

IDREES

TEXTILE MILLS LIMITED

CONDENSED INTERIM
FINANCIAL INFORMATION FOR THE NINE MONTHS
ENDED MARCH 31, 2013
(UN-AUDITED)



DIRECTORS' REPORT



The Directors of Idrees Textile Mills Limited are pleased to present the condensed interim un-audited financial information of the Company for the nine months ended March 31, 2013.

The Company's sales during the period under review stood at Rs. 1,595.833 million as compared to Rs. 800.585 million during the corresponding period, which shows an increase of Rs. 795.248 million. Net profit for the period amounted to Rs. 36.791 million as compared to a profit of Rs. 28.107 million in the corresponding period of last year. Earnings per share amounted to Rs. 2.04 as compared to Rs. 1.56 in the same period of last year.

The management is committed to enhance shareholders, value in spite of increase in minimum wage, high energy cost, power and gas shortage and import of yarn which are major concerns for the industry.

During the period under review, the Company has been able to increase sales volume owing to BMR of production facilities.

Competitiveness of the textile sector largely depends on cotton and yarn prices which remained volatile during the period under review and are currently under pressure. Weakness of Pak rupees is another factor that increases the cost of doing business. Despite of the aforesaid factors affecting the business environment, your Company's management is optimistic for the future.

The Board records its appreciation for the dedicated services of staff members and support of the bankers, vendors, customers & shareholders and looks forward to the same co-operation and understanding in future as well.

Karachi.
April 29, 2013

for on behalf of the Board
S.M. Idrees Allawala
Chairman / Director

CONDENSED INTERIM BALANCE SHEET

as at March 31, 2013
(UN-AUDITED)



	Un-audited March 31, 2013	Audited June 30, 2012
Rupees		
SHARE CAPITAL AND RESERVES Note		
Authorized capital 22,000,000 (June 30, 2012: 22,000,000) Ordinary shares of Rs.10/- each	220,000,000	220,000,000
Issued, subscribed and paid up capital	180,480,000	180,480,000
Unappropriated profit	315,723,047	278,424,564
	496,203,047	458,904,564
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	333,929,939	341,784,416
NON-CURRENT LIABILITIES		
Long-term financing From Related parties Banking companies	100,330,001	100,330,001
	17,428,523	22,000,000
	117,758,524	122,330,001
Liabilities against assets subject to finance lease	76,003,454	58,179,225
Deferred liabilities	287,111,001	281,229,596
CURRENT LIABILITIES		
Trade and other payables	120,161,891	78,787,058
Interest / markup accrued	20,390,383	16,408,919
Short term borrowings	686,284,411	374,135,024
Current-portion of long-term finance	48,000,000	34,037,500
liabilities against assets subject to lease finance	38,267,065	22,707,213
Provision for taxation	15,844,939	12,630,339
	928,948,689	538,706,053
CONTINGENCIES AND COMMITMENTS 2	2,239,954,654	1,801,133,855
NON-CURRENT ASSETS		
Property, plant and equipment 3	1,045,598,326	1,032,681,965
Long-term deposits	29,115,392	16,553,984
CURRENT ASSETS		
Stores, spares and loose tools 4	29,753,774	24,637,638
Stock-in-trade	673,156,291	348,333,277
Trade debts	355,833,998	303,445,867
Loans and advances	29,748,005	18,041,439
Deposits and short term prepayments	2,459,368	580,673
Other receivables	25,606,364	9,845,766
Cash and bank balances 5	48,683,136	47,013,246
	1,165,240,936	751,897,906
The annexed notes form an integral part of these condensed interim financial information.	2,239,954,654	1,801,133,855

IMRAN IDRIS ALLAWALA
Chief Executive Officer

MANSOOR IDRIS ALLAWALA
Director

CONDENSED INTERIM PROFIT & LOSS ACCOUNT

For The Nine Months Ended March 31, 2013
(UN-AUDITED)



