

# Half Year December 31



| The Crescent Textile Mills Limited



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## Company Information

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### Board of Directors

Mr. Muhammad Rafi	Chairman	Bankers
Mr. Muhammad Anwar	Chief Executive Officer	Al Baraka Bank (Pakistan) Limited
Mr. Ahmad Shafi	Director	Allied Bank Limited
Mr. Khalid Bashir	Director	Burj Bank Limited
Mr. Khurram Mazhar Karim	Director	Habib Bank Limited
Mr. Muhammad Arshad	Director	MCB Bank Limited
Mr. Muhammad Asif (Nominee NIT)	Director	National Bank of Pakistan
Mr. Nasir Shafi	Director	NIB Bank Limited
		Standard Chartered Bank (Pakistan) Limited
		The Bank of Punjab
		United Bank Limited

### Audit Committee

Mr. Khalid Bashir	Chairman	Mills & Head Office
Mr. Nasir Shafi	Member	Sargodha Road,
Mr. Khurram Mazhar Karim	Member	Faisalabad, Pakistan
		T: + 92-41-111-105-105
		F: + 92-41-111-103-104
		E: crestex@ctm.com.pk

### HR & R Committee

Mr. Khalid Bashir	Chairman
Mr. Nasir Shafi	Member
Mr. Ahmad Shafi	Member

### Chief Financial Officer

Mr. Sadiq Saleem
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### Corporate Secretary

Mr. Naseer Ahmad Chaudhary	Registered Office
	45-A, Off: Zafar Ali Road, Gulberg-V,
	Lahore, Pakistan

### Head of Internal Audit

Mr. Kashif Saleem	T: + 92-42-111-245-245
	F: + 92-42-111-222-245
	E: mailho@crescentbahuman.com

### Auditors

Riaz Ahmed & Company
Chartered Accountants

### Legal Advisor

Syed Masroor Ahmad	Advocate	Share Registrar
		Crescent Group (Pvt) Ltd.,
		10th Floor, BOP Tower, 10-B,
		Block E-2, Main Boulevard, Gulberg,
		Lahore, Pakistan

### Stock Exchange Listing

The Crescent Textile Mills Limited is a listed Company and its shares are traded on all three Stock Exchanges in Pakistan.	T: + 92-42-35783801-2
	F: + 92-42-35783811
	E: corpsecry@cresjute.com

The Company's shares are quoted in leading dailies under personal goods sector.

www.ctm.com.pk

# Directors' Report to the Shareholders

for the Half Year Ended December 31, 2014

The Board of directors is pleased to present a brief overview of financial and operational results of the company for the 1st Half Year ended on December 31, 2014 duly reviewed by auditors.

#### Economy and industry review:

Throughout the 1st half of FY15 broader landscape of economy faced headwinds from uncertain political, energy and deteriorating security situation. Economic activities were also curtailed during this period due floods in some parts of the country, mainly in Punjab. However, the Govt continued to implement its economic agenda of power and external account restructuring along with privatization program under IMF EEF program. Inflation remained in check on falling oil and commodity prices. Uncertain political scenario negatively affected local currency which depreciated from Rs.99/US\$ as of Jun-30-14 to Rs.100.50/US\$ by close of Dec-31-14. Key macro indicators showed effects of slack as external current account widened significantly on declined exports and increased imports despite strong remittances.

On improved energy supply, textile exports which comprised of 53% of total exports, exhibited growth but overall sales revenues and margins slumped due suppressed market sentiments on continuous oversupply of cotton and polyester in domestic and international markets. Performance of spinning segment was affected negatively due weak demand in domestic and international market. Higher cost of carrying inventories and gradual decline in raw material prices exacerbated and hampered net sales revenue and margins of this segment.

#### Operational and financial performance in 1H FY2015:

The plant performance of company during this period remained smooth and achieved same levels of production as of last year but sales revenues and margins were dragged under depressed market conditions. Input cost was significantly alleviated due higher energy tariff and increase in mini wage rate. Also due sluggish yarn sales the local revenues of company contracted by 18.05% as against growth of 4.85% recorded in exports. Similarly, bottom line didn't reflect benefit of falling cotton and polyester prices as the market was oversupplied due weak demand.

