

IDREES

TEXTILE MILLS LIMITED

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2017
(UN-AUDITED)





BOARD OF DIRECTORS	Mr. S.M. Idrees Allawala	- Chairman
	Mr. S. M. Mansoor Allawala	- CEO
	Mr. Kamran Idrees Allawala	- Director
	Mr. Naeem Idrees Allawala	- Director
	Mr. Omair Idrees Allawala	- Director
	Mr. Rizwan Idrees Allawala	- Director
	Mr. Muhammad Israil	- Director
	Mr. Muhammad Saeed	- Director
AUDIT COMMITTEE	Mr. Muhammad Saeed	- Chairman
	Mr. Rizwan Idrees Allawala	- Member
	Mr. Muhammad Israil	- Member
	Syed Shahid Sultan	- Secretary
COMPANY SECRETARY	Syed Shahid Sultan	
CHIEF FINANCIAL OFFICER	Mr. Muhammad Jawaid	
AUDITORS	M/s. Deloitte Yousuf Adil	
	Chartered Accountants	
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Muhammad Saeed	- Chairman
	Mr. Kamran Idrees Allawala	- Member
	Mr. Rizwan Idrees Allawala	- Member
BANKERS	National Bank of Pakistan	
	Bank Alfalah Limited	
	Habib Metropolitan Bank Ltd.	
	Soneri Bank Limited	
	Silk Bank Ltd.	
	Meezan Bank Ltd.	
	Bank of Punjab Ltd.	
	BankIslami Pakistan Ltd.	
Bank Al Habib Ltd.		
Dubai Islamic Bank Pakistan Ltd.		
REGISTERED OFFICE	6-C, Ismail Centre, 1st Floor, Central Commercial Area, Bahadurabad, Karachi - 74800.	
SHARES REGISTRAR MILLS	M/S. NI Associates (Pvt) Ltd. Kot Shah Mohammad, Tehsil Nankana, District Nankana, Punjab.	



*IN THE NAME OF ALLAH
THE MOST BENEFICENT AND MERCIFUL*

The Directors are pleased to present the condensed interim financial information of your Company for the half year ended December 31, 2017 duly reviewed by the external auditors.

Sales during the period under review amounted to Rs. 1,255.025 million as compared to Rs.929.318 million during the corresponding period. Gross profit amounted to Rs. 111.078 million compared to Rs. 92.840 million during the comparable period. Finance cost amounted to Rs. 50.577 million compared to Rs. 45.327 million during the same period of last year. Profit after tax worked out to Rs. 27.229 million compared to Rs. 19.539 million in the corresponding period. Earnings per share worked out to Rs. 1.51 as compared to Rs. 1.08 in the comparable half of last year.

During the half year period under review, revenue of the Company has increased by 35 percent. The management of your Company has been able to increase the exports which shall be beneficial in terms of getting 4 percent draw back on exports as announced by the Government as a part of incentives to the textile sector. Such incentives shall be of great help for the industry which is struggling for competitiveness in the international market due to the fact that Pakistan's cost of production is higher than our regional competitors. This disadvantage is an impediment in the growth of our market share. With the increase in oil price in the international market and weakness of Pak Rupee vs the US Dollar, the cost of RLNG, being supplied to our mill for power generation, is on the rise. Resultantly, the advantage of using RLNG for electricity generation has vanished which is a direct hit on the cost of production. Government's immediate attention is required in this important area as the industry is back to square one in terms of fuel cost. Stuck-up tax refunds, indirect taxes, cess and other levies are not only a drag on Company's cash flows but also make the business more cumbersome and less profitable. In the prevailing circumstances, it is imperative to implement the Prime Minister's Export-led Growth Package in letter and spirit.

