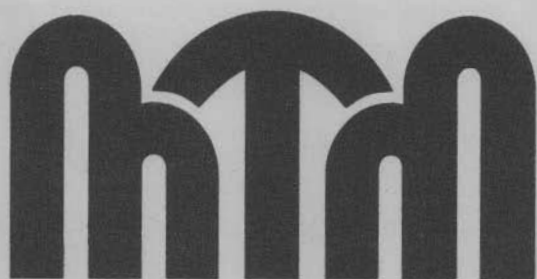


# MASOOD TEXTILE MILLS LIMITED



**ACCOUNTS  
FOR THE THIRD QUARTER ENDED  
31 MARCH 2014**

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# COMPANY INFORMATION

<b>CHAIRMAN</b>	:	MR. NASEER AHMAD SHAH
<b>CHIEF EXECUTIVE OFFICER</b>	:	MR. SHAHID NAZIR AHMAD
<b>DIRECTORS</b>	:	MR. MUHAMMAD ARSHAD
	:	MR. MATLOOB HUSSAIN
	:	MR. SHAHID IQBAL
	:	MR. FAZAL AHMAD
	:	MR. SHOAIB AHMAD KHAN (NIT-Nominee)
<b>COMPANY SECRETARY</b>	:	MIAN ABDUL BARI
<b>CHIEF FINANCIAL OFFICER</b>	:	MR. TANVEER AHMAD SIDDIQUI
<b>AUDIT COMMITTEE</b>	:	MR. FAZAL AHMAD (Chairman)
	:	MR. MATLOOB HUSSAIN
	:	MR. SHAHID IQBAL
<b>HR &amp; REMUNERATION COMMITTEE</b>	:	MR. MUHAMMAD ARSHAD (Chairman)
	:	MR. NASEER AHMAD SHAH
	:	MR. SHAHID IQBAL
<b>AUDITORS</b>	:	M/S. RIAZ AHMAD & COMPANY CHARTERED ACCOUNTANTS
<b>SHARE REGISTRAR</b>	:	ORIENT SOFTWARE AND MANAGEMENT SERVICES (PVT) LIMITED 35-Z, AMEER PLAZA, OPP: MUJAHID HOSPITAL COMMERCIAL CENTRE MADINA TOWN, FAISALABAD. PHONE: 041 - 8711930 - 8715759 FAX: 041 - 8711930
<b>REGISTERED OFFICE</b>	:	UNIVERSAL HOUSE, WEST CANAL ROAD FAROOQABAD, FAISALABAD. PHONE: 041 - 8734910-12 FAX: 041 - 8731180
<b>MILLS</b>	:	32-K.M., SHEIKHUPURA ROAD, FAISALABAD.

# DIRECTORS' REPORT TO THE MEMBERS

We feel pleasure while presenting the un-audited financial statements of the Company for the third quarter ended 31st March, 2014 along with consolidated figures of nine months with the comparative results of the previous corresponding period. During the nine months period of the financial year, our sales increased from Rupees 17.139 billion to Rupees 19.147 billion, thus reflecting increase of 11.72 % over the previous corresponding period. Likewise, gross profit increased from Rupees 2.954 billion to Rupees 2.970 billion. Moreover, our profit before taxation was enhanced from Rupees 723.156 million to Rupees 841.453 million, thus reflecting an increase of 16.36 % over the previous corresponding period. Basic earning per share for the nine months' period under reference was increased from Rupees 8.78 to Rupees 10.37 per share.

Despite above analysis, the unexpected impact of abrupt appreciation of Pak Rupee in the third quarter of current nine month, Pak Rupee strengthen from Rupees 105.00 per US\$ as at 31 December, 2013 to Rupees 97.70 per US\$ as at 31 March 2014 which adversely affected the financial results of last quarter of current period.

Pursuant to recent GPS-Plus status granted by European Union to Pakistan, effective from 1st January, 2014, we have increased export volume with existing European customers & also added new customers to boost our exports and margin. Our enhanced capacity during the past years is playing an imperative role to full fill the increased business volume after the GSP-Plus status for Pakistan.

