



Quarterly Report

For the period ended March 31, 2015



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J.K. SPINNING MILLS LIMITED



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Company Information

Chairman	Mr. Jawed Anwar
Chief Executive	Mr. Faiq Jawed
Directors	Mr. Shaiq Jawed Mr. Rehan Ashfaq Mrs. Farhat Jehan Mrs. Nageen Faiq Mrs. Mahwish Shaiq Mrs. Sadaf Aamir Arshad
Audit Committee	
Chairman	Mr. Rehan Ashfaq
Members	Mrs. Farhat Jehan Mrs. Sadaf Aamir Arshad
HR Committee	
Chairperson	Mrs. Sadaf Aamir Arshad
Members	Mr. Shaiq Jawed Mrs. Nageen Faiq
Company Secretary	Syed Hussain Shahid Mansoor Naqvi
Chief Financial Officer	Mr. Ghulam Muhammad
Head of Internal Audit	Mr. Amjad Ali
Auditors	M/s Riaz Ahmad & Company, Chartered Accountants (A member of Nexia International) Faisalabad
Legal Advisor	Atif & Atif Law Associates Advocates
Bankers	Standard Chartered Bank (Pakistan) Limited The Bank of Punjab National Bank of Pakistan Askari Bank Limited United Bank Limited NIB Bank Limited The Bank of Khyber Summit Bank
Head Office & Mills	29-KM, Sheikhpura Road, Faisalabad.

Directors' Report

In the name of Almighty Allah The Most Gracious, The beneficent, The Merciful

Dear Shareholders,

The Directors' of your Company feel pleasure to submit Un-audited Financial Statements of the Company for Nine Months Period Ended March 31, 2015.

Financial Results and Operational Performance

The summarized financial results of the Company for the Nine Months Period Ended March 31, 2015 are as under:

Particulars	Rupees in Millions	
	Nine Months Ended	
	March 31, 2015	March 31, 2014
Sales	6,776.705	7,205.912
Cost Of Sales	6,154.646	6,298.726
Gross Profit	622.059	907.186
Operating Expenses	421.330	411.480
Other Income	13.005	62.173
Profit From Operations	213.734	557.879
Finance Cost	128.632	175.165
Profit Before Taxation	85.102	382.714
Taxation	47.849	80.560
Profit After Taxation	37.253	302.154
Total Comprehensive Income	68.085	336.908
Earnings Per Share - Rupee	0.61	4.96

Sales for the period under review decreased to Rupees 6,776.705 million from Rupees 7,205.912 millions. Raw material cost for the period under review also decreased due to reduction in raw material prices. Conversion cost including salaries and wages, packing material, processing and conversion cost and other overhead cost increased due to inflationary trend while fuel and power cost increased in view of increase in power tariff. Gross Profit decreased by 31.42% to Rupees 622.059 million in 2015 from Rupees 907.186 million of same period of last year. Operating expenses increased to Rupees 421.330 million in 2015 from Rupees 411.480 million of corresponding period. Financial charges decreased to Rupees 128.632 million as compared to 175.165 million in previous period.

Profit after taxation decreased to Rupees 37.253 million during the nine months period ended March 31, 2015 against Rupees 302.154 million of the same period of last year while comprehensive income for the period attributed to equity stood at Rupees 68.085 million against comprehensive income of Rupees 336.908 million of the corresponding period.

The production of yarn converted into 20/5 for the period under review was 19.991 million Kgs against 18.960 million kgs of corresponding period of last year. Management of your Company continue to focus on Balancing Modernization and Replacement of machinery and equipment of its production facilities and is working to implement planned BMR for up-gradation of blow room, cards and ring sections of spinning division by replacing existing outdated machines with latest model. Keeping in view of future expansion plans, the Company has got approval of FESCO for enhancement of sanctioned load of electricity from 9 MW to 18 MW. These expansion plans are likely to be implemented from next financial year.