Net after tax profit of the company was down by 58.11% as compared to the same period of last year despite 11.29% saving in Finance Cost.

Financial results of the company for 1st Half Year FY15 in comparison to same period last year are as below:

1st Half Year	2015		2014		Variance	
	Million Rs.	%	Million Rs.	%	Million Rs.	%
Sales revenue	5,678	100.00	6,062	100.00	(384)	(6.33)
Gross profit	733	12.91	884	14.58	(151)	(17.08)
Operating costs	430	7.57	451	7.44	(21)	(4.66)
Other income	98	1.73	118	1.95	(20)	(16.95)
Finance cost	275	4.84	310	5.11	(35)	(11.29)
Profit before tax	126	2.22	241	3.98	(115)	(47.72)
Taxation	64	1.13	93	1.53	(29)	(31.18)
Net profit after taxation	62	1.10	148	2.44	(86)	(58.11)

Aforesaid comparison excludes share of associate's loss and trading results.

#### Future outlook:

The ongoing conundrum of cotton prices and gas supply is expected to impact business performance as uncertain conditions will adversely impact industrial activity. On the other hand decline in oil prices and mark up rates due soft inflation outlook are likely to improve the performance of industry to some extent.

Under challenging business conditions the company remains focused on improving its performance through cost reduction initiatives, efficient resource utilization and strengthening relationship with its customers and suppliers.

for and on behalf of the Board.



(Muhammad Anwar)

Chief Executive Officer

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# Auditors' report to the members

on Review of Condensed Interim Financial Information

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## Introduction

We have reviewed the accompanying condensed interim balance sheet of THE CRESCENT TEXTILE 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, condensed interim statement of changes in equity and notes to the accounts for the half year 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 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 and condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and December 31, 2013 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2014.

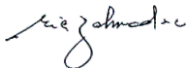
## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed 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 half year ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Riaz Ahmad & Company  
Chartered Accountants



Name of engagement partner:  
Mubashar Mehmood

February 23, 2015  
Faisalabad

# Condensed Interim Balance Sheet

as at December 31, 2014

	Note	Un-Audited December 31, 2014	Audited June 30, 2014 Restated
<b>(Rupees in thousand)</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
100 000 000 (June 30, 2014: 100 000 000)			
ordinary shares of Rupees 10 each		1,000,000	1,000,000
Issued, subscribed and paid up share capital		492,099	492,099
Reserves		2,612,511	2,585,802
<b>TOTAL EQUITY</b>		<b>3,104,610</b>	<b>3,077,901</b>
Surplus on revaluation of operating fixed assets- net of deferred income tax		2,290,755	2,290,767
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	132,881	79,166
Liabilities against assets subject to finance lease		26,986	43,793
Deferred income tax liability		4,503	-
		164,370	122,959
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,138,909	1,025,519
Accrued mark-up		89,580	97,001
Short term borrowings		5,608,417	5,081,813
Current portion of non-current liabilities		126,788	164,104
Provision for taxation		57,538	122,353
		7,021,232	6,490,790
<b>TOTAL LIABILITIES</b>		<b>7,185,602</b>	<b>6,613,749</b>
Contingencies and commitments	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,580,967</b>	<b>11,982,417</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	4,181,558	4,175,596
Investment in associate	8	303,372	310,723
Long term investments		2,565,451	2,539,744
Long term loans and advances		3,120	3,309
Long term deposits and prepayments		5,522	7,266
Deferred income tax asset		-	2,224
		7,059,923	7,038,862
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		180,995	156,533
Stock-in-trade		1,985,770	1,489,590
Trade debts		2,291,131	2,248,287
Loans and advances		338,834	364,305
Short term deposits and prepayments		22,059	20,457
Accrued interest		5,039	4,392
Other receivables		607,579	570,830
Short term investments		86,424	82,226
Cash and bank balances		4,113	6,935
		5,521,944	4,943,555
<b>TOTAL ASSETS</b>		<b>12,580,967</b>	<b>11,982,417</b>