The management is making stern efforts to bring more export orders for optimal utilization of available production facilities as a result of significant benefits of GSP-Plus status for Pakistan. Moreover, other measures are also taken to reduce cost of production by better utilization of production capacity and improvement in efficiencies etc. However, the depreciation of US\$ has put tremendous pressure on export oriented textile industry. Likewise third quarter of current nine months, the last quarter of the year will remain under pressure until the exchange rate

difference is managed to reasonable level. Moreover, Government need to ensure favorable export oriented policies by making improvement in law & order situation and providing long term solution to reduce massive load shedding of Sui Gas and electricity to attract maximum foreign buyers. In spite of above, the management expects great potential for enhancement in exports, reduction in cost to reflect better financial results in future, subject to positive measures by the Government for textile industry.

In consequence of share purchase agreement for acquisition of majority shares from major shareholders of the Company by "Shandong Ruyi Science and Technology Group Company Limited". The approvals/clearance from Competition Commission of Pakistan and relevant authorities in the People's Republic of China are in progress. On receipt of all regulatory approvals by the acquirers, formal tender offer will be circulated in accordance with the requirement of takeover laws for acquisition of shares from general public.

We acknowledge the co-operation and devoted efforts of the officers and workers of the company for achieving better financial results. We also express our satisfaction over the support and guidance rendered by the financial institutions and the shareholders as well.

**FOR AND ON BEHALF OF THE BOARD**

Faisalabad;  
29 April, 2014

**(SHAHID NAZIR AHMAD)**  
Chief Executive Officer

# MASOOD TEXTILE MILLS LIMITED

## CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2014

	UN-AUDITED	AUDITED
Note	31 March 2014	30 June 2013
	(Rupees in thousand)	
		Restated
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized share capital</b>		
125 000 000 (30 June 2013: 65 000 000)		
ordinary shares of Rupees 10 each	1,250,000	650,000
60 000 000 (30 June 2013: 60 000 000)		
preference shares of Rupees 10 each	600,000	600,000
	<u>1,850,000</u>	<u>1,250,000</u>
Issued, subscribed and paid up share capital	5 953,333	995,000
Reserves	4,579,748	4,082,252
<b>Total Equity</b>	5,533,081	5,077,252
Surplus on revaluation of freehold land	606,262	606,262
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term financing	6 1,702,510	2,182,436
Liabilities against assets subject to finance lease	96,223	115,227
Deferred liability for gratuity	399,374	344,075
	2,198,107	2,641,738
<b>CURRENT LIABILITIES</b>		
Trade and other payables	2,770,126	2,278,636
Accrued mark-up	174,376	184,305
Short term borrowings	8,638,467	7,590,117
Current portion of non-current liabilities	814,837	729,873
Provision for taxation	188,526	222,712
	12,586,332	11,005,643
<b>Total Liabilities</b>	14,784,439	13,647,381
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	7 <u>20,923,782</u>	<u>19,330,895</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	8 5,824,175	5,522,095
Investment in an associate	-	-
Long term advances	4,275	6,054
Long term security deposits	49,763	35,104
	5,878,213	5,563,253
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	950,741	906,634
Stock-in-trade	6,425,459	6,501,520
Trade debts	4,733,584	3,832,218
Loans and advances	558,267	719,235
Short term deposits and prepayments	462,106	410,969
Other receivables	958,362	871,434
Cash and bank balances	957,050	525,632
	15,045,569	13,767,642
<b>TOTAL ASSETS</b>	<u>20,923,782</u>	<u>19,330,895</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER/PERIOD ENDED 31 MARCH 2014**  
**(UN-AUDITED)**