Directors' Report

Future Outlook

Though oil prices are moving to low levels but Pakistan is still facing energy crises which is a big challenge to our country. New energy projects would take further 3-5 years to generate power to meet the growing demand of electricity. Currently Pakistan's spinning industry is also facing challenge of dumping of Indian yarn in the global market.

Management of your Company has procured sufficient cotton for the whole period of financial year ending June 30, 2015. Yarn demand in local and foreign market is currently still going sluggish with very low sale margins. The Company is focusing on improving efficiencies and minimizing costs to achieve the better financial results of remaining period of financial year ending June 30, 2015.

Acknowledgement

The Directors wish to express their gratitude to our valued clients and bankers for the cooperation extended by them during the course of business activities. The Directors also wish to place on record their appreciation for the hard work and devoted services of the staff members and workers of the Company.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Faiq Jawed', with a horizontal line underneath.

Faiq Jawed

Chief Executive

Faisalabad

April 28, 2015

Financial Statements

For The Nine Months Ended 31 March 2015



Condensed Interim Balance Sheet (Un-Audited)

As at March 31, 2015

NOTE	Un-audited 31 March 2015	Audited 30 June 2014
	(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
96 000 000 (30 June 2014: 96 000 000) ordinary shares of Rupees 10 each	<u>960,000</u>	<u>960,000</u>
Issued, subscribed and paid up share capital	609,033	609,033
Reserves	<u>2,131,870</u>	<u>2,124,688</u>
Total equity	<u>2,740,903</u>	<u>2,733,721</u>
Surplus on revaluation of property, plant and equipment - net of deferred income tax	533,983	564,815
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	5	-
Directors' loan	-	10,715
Liabilities against assets subject to finance lease	25,275	26,887
Deferred income on sale and lease back	1,323	1,951
Deferred income tax liability	<u>235,405</u>	<u>258,612</u>
	262,003	598,165
CURRENT LIABILITIES		
Trade and other payables	484,843	375,519
Accrued mark-up	26,234	21,234
Short term borrowings	1,490,741	1,202,486
Directors' loan	300,000	-
Current portion of non-current liabilities	46,983	102,360
Provision for taxation	<u>67,767</u>	<u>71,109</u>
	<u>2,416,568</u>	<u>1,772,708</u>
TOTAL LIABILITIES	<u>2,678,571</u>	<u>2,370,873</u>
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	<u>5,953,457</u>	<u>5,669,409</u>

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

Faiq Jawed

Chief Executive Officer

Condensed Interim Balance Sheet (Un-Audited)

As at March 31, 2015

	NOTE	Un-audited 31 March 2015	Audited 30 June 2014
(RUPEES IN THOUSAND)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,710,767	2,787,750
Long term investment	8	-	-
Long term loans		319	1,727
Long term deposits and prepayments		15,858	15,618
		2,726,944	2,805,095
CURRENT ASSETS			
Stores, spare parts and loose tools		58,624	61,125
Stock in trade		2,040,062	1,652,837
Trade debts		706,515	691,322
Loans and advances		88,864	83,290
Short term deposits and prepayments		13,854	5,578
Other receivables		31,365	79,361
Tax refunds due from the Government		246,968	263,505
Cash and bank balances		40,261	27,296
		3,226,513	2,864,314
TOTAL ASSETS		5,953,457	5,669,409


Jawed Anwar
 Chairman



Condensed Interim Profit And Loss Account (Un-Audited)

For The Nine Months Ended 31 March 2015

	NOTE	Nine months ended		Quarter ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
(RUPEES IN THOUSAND)					
Sales		6,776,705	7,205,912	2,200,777	2,444,964
Cost Of Sales	9	(6,154,646)	(6,298,726)	(1,990,382)	(2,202,058)
Gross Profit		622,059	907,186	210,395	242,906
Distribution Cost		(251,338)	(246,711)	(71,607)	(67,259)
Administrative Expenses		(156,913)	(136,405)	(53,532)	(42,144)
Other Expenses		(13,079)	(28,364)	(3,929)	(5,747)
		(421,330)	(411,480)	(129,068)	(115,150)
		200,729	495,706	81,327	127,756
Other Income		13,005	62,173	11,924	18,438
Profit From Operations		213,734	557,879	93,251	146,194
Finance Cost		(128,632)	(175,165)	(47,907)	(68,753)
Profit Before Taxation		85,102	382,714	45,344	77,441
Taxation		(47,849)	(80,560)	(22,558)	(27,722)
Profit After Taxation		37,253	302,154	22,786	49,719
Earnings Per Share - Basic And Diluted (Rupees)		0.61	4.96	0.37	0.82