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

  
(Muhammad Anwar)  
Chief Executive Officer

  
(Khalid Bashir)  
Director

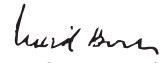
## Condensed Interim Profit and Loss Account (Un-Audited)

for the Half Year Ended December 31, 2014

(Rupees in thousand)	Note	Half year ended		Quarter ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Sales		6,038,304	6,062,058	2,907,258	3,043,051
Cost of sales	9	5,300,111	5,177,913	2,538,427	2,625,631
Gross profit		738,193	884,145	368,831	417,420
Distribution cost		310,495	331,309	170,279	168,325
Administrative expenses		108,539	95,962	54,694	49,207
Other expenses		11,888	23,951	7,033	8,127
		430,922	451,222	232,006	225,659
		307,271	432,923	136,825	191,761
Other income		97,940	118,041	55,515	77,232
Profit from operations		405,211	550,964	192,340	268,993
Finance cost		275,340	309,808	52,354	146,479
Share of (loss) / profit from associate		(7,351)	(44,593)	5,854	(23,859)
Profit before taxation		122,520	196,563	145,840	98,655
Taxation		64,216	93,199	41,588	46,885
Profit after taxation		58,304	103,364	104,252	51,770
Earnings per share - basic and diluted (Rupees)		1.18	2.10	2.12	1.05

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

  
(Muhammad Anwar)  
Chief Executive Officer

  
(Khalid Bashir)  
Director

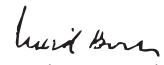


Condensed Interim Statement of Comprehensive Income (Un-Audited)  
for the Half Year Ended December 31, 2014

(Rupees in thousand)	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Profit after taxation	58,304	103,364	104,252	51,770
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus arising on remeasurement of available for sale investments to fair value	29,905	44,253	57,452	45,418
Other comprehensive income for the period	29,905	44,253	57,452	45,418
<b>Total comprehensive income for the period</b>	<b>88,209</b>	<b>147,617</b>	<b>161,704</b>	<b>97,188</b>

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

  
(Muhammad Anwar)  
Chief Executive Officer

  
(Khalid Bashir)  
Director

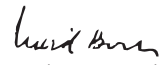
## Condensed Interim Cash Flow Statement (Un-Audited)

for the Half Year Ended December 31, 2014

(Rupees in thousand)	Note	Half year ended	
		December 31, 2014	December 31, 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (utilized in) / generated from operations	10	(30,153)	651,567
Finance cost paid		(282,209)	(330,746)
Income tax paid		(73,942)	(78,739)
Dividend Paid		(56,611)	(1)
Workers' profit participation fund paid		(361)	-
Net decrease / (increase) in long term loans and advances		189	(84)
Net decrease / (increase) in long term deposits and prepayments		1,744	(165)
Net cash (utilized in) / generated from operating activities		(441,343)	241,832
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(103,689)	(43,172)
Proceeds from sale of property, plant and equipment		5,416	31,747
Dividend received		10,598	18,019
Net cash (used in) / generated from investing activities		(87,675)	6,594
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		100,000	-
Repayment of long term financing		(84,066)	(95,649)
Liabilities against assets subject to finance lease - net		(16,342)	(14,527)
Short term borrowings - net		526,604	(138,483)
Net cash from / (used in) financing activities		526,196	(248,659)
Net decrease in cash and cash equivalents		(2,822)	(233)
Cash and cash equivalents at the beginning of the period		6,935	6,156
Cash and cash equivalents at the end of the period		4,113	5,923