	Nine Months Ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	(July - March)		(January - March)	
Rupees				
Sales - net	1,595,833,147	800,585,681	536,337,254	233,584,464
Cost of goods sold 4	(1,437,964,390)	(669,075,828)	(475,253,655)	(187,557,706)
Gross profit	157,868,757	131,509,853	61,083,599	46,026,758
Other operating income	3,628,015	2,422,447	560,209	284,752
	161,496,772	133,932,300	61,643,808	46,311,510
Distribution cost	(5,695,754)	(232,500)	(2,240,968)	(232,500)
Administrative expense	(33,489,922)	(23,914,353)	(16,977,229)	(7,765,863)
Other operating cost	(4,368,357)	(7,318,520)	(1,456,119)	(4,481,924)
Finance cost	(64,144,012)	(60,230,073)	(24,814,759)	(24,619,221)
	(107,698,045)	(91,695,446)	(45,489,075)	(37,099,508)
Profit before taxation	53,798,727	42,236,854	16,154,733	9,212,002
Taxation - current period	(15,844,939)	(8,204,047)	(5,283,000)	(2,498,842)
- Prior	-	130,702	0	-
- deferred	(1,162,033)	(6,056,185)	(390,000)	(6,524,224)
	(17,006,972)	(14,129,530)	(5,673,000)	(9,023,066)
Profit for the period	36,791,755	28,107,324	10,481,733	188,936
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	36,791,755	28,107,324	10,481,733	188,936
Earnings per share - basic and diluted	2.04	1.56	0.58	0.01

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

IMRAN IDRIS ALLAWALA
Chief Executive Officer

MANSOOR IDRIS ALLAWALA
Director

CONDENSED INTERIM CASH FLOW STATEMENT
For The Nine Months Ended March 31, 2013
(UN-AUDITED)



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
For The Nine Months Ended March 31, 2013
(UN-AUDITED)



March 31 **March 31**
2013 **2012**
..... Rupees

A. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	53,798,727	42,236,854
Adjustments for :		
Depreciation	58,209,938	53,934,776
Provision for gratuity	6,714,000	4,028,616
Liabilities Written back	(565,979)	-
Financial charges	64,144,012	60,230,073
(Income)/Loss on disposal of property, plant and equipment	-	1,407,914
Operating cashflow before movement of working capital	182,300,698	161,838,233
Changes in working capital		
(Increase)/decrease in current assets		
Stores, spares and loose tools	(5,116,136)	803,258
Stock in trade	(324,823,014)	(355,491,159)
Trade debts	(52,388,131)	51,378,052
Loans and advances	1,787,588	(8,276,097)
Deposits and short term prepayments	(1,878,695)	329,283
Other receivables	(15,760,598)	(1,444,097)
Increase/(Decrease) in current liabilities	41,294,585	78,901,346
Cash generated from/(used in) operations	(174,583,704)	(71,961,181)
Financial charges paid	(60,162,548)	(56,205,555)
Gratuity paid	(3,879,650)	(3,976,700)
Income tax paid	(25,922,632)	(9,027,657)
Net cash from/(used in) operating activities	(264,548,534)	(141,171,093)

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(71,126,299)	(18,560,840)
Proceeds on disposal of property, plant and equipment	-	3,057,962
Capital work in progress	-	(2,326,306)
Long term deposits adjusted	(12,561,408)	(8,778,956)
Net cash (used in) investing activities	(83,687,707)	(26,608,140)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long term loans obtained from banking companies.	45,428,523	50,000,000
Repayment of long term loans from banking companies.	(36,037,500)	(24,425,000)
Finance Lease obtained/(repaid)-net	33,384,081	(13,079,279)
Murabaha finance obtained-net	24,699,000	-
Dividend paid	(5,018,360)	(5,352,613)
Net cash from/ (used in) financing activities	62,455,744	7,143,108
Net (decrease) in cash and cash equivalent (A+B+C)	(285,780,497)	(160,636,125)
Cash and cash equivalent at beginning of the period	(325,701,778)	(330,019,132)
Cash and cash equivalent at end of the period	(611,482,275)	(490,655,257)
Cash & cash equivalents		
Cash & bank balances	48,683,136	48,950,949
Running finance	(317,138,797)	(246,991,475)
Cash finance	(343,026,614)	(292,614,730)
	(611,482,275)	(490,655,257)