	Period Ended		Quarter Ended	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
------(Rupees in thousand)-----				
SALES	19,147,179	17,138,949	5,875,569	5,473,276
COST OF SALES	<u>(16,177,092)</u>	<u>(14,184,905)</u>	<u>(4,990,895)</u>	<u>(4,466,076)</u>
GROSS PROFIT	2,970,087	2,954,044	884,674	1,007,200
DISTRIBUTION COST	<u>(948,396)</u>	<u>(1,025,435)</u>	<u>(340,693)</u>	<u>(340,846)</u>
ADMINISTRATIVE EXPENSES	<u>(343,382)</u>	<u>(285,073)</u>	<u>(112,979)</u>	<u>(102,102)</u>
OTHER EXPENSES	<u>(44,486)</u>	<u>(55,159)</u>	<u>(10,181)</u>	<u>(11,580)</u>
	<u>(1,336,264)</u>	<u>(1,365,667)</u>	<u>(463,853)</u>	<u>(454,528)</u>
	1,633,823	1,588,377	420,821	552,672
OTHER INCOME	65,002	37,161	10,512	5,429
PROFIT FROM OPERATIONS	<u>1,698,825</u>	<u>1,625,538</u>	<u>431,333</u>	<u>558,101</u>
FINANCE COST	<u>(857,372)</u>	<u>(902,382)</u>	<u>(237,894)</u>	<u>(318,105)</u>
SHARE OF LOSS FROM ASSOCIATE	-	-	-	-
PROFIT BEFORE TAXATION	<u>841,453</u>	<u>723,156</u>	<u>193,439</u>	<u>239,996</u>
TAXATION	<u>(188,526)</u>	<u>(157,425)</u>	<u>(65,148)</u>	<u>(58,011)</u>
PROFIT AFTER TAXATION	<u>652,927</u>	<u>565,731</u>	<u>128,291</u>	<u>181,985</u>
		<b>Restated</b>		<b>Restated</b>
EARNINGS PER SHARE - BASIC (RUPEES)	<u>10.37</u>	<u>8.78</u>	<u>1.96</u>	<u>2.85</u>
		<b>Restated</b>		<b>Restated</b>
- DILUTED (RUPEES)	<u>9.84</u>	<u>6.82</u>	<u>1.86</u>	<u>2.21</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

# MASOOD TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD ENDED 31 MARCH 2014 (UN-AUDITED)

	Period Ended		Quarter Ended	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	----- (Rupees in thousand) -----			
	Restated			Restated
PROFIT AFTER TAXATION	652,927	565,731	128,291	181,985
OTHER COMPREHENSIVE INCOME				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Recognition of actuarial loss on defined benefit plan	-	(13,994)	-	(4,665)
<b>Items that may be reclassified subsequently to profit or loss</b>				
Other comprehensive loss for the period	-	(13,994)	-	(4,665)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>652,927</u>	<u>551,737</u>	<u>128,291</u>	<u>177,320</u>

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

**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2014**  
**(UN-AUDITED)**

	Note	Period Ended	
		31 Mar 2014	31 Mar 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	9	1,862,846	143,044
Finance cost paid		(867,301)	(904,487)
Income tax paid		(254,715)	(202,167)
Dividend paid to ordinary shareholders		(104,576)	(104,198)
Dividend paid to preference shareholders		(50,431)	(61,612)
Gratuity paid		(93,092)	(46,327)
Net decrease in long term advances		1,779	768
Net increase in long term security deposits		(14,659)	(7,837)
<b>Net cash generated from/(used in) operating activities</b>		<b>479,851</b>	<b>(1,182,816)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		17,954	12,409
Capital expenditure on property, plant and equipment		(619,234)	(624,135)
<b>Net cash used in investing activities</b>		<b>(601,280)</b>	<b>(611,726)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		87,597	337,472
Repayment of long term financing		(492,154)	(421,705)
Repayment of preference shares		(41,667)	(13,333)
Repayment of liabilities against assets subject to finance lease		(49,279)	(33,857)
Short term borrowings - net		1,048,350	1,418,852
<b>Net cash from financing activities</b>		<b>552,847</b>	<b>1,287,429</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>431,418</b>	<b>(507,113)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>525,632</b>	<b>925,384</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>957,050</b>	<b>418,271</b>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

**MASOOD TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2014**  
**(UN-AUDITED)**

(Rupees in Thousand)