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

  
(Muhammad Anwar)  
Chief Executive Officer

  
(Khalid Bashir)  
Director

## Condensed Interim Statement of Changes In Equity (Un-Audited)

for the Half Year Ended December 31, 2014

(Rupees in thousand)	Share Capital	Reserves						Total Equity
		Capital Reserve Fair Value	Revenue Reserves				Total	
			General	Dividend Equalization	Unappropriated profit	Sub total		
Balance as at June 30, 2013 - Audited	492,099	421,863	1,773,643	30,000	108,102	1,911,745	2,333,608	2,825,707
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation								
- net of deferred income tax	-	-	-	-	13	13	13	13
Profit for the half year ended December 31, 2013	-	-	-	-	103,364	103,364	103,364	103,364
Other comprehensive income for the half year ended December 31, 2013	-	44,253	-	-	-	-	44,253	44,253
Total comprehensive income for the half year ended December 31, 2013	-	44,253	-	-	103,364	103,364	147,617	147,617
Balance as at December 31, 2013 - Un-audited	492,099	466,116	1,773,643	30,000	211,479	2,015,122	2,481,238	2,973,337
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation								
- net of deferred income tax	-	-	-	-	12	12	12	12
Profit for the half year ended June 30, 2014	-	-	-	-	131,653	131,653	131,653	131,653
Other comprehensive loss for the half year ended June 30, 2014	-	(31,547)	-	-	-	-	(31,547)	(31,547)
Total comprehensive income for the half year ended June 30, 2014	-	(31,547)	-	-	131,653	131,653	100,106	100,106
Balance as at June 30, 2014 - Audited	492,099	434,569	1,773,643	30,000	343,144	2,146,787	2,581,356	3,073,455
Effect of accounting error regarding investment in associate (Note 8.1)	-	-	-	-	4,446	4,446	4,446	4,446
Balance as at June 30, 2014 - Restated	492,099	434,569	1,773,643	30,000	347,590	2,151,233	2,585,802	3,077,901
Final dividend for the year ended June 30, 2014 at the rate of Rs. 1.25 per share					(61,512)	(61,512)	(61,512)	(61,512)
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation								
- net of deferred income tax	-	-	-	-	12	12	12	12
Profit for the half year ended December 31, 2014	-	-	-	-	58,304	58,304	58,304	58,304
Other comprehensive income for the half year ended December 31, 2014	-	29,905	-	-	-	-	29,905	29,905
Total comprehensive income for the half year ended December 31, 2014	-	29,905	-	-	58,304	58,304	88,209	88,209
Balance as at December 31, 2014 - Un-audited	492,099	464,474	1,773,643	30,000	344,394	2,148,037	2,612,511	3,104,610

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

  
(Muhammad Anwar)  
Chief Executive Officer

  
(Khalid Bashir)  
Director

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## Selected Notes to the Condensed Interim Financial Information (Un-Audited) for the Half Year Ended December 31, 2014

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### 1. The company and its operations

The Crescent Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984). The registered office of the Company is situated at 45-A, Off: Zafar Ali Road, Gulberg-V, Lahore. Its shares are quoted on all the stock exchanges in Pakistan. The Company is engaged in the business of textile manufacturing comprising of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s) and to generate, accumulate, distribute, supply and sale of electricity. The Company also operates a cold storage unit.

### 2. Basis of preparation

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the half year ended December 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 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 should be read in conjunction with the audited annual published financial statements of the Company for the year ended June 30, 2014.

### 3. Accounting policies and computation methods

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

### 4. Critical accounting estimates and judgments

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended June 30, 2014.

## Selected Notes to the Condensed Interim Financial Information (Un-Audited) for the Half Year Ended December 31, 2014

(Rupees in thousand)	Un-Audited December 31, 2014	Audited June 30, 2014
5. Long term financing - secured		
Financing from banking companies		
Opening balance	209,517	400,816
Add: Obtained during the period / year	100,000	-
Less: Repaid during the period / year	84,066	191,299
	225,451	209,517
Less: Current portion shown under current liabilities	92,570	130,351
	132,881	79,166

### 6. Contingencies and Commitments

#### a) Contingencies

Guarantees of Rupees 145.548 million (June 30, 2014: Rupees 149.784 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections and to Faisalabad Electric Supply Company against electricity connections.

Post dated cheques of Rupees 79.862 million (June 30, 2014: Rupees 69.020 million) are issued to custom authorities in respect of duties on imported material availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.

The Company is contingently liable to the extent of Rupees 179.463 million (June 30, 2014: Rupees 179.463 million) as its share of contingent liabilities of its associate.

The Company has filed appeal with Appellate Tribunal Inland Revenue for the revision of assessment order issued under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2008. In case of adverse decision, the Company may face tax liability of Rupees 40.691 million (June 30, 2014: Rupees 40.691 million). The Company's management is confident that appeal is likely to succeed.

Commissioner Inland Revenue has filed appeals with Honorable Supreme Court of Pakistan for the recovery of sales tax liabilities on account of various provisions of Sales Tax Act, 1990. In case of adverse decision, the Company may face tax liability of Rupees 16.673 million (June 30, 2014: Rupees 16.673 million). The Company's management is confident that appeals are likely to be dismissed.