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

IMRAN IDREES ALLAWALA
Chief Executive Officer

MANSOOR IDREES ALLAWALA
Director

1. GENERAL INFORMATION

- 1.1 Idrees Textile Mills Limited (the Company) was incorporated in Pakistan as an unquoted public company limited by shares on June 05, 1990 under the Companies Ordinance, 1984 and is listed on Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at Ismail Centre, Central Commercial Area Bahadurabad, Karachi in the province of Sindh. The principal activity of the Company is manufacturing and sale of yarn and fabric. The Company's manufacturing facility is located at Kot Shah Muhammad, District Nankana, Punjab.
- 1.2 The condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.
- 1.3 The condensed interim financial information has been prepared under the historical cost convention except that property, plant and equipment are stated at revalued amounts, certain financial instruments at fair value and certain employee retirement benefits are recognised at present value.
- 1.4 These condensed interim financial information has been prepared in accordance with the International Financial Reporting Standards, International Accounting Standard (IAS) 34 "Interim Financial Reporting" and in compliance with the requirement of section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchange.
- 1.5 The accounting policies and methods of computation followed in the preparation of these condensed interim financial information are the same as those of the published annual financial information for the year ended June 30, 2012. These condensed interim financial information does not include all of the information required for annual financial information and therefore should be read in conjunction with the annual financial information of the Company for the year ended June 30, 2012.
- 1.6 The comparative balance sheet presented has been extracted from annual audited financial statements for the year ended June 30, 2012, whereas comparative condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from the unaudited condensed interim financial information for the nine months ended March 31, 2012.

2. CONTINGENCIES AND COMMITMENTS

Note	March 31, 2013 Rupees	June 30, 2012 Rupees
2.1 Contingencies		
Letters of Guarantee issued by Banks on behalf of the Company	316,261,598	47,583,168
2.2 Commitments		
Letters of credit		
raw material	249,586,957	23,721,078
store & spares	21,600,629	8,698,022
plant & machinery	45,074,012	53,866,413

3. PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment during the period were Rs. 60,464,591 (June 30, 2012 : Rs. 110,638,524). No Disposals during the period (June 30, 2012 : Rs. 6,808,028)

Nine Months Ended		Quarter Ended	
March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
..... Rupees			

4. COST OF GOODS SOLD

Raw material	1,057,367,357	429,600,320	399,258,659	110,078,192
Stores and spares	73,030,875	41,718,675	32,686,292	13,778,141
Fuel and power	158,782,709	124,169,729	61,129,466	43,434,095
Salaries, wages and benefits	116,078,801	74,440,483	38,439,173	25,434,431
Depreciation	56,492,083	51,863,134	18,995,218	17,678,256
Insurance	4,085,846	4,001,150	1,350,000	1,303,553
Repairs and maintenance	2,942,686	2,413,279	895,546	1,267,185
Other manufacturing overheads	6,519,322	3,122,973	3,299,155	1,182,783
	1,475,299,679	731,329,743	556,053,509	214,156,636
Work-in-process				
Opening stock	21,622,605	25,536,166	21,794,238	22,922,767
Closing stock	(27,053,498)	(22,370,815)	(27,053,498)	(22,370,815)
	(5,430,893)	3,165,351	(5,259,260)	551,952
Cost of goods manufactured	1,469,868,786	734,495,094	550,794,249	214,708,588
Finished goods				
Opening stock	124,792,862	106,404,037	81,156,664	144,672,421
Closing stock	(156,697,258)	(171,823,303)	(156,697,258)	(171,823,303)
	(31,904,396)	(65,419,266)	(75,540,594)	(27,150,882)
	1,437,964,390	669,075,828	475,253,655	187,557,706

5. AGGREGATE TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS AND RELATED PARTIES

	March 31, 2013	March 31, 2012
Contribution to provident fund	701,395	631,237
Remuneration to:		
Chief Executive Officer	525,000	450,000
Directors	1,575,000	1,350,000

6. APPROVAL OF CONDENSED INTERIM FINANCIAL INFORMATION

These condensed interim financial information was authorized for issue on 29th of April 2013 by the Board of Directors of the Company.