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

Faiq Jawed
Chief Executive Officer


Jawed Anwar
Chairman

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For The Nine Months Ended 31 March 2015

	Nine months ended		Quarter ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	(RUPEES IN THOUSAND)			
PROFIT AFTER TAXATION	37,253	Restated 302,154	22,786	Restated 49,719
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	30,832	34,754	10,279	15,558
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	30,832	34,754	10,279	15,558
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	68,085	336,908	33,065	65,277

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



Faiq Jawed
Chief Executive Officer



Jawed Anwar
Chairman



Condensed Interim Cash Flow Statement (Un-Audited)

For The Nine Months Ended 31 March 2015

	NOTE	Nine Months ended	
		31 March 2015	31 March 2014
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated / (utilized) in operations	10	135,099	(758,535)
Finance cost paid		(123,632)	(162,468)
Income tax paid		(74,398)	(30,345)
Workers' profit participation fund paid		(18,856)	(34,544)
Workers' welfare fund paid		(2,336)	(4,320)
Net increase in long term deposits and prepayments		(240)	(6,244)
Net decrease / (increase) in long term loans		1,408	(581)
NET CASH UTILIZED IN OPERATING ACTIVITIES		(82,955)	(997,037)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(104,595)	(127,496)
Proceeds from sale of property, plant and equipment		2,464	17,068
NET CASH USED IN INVESTING ACTIVITIES		(102,131)	(110,428)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(73,480)	(79,229)
Liabilities against assets subject to finance lease - net		(16,724)	(12,141)
Short term borrowings - net		288,255	1,225,015
Dividend paid		-	(5,259)
NET CASH FROM FINANCING ACTIVITIES		198,051	1,128,386
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		12,965	20,921
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		27,296	59,014
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		40,261	79,935

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

Faiq Jawed
Chief Executive Officer

Jawed Anwar
Chairman

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

For The Nine Months Ended 31 March 2015

	RESERVES				TOTAL EQUITY
	SHARE CAPITAL	CAPITAL	REVENUE	TOTAL	
		Merger reserve	Unappropriated profit		
----- (RUPEES IN THOUSAND) -----					
Balance as at 30 June 2013 – Audited	609,033	289,636	1,501,378	1,791,014	2,400,047
Transaction with owners - Final dividend for the year ended 30 June 2013 at the rate of Rupees 5 per share	-	-	(5,259)	(5,259)	(5,259)
Profit for nine months ended 31 March 2014	-	-	302,154	302,154	302,154
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	34,754	34,754	34,754
Total comprehensive income for nine months ended 31 March 2014	-	-	336,908	336,908	336,908
Balance as at 31 March 2014 – Un-audited	609,033	289,636	1,833,027	2,122,663	2,731,696
Profit for the quarter ended 30 June 2014	-	-	(8,892)	(8,892)	(8,892)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	10,917	10,917	10,917
Total comprehensive income for the quarter ended 30 June 2014	-	-	2,025	2,025	2,025
Balance as at 30 June 2014 - Audited	609,033	289,636	1,835,052	2,124,688	2,733,721
Transaction with owners - Interim cash dividend for the half year ended 31 December 2014 at the rate of Rupees 1 per share	-	-	(60,903)	(60,903)	(60,903)
Profit for the nine months ended 31 March 2015	-	-	37,253	37,253	37,253
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	30,832	30,832	30,832
Total comprehensive income for nine months ended 31 March 2015	-	-	68,085	68,085	68,085
Balance as at 31 March 2015 - Un-audited	609,033	289,636	1,842,234	2,131,870	2,740,903