The Board truly appreciates the worthy support by the bankers, customers, suppliers and shareholders and the valuable services rendered by the Company's employees.

for and on behalf of the Board

DIRECTOR

CHIEF EXECUTIVE

Karachi
February 27, 2018

آپ کی کمپنی کے ڈائریکٹریٹن ۳۱ دسمبر ۲۰۱۷ء کو ختم ہونے والی ششماہی کے آڈیٹ کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

زیر جائزہ مدت کے دوران خالص فروخت کی مالیت ۱،۲۵۵،۰۲۵ ملین روپے رہی جبکہ تقابلی مدت کے میں ۹۲۹،۳۱۸ ملین روپے تھی۔ مجموعی منافع ۱۱۱،۰۷۸ ملین روپے رہا جبکہ تقابلی مدت میں ۹۲،۸۴۰ روپے تھے۔ مالیاتی قرضوں کی لاگت ۵۰،۵۷۷ روپے رہی جبکہ تقابلی مدت میں ۳۲،۳۲۷ روپے تھی۔ بعد از ٹیکس خالص منافع ۲۲،۲۲۹ روپے رہا جبکہ تقابلی مدت میں ۱۹،۵۳۹ ملین روپے تھے۔ فی حصص آمدنی ۱،۵۱ روپے رہی جبکہ تقابلی مدت میں ۱،۰۸ روپے تھی۔

زیر جائزہ مدت میں کمپنی کی فروختی تقابلی مدت سے ۳۵ فیصد بڑھ گئی۔ کمپنی انتظامیہ برآمدات میں اضافہ کرنے کے قابل رہی جس کی وجہ سے برآمدات پر ۴ فیصد ڈیوٹی ڈرا بیک حاصل کیا جاسکے گا، جو کہ ٹیکسٹائل کی صنعت کے لئے حکومت کے حوصلہ افزاء اقدامات کا حصہ ہے۔ اس حوصلہ افزائی سے صنعت کو بین الاقوامی مسابقت کی جدوجہد میں بہت تقویت ملے گی۔ کیونکہ پاکستان کی پیداواری لاگت علاقائی مسابقت داروں کے مقابلے میں زیادہ ہے۔ جو کہ مارکیٹ میں اپنا حصہ بڑھانے میں رکاوٹ ہے۔

بین الاقوامی منڈی میں تیل کے نرخ کا بڑھنا اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے بجلی کی پیداوار کے لئے آرائیل این جی کی قیمت میں اضافہ کا رجحان ہے۔ جس کے نتیجے میں توانائی کی پیداوار کے لئے آرائیل این جی کے استعمال کی افادیت برقرار نہیں رہ پائی جو کہ پیداواری لاگت میں براہ راست اضافہ کا سبب ہے۔ اس اہم معاملے پر حکومت کی فوری توجہ درکار ہے کیونکہ ایندھن صنعتی لاگت کا بنیادی جز ہے۔ تعطل کا شکار قابل واپسی محصولات، بلا واسطہ ٹیکسز، سیس اور دیگر محصولات، نہ صرف رسدز میں رکاوٹ ہیں بلکہ کاروبار کو مشکل اور غیر منافع بخش بنا رہے ہیں۔ موجودہ صورتحال میں وزیر اعظم کے برآمدی ترقیاتی منصوبے پر مبنی عمل درآمد ضروری ہے۔

بورڈ گرانقدر تعاون کے لئے مالیاتی اداروں، گاہکوں، سپلائرز اور حصص یافتگان کا شکر گزار ہے اور ملازمین کی خدمات کو سراہتا ہے۔

منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو

کراچی

فروری ۲۰۱۸ء



Introduction

We have reviewed the accompanying condensed interim balance sheet of **Idrees Textile Mills Limited** ("the Company") as at December 31, 2017, and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the six months 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 condensed interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures reported in the condensed interim profit and loss account for the quarter ended December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2017.

Scope of Review

We conducted our review in accordance with the 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 the 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 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for condensed interim financial reporting.

Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Dated: February 27, 2018
Place: Karachi

CONDENSED INTERIM BALANCE SHEET
as at December 31, 2017



	(Un-audited) December 31, 2017	(Audited) June 30, 2017		(Un-audited) December 31, 2017	(Audited) June 30, 2017	
Note	Rupees.....		Note	Rupees.....		
SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS			
Authorized capital			Property, plant and equipment	6	1,504,479,003	1,506,539,437
22,000,000 ordinary shares of Rs.10 each	220,000,000	220,000,000	Long-term deposits		10,960,536	8,915,986
Issued, subscribed and paid-up capital	180,480,000	180,480,000			1,515,439,539	1,515,455,423
Unappropriated profit	646,174,943	615,532,531				
	826,654,943	796,012,531				
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT						
	578,650,245	591,088,750				
NON-CURRENT LIABILITIES			CURRENT ASSETS			
Long-term finance			Stores, spares and loose tools		39,347,588	41,885,773
Banking company	1,614,900	4,844,700	Stock-in-trade	7	474,065,458	683,468,913
Related parties	87,063,223	82,917,355	Trade debts		786,830,719	709,931,347
	88,678,123	87,762,055	Loans and advances		38,337,933	49,576,151
Liabilities against assets subject to finance lease	27,605,431	21,902,140	Deposits and short-term prepayments		18,451,564	16,548,897
Deferred liabilities	284,109,297	287,080,522	Other receivables		62,888,762	54,481,467
CURRENT LIABILITIES			Other financial asset		40,550,710	40,550,710
Trade and other payables	181,267,291	235,919,722	Cash and bank balances		6,506,664	16,073,668
Interest / mark-up accrued	16,646,774	23,917,979			1,466,979,398	1,612,516,946
Short-term borrowings	4	923,053,771	1,008,768,674			
Current portion of						
- long-term finance		6,459,600	6,459,600			
- liabilities against assets subject to finance lease		35,687,033	46,532,723			
Provision for taxation		13,606,429	22,527,473			
	1,176,720,898	1,344,126,371				
CONTINGENCIES AND COMMITMENTS						
	5	2,982,418,937	3,127,972,369			
		2,982,418,937	3,127,972,369			

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For The Six Months Ended December 31, 2017



	Issued subscribed and paid up capital	Unappropriated profit	Total
	..... Rupees		
Balance as at July 1, 2016	180,480,000	487,455,878	667,935,878
Total comprehensive income for the period			
Profit for the period	-	19,539,139	19,539,139
Other comprehensive income	-	-	-
	-	19,539,139	19,539,139
Transfer from surplus on revaluation of property, plant and equipment on account:			
- incremental depreciation charge thereon - net of tax	-	19,541,481	19,541,481
- disposals - net of tax	-	1,353,065	1,353,065
Balance as at December 31, 2016	180,480,000	527,889,563 *	708,369,563
Balance as at July 1, 2017	180,480,000	615,532,531	796,012,531
Total comprehensive income for the period			
Profit for the period	-	27,228,679	27,228,679
Other comprehensive income	-	-	-
	-	27,228,679	27,228,679
Transfer from surplus on revaluation of property, plant and equipment on account:			
- incremental depreciation charge thereon - net of tax	-	12,437,733	12,437,733
Transactions with owners			
Final cash dividend for the year ended June 30, 2017 @ Re. 0.50 per share	-	(9,024,000)	(9,024,000)
Balance as at December 31, 2017	180,480,000	646,174,943*	826,654,943

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

* This includes the unamortized portion of interest free loan obtained from related parties amounting to Rs. 13,266,778 (December 31, 2016: Rs. 21,181,616) which is not available for distribution.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
For The Six Months Ended December 31, 2017