	RESERVES							TOTAL EQUITY	
	SHARE CAPITAL	CAPITAL			REVENUE				Total
		Share Premium	Redemption Fund	Sub Total	General	Unappropriated profit	Sub Total		
Balance as at 30 June 2012-Audited	1,008,333	400,000	141,666	541,666	214,500	2,616,055	2,830,555	3,372,221	4,380,554
Effect of change in accounting policy (Note 3.1)	-	-	-	-	-	(11,056)	(11,056)	(11,056)	(11,056)
Balance as at 30 June 2012-Audited (Restated)	1,008,333	400,000	141,666	541,666	214,500	2,604,999	2,819,499	3,361,165	4,369,498
Transfer from capital redemption reserve fund	-	-	(13,333)	(13,333)	-	13,333	13,333	-	-
Preference shares repaid	(13,333)	-	-	-	-	-	-	-	(13,333)
Transfer to capital redemption reserve fund	-	-	5,000	5,000	-	(5,000)	(5,000)	-	-
Transferred to general reserve	-	-	-	-	500,000	(500,000)	-	-	-
Dividend at the rate of Rupees 1.75 per share (Ordinary shares)	-	-	-	-	-	(105,000)	(105,000)	(105,000)	(105,000)
Dividend at the rate of Rupees 1.49 per share (Preference shares)	-	-	-	-	-	(61,612)	(61,612)	(61,612)	(61,612)
Profit after taxation for the nine months ended 31 March 2013	-	-	-	-	-	565,731	565,731	565,731	565,731
Other comprehensive loss for the nine months ended 31 March 2013	-	-	-	-	-	(13,994)	(13,994)	(13,994)	(13,994)
Total comprehensive income for the nine months ended 31 March 2013	-	-	-	-	-	551,737	551,737	551,737	551,737
Balance as at 31 Mar 2013-Un-audited	995,000	400,000	133,333	533,333	714,500	2,498,457	3,212,957	3,746,290	4,741,290
Profit after taxation for the three months ended 30 June 2013	-	-	-	-	-	340,627	340,627	340,627	340,627
Other comprehensive loss for the three months ended 30 June 2013	-	-	-	-	-	(4,665)	(4,665)	(4,665)	(4,665)
Total comprehensive income for the three months ended 30 June 2013	-	-	-	-	-	335,962	335,962	335,962	335,962
Balance as at 30 June 2013-Audited (Restated)	995,000	400,000	133,333	533,333	714,500	2,834,419	3,548,919	4,082,252	5,077,252
Transfer from capital redemption reserve fund	-	-	(41,667)	(41,667)	-	41,667	41,667	-	-
Preference shares repaid	(41,667)	-	-	-	-	-	-	-	(41,667)
Transfer to capital redemption reserve fund	-	-	41,667	41,667	-	(41,667)	(41,667)	-	-
Dividend at the rate of Rupees 1.75 per share (Ordinary shares)	-	-	-	-	-	(105,000)	(105,000)	(105,000)	(105,000)
Dividend at the rate of Rupees 1.27 per share (Preference shares)	-	-	-	-	-	(50,431)	(50,431)	(50,431)	(50,431)
Profit after taxation for the nine months ended 31 March 2014	-	-	-	-	-	652,927	652,927	652,927	652,927
Other comprehensive income for the nine months ended 31 March 2014	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended 31 March 2014	-	-	-	-	-	652,927	652,927	652,927	652,927
Balance as at 31 Mar 2014-Un-audited	953,333	400,000	133,333	533,333	714,500	3,331,915	4,046,415	4,579,748	5,533,081

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

# MASOOD TEXTILE MILLS LIMITED

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2014 (UN-AUDITED)

### 1. THE COMPANY AND ITS OPERATIONS

Masood Textile Mills Limited is a public limited company incorporated under the Companies Act, 1913 (now Companies Ordinance, 1984) and listed on all stock exchanges in Pakistan. Its registered office is situated at Universal House, West Canal Road, Faisalabad. The main objects of the Company are manufacturing and sale of cotton/synthetic fibre yarn, knitted/dyed fabrics and garments.

#### 1.1

Messrs Shandong Ruyi Science and Technology Group Company Limited of China and Mr. Shahid Nazir Ahmad and Mrs. Nazia Nazir (existing shareholders) executed an agreement with the major shareholders of the Company on 09 January 2014 to acquire 51.01% ordinary shares of the Company plus such additional shares as may be required to be purchased from the general public to comply with the takeover laws. The requisite formalities and approvals from competent authorities for this transaction are in process.

### 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 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 30 June 2013.

### 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 2013 except for the change in accounting policy under IAS-19 "Employee Benefits" with effect from 01 July 2013 as given below:

#### 3.1

During the period, the company has adopted IAS-19(Amendment) "Employee benefits" and changed its basis for recognition of actuarial gains and losses on its defined benefit plan. According to new policy actuarial gains and losses are recognized in other comprehensive income in the period in which they occur. Amounts recognized in profit and loss account are limited to current and past service costs, gains and losses on settlements, and net interest income/expense. Previously, the company recognized actuarial gains and losses over the expected average remaining working lives of the employees, to the extent that unrecognized actuarial gains/losses exceeds 10 percent of present value of defined benefit obligation. This change in accounting policy has been accounted for retrospectively in accordance with IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Had there been no change in this accounting policy, the amount recognized in this condensed interim financial information and financial statements for the year ended 30 June 2013 would have been different as follows:

	31 March 2014	30 June 2013
	(Rupees in thousand)	
Decrease in provision for gratuity	29,715	29,715
Increase in un-appropriated profit	29,715	29,715
Increase in other comprehensive income	-	18,659

### 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 2013.

## 5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited 31 Mar 2014 (Number of shares)	Audited 30 June 2013		Un-audited 31 Mar 2014 (Rupees in Thousand)	Audited 30 June 2013
60 000 000	60 000 000	Ordinary shares of Rupees 10 each fully paid in cash	600,000	600,000
35 333 334	39 500 000	Cumulative preference shares (non-voting) of Rupees 10 each fully paid in cash	353,333	395,000
<u>95 333 334</u>	<u>99 500 000</u>		<u>953,333</u>	<u>995,000</u>

## 6. LONG TERM FINANCING-SECURED

Opening balance	2,858,665	3,198,158
Add: Obtained during the period/year	87,597	367,924
Less: Repaid during the period/year	492,154	707,417
	2,454,108	2,858,665
Less: Current portion shown under current liabilities	751,598	676,229
	<u>1,702,510</u>	<u>2,182,436</u>

## 7. CONTINGENCIES AND COMMITMENTS

### a) Contingencies

Guarantees of Rupees 68.894 million ( 30 June 2013: Rupees 68.104 million) have been given by the banks of the company to Sui Northern Gas Pipelines Limited against gas connections and Collector of Customs for import license fee and import of machinery.

### b) Commitments

i) Contracts for capital expenditure are approximately amounting to Rupees Nil (30 June 2013: Rupees 56.445 million ) and other than capital expenditure are amounting to Rupees 139.844 million (30 June 2013: Rupees 126.296 million).

ii) Ijarah (operating lease) commitments amounting to Rupees 52.095 million (30 June 2013: Rupees 45.507 million)

## 8. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 8.1)	5,381,175	5,248,413
Assets subject to finance lease (Note 8.2)	221,108	208,666
Capital work-in-progress	221,892	65,016
	<u>5,824,175</u>	<u>5,522,095</u>

### 8.1 Operating fixed assets

Opening book value	5,248,413	4,521,584
<b>Add:</b>		
Cost of additions during the period/year (Note 8.1.1)	462,358	909,027
Book value of assets transferred from assets subject to finance lease	996	927
Surplus on freehold land	-	226,930
	5,711,767	5,658,468
<b>Less:</b>		
Book value of deletions during the period/year (Note 8.1.2)	13,799	14,158
	5,697,968	5,644,310
Less: Depreciation charged during the period/year	316,793	395,897
	<u>5,381,175</u>	<u>5,248,413</u>

#### 8.1.1 Cost of additions during the period/year

Freehold land	7,958	44,519
Buildings on freehold land	61,501	55,167
Plant and machinery	328,557	717,681
Electric and gas installations	37,407	38,996
Factory equipment	5,436	3,372
Telephone installations	112	1,310
Furniture and fixtures	5,270	17,943
Office equipment	435	84
Computer equipment	11,910	20,462
Vehicles	3,772	9,493
	<u>462,358</u>	<u>909,027</u>

	Un-audited 31 Mar 2014	Audited 30 June 2013
	(Rupees in thousand)	
<b>8.1.2 Book value of deletions during the period/year</b>		
Freehold land	220	-
Buildings on freehold land	-	943
Plant and machinery	9,775	8,534
Electric and gas installations	246	-
Office equipment	43	-
Computer equipment	145	-
Vehicles	3,370	4,681
	<u>13,799</u>	<u>14,158</u>
<b>8.2 Assets subject to finance lease</b>		
Opening book value	208,666	173,431
Add: Additions during the period/year ( Note 8.2.1 )	39,870	69,010
	<u>248,536</u>	<u>242,441</u>
Less: Book value of assets transferred to operating fixed assets during the period/year ( Note 8.2.2 )	996	927
	<u>247,540</u>	<u>241,514</u>
Less: Depreciation charged for the period/year	26,432	32,848
	<u>221,108</u>	<u>208,666</u>
<b>8.2.1 Additions during the period/year</b>		
Plant and machinery	39,870	60,650
Vehicles	-	8,360
	<u>39,870</u>	<u>69,010</u>
<b>8.2.2 Book value of assets transferred to operating fixed assets during the period/year</b>		
Plant and machinery	996	-
Vehicles	-	927
	<u>996</u>	<u>927</u>
	(Un-audited)	
	Period Ended	
	31 Mar 2014	31 Mar 2013
	(Rupees in thousand)	
<b>9. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	841,453	723,156
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	343,225	310,044
Provision for gratuity	144,211	115,815
(Gain)/loss on sale of property, plant and equipment	(4,155)	16,822
Finance cost	857,372	902,382
Working capital changes (Note 9.1)	(319,260)	(1,925,175)
	<u>1,862,846</u>	<u>143,044</u>
<b>9.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	(44,107)	(99,700)
Stock in trade	76,061	(1,290,470)
Trade debts	(901,366)	(306,992)
Loans and advances	160,968	(86,982)
Short term deposits and prepayments	(19,134)	4,755
Other receivables	(86,928)	(105,395)
<b>Increase / ( decrease ) in current liabilities:</b>		
Trade and other payables	495,246	(40,391)
	<u>(319,260)</u>	<u>(1,925,175)</u>