STATEMENT OF CHANGES IN EQUITY

For The Nine Months Ended March 31, 2013
(UN-AUDITED)



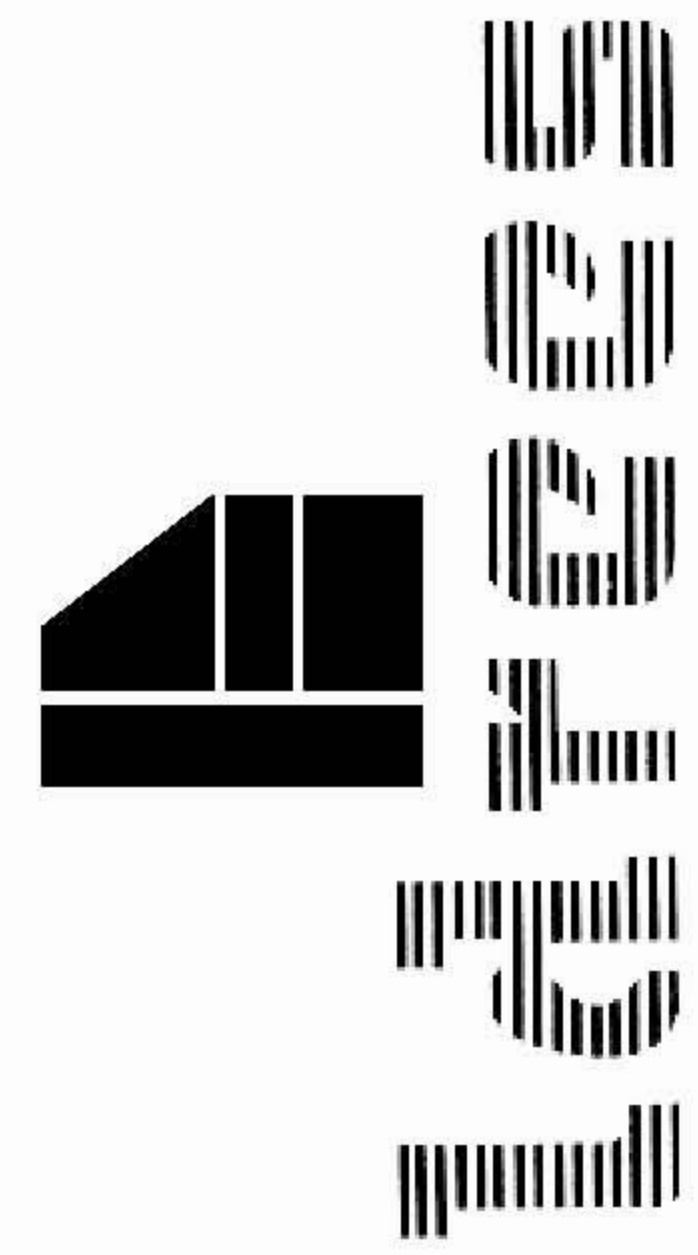
	<i>Issued, subscribed and paid up capital</i>	<i>Unappropriated profit</i>	<i>Total</i>
 Rupees		
Balance at July 1, 2011	180,480,000	237,738,616	418,218,616
Cash dividend for the year ended June 30, 2011 @ Re 1/- per share to minority shareholders	-	(4,976,148)	(4,976,148)
Total comprehensive income for the period ended March 31, 2012	-	28,107,324	28,107,324
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	8,033,139	8,033,139
Balance at March 31, 2012	180,480,000	268,902,931	449,382,931
Total comprehensive income for the period ended June 30, 2012	-	5,628,835	5,628,835
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	3,892,798	3,892,798
Balance at July 1, 2012	180,480,000	278,424,564	458,904,564
Cash dividend for the year ended June 30, 2012 @ Re 1/- per share to minority shareholders	-	(5,462,726)	(5,462,726)
Total comprehensive income for the period ended March 31, 2013	-	36,791,755	36,791,755
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	5,969,454	5,969,454
Balance at March 31, 2013	180,480,000	315,723,047	496,203,047

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


IMRAN IDREES ALLAWALA
Chief Executive Officer


MANSOOR IDREES ALLAWALA
Director

A MEMBER OF THE



ALLAWALA GROUP

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