	Six months ended		Three months ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Note..... Rupees				
Sales - net	1,255,025,097	929,318,345	653,091,543	587,795,196
Cost of sales	(1,143,947,223)	(836,478,155)	(594,138,928)	(529,902,494)
Gross profit	111,077,874	92,840,190	58,952,615	57,892,702
Distribution cost	(5,291,462)	(2,401,942)	(2,868,449)	(798,252)
Administrative expenses	(33,693,855)	(32,372,825)	(17,432,378)	(16,691,835)
	(38,985,317)	(34,774,767)	(20,300,827)	(17,490,087)
Finance cost	72,092,557	58,065,423	38,651,788	40,402,615
Other operating expenses	(50,576,569)	(45,326,667)	(26,029,395)	(23,615,238)
	(6,196,630)	(5,613,170)	(3,865,218)	(5,128,289)
Other income	15,319,358	7,125,586	8,757,175	11,659,088
	16,106,160	23,479,641	11,753,573	10,626,426
Profit before taxation	31,425,518	30,605,227	20,510,748	22,285,514
Taxation				
Current - for the period	(13,606,429)	(9,695,439)	(7,143,403)	(6,195,439)
- prior period	100,871	(675,478)	100,871	(675,478)
Deferred	9,308,719	(695,171)	7,532,199	(1,559,050)
	(4,196,839)	(11,066,088)	489,667	(8,429,967)
Profit for the period	27,228,679	19,539,139	21,000,415	13,855,547
Other comprehensive income for the period				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Total comprehensive income for the period	27,228,679	19,539,139	21,000,415	13,855,547
Earnings per share - basic and diluted	1.51	1.08	1.16	0.77

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
For The Six Months Ended December 31, 2017



	Six months ended	
	December 31, 2017	December 31, 2016
Note	..... Rupees	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	31,425,518	30,605,227
Adjustments for:		
Depreciation	39,751,302	40,605,233
Provision for staff retirement gratuity	6,336,720	5,151,522
Loss on sale of property, plant and equipment	-	2,520,420
Finance cost	46,430,701	41,557,697
Finance cost on unwinding of discount on long-term finance from related parties	4,145,868	3,768,970
Operating cash flows before working capital changes	128,090,109	124,209,069
(Increase) / decrease in current assets		
Stores, spares and loose tools	2,538,185	(2,902,548)
Stock-in-trade	209,403,455	(59,702,845)
Trade debts	(76,899,372)	61,798,786
Loans and advances	(2,750,838)	(1,376,166)
Deposits and short-term prepayments	(1,902,667)	(2,614,203)
Other receivables	(8,407,295)	(15,266,325)
Decrease in current liabilities		
Trade and other payable	(56,369,047)	(24,037,303)
Working capital changes	65,612,421	(44,100,604)
Cash generated from operations	193,702,530	80,108,465
Finance cost paid	(53,701,906)	(47,657,904)
Staff retirement gratuity paid	(789,690)	(656,890)
Income tax paid	(8,437,546)	(3,825,199)
Net cash generated from operating activities	A 130,773,388	27,968,472
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(35,186,978)	(11,989,957)
Proceed from disposal of property, plant and equipment	-	5,115,000
Long-term deposits	(2,044,550)	2,951,864
Other financial asset - net	-	(500,000)
Net cash used in investing activities	B (37,231,528)	(4,423,093)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term finance - net	(3,229,800)	(1,614,900)
Lease rental paid - net	(7,646,289)	(18,692,221)
Dividend paid	(6,517,692)	(429,718)
Net cash used in financing activities	C (17,393,781)	(20,736,839)
Net increase in cash and cash equivalents (A+B+C)	76,148,079	2,808,540
Cash and cash equivalents at the beginning of the period	(992,695,186)	(878,333,515)
Cash and cash equivalents at the end of the period	11 (916,547,107)	(875,524,975)
Non-cash transactions		
Additions in liabilities against assets subject to finance lease and in property, plant and equipment	6 2,204,000	6,079,000

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

1. STATUS AND NATURE OF BUSINESS

- 1.1 Idrees Textile Mills Limited (the Company) was incorporated in Pakistan as an unquoted public limited company on June 5, 1990 under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 6-C, Ismail Centre, 1st floor, Central Commercial Area, Bahadurabad, Karachi in the Province of Sindh. The principal activity of the Company is manufacturing, processing and sale of fabric and all kinds of yarn. The Company's manufacturing facility is located at Kot Shah Muhammad, District Nankana in the Province of Punjab.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards for interim financial reporting comprise of such International Financial Reporting Standards issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2017.

