u>	<u>965,040</u>
Cost of raw material sold	-	13,736	-	-
	<u>2,093,623</u>	<u>1,930,650</u>	<u>945,600</u>	<u>965,040</u>

10.1 Net realisable value of finished goods was lower than its cost resulted in write-down of Rs. 0.954 million (2012: Rs. 0.879 million) charged to cost of goods sold.

Note	Six-month period ended		Three-month period ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Unaudited.....Rupees in '000'.....			
10.2 Cost of goods manufactured				
Raw material 10.2.1	1,784,415	1,441,819	900,164	673,648
Stores and spares	43,423	48,299	25,213	25,241
Packing material	41,027	36,192	22,086	17,951
Power and fuel	256,494	152,150	114,351	72,899
Salaries, wages and benefits	121,929	109,147	61,213	57,310
Depreciation	58,104	58,266	29,180	29,675
Insurance	8,737	8,889	4,499	4,759
Repairs and maintenance	9,582	4,377	5,462	3,159
Other overheads	4,787	7,589	2,617	4,347
	<u>2,328,500</u>	<u>1,866,728</u>	<u>1,164,786</u>	<u>888,989</u>
Work-in-process				
Opening stock	38,752	39,454	43,236	39,398
Closing stock	(46,148)	(37,146)	(46,148)	(37,146)
	(7,396)	2,308	(2,912)	2,252
	<u>2,321,104</u>	<u>1,869,036</u>	<u>1,161,874</u>	<u>891,241</u>

10.2.1 Raw material consumed

Opening stock	1,153,464	733,989	1,203,439	399,771
Purchases - net	<u>3,193,070</u>	<u>1,720,481</u>	<u>2,258,844</u>	<u>1,286,528</u>
	4,346,534	2,454,470	3,462,283	1,686,299
Closing stock	(2,562,119)	(1,012,651)	(2,562,119)	(1,012,651)
	<u>1,784,415</u>	<u>1,441,819</u>	<u>900,164</u>	<u>673,648</u>

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, 2013	December 31, 2012
		(Unaudited)	(Unaudited)
		...Rupees in '000'...	
Relationship with the party	Nature of transactions		
Associated undertakings	Share of expenses received	1,339	138
	Share of expenses paid	3,259	1,736
	Mark-up on long-term financing	-	1,216
	Sale of raw material	-	14,077
	Dividend paid	870	-
Key Management personnel	Short-term benefits	24,549	18,581
Directors	Short-term benefits	5,100	4,419
	Meetings fee	55	85
	Rent expense		
	-godown	120	120
	-office premises	1,432	1,432

12. APPROVAL OF CONDENSED INTERIM FINANCIAL INFORMATION

This condensed interim financial information was authorized for issue on February 22, 2014 by the Board of Directors of the Company.

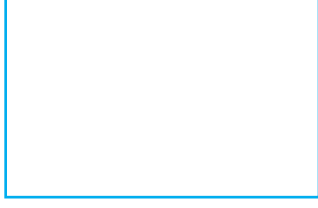
Note: As required under section 241(2) of the Companies Ordinance, 1984, the condensed interim financial information has been signed by two Directors of the Company in the absence of the Chief Executive of the Company, who is for the time being out of Pakistan.


ADEEL SHAHID ANWAR
Director


ANWAR AHMED TATA
Chairman/Director

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