Balance as at 30 June 2013 – Audited
Transaction with owners - Final dividend for the year ended 30 June 2013 at the rate of Rupees 5 per share

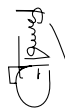
Profit for nine months ended 31 March 2014
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax
Total comprehensive income for nine months ended 31 March 2014

Balance as at 31 March 2014 – Un-audited
Profit for the quarter ended 30 June 2014
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax
Total comprehensive income for the quarter ended 30 June 2014

Balance as at 30 June 2014 - Audited
Transaction with owners - Interim cash dividend for the half year ended 31 December 2014 at the rate of Rupees 1 per share

Profit for the nine months ended 31 March 2015
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax
Total comprehensive income for nine months ended 31 March 2015

Balance as at 31 March 2015 - Un-audited
The annexed notes form an integral part of this condensed interim financial information.



Faiz Jawed
Chief Executive Officer



Jawed Anwar
Chairman



Selected Notes To The Condensed Interim Financial Information (Un-Audited) For The Nine Months Ended 31 March 2015

1. THE COMPANY AND ITS OPERATIONS

J.K. Spinning Mills Limited (the Company) is a public limited company incorporated in Pakistan on 07 January 1987 under the Companies Ordinance, 1984 and listed on Karachi and Lahore Stock Exchanges in Pakistan. Its registered office is situated at 29-kilometers, Sheikhpura Road, Faisalabad where the factory premises of the Company are also located. The Company is engaged in business of textile manufacturing comprising of ginning, spinning, stitching, buying, selling and otherwise dealing in yarn, fabrics and other goods.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited 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 nine months ended 31 March 2015 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 30 June 2014.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computation 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 30 June 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 30 June 2014.

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For The Nine Months Ended 31 March 2015

	Un-audited 31 March 2015	Audited 30 June 2014
	(RUPEES IN THOUSAND)	
5. LONG TERM FINANCING		
From banking companies - secured		
Opening balance	93,933	199,391
Less: Repaid during the period / year	73,480	105,458
Closing balance	20,453	93,933
Less: Current portion shown under current liabilities	20,453	83,218
	-	10,715

6. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) The Company has filed an appeal before Appellate Tribunal, Inland Revenue, Lahore against order in original 02/2007 dated 03 May 2007 for Rupees 11.002 million (30 June 2014: Rupees 11.002 million) along with default surcharge under section 34 of Sales Tax Act, 1990 and penalty at the rate of 30 percent. The related provision is not made in this condensed interim financial information in view of possible favourable outcome of the appeal.
- ii) The Company has filed an appeal before Appellate Tribunal, Inland Revenue, Lahore against order in original 13/2003 dated 29 April 2003 for Rupees 3.063 million (30 June 2014: Rupees 3.063 million) along with additional tax and default surcharge under sections 36(3) and 34 respectively of Sales Tax Act, 1990 and penalty at the rate of 3 percent. The related provision is not made in this condensed interim financial information in view of possible favourable outcome of the appeal.
- iii) The Company has filed an appeal before Commissioner (Appeals), Inland Revenue, Faisalabad against assessment order issued under section 161 and section 205 of the Income Tax Ordinance, 2001 for tax year 2012 where tax liability of Rupees 28.285 million (30 June 2014: Rupees 28.285 million) was raised by the department. The Company considers that its stance is based on reasonable legal grounds and appeal is likely to succeed. Hence, no provision has been recognized in this condensed interim financial information.
- iv) The Company has filed appeals with Appellate Tribunal, Inland Revenue, Lahore for the revision of assessment orders issued under section 122(5A) of the Income Tax Ordinance, 2001 for tax years 2005 to 2009 where tax liability of Rupees 3.352 million (30 June 2014: Rupees 3.352 million) was raised by the department. The Company considers that its stance is based on reasonable grounds and appeals are likely to succeed. Hence, no provision has been recognized in this condensed interim financial information.