The Companies Act, 2017 was enacted on May 30, 2017, and came into force at once. Subsequently, the Securities and Exchange Commission of Pakistan (the SECP) notified through Circular no. 23 of 2017 that companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Further, Institute of Chartered Accountants of Pakistan (ICAP) vide its Circular no. 17 of 2017 clarified that based on clarification obtained by ICAP from SECP, Companies whose interim financial information closes on or before December 31, 2017, shall also follow requirements of repealed Companies Ordinance, 1984, in the preparation of their such interim financial information. Accordingly, the Company has applied requirements of repealed Companies Ordinance, 1984 in the preparation of this condensed interim financial information.

Currently, the Company is assessing the impact of enactment of the Companies Act, 2017 on its financial statements. It is expected that it will result in change in accounting treatments and enhanced disclosures in the financial statements which will be incorporated in the subsequent financial statements of the Company.

- 2.2 This condensed interim financial information is un-audited. However, a limited scope review of this condensed interim financial information has been carried out by the external auditors of the Company in accordance with the requirements of the Code of Corporate Governance.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGEMENTS

3.1 Significant accounting policies

The significant accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2017.

3.2 Financial risk management

The financial risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2017.

3.3 Fair value of financial assets and liabilities

The carrying value of financial assets and financial liabilities reported in this condensed interim financial information approximates their fair values.

3.4 Estimates and judgments

Estimates, judgments and methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2017.



	(Un-audited) December 31, 2017	(Audited) June 30, 2017
	..... Rupees	
4. SHORT-TERM BORROWINGS		
From banking companies - secured		
Running finance	435,724,567	374,549,458
Cash finance	296,101,584	242,367,799
Finance Against Imported Merchandise (FIM)	191,227,620	391,851,617
	923,053,771	1,008,768,874

5. CONTINGENCIES AND COMMITMENTS

- 5.1 Except as disclosed in note 5.2, there is no material change in the status of contingencies as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2017.
- 5.2 Finance Act, 2017 has substituted section 5A of the Income Tax Ordinance, 2001 whereby tax has been imposed at the rate of seven and a half percent of accounting profit before tax on every public company, other than a scheduled bank or modaraba, that derives profit for a tax year but do not distribute at least forty percent of its after tax profits within six months of the end of the tax year through cash or bonus shares. The Company approached Sindh High Court (the Court) challenging the levy of said tax through filing a writ petition and the Court has granted stay against recovery of tax. No provision has been made in the condensed interim financial information as the Company is confident that the outcome of the case would be in favor of the Company.

	(Un-audited) December 31, 2017	(Audited) June 30, 2017
	..... Rupees	
5.3 Commitments		
Letters of credit opened and outstanding for import of:		
- plant and machinery	49,725,000	18,465,300
- raw material	576,270,454	52,594,500
- stores and spares	-	18,173,418

6. PROPERTY, PLANT AND EQUIPMENT

During the period, following additions and disposals were made:

	(Un-audited) Six months ended December 31, 2017		(Un-audited) Six months ended December 31, 2016	
	Additions	Disposals / transfer at carrying value	Additions	Disposals / transfer at carrying value
	..... Rupees			
Operating fixed assets				
- owned				
Plant and machinery	26,727,564	-	7,802,567	(7,635,420)
Office equipment	48,414	-	155,740	-
Vehicles	8,411,000	-	13,390,764	-
	35,186,978	-	21,349,071	(7,635,420)
- leased				
Plant and machinery	-	-	2,275,000	(4,322,350)
Vehicles	2,204,000	-	6,079,000	(13,390,764)
	2,204,000	-	83,540,000	(32,983,954)
Capital work-in-progress	-	-	-	-
	37,390,978	-	29,703,071	(40,619,374)