#### b) Commitments

Contracts for capital expenditure are of Rupees 47.135 million (June 30, 2014: Rupees 47.040 million).

Letters of credit other than for capital expenditure are of Rupees 111.309 million (June 30, 2014: Rupees 110.468 million).

Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Half Year Ended December 31, 2014

Ijarah (operating lease) commitments are of Rupees 1.899 million (June 30, 2014: Rupees 2.651 million).

(Rupees in thousand)	Un-Audited December 31, 2014	Audited June 30, 2014
7. Property, plant and equipment		
Operating fixed assets		
- Owned (Note 7.1)	3,946,899	4,027,320
- Leased (Note 7.2)	120,362	126,697
Capital work-in-progress (Note 7.3)	114,297	21,579
	4,181,558	4,175,596
7.1 Operating fixed assets - Owned		
Opening book value	4,027,320	4,327,131
Add: Cost of additions during the period / year (Note 7.1.1)	10,971	54,929
	4,038,291	4,382,060
Less: Book value of deletions during the period / year (Note 7.1.2)	3,403	152,826
	4,034,888	4,229,234
Less: Depreciation charged during the period / year	87,989	201,914
	3,946,899	4,027,320
7.1.1 Cost of additions during the period / year		
Plant and machinery	6,274	52,939
Gas and electric installations	320	507
Office equipment	656	1,483
Factory tools and equipment	400	-
Vehicles	3,321	-
	10,971	54,929
7.1.2 Book value of deletions during the period / year		
Buildings on freehold land	-	741
Plant and machinery	2,779	151,262
Furniture and fixtures	-	2
Gas and electric installations	-	2
Vehicles	624	819
	3,403	152,826
7.2 Operating fixed assets - Leased		
Opening book value	126,697	140,774
Less: Depreciation charged during the period / year	6,335	14,077
	120,362	126,697

Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Half Year Ended December 31, 2014

(Rupees in thousand)	Un-Audited December 31, 2014	Audited June 30, 2014
7.3 Capital work-in-progress		
Buildings on freehold land	41,171	10,069
Buildings on leasehold land	26,572	10,815
Gas and electric installations	21,838	-
Plant and machinery	24,716	-
Advance against vehicle	-	695
	114,297	21,579

(Rupees in thousand)	Un-Audited December 31, 2014	Audited June 30, 2014 Restated
8. Investment in associate		
Crescent Bahuman Limited - unquoted 26 926 433 (June 30, 2014: 26 926 433) ordinary shares of Rupees 10 each	269,264	269,264
Share of post acquisition reserve:		
As at the beginning of the period / year	41,459	88,980
Share of post acquisition loss (Note 8.2)	(7,351)	(47,521)
	34,108	41,459
	303,372	310,723

- 8.1 The company has restated the post acquisition reserve as at June 30, 2014 in respect of its investment in Crescent Bahuman Limited (CBL) by revising the share of post acquisition loss from the associate. Previously, share of post acquisition loss of associate was recognized on the basis of unaudited accounts of the associate for the year ended June 30, 2014. Now, the share of loss from associate is restated on the basis of audited accounts of associate for the year ended June 30, 2014. This adjustment has been made retrospectively in accordance with International Accounting Standard IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Had there been no such adjustment of post acquisition loss, the figures recognized in this condensed financial information pertaining to the year ended June 30, 2014 would have been different as follows:

(Rupees in thousand)	
Total equity would have been lower by	4,446
Investment in associate would have been lower by	4,446

- 8.2 Share of loss of associate has been taken on the basis of un-audited accounts of the associate for the half year ended December 31, 2014 (June 30, 2014: Audited accounts for the year ended June 30, 2014).

Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Half Year Ended December 31, 2014

(Rupees in thousand)	Un-Audited Half year ended		Un-Audited Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
9. Cost of sales				
Raw material consumed	2,004,862	2,261,328	988,737	1,157,935
Cloth and yarn purchased	631,355	886,976	298,681	501,705
Stores, spare parts and loose tools consumed	243,839	272,949	125,653	138,366
Packing materials consumed	285,271	214,040	152,194	123,812
Processing and weaving charges	332,547	219,054	149,454	128,564
Salaries, wages and other benefits	437,062	392,577	219,646	201,758
Fuel and power	754,975	842,003	385,664	418,693
Repair and maintenance	25,909	35,195	13,815	22,066
Insurance	6,264	7,130	3,132	3,200
Depreciation	90,382	106,057	45,237	53,062
Other factory overheads	9,090	9,079	4,989	4,208
	4,821,556	5,246,388	2,387,202	2,753,369
Work-in-process:				
Opening stock	122,937	158,593	112,536	153,255
Closing stock	(116,585)	(138,248)	(116,585)	(138,248)
	6,352	20,345	(4,049)	15,007
Cost of goods manufactured	4,827,908	5,266,733	2,383,153	2,768,376
Finished goods:				
Opening stock	1,127,385	950,099	1,083,822	896,174
Closing stock	(1,010,785)	(1,038,919)	(1,010,785)	(1,038,919)
	116,600	(88,820)	73,037	(142,745)
	4,944,508	5,177,913	2,456,190	2,625,631
Cost of sales - purchased for resale	355,603	-	82,237	-
	5,300,111	5,177,913	2,538,427	2,625,631

(Rupees in thousand)	Un-Audited Half year ended	
	December 31, 2014	December 31, 2013
10. Cash (utilized in) / generated from operations		
Profit before taxation	122,520	196,563
Adjustments for non-cash charges and other items:		
Depreciation	94,324	110,358
Amortization	-	950
Gain on sale of property, plant and equipment	(2,013)	(22,816)
Dividend income	(59,998)	(61,678)
Provision for workers' profit participation fund	6,758	12,721
Provision for doubtful loans and advances	-	589
Share of loss from associate	7,351	44,593
Finance cost	275,340	309,808
Working capital changes (Note 10.1)	(474,435)	60,479
	(30,153)	651,567



Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Half Year Ended December 31, 2014

(Rupees in thousand)	Un-Audited Half year ended	
	December 31, 2014	December 31, 2013
10.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(24,462)	(41,625)
Stock-in-trade	(496,180)	(99,625)
Trade debts	(42,844)	87,556
Loans and advances	(22,891)	25,184
Short term deposits and prepayments	(1,602)	(19,899)
Accrued interest	(647)	1,332
Other receivables	12,651	20,621
	(575,975)	(26,456)
Increase in trade and other payables	101,540	86,935
	(474,435)	60,479

11. Transactions with related parties

The related parties comprise associated companies, staff retirement fund and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties are as follows:

(Rupees in thousand)	Un-Audited			
	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
i) Transactions				
Associated companies				
Purchase of goods	57,503	20,481	49,069	9,909
Sale of goods and services	48,226	26,765	26,429	10,620
Insurance premium paid	9,412	10,560	5,059	3,422
Insurance claim received	36,196	3,070	1,510	3,070
Interest income	28,630	23,391	14,728	11,953
Dividend income	59,646	61,151	34,946	36,451
Dividend paid	5,534	-	5,534	-
Bonus shares received (Number of shares)	-	620 967	-	620 967
Other related parties				
Company's contribution to Employees' Provident Fund Trust	9,037	8,651	4,685	4,289
Remuneration paid to Chief Executive Officer, Director and Executives	72,144	54,963	36,385	27,468
Dividend paid	10,219	-	10,219	-

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Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Half Year Ended December 31, 2014

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(Rupees in thousand)	Un-Audited December 31, 2014	Audited June 30, 2014
ii) Period end balances		
Trade and other payables	13,935	10,323
Trade debts	506,127	443,071
Accrued interest	5,039	4,392
Other receivables	424,459	403,623

Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Half Year Ended December 31, 2014