## 10. SEGMENT INFORMATION

### 10.1 Segment results

Spinning		Knitting		Processing and Garments		Elimination of inter-segment transactions		Total-Company	
(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
Period ended		Period ended		Period ended		Period ended		Period ended	
31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013

(Rupees in Thousand)

Sales	1,865,224	1,582,193	6,622,663	4,828,832	16,257,052	16,297,082	(7,597,760)	(5,569,156)	19,147,179	17,138,949
Cost of sales	(1,739,091)	(1,490,845)	(6,427,748)	(4,672,798)	(15,608,013)	(13,590,421)	7,597,760	5,569,158	(16,177,092)	(14,184,905)
Gross profit	126,133	91,348	194,915	156,034	2,649,039	2,706,661	-	-	2,970,087	2,954,044
Distribution cost	(23,012)	(21,460)	(73,486)	(71,554)	(851,898)	(932,421)	-	-	(948,396)	(1,025,435)
Administrative expenses	(18,088)	(14,334)	(51,019)	(45,042)	(274,275)	(225,697)	-	-	(343,382)	(285,073)
	(41,100)	(35,794)	(124,505)	(116,596)	(1,126,173)	(1,158,118)	-	-	(1,291,778)	(1,310,508)

Profit before taxation and unallocated income and expenses	85,033	55,554	70,410	39,438	1,522,866	1,548,544	-	-	1,678,309	1,643,536
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#### Unallocated income and expenses:

Other expenses									(44,486)	(55,159)
Other income									65,002	37,161
Finance cost									(657,372)	(902,382)
Share of loss from associate									-	-
Taxation									(188,526)	(157,425)
Profit after taxation									652,927	565,731

### 10.2 Reconciliation of reportable segment assets and liabilities

	Spinning		Knitting		Processing and Garments		Total-Company	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	31 Mar 2014	30 June 2013	31 Mar 2014	30 June 2013	31 Mar 2014	30 June 2013	31 Mar 2014	30 June 2013

(Rupees in Thousand)

Total assets for reportable segments	1,242,799	887,667	1,725,430	1,868,996	10,232,146	10,173,586	13,200,375	12,930,249
Unallocated assets							7,723,407	6,400,646
Total assets as per balance sheet							20,923,782	19,330,895
		Restated		Restated		Restated		Restated
Total liabilities for reportable segments	128,527	91,288	917,184	682,935	2,244,886	1,964,812	3,290,597	2,739,035
Unallocated liabilities							11,493,842	10,908,346
Total liabilities as per balance sheet							14,784,439	13,647,381

#### **11. TRANSACTIONS WITH RELATED PARTIES**

Remuneration paid to Chief Executive Officer, Directors and Executives of the Company during the period is Rupees 89.726 million (31 March 2013: Rupees 78.592 million).

#### **12. 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 2013.

#### **13. DATE OF AUTHORIZATION**

This condensed interim financial information was approved by the Board of Directors of the Company and authorized for issue on 29 April 2014.

#### **14. 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 rearranged, wherever necessary, for the purpose of comparison. However, no significant rearrangement has been made except for earnings per share-basic & diluted have been restated as preference dividend (undeclared) amounting to Rupees 39.215 million and Rupees 11.075 million for the nine months ended 31 March 2013 and the quarter ended 31 March 2013 respectively has been subtracted from profit after taxation for these computations in compliance with requirements of IAS-33 "Earnings per share".

#### **15. GENERAL**

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

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