	(Un-audited) December 31, 2017	(Audited) June 30, 2017
	..... Rupees	
7. STOCK-IN-TRADE		
Raw material		
- In hand	222,428,092	405,242,968
- In transit	99,696,035	121,051,427
Work-in-process	24,392,287	23,177,686
Finished goods	118,946,859	128,124,856
Waste	8,602,185	5,871,976
	<u>474,065,458</u>	<u>683,468,913</u>

	(Un-audited) Six months ended		(Un-audited) Three months ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	..... Rupees			
8. COST OF SALES				
Raw material consumed	834,173,785	573,032,448	449,162,372	328,054,558
Salaries, wages and benefits	65,541,280	55,870,695	32,954,636	28,427,560
Fuel and power	156,585,322	145,103,437	82,463,464	72,227,701
Depreciation	36,394,769	36,751,928	18,081,665	18,635,165
Stores and spares	20,545,333	21,342,550	3,374,252	10,414,633
Packing material	17,924,762	14,641,011	17,924,762	7,335,752
Insurance	3,516,045	2,731,404	1,380,000	1,365,702
Repairs and maintenance	1,753,516	2,149,420	1,265,307	864,954
Vehicle running and maintenance	797,308	771,938	797,308	463,423
Other manufacturing overheads	1,481,916	1,755,740	374,333	752,651
	<u>1,138,714,036</u>	<u>854,150,571</u>	<u>607,778,099</u>	<u>468,542,099</u>
Work-in-process				
Opening stock	23,177,686	17,736,292	-	18,236,713
Closing stock	(24,392,287)	(23,561,181)	(1,973,623)	(23,561,181)
	<u>(1,214,601)</u>	<u>(5,824,889)</u>	<u>(1,973,623)</u>	<u>(5,324,468)</u>
Cost of goods manufactured	<u>1,137,499,435</u>	<u>848,325,682</u>	<u>605,804,476</u>	<u>463,217,631</u>
Finished goods				
Opening stock	133,996,832	238,126,865	-	341,723,315
Yarn purchased	-	25,064,060	-	-
Closing stock	(127,549,044)	(275,038,452)	(11,665,549)	(275,038,452)
	<u>6,447,788</u>	<u>(11,847,527)</u>	<u>(11,665,549)</u>	<u>66,684,863</u>
	<u>1,143,947,223</u>	<u>836,478,155</u>	<u>594,138,928</u>	<u>529,902,494</u>

	(Un-audited) December 31, 2017	(Un-audited) December 31, 2016
	..... Rupees	
9. OTHER OPERATING EXPENSES		
Workers' profit participation fund	1,704,891	1,662,545
Workers' welfare fund	967,411	983,131
Infrastructure cess	2,324,129	447,074
Loss on disposal of property, plant and equipment	-	2,520,420
Exchange loss	1,200,199	-
	<u>6,196,630</u>	<u>5,613,170</u>



	(Un-audited) December 31, 2017	(Un-audited) December 31, 2016
	..... Rupees	
10. OTHER INCOME		
Income from financial assets		
Profit on deposits	1,779,366	912,568
Income from non-financial assets		
Operating income on trading of raw material	10,684,005	22,383,825
Sale of scrap	-	95,000
Exchange gain	-	88,248
Other	3,642,789	-
	<u>16,106,160</u>	<u>23,479,641</u>
11. CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,506,664	16,798,304
Short-term borrowings	(923,053,771)	(892,323,279)
	<u>(916,547,107)</u>	<u>(875,524,975)</u>

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, directors, key management personnel and post employment retirement benefit plan. The significant transactions with related parties carried out during the period are as follows:

		(Un-audited) Six months ended	
		December 31, 2017	December 31, 2016
		..... Rupees	
Relationship with the Company	Nature of transactions		
Employee retirement benefit plan	Contribution made to provident fund	602,456	542,591
Key management personnel	Short-term employee benefit	3,330,000	4,445,000
Directors	Unwinding of discount on loan from directors	4,145,868	3,768,970

The Chief Executive, directors and some executives are provided with free use of Company maintained cars.

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 27, 2018 by the Board of Directors of the Company.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

BOOK POST

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