12. Segment information

(Rupees in thousand)	Spinning		Weaving		Processing & Home Textile	
	(Un-audited)		(Un-audited)		(Un-audited)	
	Half year ended		Half year ended		Half year ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
12.1 Sales						
External	2,414,645	2,712,439	259,581	596,706	2,997,272	2,747,299
Intersegment	873,489	953,211	1,862,408	2,316,039	-	-
	3,288,134	3,665,650	2,121,989	2,912,745	2,997,272	2,747,299
Cost of sales	3,085,631	3,276,238	2,069,084	2,894,294	2,528,306	2,282,202
Gross profit	202,503	389,412	52,905	18,451	468,966	465,097
Distribution cost	31,549	41,313	12,166	15,917	264,422	273,283
Administrative expenses	43,326	32,471	6,920	12,879	53,259	46,670
	74,875	73,784	19,086	28,796	317,681	319,953
Profit / (loss) before taxation and unallocated income and expenses	127,628	315,628	33,819	(10,345)	151,285	145,144
Unallocated income and expenses:						
Other expenses						
Other income						
Finance cost						
Share of loss from associate						
Taxation						
Profit after taxation						

12.2 Reconciliation of reportable segment assets and liabilities:

(Rupees in thousand)	Spinning		Weaving		Processing & Home Textile	
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
	December 31, 2014	June 30, 2014	December 31, 2014	June 30, 2014	December 31, 2014	June 30, 2014
Total assets for reportable segments	2,266,341	1,665,119	962,008	911,856	1,935,295	1,834,892
Unallocated assets						
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.						
Total liabilities for reportable segments	2,993,287	2,531,419	570,730	947,307	2,311,748	1,920,017
Unallocated liabilities						

All segment liabilities are allocated to reportable segments other than trade and other payables, corporate borrowings and current tax liabilities.

Selected Notes to the Condensed Interim Financial Information (Un-Audited)  
for the Half Year Ended December 31, 2014

Trading		Power Generation		Cold Storage		Elimination of Inter - Segment transactions		Total - Company	
(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
Half year ended		Half year ended		Half year ended		Half year ended		Half year ended	
December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
360,746	-	-	-	6,060	5,614	-	-	6,038,304	6,062,058
-	-	642,217	782,814	-	-	(3,378,114)	(4,052,064)	-	-
360,746	-	642,217	782,814	6,060	5,614	(3,378,114)	(4,052,064)	6,038,304	6,062,058
355,603	-	634,753	772,932	4,848	4,311	3,378,114	4,052,064	5,300,111	5,177,913
5,143	-	7,464	9,882	1,212	1,303	-	-	738,193	884,145
1,257	-	1,101	796	-	-	-	-	310,495	331,309
-	-	4,664	3,595	370	347	-	-	108,539	95,962
1,257	-	5,765	4,391	370	347	-	-	419,034	427,271
3,886	-	1,699	5,491	842	956	-	-	319,159	456,874
								(11,888)	(23,951)
								97,940	118,041
								(275,340)	(309,808)
								(7,351)	(44,593)
								(64,216)	(93,199)
								58,304	103,364

Trading		Power Generation		Cold Storage		Total - Company	
(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
December 31, 2014	June 30, 2014	December 31, 2014	June 30, 2014	December 31, 2014	June 30, 2014	December 31, 2014	June 30, 2014
550,075	691,525	330,669	375,181	16,540	17,003	6,060,928	5,495,576
						6,520,039	6,486,841
						12,580,967	11,982,417
-	-	108,676	66,183	30	1,338	5,984,471	5,466,264
						1,201,131	1,147,485
						7,185,602	6,613,749

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## Selected Notes to the Condensed Interim Financial Information (Un-Audited) for the Half Year Ended December 31, 2014

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### 13. Financial risk management

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

### 14. Events after the reporting period

The Board of Directors of the Company proposed in their meeting held on September 29, 2014 for the right issue of 25% of the issued, subscribed and paid up share capital at the premium of Rupees 5 per share. The Company has complied with the all requirements of the Stock Exchanges and the Companies Ordinance, 1984. However the requirements regarding the receiving of proceeds against the right issue and subsequent issuance of right shares were made after the period end. Therefore, this event has been considered as non-adjusting event and has not been recognized in this condensed interim financial information.

### 15. Date of authorization for issue

This condensed interim financial information was approved and authorized for issue on February 23, 2015 by the Board of Directors of the Company.

### 16. Corresponding figures

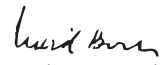
In order to comply with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial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

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

### 17. General

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

  
(Muhammad Anwar)  
Chief Executive Officer

  
(Khalid Bashir)  
Director

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