Selected Notes To The Condensed Interim Financial Information (Un-Audited) For The Nine Months Ended 31 March 2015

- v) The Company has filed an appeal before Commissioner (Appeals), Inland Revenue, Faisalabad against orders in original 17/2014 and 18/2014 dated 28 April 2014 against the recovery of Rupees 10.573 million and Rupees 28.245 million respectively (30 June 2014: Rupees 10.573 million and Rupees 28.245 million respectively) along with default surcharge and penalty equivalent to the principal amount imposed under section 33(11) of the Sales Tax Act, 1990. The related provision is not made in this condensed interim financial information in view of possible favourable outcome of the appeal.
- vi) The Company has filed an appeal before Commissioner (Appeals), Inland Revenue, Lahore against order in original 07/2013 dated 28 June 2013 for Rupees 0.937 million (30 June 2014: Rupees 0.937 million) along with default surcharge and penalty imposed amounting to Rupees 0.658 million (30 June 2014: Rupees 0.658 million) under section 33(5) of the Sales Tax Act, 1990. The related provision is not made in this condensed interim financial information in view of possible favourable outcome of the appeal.
- vii) Guarantees of Rupees 13.511 million (30 June 2014: Rupees 44.253 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited against gas connections and to Punjab Power Development Board for installing electricity generation facility.
- viii) Post dated cheques of Rupees 155.262 million (30 June 2014: Rupees 125.794 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.
- b) **Commitments**
- i) Letter of credit for capital expenditure is of Rupees Nil (30 June 2014: Rupees 5.156 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 58.366 million (30 June 2014: Rupees Nil).
- iii) Ijarah (operating lease) commitments are of Rupees 8.262 million (30 June 2014: Rupees 12.044 million).

	Un-audited 31 March 2015	Audited 30 June 2014
	(RUPEES IN THOUSAND)	
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets:		
- Owned (Note 7.1)	2,567,083	2,624,831
- Leased (Note 7.2)	51,827	57,769
Capital work-in-progress (Note 7.3)	91,857	105,150
	<u>2,710,767</u>	<u>2,787,750</u>
7.1 Operating fixed assets - Owned		
Opening book value	2,624,831	2,601,962
Add:		
Cost of additions during the period / year (Note 7.1.1)	140,732	352,771
	<u>2,765,563</u>	<u>2,954,733</u>

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For The Nine Months Ended 31 March 2015

	Un-audited 31 March 2015	Audited 30 June 2014
	(RUPEES IN THOUSAND)	
Less:		
Book value of deletions during the period / year (Note 7.1.2)	1,831	66,013
Less: Depreciation charged during the period / year	196,649	263,889
	198,480	329,902
	<u>2,567,083</u>	<u>2,624,831</u>
7.1.1 Cost of additions during the period / year		
Buildings on freehold land	16,222	32,654
Plant and machinery	67,924	225,439
Electric installations and appliances	2,766	3,085
Factory equipment	-	15,042
Furniture and fixtures	4,817	88
Office equipment	5,142	419
Vehicles	43,861	76,044
	<u>140,732</u>	<u>352,771</u>
7.1.2 Book value of deletions during the period / year		
Plant and machinery	-	7,731
Factory equipment	208	-
Vehicles	1,623	58,282
	<u>1,831</u>	<u>66,013</u>
7.2 Operating fixed assets - Leased		
Opening book value	57,769	40,336
Additions during the period / year	-	23,000
	<u>57,769</u>	<u>63,336</u>
Less: Depreciation charged during the period / year	5,942	5,567
	<u>51,827</u>	<u>57,769</u>
7.3 Capital work-in-progress		
Buildings on freehold land	69,830	57,175
Plant and machinery	22,027	37,718
Electric installations and appliances	-	10,257
	<u>91,857</u>	<u>105,150</u>
8. LONG TERM INVESTMENTS		

The investment of 750 (30 June 2014: 750) ordinary shares in J.K. Tech (Private) Limited, an associate, has been fully impaired in previous years.



Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For The Nine Months Ended 31 March 2015

	(Un-audited)			
	Nine months ended		Quarter ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	(RUPEES IN THOUSAND)			
9. COST OF SALES				
Raw materials consumed	4,288,232	5,477,569	1,284,133	2,005,639
Stores, spare parts and loose tools consumed	128,987	132,773	42,697	49,227
Packing materials consumed	61,630	57,103	18,707	18,821
Processing and conversion charges	245,715	196,151	82,685	41,997
Fuel and power	561,184	556,610	170,162	199,556
Salaries, wages and other benefits	326,605	310,708	114,187	110,613
Repair and maintenance	10,744	10,401	1,675	2,312
Insurance	9,189	9,550	3,121	2,655
Other factory overheads	32,521	32,849	10,503	8,152
Depreciation	180,754	186,299	60,270	63,005
	<u>5,845,561</u>	<u>6,970,013</u>	<u>1,788,140</u>	<u>2,501,977</u>
Work-in-process:				
Opening stock	270,065	311,908	298,996	334,279
Closing stock	(266,432)	(370,633)	(266,432)	(370,633)
	<u>3,633</u>	<u>(58,725)</u>	<u>32,564</u>	<u>(36,354)</u>
Cost of goods manufactured	5,849,194	6,911,288	1,820,704	2,465,623
Finished goods:				
Opening stock	721,090	343,863	661,262	709,620
Closing stock	(552,541)	(973,185)	(552,541)	(973,185)
	<u>168,549</u>	<u>(629,322)</u>	<u>108,721</u>	<u>(263,565)</u>
Cost of sale - purchased for resale	136,903	16,760	60,957	-
	<u>6,154,646</u>	<u>6,298,726</u>	<u>1,990,382</u>	<u>2,202,058</u>

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For The Nine Months Ended 31 March 2015

	(Un-audited)	
	Nine months ended	
	31 March 2015	31 March 2014
	(RUPEES IN THOUSAND)	
10. CASH UTILIZED IN OPERATIONS		
Profit before taxation	85,102	382,714
Adjustments for non-cash charges and other items:		
Depreciation	202,591	199,324
Finance cost	128,632	175,165
Amortization of deferred income on sale and lease back	(628)	-
Provision for workers' profit participation fund	4,554	20,554
Provision for workers' welfare fund	1,731	7,810
Gain on sale of property, plant and equipment	(633)	(4,157)
Working capital changes (Note 10.1)	<u>(286,250)</u>	<u>(1,539,945)</u>
	<u>135,099</u>	<u>(758,535)</u>
10.1 Working capital changes		
(Decrease) / increase in current assets:		
Stores, spare parts and loose tools	2,501	5,105
Stock in trade	(387,225)	(1,361,859)
Trade debts	(15,193)	(156,419)
Loans and advances	(5,574)	(47,641)
Short term deposits and prepayments	(8,276)	(1,819)
Other receivables	47,996	(7,814)
Tax refunds due from the Government	16,537	(6,569)
	<u>(349,234)</u>	<u>(1,577,016)</u>
Increase in trade and other payables	<u>62,984</u>	<u>37,071</u>
	<u>(286,250)</u>	<u>(1,539,945)</u>
11. TRANSACTIONS WITH RELATED PARTIES		

The related parties comprise associated companies, employees' provident fund trust, other related parties 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:



Selected Notes To The Condensed Interim Financial Information (Un-Audited) For The Nine Months Ended 31 March 2015

	(Un-audited)			
	Nine months ended		Quarter ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
(RUPEES IN THOUSAND)				
i) Transactions				
Associated companies				
Service charges	2,060	3,901	629	1,949
Other related parties				
Remuneration paid to Chief Executive Officer, Directors and Executives	44,188	27,245	14,696	7,726
Contribution to Employees' Provident Fund Trust	11,372	9,957	3,457	3,801
Dividend paid	59,855	500	59,855	-
Loans repaid to directors - net	46,179	16,397	12,281	5,656
			Un-audited 31 March 2015	Audited 30 June 2014
(RUPEES IN THOUSAND)				
ii) Period end balances				
Directors' loan			300,000	300,000
Trade and other payables			975	-
Short term borrowings			-	46,179

Selected Notes To The Condensed Interim Financial Information (Un-Audited)

For The Nine Months Ended 31 March 2015

	Spinning		Fabric		Home Textile		Elimination of inter-segment transactions		Total - Company	
	(Un-audited) Nine Months ended 31 March	2014	(Un-audited) Nine Months ended 31 March	2014	(Un-audited) Nine Months ended 31 March	2014	(Un-audited) Nine Months ended 31 March	2014	(Un-audited) Nine Months ended 31 March	2014
Sales	4,519,219	4,391,761	688,697	1,148,543	1,568,789	1,665,608	-	-	6,776,705	7,205,912
External	58,008	137,574	-	-	-	-	(58,008)	(137,574)	-	-
Inter segment	4,577,227	4,528,335	688,697	1,148,543	1,568,789	1,665,608	(58,008)	(137,574)	6,776,705	7,205,912
Cost of sales	(4,210,593)	(3,928,396)	(612,109)	(1,042,194)	(1,389,952)	(1,465,710)	58,008	137,574	(6,154,646)	(6,298,726)
Gross profit	366,634	600,939	76,588	106,349	178,837	199,898	-	-	622,059	907,186
Distribution cost	(131,311)	(110,440)	(35,295)	(5,813)	(64,732)	(82,458)	-	-	(251,336)	(246,711)
Administrative expenses	(115,809)	(97,497)	(12,087)	(15,364)	(29,017)	(23,544)	-	-	(156,913)	(136,405)
	(247,120)	(207,937)	(47,382)	(69,177)	(113,749)	(106,002)	-	-	(408,251)	(383,116)
Profit before taxation and unallocated income and expenses	119,514	393,002	29,206	37,172	65,088	93,896	-	-	213,808	524,070
Unallocated income and expenses										
Other expenses									(13,079)	(28,364)
Other income									13,005	62,173
Finance cost									(128,632)	(175,165)
Taxation									(47,849)	(80,560)
Profit after taxation									37,253	302,154
12.2 Reconciliation of reportable segment assets and liabilities:										
	Spinning		Fabric		Home Textile		Elimination of inter-segment transactions		Total - Company	
	(Un-audited) 30 June 2015	(Un-audited) 30 June 2014	(Un-audited) 30 June 2015	(Un-audited) 30 June 2014	(Un-audited) 30 June 2015	(Un-audited) 30 June 2014	(Un-audited) 30 June 2015	(Un-audited) 30 June 2014	(Un-audited) 30 June 2015	(Un-audited) 30 June 2014
Total assets for reportable segments	4,786,852	4,218,070	624,684	807,976	267,099	345,470	567,835	5,371,516	5,371,516	5,371,516
Unallocated assets										
Total assets as per balance sheet								274,822	297,893	297,893
All segment assets are allocated to reportable segments other than those directly relating to corporate.								5,953,457	5,669,409	5,669,409
Total liabilities for reportable segments	1,754,006	1,175,499	360,688	495,176	254,420	349,285	2,369,114	2,019,960	2,019,960	2,019,960
Unallocated liabilities										
Total liabilities as per balance sheet								309,457	350,913	350,913
All segment liabilities are allocated to reportable segments other than provision for taxation, deferred income tax liability and other corporate liabilities.								2,678,571	2,370,873	2,370,873

12. SEGMENT INFORMATION

12.1



Selected Notes To The Condensed Interim Financial Information (Un-Audited) For The Nine Months Ended 31 March 2015

13. FINANCIAL RISK MANAGEMENT

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

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorized for issue on -April 28,2015 by the Board of Directors of the Company.

15. 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 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.

16. GENERAL

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

Faiq Jawed
Chief Executive Officer

Jawed Anwar
Chairman

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